



iMC worldwide
Development | Management | Infrastructure

Say No to Corruption

**IMC ANTI-CORRUPTION TRAINING
FOR SUPPLIERS AND CONTRACTORS**

CORRUPTION...

...any action (or deliberate in-action) committed with the **intent to improperly influence** the decisions - or behaviour - of an individual or organisation, to the benefit of oneself or detriment of another

The UK's Bribery ACT 2010

- As a UK-based firm, IMC must abide by 'The Bribery Act 2010'
- All employees of IMC and RAP3, as well as all consultants, contractors, sub-contractors, etc. must also abide by 'The Bribery Act 2010'
- If any of these actors are found to have committed corruption then they will face termination of their contract, criminal prosecution, and RAP3, and IMC, may be black listed

Purpose of the Training

- to **Understand** the definition of Corruption
- to **Recognise** what corrupt activities are
- to help you **Avoid** and **Prevent** Corruption
- to help us **Combat** corruption together
- ... it's **Mandatory** if you wish to work with us

Purpose of the Training

Why is it Mandatory?

IMC Worldwide Ltd is highly professional consultancy firm with a long-established Ethics Policy supported by a robust Business Code of Ethics.

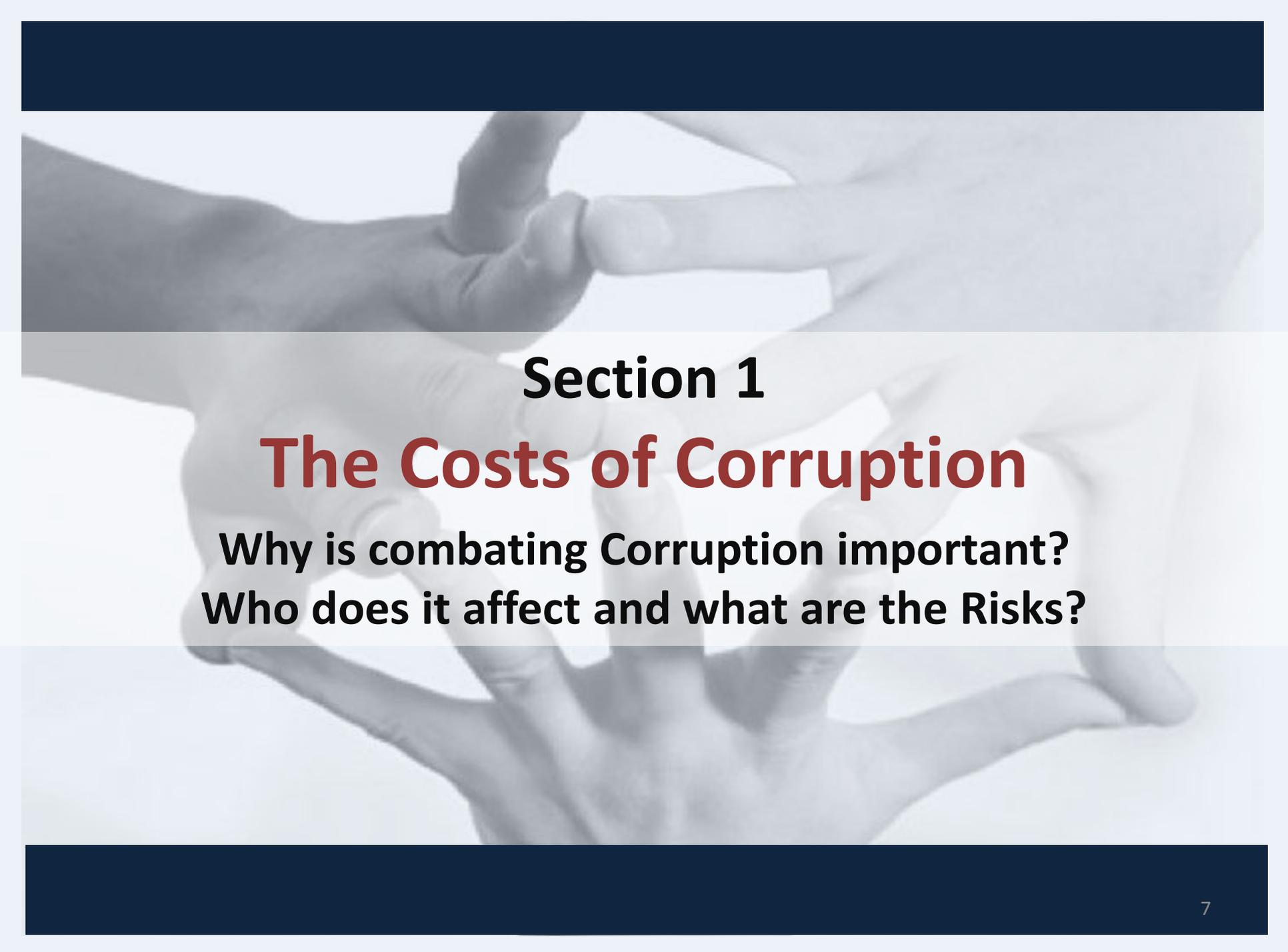
IMC will not tolerate Corruption in any form. We will not hire anybody with a known history of corrupt practices, and will terminate the employment of any individual found guilty of any corrupt offence, whether that offence is connected to the project or not.

This training will help you understand why.

Purpose of the Training

What does the Training Include?

1. The **Risks and Costs** of Corruption – why bother?
2. What is a **Corrupt Act** – how do I recognise it?
3. How you or your employer could be **Responsible** for a corrupt offence
4. No **Excuses** – can I get away with it?
5. Guiding **Principles** for working with us at IMC
6. Additional Guidance & **Reporting Procedures**
7. Things to **Remember**



Section 1

The Costs of Corruption

**Why is combating Corruption important?
Who does it affect and what are the Risks?**

The Costs of Corruption

Corruption is an **international issue** and a problem common to many countries across the world – including many western nations.

Practiced at every level of society, it has become accepted as ‘normal’ in some cultures, whilst many others turn a blind-eye thinking they are powerless to stop it from happening.

The costs of Corruption are, however, **HIGH**. All of us should do absolutely everything we can to **combat** Corruption wherever we find it.

