

AMCHAM India Meeting

Hidden Costs of Corruption

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Raising the Standard of Anti-Bribery Compliance Worldwide

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Hidden Costs of Bribes - Business

- Uncertainty in Commercial Transactions
 - Slippery slope
- Permissive Atmosphere for Other Business Crimes
 - Fraud and money laundering
- Undermines Employee Confidence in Management
- Puts Company's Value and Reputation at Risk
- Costly
 - The World Bank estimates that \$1 trillion is lost to bribes annually
 - 20% tax on foreign direct investment

Hidden Costs of Bribes – Local Community

- Myth of Victimless Crime
 - American Rice –
 - Haiti citizens paid a triple tax on their imported rice.
 - The per capita income of Haitians is \$250 per year.
 - When companies pay small amounts to jump the line, they are doing so at the expense of local citizens and businesses
- Cancer on Development
 - Brain drain and misallocation of talent
 - Engrained pyramid schemes
 - Shoddy infrastructure (hospitals, roads) and access to public services (doctors, police)

Hidden Costs of Bribes – Global Community

- United Nations employees and avian flu
- Tainted pharmaceuticals crossing borders
- Corrupt police and narco-trafficking
- Toxic ships and environmental degradation
- Greedy immigration officials and terrorism

About TRACE



- The **world's leading** anti-bribery standard setting organization.
- Internationally **recognized** and **respected** provider of third party due diligence and **shared-cost** anti-bribery compliance solutions.
- Hundreds of multinational members and **thousands of TRACE Certified small and medium-sized enterprises** throughout the world.

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