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EXPERT FORUM

ANTI-CORRUPTION COMPLIANCE IN LATIN AMERICA



PANEL EXPERTS

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Lucinda Low's practice includes representing audit committees, boards of directors, and companies in internal, government and international financial institution audits, investigations and enforcement matters involving fraud, bribery, corruption and other compliance issues. She is recognised by Chambers market commentators for her "incredible technical proficiency, spectacular advocacy skills, and cultural know-how". She has particular authority in matters involving the US Foreign Corrupt Practices Act (FCPA) and other anti-bribery and anti-corruption laws, and other international business compliance issues.

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R&C: What do you consider to be the main corruption trends in Latin America over the past 12 months or so? How would you describe current corruption levels?

Rodrigues: Public procurement was an important corruption trend last year, particularly against the backdrop of the coronavirus (COVID-19) pandemic. Indeed, authorities faced significant issues pertaining to irregular bids and purchases, most often through the waiving of competitive bid requirements for medical supplies. In Brazil, similar discussions took place, not only at a judicial level, which gave rise to proceedings in different spheres – such as criminal prosecutions for active and passive corruption, bid rigging and other crimes – but also at the legislative level, with the launch of a Parliamentary Inquiry Commission, one of the ways in which legislative power exercises its supervisory function. Therefore, 2021 experienced an important corruption trend linked to government purchases in the context of the COVID-19 pandemic. However, although corruption levels are not necessarily decreasing, companies are attempting to mitigate related risks.

Rassi: Corruption is a structural problem in Latin America (LATAM) which is particularly harmful in

lower-income countries. Every country in LATAM, except for high-income jurisdictions, is ranked 63rd or worse in the Rule of Law Index's Worldwide Absence of Corruption category. Weaknesses within democratic institutions facilitate corruption, and corruption dents the strength of democratic institutions in a seemingly never-ending cycle. The

“LATAM’s approach to anti-corruption enforcement is mixed, ranging from non-existent to relatively robust in places like Chile.”

*Luke Cass,
Womble Bond Dickinson (US) LLP*

COVID-19 pandemic does not seem to have curtailed the various types of corrupt practices, only intensified them. The urgent demands related to the pandemic have impacted public procurement and loosened controls over bids and contracts. This situation, along with the deepening of the economic crisis and the overload of cases in the judiciary, has created favourable conditions for malicious actors over the last 12 months. Historically, most corrupt practices in the region relate to bribing public officials in order to

rig bids and public procurement, as well as bribing legislators.

Low: Transparency International has characterised the Americas as “a region in crisis” as of 2021, with numerous countries in LATAM experiencing either no improvement or declines in their perceived corruption levels, as measured by the Corruption Perceptions Index. In early 2021, president Jair Bolsonaro of Brazil ended ‘Operation Car Wash’. While this has not meant the complete cessation of anti-corruption enforcement in Brazil, LATAM’s largest economy, the picture there is now more complex. Meanwhile, in the region’s second-largest economy, Mexico, there has been a notable failure to make advances against corruption despite the current president, Andres Manuel Lopez Obrador, having been elected in 2018 with a pledge to end corruption. The *Cuadernos* – Notebooks – scandal in Argentina has also yielded fewer results than initially thought. In other parts of this large and diverse region, the picture is mixed, with worsening corruption and weaker institutions in some countries, but brighter spots in others.

Cass: Corruption in LATAM continues to be a significant issue. Over the last year we have seen that play out in pandemic-related graft, specifically

in some reports on issues arising in procurement of medical supplies and in economic stimulus. Current corruption levels in LATAM broadly are very high. While the region has some bright spots, notably Uruguay and Chile, it is also home to some

“The region’s four largest economies – Brazil, Mexico, Argentina and Colombia – all saw their Transparency International Corruption Perceptions Index scores worsen last year.”