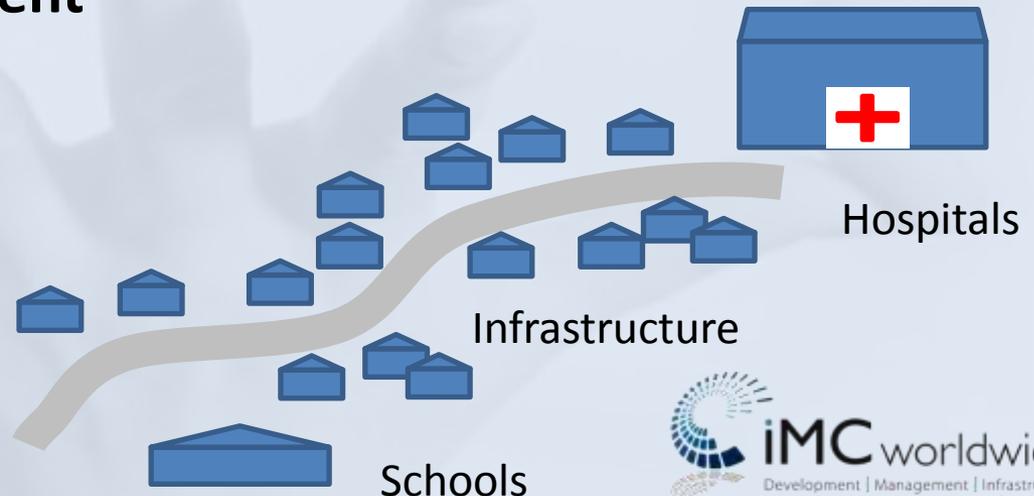
The Costs ...

... to everyone

Where corruption in the construction industry is rife, money is **diverted away** from construction activities -

- Projects **run out of money** before completion
- Fewer new roads, schools, and hospitals are built due to **reduced donor investment**

Reduced **access** to markets, healthcare and education: **slower economic growth**



The Costs ...

... to everyone

Where corruption in the construction industry is rife, money is **diverted away** from construction activities -

- The **quality** of infrastructure that *is* built is **poor** and **defective**
- Environmental Health & Safety standards are not followed or **ignored completely**

Construction is **unsafe**, and money intended for new projects is used to repair defects on old ones



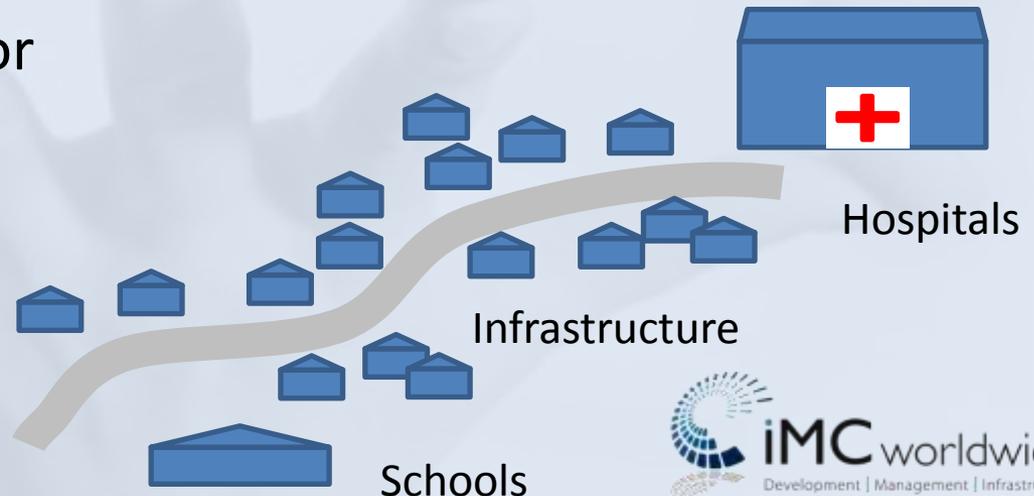
The Costs ...

... to you, your employer and project partners

Acts of Corruption will lead to:

- **Increased costs** on any given project, **lowering profit margins** for the company, and **lowering wages** for the workers
- Reduced donor investment: **fewer** opportunities
- Reduced **job security** for employees

Corruption affects
EVERYONE



The Costs ...

In recognition of the costs of Corruption, many governments have passed laws making corrupt practices **explicitly illegal**. In addition, donors and other international organisations have produced guidelines – and **legally binding** clauses – to help prevent corruption from occurring on its projects.

As a UK-based firm, the law under which IMC is obligated to act is **The Bribery Act 2010**.

You or your employer will have specific **anti-corruption clauses** written into your/their contract with IMC in order to ensure compliance with this Act, and to help protect you (and us) from the relevant laws.

The Risks of Committing a Corrupt Act...

