The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Anti-Corruption Gains Support, But Not Popularity

By Rachel Nielsen

June 06, 2012



Envelopes filled with cash are being replaced by more high-tech means of bribery and corruption.

Speaking after legal experts listed anti-corruption laws that companies must follow on Russian soil, Yelena Panfilova, general director of Transparency International Russia, had the opposite message: a list of globally accepted anti-corruption standards lacking in Russian law.

Though a legal and cultural framework has been evolving since the 2008 launch of then-President Dmitry Medvedev's anti-corruption campaign, and even since the mid-2000s, building blocks are still missing in the country's transparency framework, Panfilova and other anti-corruption analysts are saying.

In her presentation to corporate compliance officers at the Association of European Businesses on Thursday, Panfilova said whistleblower protections and centralized law enforcement need to be added to the legal system, while the concept of conflict of interest has

yet to take hold among businesspeople.

What's more, many Russian companies setting up anti-corruption standards and compliance programs are doing so quietly because the domestic business community looks down on such measures, Panfilova said in a telephone interview.

A great deal of the domestic companies working to keep a clean house "don't like to publicize their successes," Panfilova said.

Yet, because some Russian corporations have operations in or tied to the United States, Britain or both, the anti-corruption acts in those countries are having far-reaching effects. With companies vulnerable to a "triple" set of laws — Russian anti-corruption laws, the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act — some see financial value in enforcing strict rules against extortions and kickbacks.

Across various business sectors, "there is the understanding that this investment, in the long run, pays [itself] back," Panfilova said.

Andrei Porfiriev, a lawyer and senior associate in Moscow with law firm Egorov Puginsky Afanasiev & Partners, also said the U.K. and U.S. laws are changing Russian practices, but whistleblowers have a difficult time reporting suspect activities. It is ideal if employees have a hotline or special compliance department to which they can turn, he said in a phone interview.

Original url:
https://www.themoscowtimes.com/2012/06/06/anti-corruption-gains-support-but-not-popularity-a15318