

UNGASS 2021 – Special Session of the General Assembly against corruption 2021

OECD/ACD and U.S. INL SIDE EVENT:

Global Law Enforcement Response to Corruption during COVID-19

4 June 2021

The side event showcased the OECD Anti-Corruption Division's work on the "Global Law Enforcement Response to Corruption in Crisis Situations" Project. Launched in September 2020, the Project endeavours to strengthen the capacities of law enforcement practitioners to combat corruption related to the COVID-19 pandemic and in other crises. The Project is supported by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) and will run through July 2022. Through its series of regional webinars, the Project focuses on the areas most prone to corruption or essential in exposing corruption during crises, such as emergency public procurement, whistleblower reporting and protection, and inter-agency co-operation. The Project builds on the work of the OECD's Global Law Enforcement Network (GLEN) meeting and regional Law Enforcement Networks. To reach a sustainable impact over the long term, the project will be using the lessons learned from law enforcement officials to develop practical tools such as guidelines and training curricula that will promote broad application of good practices. The UNGASS Side Event meeting was co-organized by the OECD/ACD and US – INL.

Mr. Patrick Moulette, Head of the Anti-Corruption Division, Directorate for Financial and Enterprise Affairs, OECD, introduced and moderated the event. Mr. James Walsh, Acting Assistant Secretary of State, Bureau of International Narcotics and Law Enforcement Affairs of the U.S., and Mr. Jeffrey Schlagenhauf, Deputy Secretary-General of the OECD, delivered opening remarks on the efforts of the U.S. and the OECD in combatting corruption.

The chairs of the OECD's regional law enforcement networks and past speakers from the Project's peer learning framework of webinars participated as panellists:

- Ms. Anca Jurma, Advisor to the Chief Prosecutor of the National Anti-Corruption Directorate (DNA), Prosecutor's Office attached to the High Court of Cassation and Justice, Romania & Chair of the ACN LEN
- Ms. Laura Roteta, Head, Office of the Prosecutor against Economic Crime and Money Laundering (PROCELAC), Argentina & Co-Chair of LAC LEN
- Ms. Alisa Rukbankerd, International Affairs Officer, National Anti-Corruption Commission (NACC), Thailand
- Mr. Pieter Alberts, Manager, Monitoring and Analysis Division of the Financial Intelligence Centre, South Africa

Panellists took stock of the approaches used by law enforcement to detect, investigate and prosecute corruption during the COVID-19 crisis and discussed the importance of inter-agency cooperation and international cooperation, particularly related to the activities under the regional Law Enforcement Networks (LENs).

In the panel discussion, Ms. Jurma reflected on the patterns of corruption seen in the Eastern Europe and Central Asia (ACN) region. Drawing from the experiences of both her colleagues in the ACN LEN and her office's work, she stated that most allegations and cases opened during this time were related to corruption in (i) public procurement of personal protective equipment (PPE) and medical supplies

and (ii) distribution of financial support packages implemented by government. At the beginning of the COVID-19 pandemic, many public procurement procedures were relaxed so that governments could urgently respond to the health crisis. However, corrupt actors used this simplification in procurement processes as an opportunity for illicit enrichment. During ACN LEN meetings and peer learning webinars, colleagues shared experiences of similar case typologies involving contracts for PPE and medical equipment being awarded to companies with no prior experience in the field, who had very few employees, were unlicensed entities or had recently registered days prior to the public contract being signed. The investigations showed that many of these companies were affiliated with public officials who coordinated the public procurement process or health response as well as politically exposed persons, and involved payment of bribes, traffic of influence or intentional violation of the law by the public officials. Further, the consequences of these corrupt practices resulted in hospitals or public authorities paying inflated prices for essential goods or the supplies did not correspond to the required technical specifications. Ms. Jurma emphasized that a focus of the ACN LEN is to provide support to law enforcement officials so they can respond efficiently to these investigations and prosecutions. The past year saw the ACN secretariat study the impact of COVID-19 on law enforcement and deliver peer-learning webinars for colleagues to exchange views on their cases. Ms. Jurma noted that, going forward, whistleblower protection is an area that is crucially important for law enforcement.