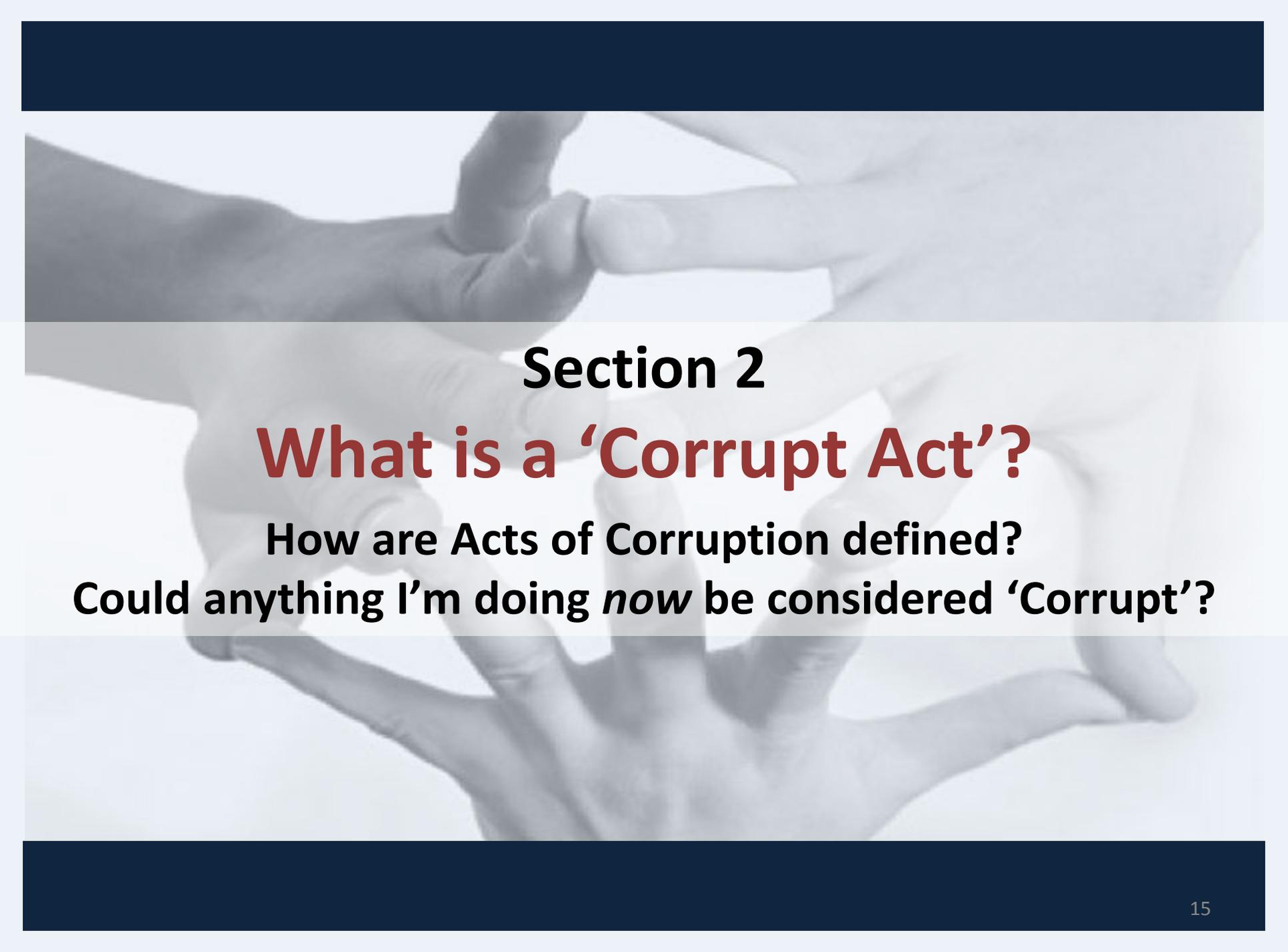
...to YOU if discovered

- **Fines and/or a Prison sentence**
- **Loss of Employment** – IMC will instruct your employer to terminate your contract
- **Loss of Reputation** – you will become unemployable and will lose your livelihood

The Risks of Committing a Corrupt Act...

...to your **EMPLOYER** and **PROJECT PARTNERS** if found criminally liable for your actions

- **Fines** and expulsion from the project
- Loss of professional reputation, and official **Debarment** by the Client
- In extreme cases, **Prison sentences** for senior Project Staff/Company Directors under the relevant national laws and/or international agreements.

A background image showing several hands of different skin tones stacked together in a supportive gesture, with fingers pointing upwards. The image is semi-transparent and serves as a backdrop for the text.

Section 2

What is a 'Corrupt Act'?

How are Acts of Corruption defined?

Could anything I'm doing *now* be considered 'Corrupt'?

What is a **Corrupt Act?**

Any **interface** between two (or more) individuals, firms or organisations that requires the exchange of money, contract or other benefit, is open to acts of Corruption.

Construction projects in the infrastructure sector are **particularly at risk** due to the substantial sums of money involved. The large number of individuals with a vested interest in the project also presents increased opportunity for corrupt acts to occur, with contractual links between entities – from Government officials to the construction worker on the ground – exploited at every level.