*Lucinda A. Low,
Steptoe & Johnson LLP*

of the more corrupt nations on earth, according to Transparency International, in Nicaragua and Venezuela. While Foreign Corrupt Practices Act (FCPA) actions were down in 2021, LATAM accounted for most of the bribery schemes subject to FCPA-related investigations: five out of the nine identified by authorities. The seriousness of the issue of corruption in LATAM is made apparent by the Biden administration focusing its anti-corruption efforts on LATAM, specifically the ‘Northern Triangle’ of LATAM – Guatemala, Honduras and El Salvador.

Cadavid: Over the past year, the main corruption trends in LATAM have related to health systems and insurance, the COVID-19 vaccination process and state contracts concerning those matters. There has also been corruption related to election processes. However, the main corruption trends evident in South America have not been confined to the public realm; corruption levels in the private sector are also high. Corrupt practices are socially acceptable in many LATAM countries for a number of reasons, including a lack of sanctions, a lack of respect for the interests of others, and a general acceptance that companies will use any means necessary to achieve their goals. Thus, corrupt practices are everywhere.

R&C: How would you characterise Latin America's approach to anti-corruption compliance and enforcement?

Rassi: With the rise of anti-corruption legislation internationally, companies are adjusting and gradually implementing compliance policies. Multinational companies in different economic sectors set an example to the smaller ones on the implementation of better compliance policies. LATAM does not have a unified regional approach to anti-corruption, unlike the European Union (EU), for example. There is no international legislation specific to LATAM countries, only nonbinding recommendations. The effectiveness of investigations and the overall improvement of anti-corruption efforts in the region may be harmed

by this, since most criminal organisations work transnationally. Therefore, enforcement of anti-corruption laws is still a challenge in most LATAM countries, which makes it significantly harder for companies to guarantee the integrity of their activities.

Low: Recent years have seen significant developments in terms of homegrown efforts to fight corruption, in many cases accompanied by initiatives to collaborate with US authorities, with Brazil's 'Operation Car Wash' serving as the standard bearer in this regard. These efforts included some significant institutional changes, such as the passage of new fraud and corruption-related statutes, compliance incentives and regulations, as well as prosecutors' use of cooperator statements and corporate leniency agreements when building cases, which was not traditional in the predominantly civil law region. Allegations of misuse of these tools and other misconduct on the part of prosecutors and judges in 'Operation Car Wash' and reversals of key 'Operation Car Wash' convictions, such as that of former president Luiz Inácio Lula da Silva, have created significant uncertainty as to how the region's largest economy will approach anti-corruption compliance and enforcement in the coming years.

Cass: LATAM's approach to anti-corruption enforcement is mixed, ranging from non-existent to relatively robust in places like Chile. Many South

American nations have an FCPA analogue statute, or at least maintain similar prohibitions on transnational bribery in their anti-corruption regimes. The reality of anti-corruption efforts in the region is perhaps better represented by the Northern Triangle, in the three years since 2019, allowing to expire or terminating bodies designed to root out public corruption in their governments. These include the International Commission Against Impunity in Guatemala, the Mission to Support the Fight Against Corruption and Impunity in Honduras, and the International Commission Against Impunity in El Salvador, which led the region's approach to anti-corruption. These commissions were stood up with international support ostensibly to serve as watchdogs and root out government corruption. Instead, they were ultimately not independent of those they oversaw, and were in effect decommissioned.

Cadavid: LATAM governments have improved their oversight in the fight against corruption, but enforcement is still limited. The strategy in the region has focused on the legal ramifications of compliance and enforcement rather than educational and practical measures. Punishment is often prioritised over prevention. Implementing additional preventative measures would mean a higher cost for politicians who could lose alliances with elite members of society, which has led to a loss of legitimacy for anti-corruption efforts in several LATAM countries. On Transparency International's

Corruption Perceptions Index, where corruption is calculated between zero and 100, a score of zero indicates a high perception of corruption, and a value of 100 means that it is not perceived at all, the regional score for LATAM overall is 41. Venezuela is the most corrupt country and Uruguay is the least.

