

APRIL 2016

# AlixPartners annual global anticorruption survey 2016

The record number of enforcement actions taken by the US Securities and Exchange Commission is proof that corruption, fraud, and other misconduct remain legitimate problems for many companies globally. Vigorous enforcement, which today involves the use of sophisticated technology and data analytics tools to generate cases, produced a record 807 enforcement actions and roughly \$4.2 billion in sanctions in 2015.<sup>1</sup>

The scope of the problem is evident, according to the 2016 AlixPartners Global Anticorruption Survey, which polled general counsel and compliance officers at companies representing more than 20 major industries in the United States, Europe, and Asia. The survey explored the impact of corruption risk on the global business environment, measured the impact of anticorruption laws and regulations on compliance-related activities, and assessed the ways companies are preventing, identifying, and handling corruption risk.

<sup>1</sup> US Securities and Exchange Commission press release, October 22, 2015, <https://www.sec.gov/news/pressrelease/2015-245.html>.

## THE TOLL ON BUSINESS

- 23% of respondents said their companies lost business during the previous 12 months as a result of situations involving illicit payments to government officials, compared with 22% in our 2015 survey
- 32% said they have ceased doing business with certain partners because of corruption risk, compared with 28% last year
- 36% said their companies pulled out of or delayed acquisitions because of potential corruption risk, compared with 26% last year
- 64% said they have not avoided doing business in a region based on possible corruption risk, compared with 66% last year

## A PROBLEM THAT SPANS MANY INDUSTRIES AND GEOGRAPHIES

- 90% of respondents said their industries are exposed to corruption risk, compared with 85% in our 2015 survey, with 28% citing “significant risk”—up from 22% last year
- 78% and 68% of respondents rated risk levels as significant for Africa and the Middle East, respectively, compared with 59% and 48% in 2015—a sharp increase for both regions
- 73% of respondents indicated significant levels of risk in Russia, compared with 75% in last year’s survey

## FOR A MAJORITY OF INSIDE COUNSEL AND COMPLIANCE OFFICERS, ENFORCEMENT EFFORTS MAKING AN IMPACT

- 75% of respondents said their companies have dedicated anticorruption programs
- 67% said they had reviewed policies in the past year
- 51% said they had implemented anticorruption programs in the past 10 years
- 66% have whistle-blower hotlines; 27% have received tips related to corruption during past 12 months

## ANTICORRUPTION EFFORTS: WHAT’S WORKING? AND WHAT ARE THE CHALLENGES?

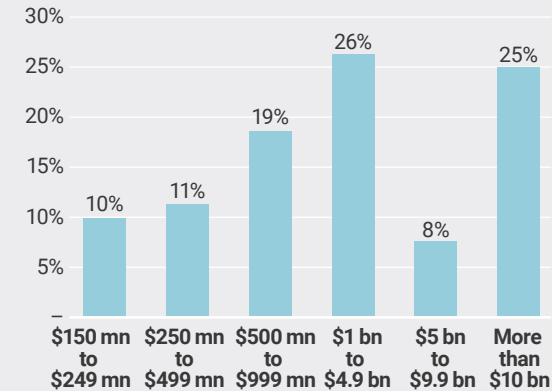
- 75% said variations of policies by country are the main obstacles to combating corruption; also cited were inadequate staffing (69%) and a lower priority on compliance (64%), compared with business objectives
- 85% cited internal audits as the most-effective means of reducing risk; also cited were compliance policies (85%), training (82%), and increased scrutiny of books and records or internal controls (80%)

## DATA ISSUES RISING IN CROSS-BORDER INVESTIGATIONS

- 77% said their companies face challenges in navigating local data protection laws
- 76% cited ensuring the security of their data as “challenging”
- 27% said they expect an increase in challenges associated with moving data across country borders. [A](#)

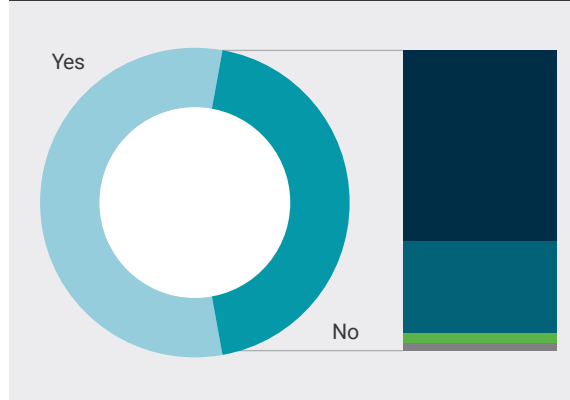
## RESPONDENT PROFILE

**FIGURE 1: COMPANY REVENUE (MOST RECENT FISCAL YEAR, USD)**



Source: AlixPartners

**FIGURE 2: COMPANY HEADQUARTERS LOCATION**



Source: AlixPartners

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