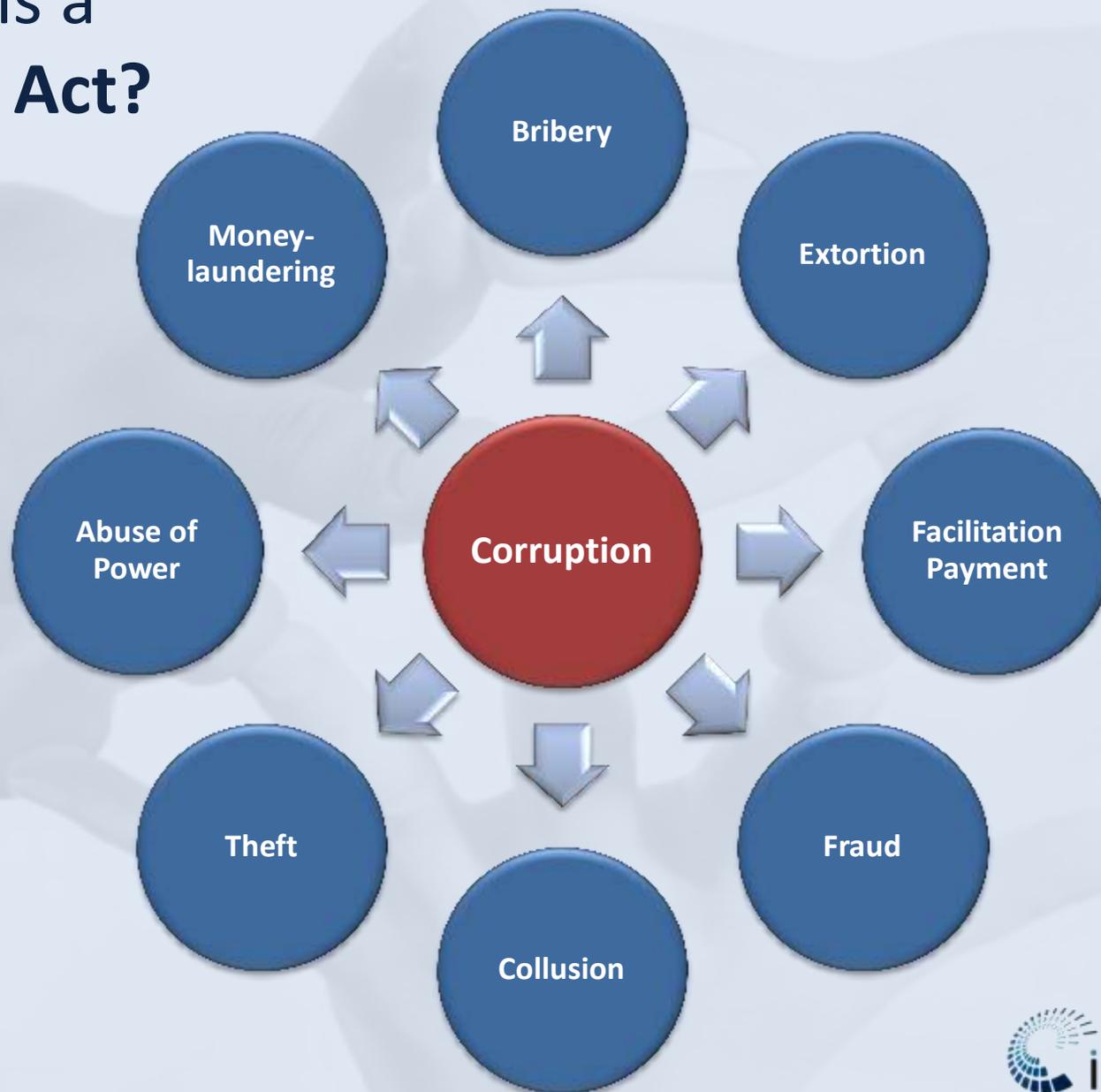
What is a **Corrupt Act?**

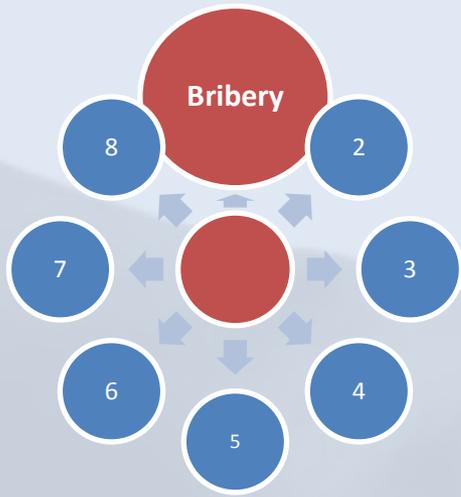
It is sadly **all too easy** for an individual to become involved in an act of Corruption. Often they will be unaware they have done anything wrong because ‘everyone else is doing it’. They may also unknowingly allow a corrupt act to take place because they **did not recognise** it for what it was.

These next pages will help you to understand what the **internationally accepted definitions** of ‘Corruption’ are.

Some real examples from the construction industry are also provided, at the end of each section.

What is a Corrupt Act?



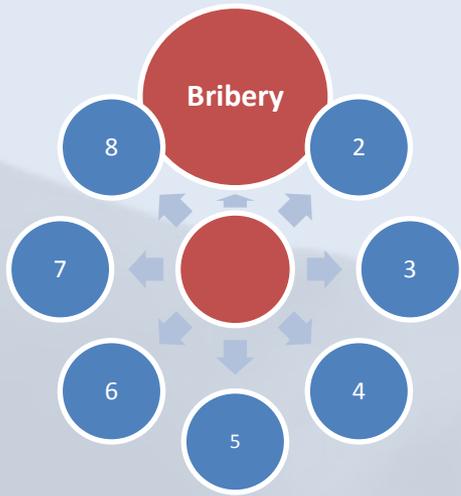


Corruption - **Bribery** ...

... any type of **benefit** given to induce an individual/entity to perform a dishonest act

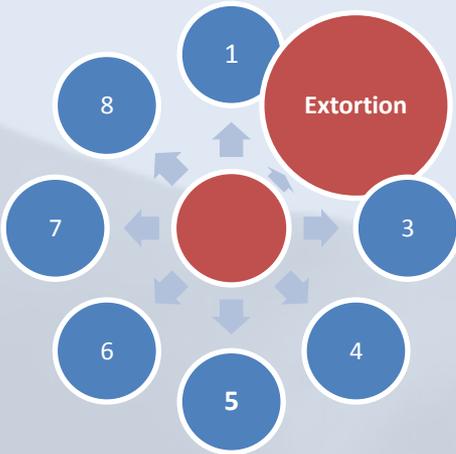
... an act of Bribery is committed when a person **offers, gives, requests** or agrees to **receive** (accepts) a benefit *directly*, or does so *indirectly* through a third-party or agent

... a 'benefit' can include **cash payments**, some form of **gift or donation**, offers of **entertainment**, promise of **future employment**, or an **exchange of favours**.



Corruption - Bribery ...

EXAMPLES IN CONSTRUCTION: A supplier may give money to a site-supervisor and ask him to record that a greater quantity of materials were delivered to site than were *actually* delivered, or to *overlook* the fact that some materials were sub-standard.



Corruption – Extortion ...

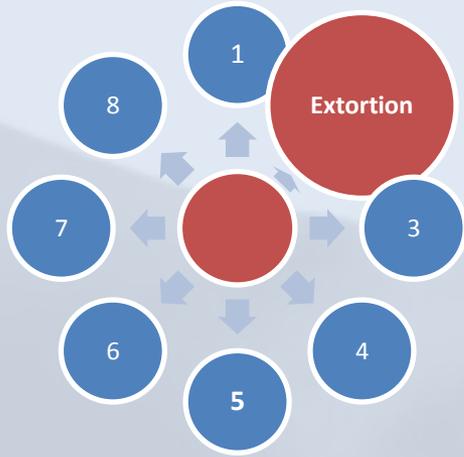
... **BLACKMAIL**

...whereas bribery provides **positive incentives** to agree to an illegal activity, extortion threatens **negative consequences** if an individual, firm or entity does not **comply with the demands** of someone in a position of power

...negative consequences can include:

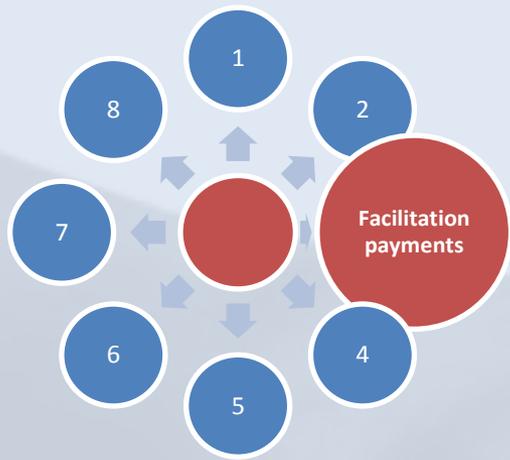
physical harm, including threats of violence and **loss of life or liberty** for you or your family; or the deliberate **withholding of services** or money owed to you

... **demands** can include anything from payment of monetary bribes, to the granting of contracts in favour of a specific company



Corruption – Extortion ...