Rodrigues: LATAM's efforts in terms of anti-corruption compliance are increasingly on the agenda of private entities and public authorities, especially with several US companies operating subsidiaries in the region. Across the board, the challenge is to implement and maintain an effective compliance programme. From a public perspective, increasing cooperation between authorities through international agreements, allied with fast and efficient use of technology, is enabling a rapid exchange of relevant evidence between competent authorities, which contributes greatly to the outcome of investigations. That said, some LATAM countries have major political issues to contend with when enforcing anti-corruption laws – a significant hurdle given the extent to which the fight against corruption relies on public and governmental policies, as well as economic growth.

R&C: How would you gauge the effectiveness of the legal and regulatory response to corruption in the region? What are the enforcement priorities of Latin American authorities, and are there

signs of success in reducing activity levels?

Low: The effectiveness of responses to corruption in the region has been mixed, and the long-term outlook for corruption efforts is uncertain. The region's four largest economies – Brazil, Mexico, Argentina and Colombia – all saw their Transparency International Corruption Perceptions Index scores worsen last year. There were some counterpoints in the region, however. Uruguay remained a regional leader in terms of relatively low levels of corruption. Ecuador saw some worsening in terms of the perception of corruption levels, but in 2020 and 2021 also saw criminal prosecutions of a former president, and a former vice president, for corruption-related crimes. Meanwhile, Chile saw a significant corruption prosecution of a former senator, and the legislature is currently considering a new constitution that includes anti-corruption measures. Many countries are focused on infrastructure and public contracts, while in Central America, corruption is closely linked to drug trafficking and other organised crime activity.

Cass: The pandemic has had a negative effect on the overall effort to combat corruption in LATAM. Corruption in the region still represents a significant portion of FCPA actions in 2021. Several reports

released indicate that the pandemic not only provided opportunities for graft but led to diminished anti-corruption efforts in the region. So, in one sense it appears efforts in the region are proving less effective. Not all is bleak, however. Anti-corruption bills are progressing in Chile and Colombia, there appear to be some improvements in Panama and

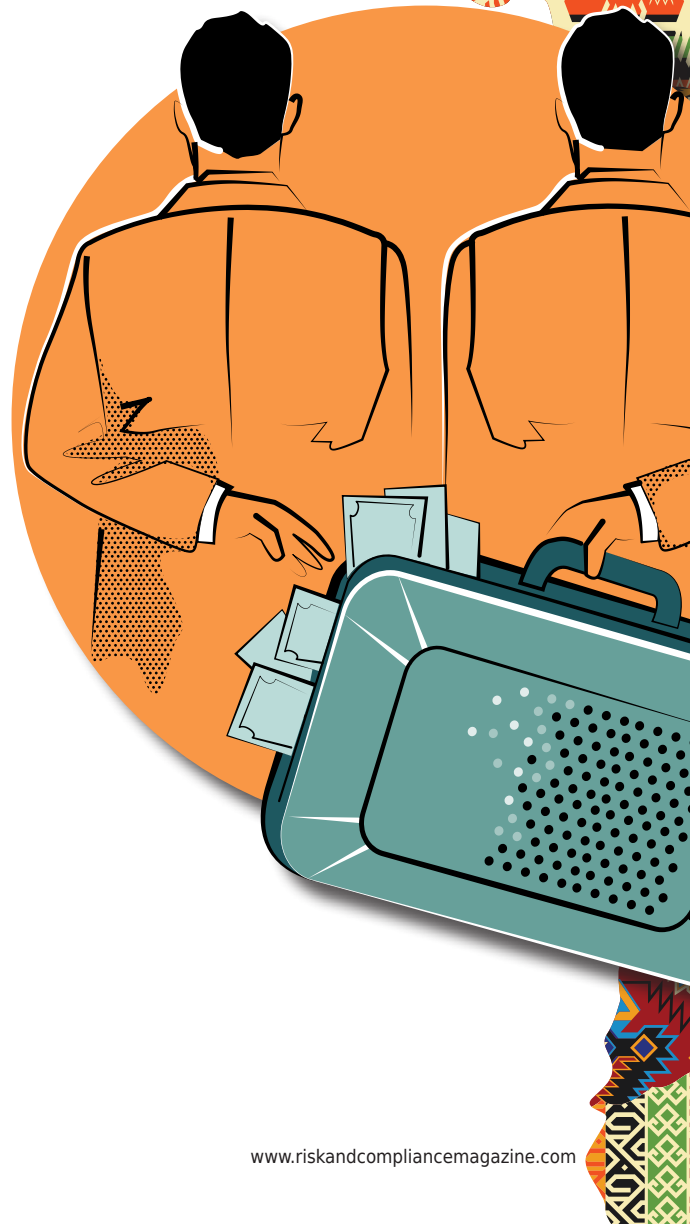
“Risk assessments, employee training, third-party compliance and reporting are all essential components of any compliance programme, which are required by many LATAM countries.”

