

NEWSLETTER

Welcome to the second edition of your newsletter. As many of you know, the official launch on November 15 at York University's Downtown Management Centre was a great success, with many representatives from the private, public, and not for profit sectors participating. There was good media coverage, and guests were treated to a small luncheon before the first official meeting of the Board was convened in the afternoon.

Since that time, your Board has met again to address important policy issues, and to establish three committees and a membership chair. Please read through the following and let us know about your ideas or suggestions.

Committees

Three committees have been struck to deal with the major issues that face TI Canada. The first one is the Communications Committee. Its role is to formulate and communicate policy statements, media releases, and public education programmes. One objective of Transparency International is to raise consciousness on the issue of international corruption and its costs.

The second committee is the Best Practices Committee. This group will look into the feasibility of producing a "Corporate Best Practices Manual" for Canadian business people to use as a guide when trying to establish anti-corruption systems and policies within their own firms.

The third committee is the Public Policy Committee. This group will investigate and advise on actual and proposed initiatives by government bodies.

In addition, a membership Chair was established to coordinate the inclusion of new members during the first year of operation. This job will be taken up by Bob Macdonald, of Lindquist, Avey, Macdonald, & Baskerville. Please contact him at (416) 777-2470 if you know of someone whose organization may be interested in becoming a charter or regular member.

Policy Issue

The major policy issue for TI Canada at the moment is how to respond to unfolding issues that may involve corruption. All of the members of the TI Board of Directors, and especially the academics, are regularly contacted by the media for comments on situations such as the disposition of the Bre-X gold find in Indonesia. As an organization that is concerned about corruption, and claims to have some ideas about dealing with corruption, it is only natural that we are often approached for comments.

There are two components to the position of Transparency International. At the 1994 Annual Meeting that established the concept of national chapters (such as TI Canada) two firm limits were placed on them. First, they must never form an association with any particular political party. That would alienate supporters of other political parties and place in doubt their objectivity. Second, they must never investigate and expose particular cases of corruption. That would alienate potential members, the very people who TI wants to reach.

The goal of TI is to search for professional and technical improvements to anti-corruption systems and to seek practical change in laws, institutions, and policies that will drastically reduce the incidence of corruption in the future.

However TI Canada wants to speak out against corruption so that it does not seem to be an insincere organization, or one that is compromised by corporate sponsorship. Hence TI Canada will speak out against particular cases of corruption that have already been investigated and exposed by others. This position reflects the view that social commentary is an important part of our consciousness-raising mandate.

This aspect of TI's mandate has been set out in a September 23 letter to the editor of Time magazine by Jeremy Pope, who is Transparency International's Managing Director, referring to TI as "a watchdog of economic crimes."

Membership

Please keep in mind that new members are always welcome. Your membership entitles you to regular newsletters and information on the international battle against corruption, and gives you access to educational literature and other resources.

Membership also entitles you to information about committee activity, notice of meetings, and the opportunity to offer input on their analysis and decisions. By this summer, we hope to have established the charitable foundation that will allow us to receive and certify tax deductible contributions.

There are several categories of membership ranging in cost from \$50 to \$10,000. An information sheet and application for membership have been included with this mailing.

TI on the World Wide Web

Please visit the TI website and admire the fine work done by the Berlin Technical University in publishing the Sourcebook. You will also find information and newsletters from TI-Australia and an activity calendar for TI-Denmark. This is the address:

<http://www.transparency.de>

TI in the United States

Fritz Heimann has met with the Ford foundation to seek a further two-year grant in support of the Source Book project. It is being gradually published on "the Web" at the above address.

TI Head Office

Carel Mohn, a recent political science graduate, has been appointed to handle media and public relations contacts.

TI and the OECD

The hearings of the OECD's "Working Group on Bribery in International Business Transactions" took place this November in Paris. TI was represented by Chairman and President Peter Eigen, Laurence Cockcroft, and Michael Wiehen. The International Chamber of Commerce (ICC) was represented by Secretary General Maria Livanos Cattau and Fritz Heimann. The World Bank was represented by Mike Stevens and Louis Forget.

The ICC presented its own Rules of Conduct, supported OECD recommendations, and urged their immediate implementation. TI presented its approach, especially the Islands of Integrity, and supported the OECD recommendations. The World Bank spoke of new Procurement Guidelines that provide disclosure of all commissions and allow blacklisting of firms involved in bribery.

The United Nations

A new UN declaration against corruption and bribery in international commercial transactions comes into effect just as Kofi Annan steps in as new Secretary-General. The declaration urges member states to take measures and cooperate at all levels to combat the problem, supports initiatives by UN organizations, and promises a report to the next session on awareness-raising and other activities.

Clay Westcott of the United Nations will be holding workshops using TI's Source Book and developing a Pacific Islands version of it.

