## Corruption overview in Latin America’s seven largest economies

<table>
<thead>
<tr>
<th>Country</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Chile</th>
<th>Colombia</th>
<th>Mexico</th>
<th>Peru</th>
<th>Venezuela</th>
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<td><strong>Corruption Overview</strong></td>
<td>Public procurement in Argentina has a higher risk of corruption than in almost any country, as irregular payments and bribes in the awarding of public contracts are common practice. The diversion of public funds to companies, individuals or groups due to corruption is common ([Global Competitiveness Report 2014-2015](Global Competitiveness Report 2014-2015)) Bribe Payers Index (2011) Score: 7.3/10 ([Transparency International](Transparency International))</td>
<td>Companies operating in Brazil have to deal with a wide range of regulatory agencies due to the federal structure of the political system, which may increase the likelihood of demands for bribes by public officials. It is reported that tax collectors frequently ask for bribes to relax assessments and inspections, to refrain from</td>
<td>Chile has long had a reputation as one of the region’s least corrupt nations. However, a slew of corruption scandals is raising doubts about the political establishment. ([The New York Times](The New York Times)) Chile has embraced criminal liability for the corrupt acts of legal persons, while other countries in</td>
<td>Corruption continues to pose major challenges to Colombia’s economic growth and investor confidence. Illegal armed groups are still a threat to several of the country’s institutions through the use of violence and corrupt means. The public procurement system in Colombia is non-transparent and many cases of abuse of office in the awarding of</td>
<td>Bribery is widespread in Mexico’s judiciary and police and business registration processes. Organized crime continues to be a very problematic factor for business, imposing large costs on companies. Collusion between the police, judges and criminal groups is extensive. Mexico has criminalized</td>
<td>Corruption is a serious problem for businesses in Peru, with irregular payments, bribes and the favoritism of government officials in awarding contracts being particularly common. Corruption is criminalized but not facilitation payments. Peru’s judicial system</td>
<td>A systemic culture of corruption exists and is a significant problem in Venezuela. Political and regulatory uncertainty has seriously discouraged foreign investment in the country. The executive and legislative branches have shown great interest in fighting corruption through public institutions. Petty corruption is common and companies may be extorted in return</td>
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pursuing acts of tax fraud or to give advice on the legal possibilities of reducing tax obligations (Business Anti-Corruption Portal).

the region have been resistant to it (FCPA Americas).

public contracts have surfaced recently (Business Anti-Corruption Portal).

bribery but it is lacking in enforcement and there is a sense of high impunity for the illicit actions of corrupt public officials (Business Anti-Corruption Portal).

carries a very high risk of corruption in the absence of proper checks and balances to the government’s legislative actions (Business Anti-Corruption Portal).

corruption in the absence of customs procedures that are plagued by corruption and bribery. The discovery of oil in the 20th century has worsened political corruption (Business Anti-Corruption Portal).

Anti-Corruption Legislative Outlook

Anti-corruption law is contained within the Criminal Code, prohibiting the active and passive bribery of public officials and active bribery of foreign public officials. Does not President Dilma Roussef has adopted a strong stance against corruption in the government, Chile Transparente, the domestic chapter of Transparency International, called on officials to The Colombian Congress approved a new Anti-Corruption Statute in 2011, which includes reforming the governmental anti-corruption

Despite a strong legal framework, Mexico’s anti-corruption legislation is generally not enforced (BTI Project).

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Trade in Venezuela is impeded by customs procedures that are plagued by corruption and bribery. The discovery of oil in the 20th century has worsened political corruption (Business Anti-Corruption Portal).
provide an exception for facilitation payments. Enforcement, though, is lacking (GAN Integrity Solutions). Despite political financing regulation and electoral reform in 2009, transparency and accountability in party funding is still lacking. A 2003 decree regulates access to public information but it only applies to agencies, entities or companies established under the executive branch (Transparency International).

though risks in the sector have lingered, especially due to the large scope and government involvement in the Petrobras kickback scheme. From 2003 to 2012, the federal auditor’s office fired nearly 4,000 employees from public service and most of those charges stemmed from corruption or dishonesty. Brazil has some of the strongest political and campaign financing regulations in Latin America. meet their commitment to the Inter-American Convention against Corruption in 2011. Compliance in the country was found to be inadequate. Chile’s Congress passed the Corporate Criminal Liability Law in 2009 that applies to money laundering, the financing of terrorism, and bribery of domestic and foreign public officials. Chilean law does not attribute criminal agency, tightening regulations around lobbying activities and implementing more effective penal processes. (Business Anti-Corruption Portal).