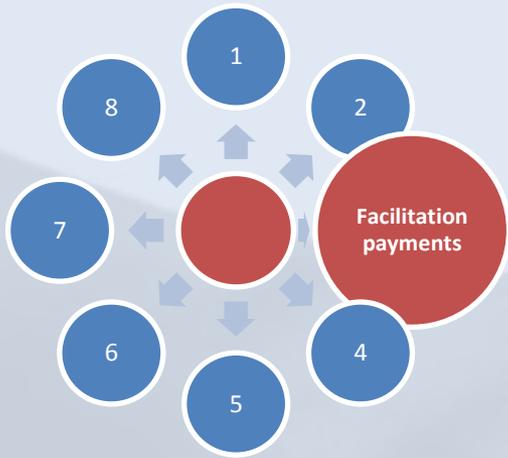
EXAMPLES IN CONSTRUCTION: A public official (e.g. a police officer) threatens to throw your father in prison on false charges if you do not sign a contract with a certain supplier: the supplier is their brother. This is also an example of *Abuse of Power*.



Corruption – Facilitation Payments...

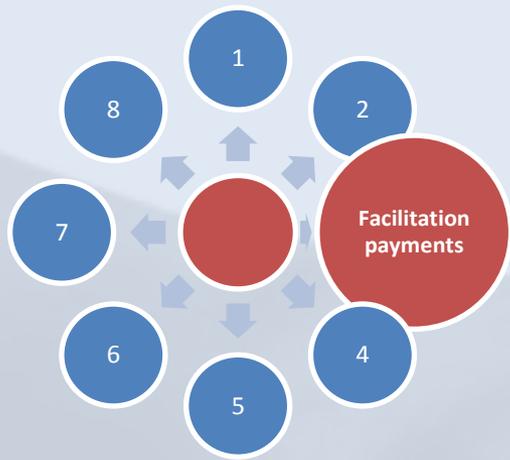
... the most **common** form of Corruption: when a payment given for a service is **over and above** the fee that is legitimately due/advertised for that service

... different to a bribe as the payment is often made to ensure that an official **performs their duty properly** or by-passes 'standard procedure'



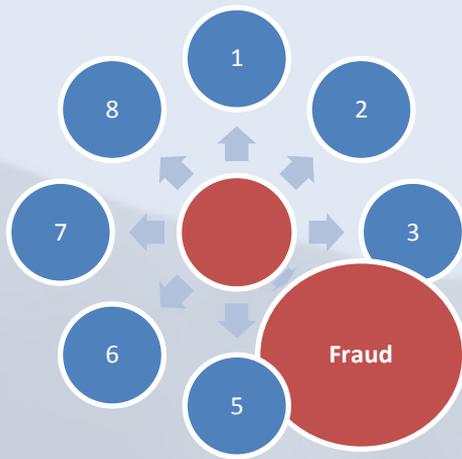
Corruption – Facilitation Payments...

EXAMPLES IN CONSTRUCTION: A customs official tells you that an import permit for construction materials will not be cleared anytime soon... *unless* you pay him/her additional money to process the application personally.



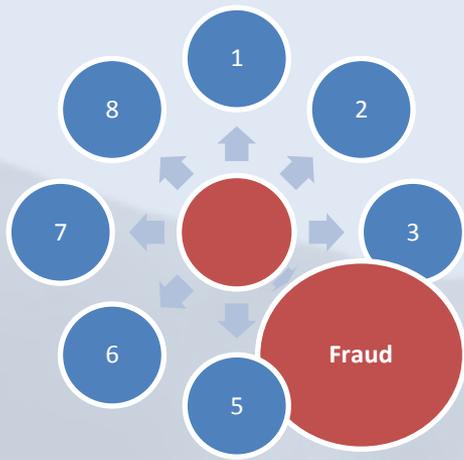
Corruption – NOT a facilitation payment...

Some **fast-track service options** that might appear to ask for illegal payments, could actually be legitimate...
e.g. a **publically advertised** service with an additional premium payment. If the payment is recorded and appears on an **official receipt**, it is **NOT** a facilitation payment.



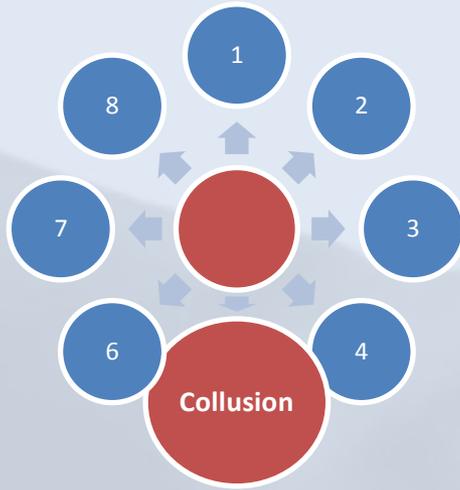
Corruption – Fraud ...

- ... an individual or firm/entity/organisation acting **dishonestly**
- ... the presentation/supply of information in the full-knowledge that it is – or *might* be – **untrue** or **misleading**
- ... often committed to gain financial or commercial **advantage** over a competitor, or to **negatively impact** upon another individual/entity (including the Client)
- ...the **financial wastage** in any construction project due to fraudulent practices is often **much higher** than that attributable to bribery, extortion or facilitation payments.



Corruption – Fraud ...

EXAMPLES IN CONSTRUCTION: A supplier deliberately delivers materials of a cheaper and *inferior specification* to that requested without informing the contractor, lowering their own costs but increasing the risk and associated costs of defects and structural failures in the future.

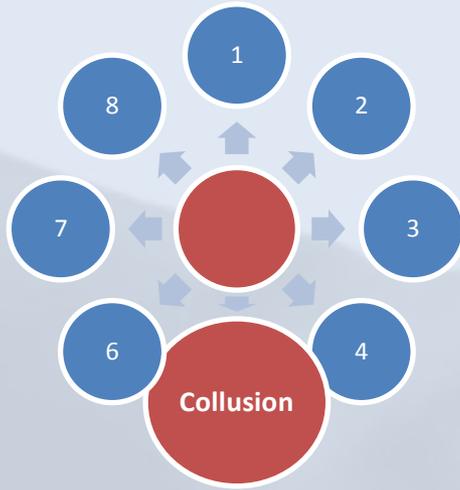


Corruption – Collusion ...

... when two (or more) individuals/entities co-operate to **deceive a third-party** (e.g. client or supervisor)

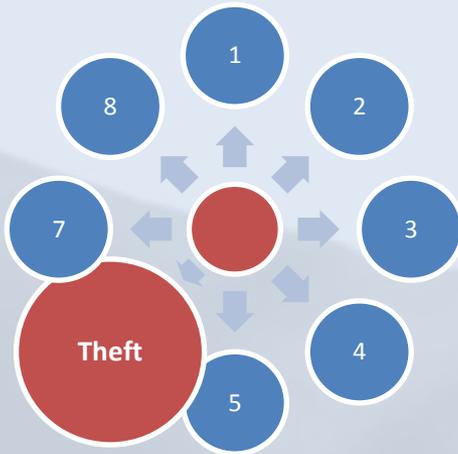
... usually committed during the procurement process for a project when the client is forced to hire a certain individual - or to pay higher rates - due to **lack of perceived competition**

... also known as “cartel”, “anti-trust” or “anti-competitive” offences



Corruption – Collusion ...