The World Bank

World Bank president James Wolfenson sent a letter to Ukrainian president Leonid Kuchma at the beginning of the year criticizing corruption within the government. The deputy minister responded with agreement, and a call for tax reform.

Olusegun Obasanjo

Several TI members joined in producing a 696 page "letter" to General Obasanjo, who is the former president of Nigeria and a member of our Advisory Council. He was arrested on March 13, 1995 after presiding over TI's presentation to the World Summit on Social Development in Copenhagen, and is still in a Nigerian prison.

Corruption Course

Dr. Peter Perry of Canterbury University (New Zealand) will offer an honours level course believed to be the first of its kind entitled, "The Geography of Political Corruption."

National Chapters Workshop

In February there will be a workshop in Mzuzu, Malawi sponsored jointly by TI-Malawi and Stig Nyegaard of TI-Denmark. It will focus on ways of keeping a national chapter (or any NGO) operating and sustainable.

National Integrity Workshop

TI Malawi held a National Integrity Workshop in connection with its official launch at the end of November, assembled by Bishop Bvumbwe. The workshop was a good example of how to apply the National Integrity Sourcebook. The TI Berlin team of Margit van Ham and Jeremy Pope was augmented by Stig Nyegaard of TI Denmark and Sahr Kapundeh, an independent consultant. Mr. Kapundeh has published widely on corruption in an African environment, and is a valuable asset for any country considering the adoption of the National Integrity System.

IACC 1997 in Peru

An International Anti-Corruption Conference will be held in Lima, Peru on September 7-11.

Australia

Peter Rooke of TI-Australia reports that they have been making submissions to the federal government in Canberra on the stance Australia should take on the issue of international corruption, including its response to the OECD recommendations, and encouraging business to support effective international action.

Brussels

Dieter Frisch (TI-Brussels) has written an article in the "European Voice" challenging the EU to stop tax deductibility for bribes. Copies are available through the head office in Berlin. Karel van Miert, the European Commissioner for Competition Policy, announced a possible initiative directed at ending this tax deductibility. A proposal has been published but not yet ratified by the 15 member states. It would criminalize corruption involving national and European officials, reaching outside of national boundaries but within EU boundaries.

Peter Eigen spoke there at the "Corrupt Practices and Market Discipline" conference on November 20. He said that there are people who don't know about corruption, those who know and accept the situation, and those who act in full knowledge of the facts. Thus corruption must be fought on three fronts: ignorance, resignation, and cynicism.

Hungary

At the end of October a new chapter was launched in Budapest, with corporate and individual members participating and a senior official of the local Chamber of Commerce was elected to be the first Chairman.

India

The launch of the Indian chapter of TI is scheduled for March 22-23, in collaboration with the Delhi Seminar in Fighting Corruption.

Italy

A new national chapter was launched in Milan on January 20 with the support of the Chamber of Commerce. The president is Ms. Maria Teresa Brassiolo.

Malaysia

This group is working towards registration and has led a successful campaign of letters to the editor. A workshop on the role of the private sector in the development of a National Integrity System will be held in June.

Morocco

This group, chaired by Sion Assidon, has not even been officially launched and it has already held an "Anti-Corruption Day" on January 6. The group is advocating democracy and is meeting resistance from the government of the day which refuses to register it.

Nicaragua

President Arnaldo Aleman became the first head of state there to reveal his personal wealth. He showed possessions of \$1.05 million including four ranches, two houses, a small island, a coffee mill, part of two apartments in Miami, \$100,000 worth of art, \$40,000 worth of jewelry, eight vehicles, 500 head of cattle, and a bank balance of \$63,653.

He presented the list to Comptroller General Augustin Jarquin to demonstrate his commitment to the fight against corruption. He pledged that the other members of his government would do the same.

Pakistan

On March 18-19, just before the launch of TI-India in Delhi, there will be a seminar in Karachi led by Mian Mumtaz Rafee.

Papua New Guinea

On January 24 the PNG chapter of TI was launched by Anthony Siaguru with financial support already in place. This group will put corruption on the agenda of the APEC Business Advisory Council meeting at Port Moresby on February 21-23.

Romania

The new president Emil Constantinescu and prime minister Victor Clorbea are members of the Campaign of the Democratic Convention, which has established an anti-corruption committee and has appointed a special advisor.

Tanzania

The Presidential Commission of Inquiry Against Corruption, which accuses individuals (including a current minister) of specific acts of corruption, was presented to the president. Its comments were discussed at an Integrity Workshop and official launch December 14-15.

Uganda

The new Inspector General of Government (Jotham Tumwesigye) is anxious to work with TI. He sees it as his role to focus on prevention and treat each complaint as evidence of a weakness in the system. His peers in the Office of the Vice President prefer to focus on prosecution of violators and publicizing the penalties that are meted out. Together they will have quite an impact on corruption.