*João Daniel Rass,
Siqueira Castro Advogados*

Ecuador in terms of those countries' ability to deal with white-collar crime, and there have been significant improvements in anti-money laundering (AML) efforts in the region. Several issues continue to hinder efforts in the region, including in countries identified as bright spots. The issues include funding and budgetary issues and fractured internal politics. Resources may be the single biggest challenge, however.

Rodrigues: The effectiveness of the legal and regulatory response to corruption comes not only from the legislation itself, but also from administrative measures aimed at facilitating the applicability of the law. In Brazil, the federal government has implemented its so-called 'Anti-corruption Plan', which aims to structure and execute actions to improve the prevention and detection of, as well as accountability for, corruption. The plan is being advanced in compliance with extant anti-corruption legislation and in line with international recommendations. Furthermore, authorities are coordinating their AML activities to facilitate the exchange of evidence and aid prosecution in parallel spheres. Brazil currently holds sixth position in the 'Capacity to Combat Corruption Index', which is testament to LATAM's ability to detect, punish and prevent corruption.

Cadauid: To gauge the effectiveness of the legal and regulatory response to corruption, we must analyse the level of regulation applied and if it has changed in recent years. The priorities for LATAM authorities have been preventing terrorism financing and money laundering. In Colombia, for example, a key enforcement priority has been international bribery. International bribery became a crime in 2011. Law 1778, which entered into force in 2016, issued rules on the liability of legal persons for acts of transnational corruption, among other provisions in the fight against corruption. We do not believe





there has been a high success rate in the fight against corruption to date in LATAM. Over the last few years, several public and private corruption cases have affected social and economic conditions in the region, and low-level corrupt practices remain present in all economic sectors.

Rassi: At least on a national level, LATAM countries are taking measures to counter corruption and diminish the harm it can cause. In Brazil, measures have included the Anti-Corruption Bill and the implementation of plea bargaining-like measures designed to incentivise and reward whistleblowing. 'Operation Car Wash' was designed to enforce anti-corruption laws – even though the operation itself ultimately failed. However, according to the Capacity to Combat Corruption index, the effectiveness of anti-corruption efforts in low-income LATAM countries has declined during the pandemic. The relative youth of LATAM democracies, along with the recent rise in authoritarian-leaning rulers and ideas in the region, have made the fight against corruption less effective in recent years. There are signs that efforts are being made to intensify anti-corruption practices, with a particular focus on bribery, but the weakness and lack of autonomy of investigation and prosecution offices makes it very difficult to effectively investigate and punish corruption-related activities.

R&C: What recent corruption cases in Latin America are worth highlighting? What lessons can companies learn from compliance transgressions and resultant penalties, in order to enhance their own anti-corruption framework?

Cass: 2021 was a slow year for FCPA enforcement actions and resolutions. Out of the limited number of resolutions, two of those involved companies operating in South America, specifically in Brazil. Both were charged with alleged violations of the FCPA's anti-bribery, books and records, and internal control provisions. Both cases involved the alleged payment of bribes, and in the case of one matter, the parent company was accused of failing to promptly and adequately respond to warning signs of corruption or control failures in its subsidiary. In addition, recently disclosed FCPA investigations allegedly involved companies in the Northern Triangle. The takeaways are clear, robust compliance programmes must cover and include active monitoring of activities of subsidiaries, and prompt responses to warning signs of corruption are necessary to head off issues, especially considering the US's narrowing focus on the region.

