



## *¿What is CORRUPTION?*

**ABUSE OF POWER** for private gain. Not only for financial benefits, also for other advantages. ¿WHY we have to control corruption risks? To deny the idea that you can increase your profits with corrupt practices. You have to know how to detect and control the risks of corruption to help achieve a number of economic, legal and competitive opportunities.

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## *Types of practices*

### **FRAUD**

Taking advantage of a situation in order to obtain personal benefits causing negative repercussions for the employees of the company.

### **MONEY LAUNDERING**

Obtaining money illegally to make it legitimate capital, always hiding their origin.

### **BRIBERY**

Offering or accepting gifts, loans... from any person as a prize for a dishonest or illegal act

### **EXTORTION**

When bribery becomes threats that endanger the life of the people involved.

### **MBEZZLEMENT**

Capital illegal abduction of different things that were destined for personal gain

### **DEFALCATION**

Misappropriation of goods that have been entrusted for a position.

### **NEPOTISM**

Preference to give jobs to family or friends



## **FAVOURITISM**

Predilection for someone without merit or equality

## **CLIENTELISM**

Protection system which the powerful defend those who benefit from them in exchange for their services.

## **POLITICAL CONTRIBUTIONS**

Contributions are corrupt when they get in the process of negotiating for a license or a public contract.

## ***What are FACILITATION PAYMENTS?***

In addition to the most typical forms of corruption, such as bribery or embezzlement, one of the most widespread corruption practices in our sector is FACILITATION PAYMENTS.

Facilitation payments can be payments made by suppliers in order to guarantee or "facilitate" the services to which the company is entitled, or payments made by the company to "accelerate", for example the realization of a Order, delivery of goods, payment of an invoice or grant of permits, etc.

In many countries this type of payment is so common that it is even considered "normal" or compulsory, even though they are legally penalized. Both employees and managers of a company, as well as its partners and other stakeholders, must be clear about how to ensure that no facilitation payments are made. The most frequent ones are usually payments of small amount to an official to obtain more quickly something to which one is entitled (like the issuance of a certificate, a passport, a license, etc.).

Companies do not have to make facilitation payments. In the event that the company determines, after a management review, that facilitation payments can't be completely eliminated, it must establish controls and procedures to ensure that only small payments are made to low-level officials for activities routine to which the company is entitled. The need for continued use of facilitation payments should be reviewed periodically in order to eliminate them as soon as possible.

