



HOW TO IDENTIFY CORRUPTION RISKS AND TO REACT TO IT IN FOREIGN COUNTRIES?

What is corruption harm for a business?

Corruption harm for a business can occur through a threat of:



legal prosecution



reputational damage



higher operating costs



business stagnation

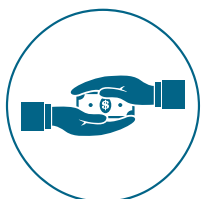
How to identify corruption?

When developing business in foreign countries, it is necessary to know and comply with the laws of the Republic of Lithuania and it is recommended to get acquainted with the legal definition of criminal offenses of a corrupt nature in the country where business operates.

Under the national law of the foreign country where the business is conducted, certain suspicious acts may be permitted, but it can incur liability under Lithuanian laws, which comply with the highest OECD standards.

Not knowing what actions foreign government officials and business partners may consider as corruption related offenses does not protect business against possible negative consequences.

Practical examples of most common corruption cases:



Active bribery

A member of public procurement commission of an international public procurement conducted by a foreign country offers one of the tenderers to help win the purchase for a fee.



Trading in influence

Person proposes, for a fee, to influence foreign civil servants, politicians to grant (or grant more quickly) the licenses, permits, etc. needed for a business.



Passive bribery

Person offers money to a civil servant of a foreign country for not recording violations of business activities related to environmental pollution.

Red flags for corruption risks:



- There is only little publicly available information about the company, which is offering to cooperate.
- Cooperation is offered by a company that has a relation with a foreign government official or politician.
- A public official or politician from a foreign country strongly recommends particular company.
- The company is engaging in offshoring business processes.
- The company offers opportunities for a large-scale cooperation and business development, but has little relevant experience, is unknown among others in this area of business.
- The company seeks unusual, suspicious payment procedures, high commissions, success fees or cash payments.
- Written contracts are avoided or offered contracts do not comply with the legal standards of a country, where business is conducted.
- To expand business abroad, local agents in foreign countries are being used for such purpose, who offer to speed up the business development process for a certain fee.
- The company has relationships with or provide sponsorship for charities related with government officials, politicians.

If you have doubts whether it is corruption or not, ask yourself the following questions:



Is it legal?

Is it ethical?

Could it be detrimental to the public interest?

1/3

of all foreign bribery cases became apparent, after companies identified various non-compliances while conducting internal audits or received information through implemented whistleblowers' channels, hot lines and after that transferred such information to law enforcement institutions.

More detailed information is available on www.stt.lt, > Corruption prevention section > Learning and methodological material > Recommendations for lithuanian business subjects, operating in foreign countries

MORE

If you have encountered corruption, please inform STT:

by email report@stt.lt, by phone +370 5 266 3333, via mobile app „Pranešk STT“

Anti-corruption
institution of foreign
country

Law enforcement authority of
foreign country (e.g. the
police) by phone or come to
the authority directly

Embassy or consular
office of the Republic of
Lithuania