Colombia’s parliamentary and presidential elections were held with the support of a centralized campaign finance accountability system (Cuentas Claras System), which Transparencia por Colombia donated to the National Electoral Council (Transparency International). Recent prosecution efforts have The Federal Penal Code criminalizes corruption, active and passive bribery, extortion, abuse of office, money laundering, bribery of foreign public officials and facilitation payments. The Freedom of Information Act ensures public access to information at all government levels. The Whistleblower protection is very weak and no legal protection is established for those reporting corruption. Public corruption, extortion, passive and active bribery, money laundering and bribery of foreign officials. There is an anti-nepotism law for public service, but the law does not specify the official procedure of accepting gifts and small courtesies. The Whistleblower protection law provides for protection from dismissal or agencies that are mandated to deal with corruption under an umbrella institution called Poder Ciudadano. Blacklists of alleged corrupt individuals could be used to bar key opposition candidates from running in future elections. The Anti-Corruption Law of 2003 criminalizes passive and active corruption, extortion and money laundering. It establishes citizens’ right to information. (Business Anti-Corruption Portal).
Congress passed the Clean Company Act in 2014, making companies, not just individuals, liable for corruption at home and abroad. Since 2010, an electronic platform called the Transparency Portal enables Brazilians to track how public money is being used in all federal government programs (Transparency International).

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Procurement is regulated and addresses conflict of interest among officials and competitive bidding. (Business Anti-Corruption Portal).

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Reprimands and confidentiality in reporting acts of corruption (Business Anti-Corruption Portal).

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Although Brazil ratified the OECD Anti-Bribery convention, a 2012 report. (Business Anti-Corruption Portal).

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Colombia is a part to the OECD Convention on Combating Bribery of (Business Anti-Corruption Portal).

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Mexico has ratified the United Nations Convention against Corruption.

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as having strategic AML deficiencies. Argentina, however, is seriously non-compliant with key articles of the Anti-Bribery Convention, says the OECD Working Group on Bribery (Know Your Country).

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<th>Recent notable cases</th>
<th>2013 – 17 Siemens executives were charged with paying Brazil’s state-run oil giant Petrobras is President Michelle Bachelet’s</th>
<th>In 2011, the former mayor of Bogota, Samuel In 2012, Walmart’s Mexican unit Ex-president Alberto Fujimori has</th>
<th>Corrupt and is signatory to the OECD Anti-Bribery Convention (Business Anti-Corruption Portal). The last mutual evaluation Report by the FATF showed that Mexico was deemed compliant for 7 and largely compliant for 12 of the FATF 40+9 Recommendations (Know Your Country). On the FATF list of Countries that have been identified as having strategic AML deficiencies. In the last Mutual Evaluation by the FATF, Venezuela was deemed Compliant for 6 and Largely Compliant for 12 of the FATF 40+9 Recommendations. (Know Your Country).</th>
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<td>indicates there has been little enforcement. (Transparency International). Member of the FATF since 2000. Brazil has significantly enhanced its ability to prosecute money laundering offenses, according to the FATF Mutual Evaluation in 2009 (FATF).</td>
<td>says there has been little enforcement. The World Bank ranked Chile in the 91st percentile for Control of Corruption. (Transparency International). Chile is a member of the FATF and was deemed compliant for 8 and largely compliant for 15 of the FATF 40+9 Recommendations, now 40 recommendations. (Know Your Country).</td>
<td>Foreign Public Officials in International Business Transactions. The World Bank ranked Colombia in the 25-50 percentile for Control of Corruption. (FCPAmericas). The last mutual evaluation of Colombia by the FATF in 2008 deemed Colombia compliant for 19 and largely compliant for 12 of the FATF 40+9 Recommendations. (Know Your Country).</td>
<td>Corruption. In the last Mutual Evaluation Report by the FATF, Peru was deemed compliant for 10 and largely compliant for 14 of the FATF 40+9 Recommendations. (Know Your Country). The World Bank ranked Peru in the 50th percentile for Control of Corruption (Transparency International).</td>
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bribes to public officials in Argentina. Allegedly they paid $106 million to government officials and a former president to win billion dollar contracts (Wall Street Journal). The Executive Legal Advisor for the Kirchner administration was accused in 2012 of embezzlement of public funds, money laundering, and corruption. Implicated in the country’s largest corruption scandal. The investigation began in 2014 and revealed that top executives at Petrobras created a kickback system that also involved politicians. There have been multiple arrests and an overhaul of Petrobras management. (Bloomberg).