EXAMPLES IN CONSTRUCTION: Three competing contractors agree to simultaneously raise their prices, knowing that there are no other firms the Client can approach for the work. The Client is forced to accept the increased rate.

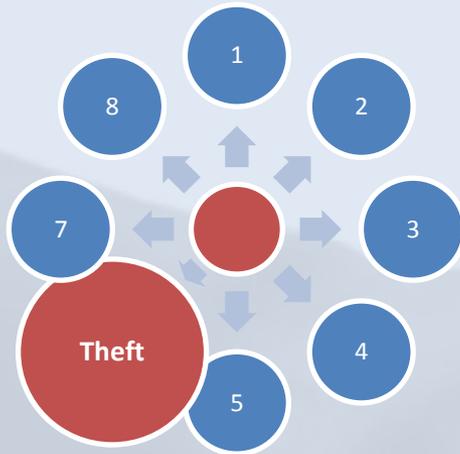


Corruption – Theft...

... also known in legal-circles as **EMBEZZLEMENT**

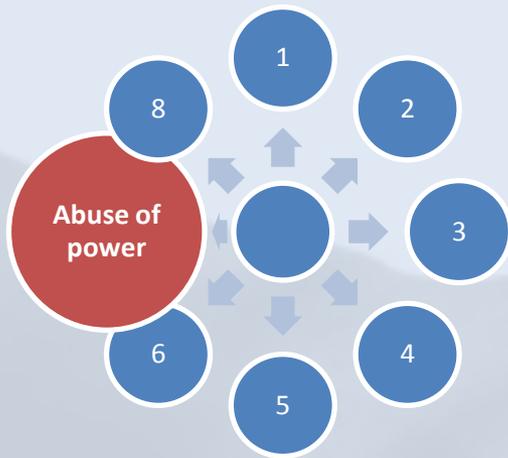
... when an individual/entity dishonestly **takes** or **destroys** money/assets that do not belong to them or their firm

... often also involves **fraud**, e.g. false documents or accounting records may be used to conceal the embezzled funds



Corruption – Theft...

EXAMPLES IN CONSTRUCTION: A Quantity Surveyor records a lower quantity of materials on-site than actually exist, secretly removing the additional material and selling it to competing contractors working on other projects.



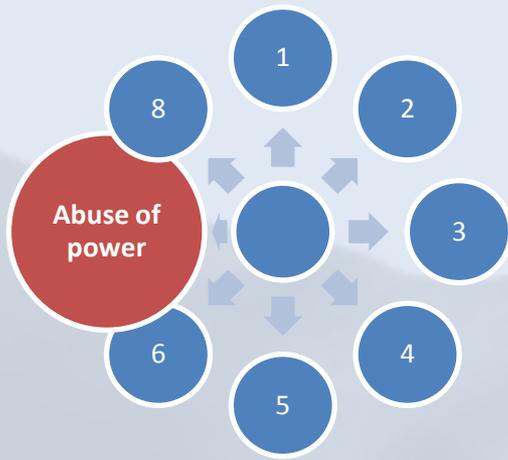
Corruption

– Abuse of Power ...

... an individual **abuses a position of trust or power** for the purposes of illicit (dishonest or illegal) personal advantage/gain

... also committed to promote the interests, show favouritism to, or further the careers of **family members** – this kind of abuse of power is known as **nepotism**

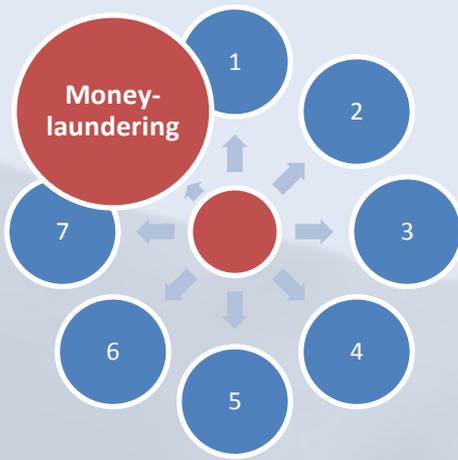
... most often practiced by individuals in a position of authority – including **public officials** – through direct instruction, or political pressure



Corruption

– Abuse of Power ...

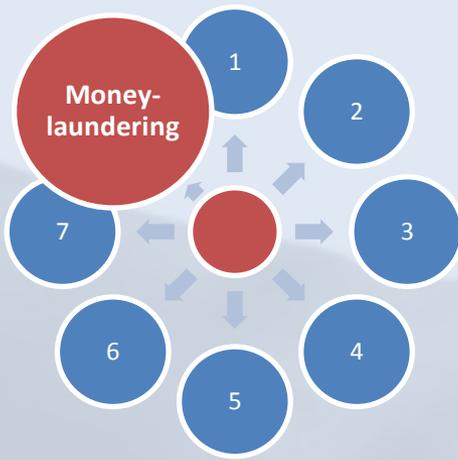
EXAMPLES IN CONSTRUCTION: A Government Minister wants a new road built to the front door of their house. He/she instructs a contractor upgrading a nearby Highway to use some of their materials to complete the work, and to charge the Client for any costs.



Corruption

– Money-laundering ...

- ... a party/individual/entity moves money - or assets – obtained by criminal/corrupt activity from **one location to another**
 - ...usually through overseas bank accounts
- ... committed to actively **conceal** the criminal/corrupt source of money or assets



Corruption – Money-laundering ...

EXAMPLES IN CONSTRUCTION: A bribe paid to an engineer (e.g. to approve works) is hidden in an official payment to the firm, and the money is later transferred from the company account in to the individual's private bank account.



Section 3

How You or your Employer may be Responsible for a Corrupt Offence

How do my actions (or deliberate in-action) expose me to risks of prosecution or contract termination?

Responsibility and Accountability

All of you taking the training today, whether you are full-time employees or temporary contract staff, are representatives of your firm. As representatives, you are **accountable** for any action you undertake under the instruction of that firm – including any action judged to be a corrupt offence.

Equally, your firm is accountable for **YOUR** actions. If you commit a corrupt offence, the firm may be found **criminally liable** for that offence for allowing it to happen.

