



Transparency International Canada Inc. NEWSLETTER

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Phase 2 OECD Review of Canada *February 17-21, 2002*

The Phase 2 OECD Review of Canada relating to implementation of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions is scheduled to take place in Canada over the five day period from February 17-21, and the delegations of Switzerland and the United States will act as lead examiners together with representatives of the OECD.

Phase 1 of the monitoring process, involving the examination of national laws passed to implement the Convention, was pretty well completed some time ago and the laws enacted by over 30 countries have been reviewed by the OECD Working Group to assess whether they meet the requirements of the Convention. About one-third of the laws were found to have serious shortcomings; another third had smaller deficiencies. By sharply criticizing Japan and the UK, two of its most important members, the Working Group showed courage rarely displayed by international institutions. To their credit, the member countries, including the UK and Japan, have corrected many of the shortcomings identified by the Working Group.

Phase 2 in-country reviews, which are designed to examine actual performance of national systems to enforce the laws and rules implementing the Convention (and which

**Hold the dates
11th International
Anti-Corruption Conference
15-28 May 2003
Seoul, Republic of Korea**

represent a most important component of the monitoring process), began with Finland in September 2001, and, in 2002, have been carried out in the United States, Germany, Iceland and Bulgaria. It is now Canada's turn. The five day review will be based on the Canadian government's response to a detailed OECD questionnaire and will consist mainly of discussion with Canadian government representatives.

The procedures for Phase 2 reviews established by the OECD state that there would be an overall benefit in Phase 2 from an informal exchange of views with key representatives of the private sector, trade unions and civil society. These informal consultations, which were initially proposed by TI (Transparency International), BIAC (the Business & Industry Advisory Council to the OECD), the ICC (International Chamber of Commerce) and TUAC (Trade Union Advisory Council) - the four non-governmental groups that have been actively involved over the past several years in the OECD process relating to the Convention - are intended to focus on those issues that are of greatest relevance to the private sector and other non-governmental groups in the country being reviewed.

In August 2001, TI, BIAC, ICC and TUAC agreed upon and presented to the OECD a Joint Statement regarding consultations with the private sector, labour and civil society in Phase 2 of the OECD monitoring process setting out various recommendations relating to the consultation procedure. The consultation in Canada, which will likely take up at least one of the five days of the review in February, provides a great opportunity for civil society, the private sector and labour to make a very positive contribution to the monitoring and review process. This “informal exchange of views” will provide additional perspectives and information important and valuable to the effective implementation of the Convention and is important to maximizing the effectiveness of the Phase 2 monitoring process.

TI-Canada and its board are committed to being very much involved, in cooperation with the CCIB (Canadian Council for International Business) - the Canadian arm of BIAC and ICC - and the Canadian trade union representatives of TUAC, in helping to October 13 – 16, 2002, the Senate and House of Commons of Canada, the Parliamentary Centre and TI-Canada member John Williams, M.P., St. Albert, Chairman of the Standing Committee of the House of Commons on Public Accounts, held the Global Conference of Parliamentarians Against Corruption (GOPAC). With 150 parliamentarians and 70 observers, from around the world, the conference, focusing on building integrity, was a tremendous success for the official launch of GOPAC. Participating in the conference allowed parliamentarians from around the world to network and build friendly relations amongst their colleagues, as well as further develop regional and international networks. Participants gained a better understanding of the degree and significance of corruption throughout the world and established GOPAC as a truly international voice for parliamentarians. TI-Canada Board Member, Mr. P. K. Pal, attended the conference as an

organize and actively participating in the consultation.

Good news for OECD Phase 2

Further to the article concerning funding for OECD Phase 2 monitoring, in the last TI-Canada Newsletter (Vol. 6, No. 3), there is good news on the OECD front. TI has been advised that the OECD Council decided on 14 November 2002 that Phase 2 monitoring is a matter of the highest priority for the OECD and should be fully funded. There was no disagreement regarding the amount required. While preference was expressed for funding Phase 2 through the regular budget, it was agreed that any shortfall would have to be provided through special contributions.

TI-Canada, along with a number of other National Chapters, made interventions at the national level, which had a significant impact on the 14 November decision.

GOPAC Officially Launched

observer, on behalf of both TI-Canada and the TI Secretariat.

The parliamentarians produced an official GOPAC Conference Declaration:

* We assembled parliamentarians declare our commitment to providing leadership in the fight against corruption.

* To help accomplish that objective, we have created GOPAC - the Global Organization of Parliamentarians Against Corruption.

* GOPAC will serve as a global, action-oriented network to strengthen the work of parliaments and parliamentarians in fighting corruption.

* We leave this founding conference with enthusiasm and with determination to create

regional and national chapters of GOPAC as the front lines in the fight against corruption.

Adopted by parliamentarians at the founding

2002 TI Integrity Awards presented in Casablanca

Slovak judge, German pharmacologist and Brazilian campaigner win anti-corruption award

On 11 October 2002, the eve of TI's Annual General Meeting, held in Casablanca, Morocco, the Transparency International Integrity Award 2002 was awarded to Jana Dubovcová, a Slovak judge whose survey on corruption in the courts prompted calls for her dismissal, Dr Peter S. Schönhöfer, a German pharmacologist who exposed the corrupt practices of drug companies, and Luis Roberto Mesquita, a Brazilian businessman who defied death threats in his campaign to clean up politics in the city of Guarulhos in the state of São Paulo.