Son has been accused of using his influence during her campaign to secure a loan for a deal that reaped millions. A mining giant controlled by the former son in law of the former Chilean dictator Augusto Pinochet is embroiled in an investigation over questionable payments to an array of political figures (The New York Times).

Moreno, was convicted for irregularities in contracts with private businesses, under a scandal named contract carousel by the media. (El Tiempo).

In 2014, a massive corruption network within the Colombian army was exposed in which high ranking officers took bribes in order to grant contracts. (BBC News).

Fujimori fled to Japan with an alleged $600 million in public assets. He has been sentenced to a total of more than 30 years in prison (Freedom House). In 2007, authorities in Colombia claimed they had found evidence of Chavez offering payments of as much as $300 million to the FARC, a rebel group seeking assistance from Venezuela (Washington Post).
Public Opinion and Initiative

| 77% of people feel their government’s efforts to fight corruption are ineffective. |
| 62% of people feel that from 2007-2010, the level of corruption in the country has increased. |
| Political parties are the institutions perceived to be most affected by corruption. |
| (Transparency International). |
| The editors of La Nación accused Argentinian officials |

54% of people feel their government’s efforts to fight corruption are ineffective.
64% of people feel that from 2007-2010 the level of corruption in the country has increased. Political parties, parliament and legislature are the institutions perceived to be most affected by corruption. Using mapping

33% of people feel their government’s efforts to fight corruption are ineffective.
56% of people feel that from 2007-2010 the level of corruption in the country has increased. Political parties, and Parliament and Legislature are the institutions perceived to be most affected by corruption. Using mapping

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31% reported paying a bribe in 2010. 52% of people feel their government’s efforts to fight corruption are ineffective. 75% of people feel that from 2007-2010 the level of corruption in the country has increased. Political parties, and Parliament and Legislature are the institutions perceived to be most affected by corruption. Using mapping

85% of people feel their government’s efforts to fight corruption are ineffective. 86% of people feel that from 2007-2010 the level of corruption in the country has increased. The police force is the institution perceived to be most affected by corruption. Out of 70 municipalities in Venezuela, only 13 have adequate transparency
In October 2013 of "embezzlement, bribery, extortion, illicit enrichment, negotiations incompatible with the exercise of public functions, concealment and laundering, influence peddling and misappropriation of public funds." *(La Nacion)*.

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<thead>
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<th>Institution</th>
<th>Affected by Corruption</th>
<th>措施</th>
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<tr>
<td>Transparency International</td>
<td>Brazil runs several anti-corruption projects in Brazil and functions much like an advisory organ for federal and state governmental institutions in the field of improving transparency and integrity <em>(Business Anti-Corruption Portal)</em>.</td>
<td>Software, a collation that includes Transparencia por Colombia, civil society organizations, embassies and the media enabled citizens to monitor elections by electronically reporting irregularities <em>(Transparency International)</em>.</td>
<td>Transparencia Mexicana has monitored more than $30 billion worth of public expenditure. <em>(Transparency International)</em>.</td>
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<td>Proetica, the Peruvian chapter of Transparency International</td>
<td>Called for improvement in development programs to avoid corruption. <em>(Transparency International)</em>.</td>
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<td>Transparency Venezuela</td>
<td>Venezuela’s 2011 research. <em>(Transparency International)</em>.</td>
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