

**Statement by Professor Daniel Friedmann,
Israeli Minister of Justice**

Rome, 21 November 2007

Secretary General Gurría, Ministers, Ladies and Gentlemen,

It is a great honor to be here with you today. I would like to express my gratitude to our hosts, for inviting me to participate in this distinguished forum marking the milestone of the tenth anniversary of the OECD Anti Bribery Convention. The presence here today of so many distinguished delegates from over the world, is evidence of the importance of the subject at hand.

I would like to open - with your permission - with a short quote from remarks made by Mr. Angel Gurría, the OECD Secretary General, in Washington D.C. on October 21 this year:

"Corruption is the cancer of globalization; a powerful corrosive on the very fabric of social cohesion. It undermines democracy, public policy and social capital, becoming a major hindrance to sustainable development, with a disproportionate impact on poor communities. More than \$1 trillion dollars is paid in bribes each year globally, according to the World Bank Institute. This is the equivalent to nearly 10 times what we channel every year to developing countries in aid flows".

These very profound words make it absolutely clear why we are here today to celebrate the 10th anniversary of the Anti Bribery Convention.

Throughout the years, we have witnessed an unprecedented growth in international trade worldwide. Unfortunately, this phenomenon has been accompanied by further enhancement of

an intolerable peril – the increased corruption of public officials in issues relating to business transactions and cross-border trade.

Corruption is a multi-dimensional problem with serious repercussions. It has a catastrophic effect on the economic, social and political environment in which it occurs. Corruption comes in many forms such as fraud, trafficking and bribery. Corruption corrodes values, trust and public welfare. It destroys competitive markets, causing disequilibrium in the economic markets in which it prevails, distorts local and international competitive conditions, and weakens democracy by undermining public confidence in political institutions leading to contempt for the rule of law. It should therefore be in every country's economic and social interest to combat corruption.

Today's globalized world, and the proliferation of trans-border crime, makes international cooperation in combating corruption and bribery imperative. It is critical that states facilitate policy dialogue on these issues, provide each other with assistance in combating the phenomenon, coordinate efforts, and share information. As criminals have become more sophisticated, particularly in cross border crimes – so must countries put their minds and abilities together to combat this harmful sophistication.

The OECD's Anti Bribery Convention, the Working Group on Bribery and other committees of the OECD on related issues, the review procedures and continued analysis and information sharing between the countries – all of which I will address shortly - constitute a vital leap forward in this regard.

Recognizing that only a concentrated effort can lead to a significant reduction in crime, and in an attempt to try and promote cooperation between states, I am quite pleased to note that the international community has formulated a relatively significant amount of international and regional anti-corruption instruments. While these instruments may have varying degrees of enforcement and cooperation capabilities, together they begin to weave a web of law enforcement against the growing phenomenon of cross border corruption – supplementing local legislation and, more importantly, at times requiring reform of national legislation and enforcement in order to adapt to agreed upon international standards.

Just to name the major international instruments:

On the global level,

- The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which we are gathered here to honour;
- The recent UN Convention against Corruption - (which Israel signed in 2005);
- The UN Convention against Transnational Organized Crime – (which Israel ratified in 2006);
- The WTO Government Procurement Agreement – (to which Israel acceded in 1996);
- The UNCITRAL Model Law on the Procurement of Goods, Construction and Services;
- The 1996 General Assembly's "UN resolution on Action against Corruption".

On the regional level I will just mention,

- The Inter-American Convention against Corruption;
- The African Union Convention on Prevention and Combating Corruption;
- The 1999 Council of Europe's Criminal Law Convention.

The international anti-corruption instruments provide a wide range of measures for cooperation and mutual assistance between countries. Under the scope of some of these instruments, the parties are obligated to provide prompt and effective legal assistance on a broad spectrum of issues related to criminal investigations and proceedings, including extradition, as well as civil and administrative actions.

Of equal importance is the strengthening of cooperation in these matters between international organizations. Today we attest to strong cooperation and inter-organizational partnerships between the UN, OECD, European Commission, IMF, WTO, and the World Bank, just to name a few. This cooperation further enhances the battle against crime – leading many times to enhanced international standards, and the ability to share information and pressure states to increase compliance.

A no less significant actor in the global battle against corruption are the NGOs, and it would be remiss not to mention them here. NGOs attack corruption and increase public awareness through education campaigns, and by publishing the results of in-depth international surveys and studies in the media world-wide.

The presence of distinguished representatives from diverse countries and NGOs here today at this conference is a testament to the importance numerous countries and organizations, regardless of their political differences, place on this common cause – combating transnational crime in general, and corruption in particular.

In the worldwide fight against corruption, the OECD stands out as one of the main forces. The OECD has long been committed to a non-conciliatory approach towards corruption. With changes in the global climate on the issue of business corruption and public outrage over bribery scandals throughout the world, several key instruments, including the Convention, were negotiated, drafted and adopted by the Organization since the mid 1990s.

The organization has fulfilled a unique role in this context, through its multi-faceted offensive approach against corruption. The OECD's work is an exceptional model that combines strong political commitment, regular expert meetings through the Working Group on Bribery, developing legal instruments, and carrying out a monitoring system to evaluate member-state legislation, and to strengthen enforcement.

This has been made possible by special work methods created by the organization, such as the peer-pressure and peer-review mechanisms. The OECD successfully relies on these mechanisms of cooperation and collaboration.

Furthermore, the OECD has demonstrated its commitment to international cooperation in this area by opening the Convention and the Working Group on Bribery to all countries, not only to OECD members, making the Convention a truly global instrument.

