

Case study: bribery

Business



Lecturer: Bribery in Business Bribery is the act of giving cash or other gifts in order to acquire an illegal advantage. In business bribery is used to facilitate a company or an individual to offer some preferred treatment. Bribery is a widespread activity that destructs the competition between different business institutions. Many societies have considered business an unfair way of conducting business. This has led to the adoption of anti-bribery and committees fighting against corruption. The policies implemented by these anti-corruption institutions mean nothing if they are not implemented.

Bribery is done differently in different culture where some communities view corruption as a normal way of practicing business. There are cultures that allow hospitality of gifts to those they operate their businesses with.

The U. S Foreign Corrupt Practices Act (FCPA) provides for certain policies to fight corruption in the form of bribery in the business. It is illegal for enterprises and individuals to pay the officials of the foreign government secure or retain businesses. However, it allows for a small amount of payments to be offered for the transactions on the expenditure. There is usually no amount of money that is set as facilitation payments, hence gifts less than a hundred dollars are accepted and not termed as bribes. The payments made for facilitation help the officials speed up the transactions and convince them to carry out their roles. They do not convince the government officials to carry out any favors to a firm. Punishments are done to those that violate the provisions of the FCPA from case to case.

The United Kingdom Bribery Act also has its provisions on the policies to fight bribery in business. The act has made making payments in form of bribery to the officials working for a public body as illegal. Though, with time the acts were appeared to be unsuitable for their complicating the

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agreements of the international anti-corruption. Pressure was put on the laws that they could be reformed. The bribery act stood strongly against taking of bribes and corruption leading to people taking it to be harsh. People feared that the traditional goods they perceived to be gifts would be considered being bribes. This led to many companies altering their anti-corruption policies.

On 20th of May 2015, the Securities and Exchange Commission of the United States put charges on a company that dealt with global resources of breaking the laws and going against the policies put by FCPA. The company sponsored some officials of a foreign government at the Olympics usually held during the summer. It was accused of not heeding to its international controls in their offering of hospitality globally. Those seeking to be sponsored are supposed to apply for the sponsorship including government officials but this was not what they did.

In the same year February 24th, the commissioned pressed charges on another company when the subsidies it had offered paid bribes to export tires in Kenya and Angola. The company paid millions of dollars in order to settle the charges. The company failed to realize that their subsidies were paying bribes. The bribes are said to have been paid to the employees employed by private companies in form of cash. It appears to be very hard to determine between bribes and gifts or when a gift is said to be a bribe according because of the laws that are placed by the acts fighting bribery and corruption.