Also attending the Awards was ex-Captain Mustapha Adib, one of the first three winners of the TI Integrity Award, given in September 2000, in Ottawa. Jailed for blowing the whistle on corruption in the armed forces, ex-Captain Adib was only now able to receive his award, having been released from jail on 18 May 2002.

Jana Dubovcová, Chief Justice of the District Court of Banská Bystrica in central Slovakia, rocked the judicial establishment when in April 2001 she personally initiated a survey of corruption in her own court. The results indicated that corruption had been encountered by 30% of respondents, two-thirds of whom said they had been asked for a bribe directly by a judge. The survey prompted the Council of Slovak Judges to call upon the Minister of Justice, Ján Carnogurský, to dismiss her as Chief Justice. Carnogurský refused to dismiss her.

Fifty-year-old Dubovcová also took the lead

with the introduction of a new Judicial Management system in co-operation with the Swiss Ministry of Justice. This electronic tracking system aims to speed up cases and to ensure the elimination of a major source of corruption, the non-transparent allocation of judges to cases. Judges are now assigned to cases by random selection. According to Dubovcová, the new system has increased by 70% the number of cases resolved within three months of the case being filed. Piloted in Banská Bystrica, the project is now being extended countrywide.

According to Emília Sicáková-Beblavá, President of TI-Slovakia, "Jana Dubovcová has taken a lead in promoting two standards: one for the ethical conduct of judges, and another for improving the efficiency of court procedures. Both eliminate major causes of corruption in a sector that ranks second only to the health sector in surveys of corruption in Slovakia."

Dr Peter S. Schönhöfer, a professor of pharmacology and co-editor of the independent German drugs bulletin, *Arznei-Telegramm*, is a resolute critic of corruption by pharmaceutical companies, including practices such as paying honoraria to doctors' interns and medical department staff to insert non-essential drugs on lists of approved drugs. He has also criticised corrupt medical experts for falsifying scientific data in publications. Schönhöfer, 67 years old, has often had to defend his critical opinions in court, but has never lost a case nor had to retract any statements. He has demanded full disclosure of links between the pharmaceutical industry and the health care system in order to minimise the scope for corruption. Anke Martiny, Deputy Chairwoman of TI Germany, explained: "Dr Schönhöfer is a shining example for medical professionals in the German health sector and further afield. He has shown great determination in demanding strict codes of conduct to curb corruption and

Luis Roberto Mesquita, 43, a well-known businessman and head of the AGDC-Guarulhos Association for Citizens' Defence, initiated a campaign to clean up politics in the industrial municipality of Guarulhos, with more than 1 million inhabitants the second largest city in the state of São Paulo, Brazil. By engaging citizens in public meetings, he challenged candidates for city elections in 1996 to commit themselves to corruption-free government if elected. The newly elected mayor, who signed such a pledge, was then challenged by Mesquita to live up to his pledge. When Mesquita's own investigations revealed that the mayor's family had suddenly acquired properties from the city at knockdown prices, Mesquita brushed aside death threats to lead a campaign that resulted in the mayor, Nefi Tales, being dismissed from office in September 1998, then impeached by the Municipal Chamber in December 1998 on the grounds of "unlawful enrichment." On 15 March 2002, Tales was arrested and jailed for 50 days, and his property was confiscated.

After leading public demonstrations against corruption among city councillors (who even demanded kickbacks to remove Tales from office), Mesquita then launched a public debate on corruption during the municipal elections of 2000. Only eight of the 21 sitting councillors secured re-election. According to Cláudio Weber Abramo, General Secretary of Transparencia Brasil, "Mesquita has taken on the most powerful and corrupt in his city again and again. We are challenging the Presidential candidates to make the same pledges to corruption-free government – and, inspired by Mesquita, we will strive to hold them to their promises."

"The anti-corruption movement derives its inspiration from the bravery of individuals such as this year's Integrity Award winners - who are shedding light on the workings of three desperately corrupt areas – the judiciary,

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the health sector and the body politic," said Peter Eigen, Chairman of Transparency International. "There are many more unsung heroes, and I want to applaud them all. Their efforts improve the quality of life for all – and often save lives."

--taken from TI Press Release, 30 September 2002. TI is now calling for nominations for the 2003 TI Integrity Awards, to be presented at the TI AGM in Seoul, Korea, in May 2003.