In the short time remaining, I would like to stress the immense importance Israel places on the fight against corruption, and the emphasis Israel places on international cooperation in combating this phenomenon.

Israel is a nation with deep respect for the rule of law and has set high standards of integrity and control mechanisms to minimize corruption in public administration, the justice system and the business sector. This includes, inter alia, adopting resolute measures to combat transnational organized crime, corruption and bribery.

The world-wide phenomenon of corruption makes intra-governmental teamwork as well as international cooperation an absolute necessity. Israeli law enforcement authorities cooperate regularly with their counterparts in other countries, and work together on these issues in various ways, including by joining relevant international conventions, cooperating under the auspices of bilateral and multilateral agreements on mutual assistance and extradition and by regular exchange of information and legal assistance in criminal matters.

In the field of international cooperation, we might mention two areas of particular importance: legal assistance and extradition procedures.

Israel grants legal assistance in both civil and criminal matters, irrespective of whether a specific mutual legal assistance agreement has been reached with the requesting state. Double criminality is not required. Within the scope of legal assistance, Israel allows all measures that would have been available in a domestic criminal matter, while allowing the execution of the request according to the particular evidentiary or legal requirements of the requesting state.

With regard to extradition, Israel's Extradition Law permits the extradition of criminals, including Israeli citizens, who have committed crimes punishable by at least one year imprisonment. The main requirements for extradition are double criminality and the existence of an extradition convention, or a case-specific ad hoc agreement, between the requesting country and Israel.

Moreover, Israel's law enforcement agencies wage an all-out campaign against corruption, acting relentlessly and without hesitation to investigate and prosecute acts of corruption, even when prominent public figures may be involved.

The Israeli judicial branch is completely independent. This independence bolsters and inspires public trust in the judiciary. Public confidence stems from assurance that judicial rulings are carried out honestly, objectively and without bias.

But our system is not perfect, and criminals are very sophisticated. They continuously find new tactics and mechanisms to perpetrate criminal behavior. We must constantly examine ourselves and search for ways to improve and enhance our capabilities to combat crime, and to close any loopholes which may exist and allow for criminal behavior. We must constantly find ways to balance between budget constraints, and the need for more judges, more prosecutors, and more law enforcement personnel. This is a never ending process, in which international cooperation is vital.

In recent years, and in the face of crime's growing sophistication, Israel has developed new legal frameworks, institutions and mechanisms to prevent and punish corruption, encourage public integrity and foster accountability and transparency both domestically and in international business transactions. This process has been in parallel with constant efforts to strengthen the judicial system.

A few examples of these efforts to enhance an already strong anti-corruption system include:

- Enactment of the "Prohibition on Money Laundering Law" (in 2000). The main purpose of this law is the establishment of the necessary legislative tools and enforcement mechanisms to effectively fight money laundering. In order to achieve this goal, the law established the Israeli Money Laundering Prohibition Authority. The mandate of this Authority is to provide the competent authorities, both in Israel and abroad, with information regarding suspicious money laundering activities, and thereby aid and facilitate the investigation of money laundering as well as terrorism financing offenses. Israel's Money Laundering Prohibition Authority today cooperates with many counterpart authorities throughout the world, and provides professional advice to foreign countries and law enforcement personnel.
- In 2005, Israel signed the United Nations Convention against Corruption which compliments the OECD Convention in some ways. Israel's decision to sign this

Convention affirms its commitment to detecting and prosecuting criminal offences related to corruption, as well as to implementing policies to promote transparency and accountability, and to cooperate internationally to prevent, investigate, and prosecute offenders. Work to ratify the Convention is now in progress.

- In January 2006, the Israeli Government approved a Decision entitled "The Battle against Severe Crime and Organized Crime and their Outcomes". According to this Decision, a special "Task Force" was formed, headed by the Attorney General, with the participation of the State Attorney, the Commissioner of the Police, the Head of the Tax Authority, and the Chairman of the Securities Authority. The team has acknowledged the importance of coordinating all efforts to increase the effectiveness of the prosecution system. Consequently, in recent years, Israel has allocated significant resources, including the recruitment of additional prosecutors, to the battle against severe and organized crime.
- This year alone a significant number of new judges have been appointed. These new judges will help enhance the judicial system's ability to grapple speedily with the case load and growing sophistication of crime.
- A committee is now examining the possibility of establishing minimum sentencing guidelines – to try and ensure an across the board sentencing scale which will serve as a deterrent to criminals.
- There has been enhanced steadfast cooperation between Israeli law enforcement officials and foreign law enforcement officials, shared information, seminars, visits, and exchange visits.

These are but a few of the more recent developments in this field.

Going back to the main topic of our gathering today – the OECD Convention – Israel is now on the path to complete the necessary legal adjustments in order to join the Convention as part of its effort to reinforce its existing domestic and international efforts in the area of combating corruption, and not necessarily as part of our accession process to the OECD.

I will conclude by stating that Israel strongly supports and actively participates in international efforts to join hands in combating corruption, and views corruption as an issue that must be tackled on both the domestic and international levels. We are looking forward to completing the internal legislative procedures required to join the OECD Convention as soon as possible. The benefits will be twofold for us. It will enhance our ability to cooperate with other countries in this matter– and to reinforce our domestic legislation on this important issue.

We are looking forward to working jointly with the OECD Working Group on Bribery and with other committees dealing with related matters, as well as with the countries around the table here. Indeed, these forums allow all of us to work together beyond political agendas, and cooperate against a shared criminal threat that fails to distinguish between borders or nations. We extend our warmest congratulations for this anniversary celebration.

Thank you for your attention.