As co-chair of the Latin America and the Caribbean (LAC) LEN, Ms. Roteta highlighted that prior to the COVID-19 crisis the region saw an acceleration of cooperation due to transnational corruption cases and foreign bribery cases. However, the challenges in the region continue to include, on one hand, the need to count with agile and efficient international cooperation mechanisms and, on the other hand, promoting and enhancing the capacity of its criminal investigations related to transnational corruption cases. Ms. Roteta stated that in many parts of the region, the request for international cooperation was unusual and done by traditional methods of mutual legal assistance requests that could take a long time and became obstacles in the progress of an investigation. Ms. Roteta emphasized that due to the proliferation of complex criminal cases with transnational components, international cooperation is essential from the beginning of the investigation. As such, there is an evolving approach to cooperation in the region, which does not just rely on MLAs. Law enforcement also have to be prepared in coordinating their criminal investigations due to shared jurisdiction in complex cases. As such, it is important for the LAC region to foster its local law enforcement networks. For example, the LAC LEN and the OECD initiative fosters peer-to-peer exchanges on case experiences and builds professional relationships, which facilitates legal assistance and improves the capacity of the investigations and prosecutions in the region. The meetings of the LAC LEN have focused on cooperation and coordination of transnational cases, as well as providing early reflections on COVID-19 emergency procurement cases. This network will continue to foster and promote more collaborative investigations.

Ms. Rukbandkerd reflected on the changes and strategies implemented by Thailand's National Anti-Corruption Commission (NACC) during the pandemic to address corruption. As part of the peer learning webinars, NACC had previously presented on its work to prevent and investigate corruption cases. Ms. Rukbandkerd highlighted that the prevention bureau of the NACC published a report at the onset of the pandemic to identify corruption risks that based on the Commission's study of prior corruption patterns in other crises. The report included policy recommendations for the government on regulations and practices in administering its recovery fund, as well as encouraging citizen and media reporting via existing reporting mechanisms and prioritizing whistleblower protection. As part of its investigation and enforcement duties, NACC received several complaints related to procurement of COVID-19 related supplies, with the majority of the allegations related to purchase of substandard

goods, overpricing of essential items, or public officials demanding the payment of bribes or commission fees. In one case example, the NACC investigated the spending of a provincial administration organization that was tasked with purchasing essential items for the elderly. Investigators and local citizens were monitoring the administration of these goods and found that the costs were over-inflated and unreasonable. Following an investigation into the administration's activity, the NACC concluded its findings of corruption and the case has been submitted to the Attorney General for prosecution. Finally, Ms. Rukbandkerd highlighted that the NACC has been actively working with citizen engagement networks. NACC launched a corruption risk-mapping project that allows citizens to report red flags of corruption and works with them during the investigation phase.

Mr. Alberts discussed the work conducted by the South Africa "Fusion Centre" to combat corruption during the COVID-19 pandemic. In 2018, South Africa approved the establishment of the Fusion Centre as a collaborative and intelligence driven platform for addressing money laundering and terrorist financing and related activities. In 2020, the Fusion Centre's mandate was adapted in response to the pandemic and provided for law enforcement collaboration to prevent, detect and respond (investigate, prosecute and recover assets) to allegations of corruption or related activities in respect of South Africa's relief packages and containment interventions. Mr. Alberts outlined that the Fusion Centre counts on various stakeholders including intelligence centres, prosecuting authorities, investigating divisions, state security and revenue services. The Centre has worked closely with the banking sector and received crucial information to identify problematic suppliers. Investigators have been proactive in their detection efforts by scanning media, using open source information, whistleblower reports, intelligence reports, and banking information. Case typologies identified during the pandemic include procurement irregularities, over pricing from suppliers, unregistered or inexperienced suppliers receiving public contracts, and individuals/entities abusing the grounds for unemployment benefits. Mr. Alberts reflected on the challenges of the work but also on the successes of the Centre, including having 24 cases in court, blocking over 103 bank accounts, and significant recovery of funds related to corruption investigations. In one case example, the banking community flagged an irregular transaction related to employer support packages where a subsequent bribe was offered to a public official. The investigation concluded with criminal charges against the individual for corruption, fraud, and money laundering. Due to the immediate sharing of information, 99% of the money was preserved.

The event provided a valuable opportunity for law enforcement officials from various parts of the world to discuss the challenges and identify solutions for combatting corruption during the pandemic by providing real time case examples and good practices. The crucial role of the Law Enforcement Networks was also highlighted and the OECD's Anti-Corruption Division will continue to support the work of these networks, as well as the peer-learning framework of sharing experience under the Project and ultimately will develop practical guidelines and training curriculum to support the work of law enforcement during crises.