For further information on how to make a nomination, visit:

www.transparency.org/activities/awareness/I_awards2003.html

Report from TI AGM 2002

The TI Annual General Meeting, held in Casablanca on 12-13 October 2002, was attended by some 300 delegates from more than 100 countries. The TI movement welcomed the Board proposals on Governance and Accreditation issues and these will now be taken forward to a January Board meeting in preparation for the AGM in Seoul in May 2003. Four new members of the Board were elected (John Makumbe, Zimbabwe; Luis Moreno Ocampo, Argentina; Laurence Cockcroft, UK; Admiral R.H. Talihiyani, India) and two already serving members were re-elected (Rosa Inés Ospina, Colombia; Peter Eigen, Germany). Peter Eigen was re-elected as TI's Chairman for the next three years and Rosa Inés Ospina was elected Vice-Chair. Final approval of the TI Secretariat Code of Conduct was given by the Board, and Gopakumar Krishnan was appointed by the Board as the Ethics Adviser of the TI

Secretariat, following his nomination by TI-S staff and management.

As reported above, the TI Integrity Awards 2002 were presented at the opening of the conference. The AGM also passed a motion calling on the governments that signed the OECD Anti-Bribery Convention to provide the funds needed to monitor the enforcement

of the Convention. The TI movement also appealed to the Nigerian government to redouble its efforts to bring to justice the perpetrators of the murder of the late Attorney General, Chief Bola Ige, who had attended the 10th IACC in Prague in October 2001.

The next Annual General Meeting will be held in Seoul prior to the 11th IACC in May 2003.

TI Secretariat names new Managing Director

This fall, David Nussbaum, 44, was appointed Managing Director to launch a new era of "professional excellence" at TI. Nine years after the founding of TI, the arrival of Mr. Nussbaum, formerly Finance Director and a Deputy CEO of Oxfam GB, marks the arrival of a new generation in the evolution of TI.

Said TI Chairman Peter Eigen, "David comes with outstanding credentials. He brings a commitment to social justice, a reputation for effective management and team-building, and a first-class academic background, with complementary experience in the private and non-profit sectors."

During his time at Oxfam, David Nussbaum also spent six months on secondment in Delhi, heading up Oxfam's work in India. Before joining Oxfam in 1997, he was Finance Director of Field Group plc, which he joined in 1991. He is also the non-executive Chair of Traidcraft plc which, together with Traidcraft Exchange, its linked charity, seeks to combat poverty through Fair Trade with producers in the developing world. A chartered accountant, Nussbaum has degrees in theology from Cambridge and Edinburgh universities, and an MSc in finance from London Business School.

"TI has put the fight against corruption firmly on the global agenda," said Nussbaum upon

his appointment to join TI. "Governments, north and south, are increasingly stressing the linkage between development and good governance, and civil society needs to be fully equipped to call governments and international business to account. I am looking forward to joining colleagues at TI to work together around common goals: a level playing field for businesses, and social and economic justice for ordinary people."

Mr. Nussbaum assumes the position upon the retirement of Hansjörg Elshorst, 63, one of the founding members of TI who became Managing Director in 1998.

--taken from TI press release, 29 July 2002.

The Rising Bar of Government Ethics

On 7 November 2002, Ti-Canada member Howard R. Wilson, Ethics Counsellor, Government of Canada, delivered a presentation on "The Constantly Rising Ethics Bar" to a luncheon meeting of the *ethicscentre.ca*. With nine years of experience as Ethics Counsellor, Mr. Wilson found the recent months to represent the most concentrated consideration of ethical issues ever in the Canadian government. That being said, Mr. Wilson noted that ethical standards at the federal lever in Canada are higher than they have ever been and are on their way to becoming even higher. Two other points of emphasis included Mr. Wilson's belief that "constant attention to ethical issues means better government and better decisions", and "this searching debate is reinforcing Canada's position as an international leader on these issues, at a time when ethics has become an important matter for governments and businesses around the globe."

--for the full text, visit:
<http://strategis.ic.gc.ca/ssg/oe01241e.html>

Wishing you and yours a happy holiday season from TI-Canada!

INDIVIDUAL MEMBERS (Fee Range -- \$50 to \$100) Individual members will have full participation and voting privileges at all meetings of the members.

VOLUNTARY SECTOR ORGANIZATIONS (Fee Range -- \$50 to \$500)

The designated spokesperson of an NGO has full voting and participation rights at meetings of members.

GOVERNMENT DEPARTMENTS AND AGENCIES (Fee -- \$500)

We welcome government departments and agencies as (arm's length) members, but government members will have no voting rights.

PROFESSIONAL FIRMS, BUSINESS CORPORATIONS (Fee Range -- \$1,000 to \$5,000)

The designated spokesperson of professional and business firms has full voting and participation rights at meetings of members.

CHARTER MEMBERS (Fee -- \$10,000 over two years)

The purpose of charter membership is to put the chapter on a sound financial footing in its first few years of operation. Charter members will have all the rights and privileges of other members and will have the right to sit on a Corporate Advisory Council and assist in advising the Board on policies and programs.

ALL MEMBERS will receive newsletters, information about conferences and workshops, and the right to participate in these conferences and workshops on a cost recovery basis.

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APPLICATION FOR MEMBERSHIP

Name:

Title:

Organization:

Address:

Country:

Postal Code:

Telephone:

Fax:

E-mail:

Membership Category

Individual

Volunteer/NGO

Government

(circle one)

Professional/Business

Charter

Fee: Amount _____ (Please enclose cheque, payable to **TI-Canada**)

