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by <u>RUSSELL MOKHIBER</u> 07.04.2018

## Transparency International USA Morphs Into Coalition for Integrity



Corruption is an enormous, worldwide problem measured in the billions and trillions of dollars.

Yet the true cost of corruption goes far beyond mere dollars and cents.

Democracy is best served when elected officials are wholly committed to representing the public interest

When government is for sale, it destroys public trust in democratic institutions and denies people the right to accountable, responsive government and the rule of law.

Who says this?

A new group called **The Coalition for Integrity**.

Previously known as Transparency International USA.

Why didn't it just stay as Transparency International USA?

Because last year, the parent group, Transparency International, stripped the USA affiliate of its title.

After Corporate Crime Reporter reported in January 2017 that Transparency International USA had been stripped of its affiliation, the head office of Transparency International in Berlin confirmed the move saying that "the disaccreditation was the recognition of differences in philosophies, strategies, and priorities between the former chapter and the Transparency International Movement."

Transparency International USA had increasingly been seen in the United States as a corporate front group, funded by multinational corporations — the same multinationals that corrupt the U.S. political system.

Its million dollar a year budget was sustained by contributions from Bechtel Corporation, Deloitte, Google, Pfizer (\$50,000 or more), Citigroup, ExxonMobil, Fluor, General Electric, Lockheed Martin, Marsh & McLennan, PepsiCo, PricewaterhouseCoopers, Raytheon, Realogy, Tyco (\$25,000–\$49,999), and Freeport-McMoRan and Johnson & Johnson (up to \$24,999).

It yearly gave its annual corporate leadership award to one of its big corporate funders. In 2016, the award went to Bechtel.

Its board of directors was dominated by corporate lawyers, many of whom defend companies from charges of foreign bribery.

Other than the name change from Transparency International USA to the Coalition for Integrity, it's unclear whether or not anything has changed.

It appears that the Coalition is still a corporate front group.

The Coalition's board of directors is dominated by corporate lawyers and lobbyists, including Covington partner Lanny Breuer, Bechtel general counsel Michael Bailey, Cadwalader partner Peter Clark, Steptoe & Johnson partner Lucinda Low, Paul Weiss partner Mark Mendelsohn, Fairfax Group president Michael Hershman and Weil Gotshal partner Steven Tyrrell.

When asked for comment for this article, Claudia Dumas, the former CEO of Transparency International USA and the current CEO of the Coalition for Integrity, wrote "we are not available for an interview at the present time."

Among the <u>Coalition for Integrity's current donors</u> – Bechtel Corporation, Citigroup, Deloitte, Fluor Corporation, GE Corporation, Google, Johnson & Johnson, Lockheed Martin, Navigant Consulting, PepsiCo, Pfizer, and Raytheon, as well as various corporate legal defense and lobbying firms.

"The board of the Coalition for Integrity is dominated by fraudster-defense law firms, corporate lawyers, and professional lobbyists," Patrick Burns of Taxpayers Against Fraud told *Corporate Crime Reporter*. "Are there any whistleblowers on there? Any fraudfighting law firms? Anyone whose public life has been famously dedicated to getting corporate money out of government?"

"The mandate of the Coalition for Integrity is enormous – to lead the effort at home and abroad to shine a light on corrupt practices and build coalitions to curb corruption and promote integrity in government and business – but its budget is quite small – about a million dollars a year," Burns said.

"When the patch does not fit the hole and when the donors and leadership seem a bit at odds with the mission statement, it's a fair question to ask.

"What's going on?"

"Who does this organization represent? What do they do?"

"Words like transparency and accountability pepper the web site, but it's not clear what those terms mean."

"Is the Coalition for Integrity pushing for more enforcement resources for the Civil Division at the U.S. Department of Justice, or for mandatory exclusions for culpable individuals in large companies engaged in fraud against the American people?" Burns asked.

"Is it working for mandatory treble damage fines, and claw backs of bonuses and stock options for culpable executives?"

"Is it working for stronger corporate integrity agreements that require incentivized integrity programs within fraudster companies as a condition of settling past fraud and bribery charges?"

"Or is this actually a coalition of big companies funding blue lights, smoke, and mirrors?" "I am generally skeptical of corporate compliance programs," Burns said.

"Too often companies are looking instead for compliant officers – people who work with corporate management to ferret out whistleblowers and speed their isolation, humiliation, and termination."

"Do any of the corporate sponsors of this organization have a different way of doing business?"

"That's a genuine question."

"Among the dozen billion-dollar companies funding the Coalition for Integrity, is there even one that offers a million-dollar award for internal whistleblowing?"

"Is there even one that has promoted that internal whistleblower to a higher management position?"

"I think not."

"These big companies routinely pay million dollar awards to executives that come up with complex billing schemes that defraud the government and the public, but I know of no company that pays a million dollar award to an internal whistleblower who comes forward to internally report a fraud against the government."

"And yet, if such an award was triggered for any fraud over \$2 million, the company would normally face double damages rather than treble, which means the company would actually save a million dollars by paying an internal whistleblower a million dollars."

"That's good business – provided you actually are trying to stop fraud by encouraging integrity and transparency rather than paper over the fraud."

"Which brings me back to the goal, both of the organization and its donors."

"I notice that the Coalition for Integrity has something they call 'The Corporate Forum' which is ". . .designed to provide the Coalition's corporate supporters. . . with an opportunity to have an exchange on emerging global issues and benchmark programs and practices with peers. At the Forum, senior compliance counsel and ethics officers are updated on notable new cases and developments, listen to briefings by agency officials, engage in in-depth exchanges on approaches to complex compliance challenges, exchange practical advice and recommendations, and receive updates on anti-corruption initiatives of importance to the private sector."

"Read that slowly. What's that sound like to you? Are these folks looking for transparency and accountability? Are they trying to encourage integrity? Or is this a meeting of defense lawyers employed by companies under investigation for fraud and bribery who are trying to figure out the edge of the law, and the weaknesses inherent to the current enforcement structure and paradigm so they can slip the noose now and in the future?"

"Find out how these companies treat internal whistleblowers, and you will have your answer."

"Are these companies offering big cash awards and promotions for standing up and speaking up with integrity, or is it the old isolate, humiliate, and terminate that we have seen so often before?"

"As they say, the proof of the pudding is in the eating."

This piece first appeared at <u>Corporate Crime Reporter</u>.

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