



Are you asking the right questions to prevent Bribery and Corruption?

The enforcement of Anti-Bribery and Corruption (ABC) laws continues to escalate across the global marketplace. Significant cases under the Foreign & Corrupt Practices Act (FCPA), the UK Bribery Act and other local laws, have been noteworthy developments, along with higher levels of cross-jurisdictional cooperation and an increase in whistleblower activity. Governments around the world have taken up the battle against bribery and corruption—placing your business directly in the cross-hairs.

The threat of being targeted with an anti-bribery and corruption investigation is real and the impact can last well beyond the initial fines and penalties. Your bottom line takes the immediate hit from legal fees, investigation costs, remediation efforts and the actual, and often staggering, fines. The deeper risk of an ABC enforcement is found in the ongoing, indirect costs that can have lasting effects on business continuity and performance for several years. An enforcement puts your business in line for a simultaneous assault of dire consequences:



- Significant reputational damage



- Drain of employee talent and added difficulty in replacing employees



- Erosion of market value and/or share price



- Ongoing costs of supervision by an independent compliance monitor



- Exclusion from new market opportunities and injury to long-term client relationships



- Potential personal liability or jail time

When you look at the substantial compliance and business risk of being pursued for an ABC enforcement, it can feel like an overwhelming issue to contend against. Are you currently exposed to ABC risk by customers or third-party vendors? What tools and processes do you have in place to detect and prevent ABC risk? Which resources need to be dedicated to strengthening ABC protocols? How can you balance protecting against ABC compliance risk with your main priorities of core business operations and revenue generation?

A smart place to start is by considering these critical questions to ensure you have the six components of an effective anti-bribery and compliance program in place. Taking a steer from the guidance issued relating to the UK Bribery Act, these are principles that can help form a strong foundation of your processes:



Are the ABC procedures you have in place proportionate to the risk? Gaining a clear understanding of whether your current ABC protocols are adequate to prevent bribery and corruption within your business operations is an essential first step. Are your processes for assessing ABC risk consistent and clear? Are protocols agile enough to respond to varying levels of risk without interrupting critical business operations? What is the escalation path when conducting business with individuals or entities in regions where ABC risk is more pronounced? Are checks and balances in place across the enterprise to facilitate easy information exchange about suspected ABC risk?



Does a strong commitment to ABC prevention begin at the top level of your business?

A top-down approach to the implementation of your ABC prevention process is a vital component to ensure the efficacy of your anti-bribery and corruption policies. Visible and well-communicated buy in from senior level executives within your organization sets the tone for ABC prevention efforts. When key function groups in your compliance efforts feel empowered and financially supported by the highest levels of the business, the endeavors to undertake and uphold ABC prevention are much more effective and regarded as a much higher priority.



How comprehensive are your risk assessment processes? A successful ABC compliance program is underpinned by an integrated, risk-based strategy that provides clear guidelines for assessing the risks posed by your customers, vendors and third-party supply chain participants. A strong program features consistent protocols that are regularly implemented on an enterprise-wide basis and fortified with a solid foundation of communication and training for both employees and vendors. Well-defined paths for escalation and preventative actions are also key tenets of a risk-based program. Distinct processes for documenting risk assessments and outcomes are another important part of an integrated strategy.



Have you measured the strength of your due diligence processes? How well do you know your customers, vendors and other third parties you do business with? What other entities or foreign officials are your business partners and key customers connected to that may create exposure to ABC risk? Understanding the interplay of connections that may not be initially obvious is very important in protecting your business. Due diligence is only as effective as the data sources you utilize to perform it. Valuable data sources for due diligence share these vital characteristics: robust global coverage that leverages a variety of both public records and unique, proprietary sources, recent and relevant data that is frequently updated and the technology backing to link and distill disparate data into actionable information.



Are your company goals for ABC prevention clearly communicated at an enterprise level?

The best ABC strategy is one that employees, vendors and third-party supply chain participants can easily articulate and play a defined role in implementing. Frequent communication and training directed at these internal and external channels is essential to safeguard your ABC compliance processes. Ongoing communication also creates a level of transparency across your employee and supply chain base that fosters a culture of shared commitment to ABC prevention.



Do you have sufficient controls in place for ongoing monitoring of your ABC prevention strategy? To validate the efficacy of ABC programs, your business needs a way to perform ongoing assessments of the components of your prevention strategy. Periodically evaluating your ABC strategy from a holistic perspective that includes internal financial controls, feedback from staff and vendors, training reviews and the exchange of best practices with industry peers will help identify areas for improvement and uncover weaknesses that increase ABC risk.

Exposure to ABC risk is a continuous threat that is complicated by operating in a global economy. The good news is that ABC prevention and compliance can be successfully managed with a well-informed, integrated strategy. LexisNexis® Risk Solutions offers intelligent solutions to help you tackle the ABC prevention challenge without taking critical focus off of your core business objectives. Contact us to learn more.

For more information on our ABC solutions, please visit:
<https://risk.lexisnexis.com/global/en/anti-bribery-and-corruption>