Cadavid: The Obredecht case was one of the most noteworthy corruption cases in LATAM recently.

Several governments, political parties and high-profile companies in LATAM were involved in paying \$349m between 2013 and 2016 in order to gain advantages in different projects. In exchange, Obredecht made around \$1.9bn through the contracts obtained

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*Paula Cadavid,
Prías Cadavid Abogados*

as a result of its corrupt practices, in one of the biggest corporate corruption cases in history. The Obredecht scandal has certainly had an impact on political stability in LATAM and has demonstrated to companies the cost of breaking the law and will hopefully show companies that it is more productive and profitable in the long term to follow the rules. AML measures and regulatory obligations in place in Colombia have now been extended to many non-financial sectors and are helping to open a path for companies to make decisions about implementing strong compliance and anti-corruption practices.

Rassi: One of the latest corruption scandals in Brazil relates to the acquisition of COVID-19 vaccines. Allegedly, Jair Bolsonaro's government hired a company to import over 20 million Covaxin vaccines. What raised suspicion was the swiftness of the negotiation process and the fact that the individual price of each dose was higher than the prices of vaccines offered by Pfizer, AstraZeneca and CoronaVac. The contract also required that the government pay \$45m in advance to a different company that was not part of the deal. The case is still under investigation. Companies should have a strict procedure when it comes to contracts. They should be reviewed thoroughly by a specialist team. Also, there must be standardised clauses – a multidisciplinary team should analyse any request to include new clauses. It is also crucial to have specific training for employees who work directly with the public sector, and to actively discourage bribery.

Rodrigues: Recent corruption cases worth highlighting involve international cooperation between Brazil and the US. Two in particular are the leniency agreements signed by Technip/Flexibras, which agreed to pay BRL1.13bn to public authorities, and Braskem S.A., which is expected to pay a total of BRL2.87bn. Since signing the leniency agreement in 2017, Braskem has undergone independent monitoring carried out by specialised professionals. Moreover, due to compliance transgressions, both companies were required to contribute significant

financial resources to be able to sign agreements with authorities – demonstrating that, in this context, it is more expensive not to implement an effective compliance programme, than to do so. Furthermore, both cases emphasise the importance of a culture of integrity, supported by senior management, to prevent negative media exposure, which can cause serious reputational damage.

Low: The role of third-party agents in the Amec Foster Wheeler case is notable. In that case, the company allegedly paid bribes through an Italian agent who was allowed to work on a project unofficially, despite failing Amec Foster Wheeler's due diligence process. The unofficial agent worked in conjunction with a Brazilian agent that was hired officially, and whose engagement was used to cover the Italian agent's involvement. Companies have long identified relationships with third-party sales agents as posing perhaps the greatest degree of compliance risk, but as bad actors in the region become more knowledgeable about corporate compliance programmes, companies should also be alert to sophisticated efforts to circumvent existing controls.

R&C: What steps can companies operating in Latin America take to keep up to date with new and emerging corruption risks?

Rassi: Companies should work to implement an effective compliance programme, aiming for a shift of culture that will, eventually, prevent all kinds of illicit activities. Compliance programmes should provide training, preferably with a top-to-bottom approach, to ultimately include every employee in the company, including third parties, and training should be periodic and constantly updated. It is also crucial that companies have specific training programmes based on the laws of each country where they do business. That is particularly important if the company's or a specific sector's activities require involvement with the public sector. Anti-corruption must become the core value for companies, and cultural change takes time.