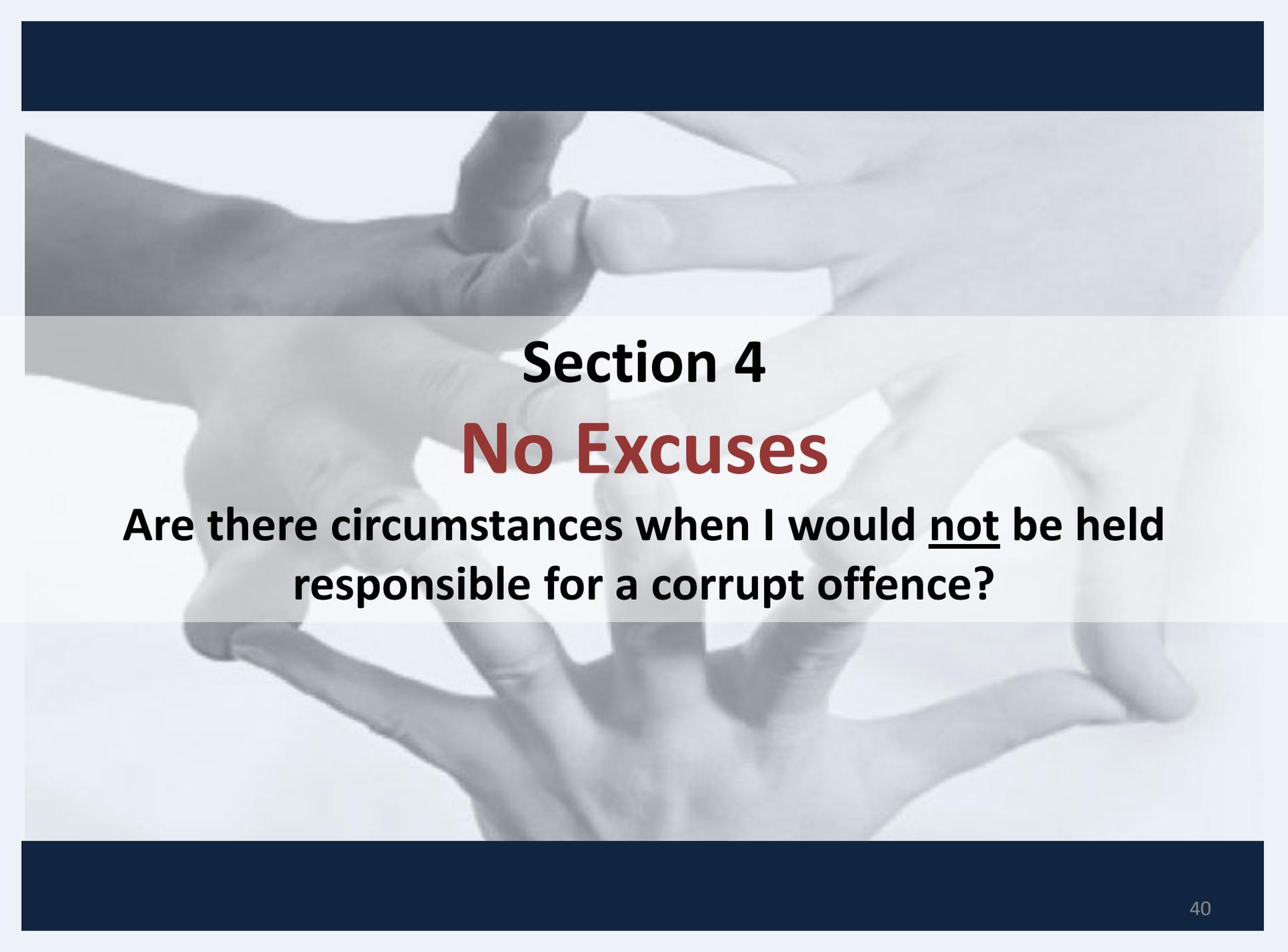
These next pages outline how you would be judged **'responsible'** for these offences.

You would be judged **Responsible** ...

- ...if you are **directly involved** in the corrupt offence, regardless of whether you personally benefit or not;
- ...if someone commits a corrupt offence **on your behalf** or under your instruction;
- ...if you **witness** a corrupt act and **fail to report it**;
- ...if you hold a position of authority and expressly **authorise** the offence, or **allow** the offence to take place with your prior knowledge;
- ...if you have **aided** an individual or entity to commit an offence, including when you have done so **under the direct instruction** of an employer or official.

Your **Employer** and Project Partners may incur **Criminal Liability** ...

- ...through the action/deliberate in-action of its **employees** and/or contracted staff
- ..through the actions of **agents** acting on behalf of the organisation (including **associate firms** and **sub-contractors**) when the offence is committed in the course of their appointment
- ... should they expressly **authorise, approve, condone** or are **wilfully blind** to any offence taking place.



Section 4

No Excuses

Are there circumstances when I would not be held responsible for a corrupt offence?

No Excuses...

I didn't know that I was committing a crime...

Ignorance is never a defence - you could still be found guilty.

I didn't personally profit from or gain an advantage from the arrangement...

Corrupt activities are illegal for a reason – somebody dishonestly gained from your action or in-action, even if you did not

I wasn't physically involved in the offence...

If you ask a third-party (e.g. agent) to pay or receive a bribe on your behalf, you are still involved, **and still responsible**. This is also true if you knew of the offence and did nothing to stop it, or failed to report it afterward.

I was told to do it...

You are still responsible **UNLESS** you can prove that you were physically forced to commit the offence or felt that you (or others) were in danger of **physical harm or loss of life/liberty** if you did not comply with their demands

I was told I'd lose my job if I didn't do it...

Again, unless you (or others) are in immediate physical danger **you should not commit any corrupt act on behalf of your employer**, or allow it to happen. If you are concerned about the behaviour of your employer, **report them**.

No money exchanged hands...

