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The world thinks Australia should lift its anti-corruption game

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Anti-corruption experts in the US and Europe have urged Australia to properly resource and empower its anti-bribery regime as Australia emerges as the "dumping ground" for dirty money from Asia.

Officials believe that under-resourcing, ineffective laws and competing priorities between the federal police and corporate watchdog ASIC are a factor in the failure to resolve many cases.

The call comes after Fairfax Media revealed Australian involvement in one of the biggest bribery scandals to ever hit – a scandal that has implicated a number of Australian firms and executives including the offshore arm of Leighton Holdings and WorleyParsons.

Revelations in Fairfax Media about a Tabcorp payment to Cambodia also recently forced the company's former CEO, Elmer Funke Kupper, to resign from his role as chief of the Australian Securities Exchange, one of corporate Australia's top positions.

The Coalition government has focused on fighting union corruption, but has been all but silent on the major gaps in Australia's anti-corporate corruption regime.

Since 1999, when it became illegal for Australian firms to bribe foreign officials to win overseas contracts, the AFP has launched about three dozen investigations, but only two have led to prosecutions. Both cases are still ongoing. Earlier this month, the AFP launched investigations into Tabcorp for allegedly paying a bribe in Cambodia as part of efforts to obtain a gaming licence.

Senior OECD anti-corruption official William Loo said the federal police may not be adequately resourced to handle so many major investigations.

"How on earth will they [the AFP] do all these cases they have opened? Whether they [AFP agents] have the resources is a big question mark. We see a lot of enforcement in the US. But where are the corporate criminal liability cases in Australia?" he asked.

The chief of the US Securities and Exchange Commission's corporate bribery unit, Kara Brockmeyer, said the AFP's anti-corporate corruption team had been led by a highly respected, experienced police commander, but queried why they had "so many" other crime types to simultaneously manage.

"You need a discrete unit. That's why you see the big spike [in cases in the US]," Ms Brockmeyer said. "I really want to see Australia change."

Michael Stefanovic, who until a few weeks ago was the United Nations' chief anti-corruption investigator, said: "If you want to do this stuff, you must specialise in it. When I heard [the AFP chief corporate crime manager] had so many different priorities, I thought, 'This is crazy!'"

Mr Stefanovic said the AFP's bribery teams "need to be more accessible", far better resourced and "have a clear anti-corruption brand".

Justice Minister Michael Keenan said the Coalition government took a "zero tolerance" approach to corruption and was committed to ensuring it did not become complacent.

US and British agencies fighting corporate corruption have teams with dozens of investigators and support staff, along with budgets that dwarf their Australian equivalent's. They also work with laws that make prosecutions or settlements with firms easier to achieve.

The failure of Australia's corporate watchdog, ASIC, to play a meaningful role in the fight against foreign bribery was heavily criticised by several overseas officials.

The OECD's Mr Loo observed that ASIC is "well placed to do more, but they keep saying, 'We don't have the mandate'. We were surprised at how adamant they were. Given they are so well placed to do it, why wouldn't they get involved?"

The director of operations for the World Bank's integrity department, Stephen Zimmermann, warns that, "every Australian company that does business is exposed to corruption. You are naive to think otherwise. There are big problems with corruption in most countries. The risk for Australia is the same.

"You have to have a credible enforcement mechanism ... People have to believe that there is a real chance they will get caught, and if they are caught, something will happen to them. It could be debarment, prosecution, fines ... It's creating a perception that there is a cost is engaging in this conduct."

Mr Zimmermann also said Australia could do far more to train and support corruption authorities in the Asia Pacific region.

"Australia is in a unique position and has not fully taken on board its opportunities," he said. "Australia is the leading economy and the most developed government structure in the region. There is enormous opportunity there. Australia has more influence than anyone else out there. It is not enough to give away the money. You have to give away the expertise. I'd love to see Australia really step it up in the Asia Pacific region."

This story was found at: <http://www.smh.com.au/national/the-world-thinks-australia-should-lift-its-anticorruption-game-20160331-gnv9pz.html>