

Fact Sheet: “Left out of the Bargain: Settlements in Foreign Bribery Cases and Implications for Asset Recovery”

Left out of the Bargain, a study by the Stolen Asset Recovery Initiative (StAR) is the first to provide an overview of settlement practices by civil and common law countries that have been active in the fight against foreign bribery and to examine their implications on international asset recovery.

Over the past decade, countries have increasingly used settlements—that is, any procedure short of a full trial—to conclude foreign bribery cases and have imposed billions in monetary sanctions. There exists a gap in knowledge, however, regarding settlement practices around the world and the disposition of these monetary sanctions—notably through the lens of recovery of stolen assets.

Using the United Nations Convention against Corruption (UNCAC) as its point of reference, the study addresses concerns voiced by the international community: What happens to the money associated with the settlements, and is it being returned to those most directly harmed by the corrupt practices? And what can be done to assist those countries harmed by foreign bribery?

Objectives of the Study

The study aims to promote greater understanding and informed debate among policy makers, practitioners, civil society organizations, the general public and other concerned persons regarding settlements and international asset recovery.

Key Findings

- The growing trend over the past decade in the use of settlements by more developed and developing countries to conclude foreign bribery cases;
- 395 settlement cases took place between 1999-mid 2012, resulting in a total of US \$6.9 billion in monetary sanctions imposed against companies and individuals.
- Of this amount, nearly US \$6 billion came from settlements which took place in a country *different* from that of the allegedly bribed foreign public officials. But only about US \$197 million, or 3 percent, has been returned or ordered returned to the countries whose officials were accused of accepting bribes.

Some Key Recommendations

- *Left out of the Bargain* calls for more proactive international cooperation and coordination to ensure that all affected countries are afforded the opportunity to seek redress for harms suffered and for the recovery of assets -- and in so doing, help all countries pursue sustainable development and fulfill the principles set out in UNCAC.
- The study urges countries where settlements are concluded to proactively assist affected jurisdictions through greater transparency, along with assistance for them in seeking redress and the recovery of assets.
- The study also urges countries whose officials were allegedly bribed to intensify their efforts to investigate and prosecute the providers and recipients of foreign bribes, hence improving these countries’ prospects for recovery of assets lost through corruption;
- For countries to develop legal frameworks regulating settlements, including ensuring greater transparency.

Methodology

The study is based on extensive research and consultations with government officials and experts around the world. The StAR Database of Settlements of Foreign Bribery and Related Cases, compiled as part of the study, is publicly accessible on the StAR Website.

The Stolen Asset Recovery Initiative (StAR) is a partnership between the World Bank Group and the United Nations Office on Drugs and Crime that supports international efforts to end safe havens for corrupt funds. StAR works with developing countries and financial centers to prevent the laundering of the proceeds of corruption and to facilitate more systematic and timely return of stolen assets.

For more information, please visit: www.worldbank.org/star