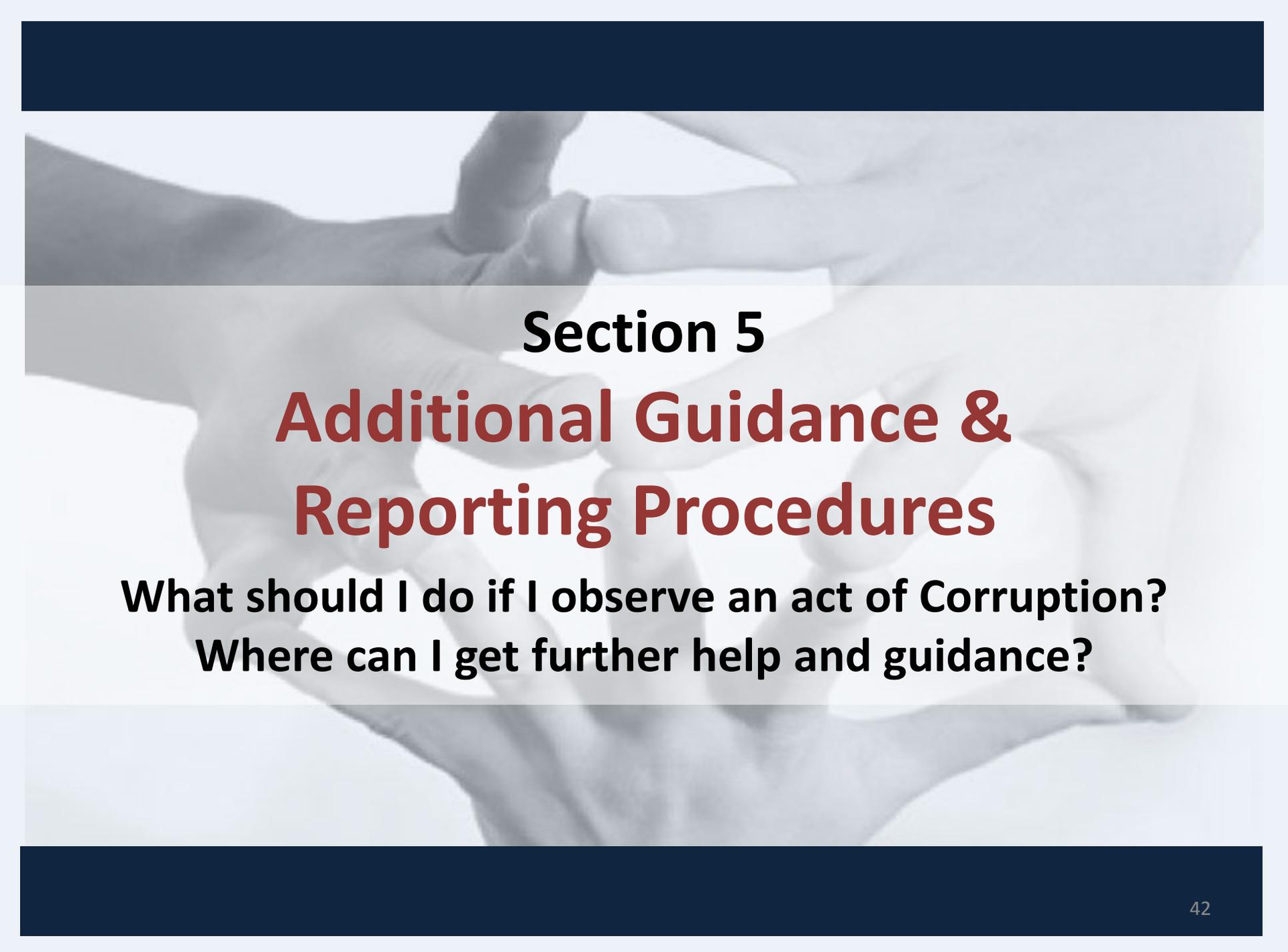
It does not have to: remember that gifts and favours given with the **intent** to influence a decision is considered **an act of bribery**. The only defence is if you can **prove** that the gift/favour etc was not given/received with the intent to bribe. If in doubt, **seek further guidance** from IMC.

The other person didn't stick to our agreement, so no offence actually took place...

You could still lose your job if your employer or IMC discovers your intent – particularly if money exchanged hands – and you could still be convicted of a corrupt offence under the definitions of **fraud** and **collusion**

Everyone does it...

Any form of Corruption is **unacceptable, illegal** and **will not be tolerated**, even if it is considered 'normal business practice' and other people are committing the same offence. If you get caught you will be prosecuted, **regardless of who else does it**.



Section 5

Additional Guidance & Reporting Procedures

**What should I do if I observe an act of Corruption?
Where can I get further help and guidance?**

Additional Guidance...

If you...

- ..observe what you **think** might be corrupt behaviour and are unsure what you should do; or
- ..have been asked to do something that you are **uncomfortable** with; or
- ...simply want **more information** and advice...

Email the RAP3 Whistle Blower Support line...

whistleblower@rapnepal.com

...and ask for guidance. Our staff will advise you what to do and give you the appropriate support.

Reporting Procedures...

If however, you...

- ...observe or have been forced to participate in what you **know** to be corrupt behaviour; or
- ..have been asked/instructed to do something that you **know** to be corrupt...

REPORT IT IMMEDIATELY

Either...

- ...follow the **reporting procedures of your firm/organisation**; this should then be escalated to the **RAP Engineering Team Leader/District Team Leader** by your employers.
- ... **or** if the corrupt offence is committed by your employer themselves (or under their instruction), report their behaviour **directly to the RAP Engineering Team Leader/District Team Leader**

Reporting Procedures...

It is also crucial that you follow-up on your report.

- If the person you have reported the offence to does not provide feedback, or seems to **ignore** your concerns...
- ...or you see that nothing has changed, and corrupt offences are **continuing to occur**...

Contact the **Programme Manager**, Mr Michael Green, and report your concerns directly to him:

michael.green@rapnepal.com



Section 6

Things to Remember

**What are the key 'messages' to take away
with me today?**

Things to Remember...

- The costs of Corruption are **high**, and the risks to you, your employer and project partners could be even greater.
- The term 'Corruption' covers many **dishonest** or **illegal** acts including acts of Bribery, Theft, Extortion, Collusion, Fraud, Facilitation Payments and Abuse of Power.
- We are all responsible and accountable for our actions - there are **NO excuses**.
- It's always ok to **ask IMC for advice** if you are unsure or need more guidance.
- **Report all cases** of corruption that you come across: IMC will take appropriate steps to **protect you** and your position on the project if necessary.
- Always act **professionally**, and with **honesty** and **integrity** – set a good example for your fellow workers... and for your community.

A grayscale photograph of several hands stacked together in a pyramid shape, with the word "End" overlaid in the center. The hands are of various skin tones and are positioned to form a stable, triangular structure. The word "End" is written in a large, bold, black sans-serif font, centered over the middle of the hands. The background is a plain, light color, and the overall image has a soft, slightly blurred quality.

End