



POLITICAL COMMITTEE

THE QUESTION OF CORRUPTION IN SPORTING EVENTS

Introduction of Topic

The significant impact of corruption can be perceived globally in all sectors: social, economic, and political. Its highly negative effect undermines democracies, leads to political volatility, and weakens economies. In addition, it impacts all parts of the international community: national governments, businesses and corporations, diverse organizations, and individuals. For these reasons, efforts must be made to stop it.

Corruption occurs on different scales: from small groups and businesses all the way to national governments and major organizations. Almost all member states in the United Nations have taken a step forward by adopting the United Nations Convention Against Corruption. However, there is still more to be achieved by the international community. This report will discuss the progress already accomplished and what progress remains.

Definition of Key Terms

Corruption

The abuse of entrusted power for personal gain; dishonest and illegal behavior.

Embezzlement and fraud

Embezzlement is when property is purloined from someone to whom it has been entrusted. Fraud takes place when an individual provides the possessor of an asset with false information so that he/she will sell it by choice.

Extortion

Obtaining something through the use of violence and threats.

Favoritism

The act of showing unfair preferential treatment to one person or group at the expense of another.

Nepotism

The practice of individuals with power or influence favoring relatives, usually by providing them with jobs.

Background Information

Types of Corruption

Bribery

Bribery is the act of offering an advantage as an incentive to influence an illicit action by another individual. Incentives can take various forms: tax advantages, loans, rewards, money or gifts. It is crucial that all legislation, both on a local and national level, clearly prohibit bribery in public and private sectors.

Collusion

Another type of corruption is collusion, in which a covert agreement between parties is formulated to commit illegal activity such as fraud for economic or personal gain. It is illegal due to antitrust laws in countries such as the United States.

Embezzlement

Using government or company funds for personal gain makes one guilty of embezzlement. Actors of such activity appropriate the assets through various methods. Records may be falsified in order to conceal activity. Or, false vendor accounts and bills may be generated. Highly complex cases of embezzlement usually involve Ponzi Schemes, in which investors are lured in through the guarantee of abnormally successful returns.

Money laundering

According to Transparency International, money laundering can be defined as the process of “concealing the origin, ownership or destination of illegally or dishonestly obtained money by

hiding it within legitimate economic activities to make them appear legal.” The money is then used to gain wealth, such as through the acquisition of property or assets. In order to prevent it from occurring, law enforcement agencies such as Europol have installed highly sophisticated systems designed to detect transactions, which have made it harder for electric money transfers to persist. However, many cases still go unperceived.

Identity Theft

This is the theft of personal information in order to perform actions in the name of the person whose identity has been stolen. Victims of identity theft have great difficulty to establish their innocence, while their credit cards, driving license, etc ... have been used fraudulently.

The Impact of Corruption

Corruption impacts societies in a multitude of ways. In the worst cases, it costs lives. Short of this, it costs people their freedom, health or money. The cost of corruption can be divided into three main categories: political, economic, and environmental.

From a political view, corruption counters every principle of democracy. Institutions lose respect in the eyes of the population and are unable to pursue accountable leadership.

From an economic standpoint, corruption drains national wealth. Corrupt politicians may use scarce resources to invest in projects that bring them personal fortunes yet do not enable the nation to prosper as a whole.

Moreover, environmental degradation goes hand in hand with corrupt systems. Bribing can lead to loose enforcement regulations, resulting in the exploitation of resources and the ravaging of ecosystems.

Major Countries and Organizations Involved

Anti-corruption agencies

Over 45 countries have their own anti-corruption agencies focused on devising solutions and frameworks to further the fight against corruption. Many of these collaborate closely with other international organizations through a variety of initiatives, programs, and resolutions to help achieve an international approach to solving the issue.

UN Office on Drugs and Crime (UNODC)

The Corruption and Economic Crime Branch (CEB) played a key role in forming the

Convention against Corruption in 2005, offering a framework for effective action and international cooperation. The treaty introduces a set of guidelines that all member States can implement to bolster the regulations to fight corruption. It also requires nations to immediately return assets stolen through corruption.

OECD (The Organization for Economic Co-operation and Development)

The OECD Anti-Bribery Convention sets legally binding rules which criminalize bribery of foreign officials in international business transactions and publishes yearly recommendations that nations can follow to progress in this area.

IACA (International Anti-Corruption Academy)

The International Anti-Corruption Academy is an organization based in Austria focused on educating the public and professionals of all sectors about the field of anti-corruption. They offer a variety of educational opportunities, including tailor-made trainings, academic degree programmes, and anti-corruption think-tank, and benchmarking activities. It was launched in March 2011 by the UNODC, the Republic of Austria, INTERPOL, and the European Anti-Fraud Office (OLAF). They are observer to an array of bodies including the UN General Assembly and Economic and Social Council (ECOSOC). The IACA is also a signatory to the UN-backed Principles for Responsible Management Education (PRME) initiative, with the objective of accomplishing the UN Sustainable Development Goals (SDGs) through responsible management education.

Transparency International

Transparency International is a non-governmental organization whose sole purpose is to fight corruption. They aim to spread awareness about this prominent issue through diverse initiatives such as their “Corruption Perception Index”, which indicates corruption levels across all countries, and the “Anti-Corruption Glossary”, dedicating to informing about all types of corruption and the importance of combating them. As of April 2015, they began publishing commentaries by experts in the field.

