

Secretary of Commerce Gary Locke
Remarks at Organization for Economic Cooperation and
Development (OECD)—International Anticorruption Day
Washington, D.C.

Good morning everyone.

I am pleased to be here with you today in Washington, and to talk to all of you there in Paris, as we recognize International Anticorruption Day.

I know that my General Counsel, Cam Kerry is there with many of you at the OECD in Paris, and I wish you productive discussions.

I'd like to recognize here in Washington, Karen Kornbluh, the United States' Ambassador to the OECD. And of course OECD Secretary General Gurría—it's a pleasure to be here with you.

Finally, thank you to Transparency International-USA and the OECD for organizing this remarkable, transatlantic event.

Today is an important day for the OECD and all of the Parties to the OECD Anti-bribery Convention.

This new Anti-Bribery Recommendation shines a spotlight on international public corruption, which is a scourge that threatens the very foundation of our international trading system.

Public corruption hurts businesses and consumers even as it undermines people's confidence in their government.

Since 1994, according to the best data available, foreign government officials have allegedly been bribed to award at least 800 contracts worth more than \$450 billion.

In the past year alone, United States companies are believed to have lost out on deals worth about \$27 billion because they refused to pay bribes.

Bribery is, in short, an assault on the integrity of our economies, and the rules that govern our trade.

Which is why it remains so important to redouble our efforts to combat transnational corruption.

Ten years ago, the OECD's Anti-Bribery Convention came online. And this year's new Anti-Bribery Recommendation is an important update.

Generally, its purpose is to raise awareness of foreign bribery as a crime and to grow interest in anti-bribery measures in every country.

Specifically, the Recommendation will enhance enforcement of the Anti-bribery Convention itself. And it will, among other measures:

- Require countries to review their approaches to enforcement to ensure that they are effective;
- Increase international cooperation in bribery investigations among governments and regional networks;
- Provide easily accessible reporting channels, as well as whistle blowing provisions, to protect those who seek to report corruption; and
- It contains a good practices annex that provides further guidance to Parties about basic offenses, corporate liability, and how to implement best practices.

The Recommendation will, in short, add new teeth to our international anticorruption efforts.

In the past 10 years, world trade in goods and services has grown 180 percent, according to the International Monetary Fund.

This means that when the global economy starts firing on all cylinders again—as it undoubtedly will—completing for contracts and the pressure to pay bribes to win them, will increase.

But international bribery harms economic growth and the improved quality of life such growth delivers for people around the globe.

What's more, poor countries feel the effects of transnational bribery most acutely.

In nations where public officials are on the take, ordinary citizens pay the price.

It's no coincidence that countries most synonymous with public corruption--Somalia, Myanmar and Sudan, to name a few—have some of the highest incidence of human suffering.

Developing countries are defrauded by public officials to the tune of about \$40 billion a year, according to the World Bank's managing director.

This is an enormous amount of money.

What's more, as we all well know, bribery takes at least two to tango.

Too often, sophisticated multinational companies with headquarters in the world's most sought after addresses are implicated in illegal activity.

More must be done to ensure corporate entities headquartered in developed nations are punished for bribing foreign government officials.

Still, there have been promising steps taken to address transnational corruption.

In past five years, the United States has brought 60 criminal cases under the U.S. Foreign Corrupt Practices Act, the statute outlawing bribery of foreign officials.

This amounts to more cases than were brought in the previous 27 years combined, since the statute was passed in 1977.

In the 10 years since the institution of the OECD Anti-Bribery Convention, the 38 countries who are Parties to the OECD Anti-Bribery Convention have made it illegal to bribe foreign public officials.

And yet, additional steps are urgently required.

Countries must enact laws making corporations liable for bribery of foreign public officials. Many OECD nations have yet to win a single criminal conviction for foreign bribery, even though they have had anti-bribery laws on their books for a decade.

Moreover, countries that do not have foreign bribery laws must enact and enforce them so that the economic playing field is levelled for everyone and does not favor those companies that freely bribe foreign officials.

Let me conclude by underscoring how international public corruption undermines the legitimacy of international trade.

OECD countries must lead the way in this fight and to shore up the integrity of global trade.

This is my challenge to you: let us raise awareness about the devastating effects of bribery and corruption.

Let each of us recommit ourselves today to the objectives of the Convention and carry out our obligations in order to eliminate bribery of foreign public officials.

The responsibility to fight corruption belongs to all of us, governments, businesses, and consumers alike.