Rodrigues: In general, it is advisable to maintain an effective compliance programme, including regular risk assessments, policy reviews and training of personnel according to seniority. In addition, companies are increasingly tasking specific departments to deal with environmental, social and governance (ESG) issues. To this end, well-structured internal procedures – including board composition, audit committee structure, codes of corporate conduct, relationships with governmental entities, politicians and public agents, and the existence of a whistleblower hotline – assist good governance and help mitigate corruption risks. Furthermore, it is worth mentioning that there has been a growing demand for due diligence, particularly in light of criminal

liability risks in M&A transactions. Hence, companies should be alert to the risks they are exposed to. This means, for example, sufficient contractual protection with strong anti-corruption provisions, as well as the performance of anti-corruption due diligences, not only before signing a deal but throughout the execution of a contract.

Low: Local debarment lists and ongoing media monitoring can help companies stay abreast of emerging corruption risks in the region. In Brazil, for example, the Controladoria-Geral da União (CGU) actively maintains a list of companies and individuals that are restricted from contracting with the federal government. The high-profile nature of corruption scandals in the region has led local media to actively report on corruption issues. This reporting, although not always reliable, can provide valuable insights into potential corruption issues. The Organisation for Economic Co-operation and Development (OECD) Working Group on Bribery's country reports can also give companies a more granular understanding of country-level corruption risk. The implementation of the OECD Anti-Bribery Convention is monitored through a peer review process with experts from different member countries evaluating other member countries. Working Group reports are available on Anti-Bribery Convention member countries, including the region's largest economies.

Cadavid: Companies should strengthen and constantly update their compliance programmes according to the specific requirements and characteristics of the economic sector they operate in, to identify potential corruption risks within the company. Companies should establish compliance departments and ensure that they have professionals who are experts in their fields to oversee the company's operations and determine if any employees might be involved in a corrupt act. It is important to extend the company's compliance mechanisms to prevent corruption and tax issues from occurring. Making these mechanisms more explicit helps to build a prevention structure. Additionally, being aware of the prevailing economic and social circumstances of the country in which the company operates can help to determine how the company can get involved in anti-corruption efforts.

Cass: The Biden administration has been clear that the region is a major focus and has not been shy about discussing its intentions and anti-corruption efforts. Practitioners and compliance professionals should keep up with the latest risks and enforcement trends. But more important is a robust compliance department and monitoring, which will increase the likelihood that risks are addressed early and that compliance issues do not have the chance to

escalate and cause serious issues for the company. This includes when companies are contemplating investment in LATAM. Pre-investment due diligence

“The effectiveness of any corporate anti-corruption programme relies on the commitment of senior management to implement a culture of compliance from top to bottom.”

*Fabyola En Rodrigues,
Demarest*

is key and should include interface with local counsel and other trusted sources.

R&C: Could you outline the key components of a robust sanctions and anti-corruption compliance programme? What are the main challenges for companies looking to establish such a programme?

Cadavid: The main challenges for companies looking to establish a sanctions and anti-corruption compliance programme are designing a programme which is adjusted to the company's reality, its weaknesses and its needs, as well as the market in

which the company operates. And implementing that programme within the company's wider structure can often be difficult. Communicating the anti-corruption programmes and the compliance rules and consequences to the entire organisation is also very important. Companies must create a culture of anti-corruption which everyone in the company can take on board.

Low: In addition to the US Department of Justice (DOJ) and the Securities and Exchange Commission (SEC), enforcement authorities in Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico and Peru have issued their own anti-corruption compliance programme guidance, as have international organisations such as the World Bank, United Nations (UN) and the OECD. Regarding sanctions compliance, in 2018 OFAC issued 'A Framework for OFAC Compliance Commitments', outlining the five essential components that should be part of any sanctions compliance programme. Although there are unique aspects to sanctions and anti-corruption compliance guidance from these various bodies, there are notable areas of convergence. For example, each stresses the importance of compliance programmes being implemented in practice rather than existing only on paper and that senior management must provide clear leadership on implementation.

Rodrigues: According to the Comptroller General of the Union's 2015 handbook, there are five pillars to an effective compliance programme. First, commitment and support from a company's senior management. Second, assigning an internal figure or department responsibility for developing, implementing and monitoring the AML programme. