



2019 OECD Global Anti-Corruption and Integrity Forum

Tech for Trust

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Leaders Panel: New Technologies for Anti-Corruption and Integrity: Perils and Promises

Marcos BONTURI, Director, Public Governance Directorate, OECD; Alfonso BONAFEDE, Minister of Justice, Italy; Francisco Manuel de QUEIROZ, Minister of Justice, Angola; Tania de la PAZ, Undersecretary Ministry of Public Administration, Mexico; Matt GALVIN, Global Vice President, Ethics and Compliance, Anheuser-Busch InBev; Delia Matilde FERREIRA RUBIO, Chair, Transparency International

New technologies such as Blockchain, big data analytics and AI are transforming the way of working for governments, businesses and society as a whole. Its consequences on combatting corruption are twofold. On the one hand, these new technologies offer a new impetus to combat corruption and foster integrity and transparency. On the other hand, these technologies make corruption more sophisticated thus opening channels for illicit trade, money laundering and tax evasion, eroding the integrity of the democratic processes, and reinforcing, rather than resolving, existing biases.

The Italian and Angolan government focus mostly on enriching their database of corruption crimes in order to pursue them in court and to automatize corruption prosecution. Mexico's focus lies on digital governance and e-procurement (e.g. BIM) in order to engage closer with civil society and reach a wider code of ethics.

Matt Galvin from Anheuser-Busch reframed the construction dilemma by not asking how to reach better compliance but instead how to incentivize businesses to make better decisions in general. It is not about how to follow the rules better but rather how to change the business environment in a sustainable and systemic manner. Collecting Big Data in a global manner is key to that process. Indeed, data becomes much more efficient if silos are broken down.

The chair of Transparency International recognized the opportunity of new technologies to fight corruption but underlined the risk of having biases in algorithms. The human being is at the center of these new technologies and should not be supplemented by them.

Data Analytics: Taking a Byte Out of Corruption

Warren SMITH, Digital Marketplace Director, Head of the Global Digital Marketplace Programme, UK Government Digital Service (GDS); Marcelo DRAGO AGUIRRE, President, Chilean Transparency Council; Mihaly FAZEKAS, Assistant Professor, Central European University; Beatriz SANZ REDRADO, Director of Investigation Support, European Anti-Fraud Office (OLAF)

This session explored success factors and pitfalls of tools to leverage data and new technologies to fight corruption and fraud. Indeed, risk managers, compliance officers and auditors in both governments and companies are using artificial intelligence, machine learning and data analytic techniques to identify bad actors and respond quickly with investigations and preventive actions. NGOs and investigative journalists, such as those behind Brazil's "Lava Jato" case and the Panama Papers, have developed innovative tools to analyze data and bring to the surface hidden patterns of corruption, fraud, waste and abuse.

The main challenge to use Big Data, Machine Learning and Artificial Intelligence effectively is to make the data talk. The successful use of Big Data relies on 3 factors:

1. Clear problem understanding (it is easy to get lost in the huge amount of data collection)
2. Be clear about the expectations of the data (often messy and not linked)
3. Combine existing assessments with Big Data

The question of the affordability of corruption tracking mechanisms through technologies for governments was mentioned.



New perspectives: Tech for Integrity

Fintegrity: Leveraging Fintech for Enhancing Integrity

Organised by NDB (New Development Bank)

Deepak BHATIA, Assistant General Manager, Export-Import Bank of India; Vanessa DA ROCHA SANTOS ALMEIDA, Manager, BNDES, Department of System Development; Xiaochen ZHANG, President, FinTech4Good; Srinivas YANAMANDRA, Chief, New Development Bank

The session dealt with use-cases from BRICS member countries deploying fintech solutions (particularly block-chain) for promoting integrity in public finance. These cases from Brazil, China and India dealt with various ways in which the distributed ledger technology applications are being used for enhanced transparency of information disclosure, land record management and prevention of tax system abuse.

Main lessons learned

- Bringing pilots to scale
- Have a supportive legal system
- Enhance the deployment of technologies (that it becomes a full prof system)

AI for Anti-Corruption: Potential, Pathways, and Challenges

Organised by The Future Society

Edouard-Francois DE LENCQUESAING, President, European Institute of Financial Regulation (EIFR); Alessandro EVANGELISTI, Finance and Supply Chain Evangelist South Europe, Oracle; Raziye BUSE CETIN, AI Policy Researcher, The Future Society

Although AI technologies hold a great potential to detect fraudulent behaviors and systems, and to improve transparency, major challenges are appearing in terms of ethics, governance, and risk management. As such, the role of governance becomes increasingly centered on the need to strike the right balance between capturing the upsides of the AI revolution, while mitigating the downside risks. The Future Society hosted a debate to discuss AI use-cases related to anti-money laundering and price monitoring for anti-corruption investigation.

Main lessons learned

- AI only works when sufficient data is collected and if one is able to combine these data
- AI uses quantitative data. However, the judgment based on AI data becomes qualitative

What Cryptocurrencies Mean for Political Finance?

Organised by International Institute for Democracy and Electoral Assistance (IDEA)

Yukihiko HAMADA, Senior Programme Officer, International Institute for Democracy and Electoral Assistance (IDEA); Coline MECHINAUD-DESMEDT, Consultant – Cybercrime and Anti-Money Laundering Section, United-Nations Office on Drugs and Crime (UNODC)

The emerging use of cryptocurrencies can have a profound effect on the integrity of politics for better or worse. Depending on the design, some cryptocurrencies could make it almost impossible to identify the sources and destinations of the transaction. Cryptocurrencies could be exploited to circumvent many existing political finance regulations such as donation bans from foreign and anonymous sources. International IDEA and the UNODC launched a report that assesses current state of cryptocurrencies, particularly focusing on their potential implications for political finance regulation and monitoring. Based on the findings of the report, this session dealt with challenges and opportunities brought by cryptocurrencies as well as explore policy options for electoral management bodies and anti-corruption agencies.



Review of the 2009 Anti-Bribery Recommendation: Engaging Civil Society and the Private Sector

Patrick MOULETTE, Head of Division, OECD; Laura ALONSO, Head of the Anticorruption Office and Secretary of Ethics, Ministry of Justice and Human Rights, Argentina; Gillian DELL, Head of Conventions Programme, Transparency International; Dragos KOS, Chair, OECD Working Group on Bribery in International Business Transactions; Klaus MOOSMAYER, Chief Ethics, Risk and Compliance Officer, Novartis

This session was part of the review process of the 2009 Anti-Bribery Recommendation, launched in 2018 by the Working Group on Bribery. The Anti-Bribery Convention is the first and only international anti-corruption instrument focused on the 'supply side' of the bribery transaction. When they adopted the Anti-Bribery Recommendation in 2009, Parties to the OECD Anti-Bribery Convention sought to reinforce the Anti-Bribery Convention standards and their efforts to prevent, detect and investigate foreign bribery. The Recommendation as for now contains provisions for combating small facilitation payments, protecting whistleblowers, improving communication between public officials and law enforcement authorities, and includes the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance.

General comments

Generally speaking, it was mentioned that the main problem remains the implementation of the Anti-Bribery Convention. Most of the countries are not able to investigate corruption crimes.

Now, 10 years after issuing the Anti-Bribery Convention, the OECD wants to address and include new topics in the Convention.

A main focus lied on including corruption crime on the "demand side" of foreign bribery cases.

It was explained that in order to fight corruption effectively, the usual boundaries of public and private have to be overcome. Both demand and supply side have to be hold accountable.

It was also mentioned that the Recommendations should acknowledge the problem of grand corruption. Besides, it was stressed that corruption is not a victimless crime and that the victims are barely mentioned in the Convention as for now. Panelist also asked to focus on short and precise guidelines rather than long resolutions.

Another issue dealt with the definition of "foreign public official" from international organizations. Indeed, sport organizations are not covered by the OECD Anti-Bribery Convention although it is a very corrupted environment.

The issues of voluntary safe disclosure should further be detailed. If a company sees misconduct it should be incentivize to report it through high-level reporting mechanisms. Increase such pragmatic instruments.

More focus should be put on high-level officials and large skill harm. The demand side should be criminalized.

How to further enroll Civil Society and the Private Sector

- Create more accessibility to statistics and court judgments;
- Enhance cooperation between investigative journalists, government and the private sector.

Enforcement

It was agreed that enforcement remains the biggest challenge. Reaching out to the private sector on that matter is seen as an attempt to influence. A protected space to have a dialogue on enforcement policies is needed. The OECD would be such a protected space.