Relevant UN Treaties and Events

- An effective international legal instrument against corruption, 22 January 2001, **(A/RES/55/61)**

- Strengthening international cooperation in preventing and combating the transfer of funds of illicit origin, derived from acts of corruption, including the laundering of funds, and in returning such funds, 24 July 2001 (**E/RES/2001/13**)

- United Nations Convention Against Corruption, 14 December 2005

Main Issues

Lack of transparency

Government and agencies are held accountable to their citizens. Yet, they do not always reveal the decisions they are taking behind the scenes, which can include information about their executive structure and fund managing. Thus, the public is unaware if practices are free of conflicts of interest and are in accordance with the clear rules set in place.

Election and recruitment process

Governments and agencies consistently elect or hire new officials, increasing the possibility of corruption if their standard of selection regulation methods are weak. Election results can be altered due to weak preventative mechanisms and proper methods. Moreover, corporate contracts may fail to include anti-corruption agreements, giving the companies leeway to act in dishonorable manners.

Fear of corruption reporters/whistleblowers

Witnesses of corruption hesitate reporting the acts to national authorities due to fear. The largest problem is that the government itself is usually the guilty party and have the power to strip the citizen of their freedom. (For example, they may fabricate a case and sentence them to prison). Thus, corruption continues unopposed. Although measures by independent organisations have been put into place to protect them, it still remains a problem.

Previous Attempts to solve the Issue

Conventions

The Inter-American Convention against Corruption (adopted in 1996), the Convention on the Fight against Corruption involving Officials of the European Communities are few among many which strengthen measures to prevent and combat corruption more efficiently. For instance,

they have promoted international cooperation and technical assistance in asset recovery, created frameworks for accountability, and established guidelines for the proper management of public property.

United Nations Convention against Corruption (UNCAC)

The United Nations Convention against Corruption (UNCAC) is a multilateral treaty adopted by the United Nations General Assembly on the 31st October 2003. According to the UN Office on Drugs and Crime, the convention covers five main areas: “preventive measures, criminalization and law enforcement, international cooperation, asset recovery, and technical assistance and information exchange.” It tackles various forms of corruption - from bribery to private sector malpractice. Currently, 182 states have signed the treaty; only 12 have not ratified it.

CleanGovBiz Tool Kit

The CleanGovBiz Toolkit, provided by OECD, offers guidance to nations by outlining how to address corruption. It includes guidelines on how to “prevent corrupt practices, detect corruption, prosecute delinquencies and remedy the consequences of corruption.” Users are offered priority checklists, implementation guidance with examples of good practices, and access to all existing standards, guides and case studies pertaining to the subject.

Possible Solutions

Increasing communication with the public

Keeping citizens informed is a large deterrent to corruption. Mechanisms must be set in place which require the government / agency to make the public aware of their fund management, contracts, and major decisions. Although the confidentiality of such data must be considered, frameworks must be set in place to facilitate this availability of information.

Election and recruitment frameworks

Nations must maintain and strengthen systems for the recruitment, hiring, and promotion of civil workers and officials. A solution could be creating a framework that establishes concrete measures that could be taken during an election or hiring process to ensure there is no malpractice. Moreover, companies must ensure that their partners follow certain rules of conduct and should implement clear procedures to address breaches in these standards.

Framework to encourage the reporting of corruption

Governments should facilitate corruption reporting in their nations. The problem is that if the government is corrupt, reporters become liable and could be subject to horrific consequences imposed by the government itself. Thus, the international community must rise to the challenge of supporting the whistleblowers so they can deter corruption whilst being protected.

For Further Inquiry

“5 Brazen Examples of Price Fixing.” *Mental Floss*, 24 Sept. 2009, mentalfloss.com/article/22843/5-brazen-examples-price-fixing.

“5 Years Ago Bernie Madoff Was Sentenced to 150 Years In Prison – Here's How His Scheme Worked.” *Business Insider France*, www.businessinsider.fr/us/how-bernie-madoffs-ponzi-scheme-worked-2014-7.

“Combating Corruption.” *World Bank*, www.worldbank.org/en/topic/governance/brief/anti-corruption.

e.V., Transparency International. “Corruption Perceptions Index 2017.” *Transparency International - The Global Anti-Corruption Coalition*, www.transparency.org/news/feature/corruption_perceptions_index_2017.

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Gallas, Daniel. “Brazil's Odebrecht Corruption Scandal.” *BBC News*, BBC, 7 Mar. 2017, www.bbc.com/news/business-39194395.

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Corruption Authorities, www.track.unodc.org/AssetRecovery/Pages/home.aspx.

UNODC. “UN Convention Against Corruption.” *UNODC*, 2005, www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf.

Appendix or Appendices

- i. An index which demonstrates the corruption levels of all countries over the years:
https://www.transparency.org/news/pressrelease/corruption_perceptions_index_2017_shows_high_corruption_burden_in_more_than
- ii. Different cases of corruption with diverse viewpoints: <https://www.ted.com/topics/corruption>
- iii. A deeper breakdown into the sub-categories of corruption:
http://corruptioncontrol.com/Types_of_Corruption.html
- iv. A UN-sponsored website dedicated to corruption information and data:
<http://thefightagainstcorruption.org>
- vi. Organizations fighting corruption at a national or international level:
<http://www.anticorruptionday.org/actagainstcorruption/en/resources/index.html>
- vi. The OECD toolkit “Integrity in Practice”: CleanGovBiz, is to be found here:
<https://www.oecd.org/cleangovbiz/toolkit/>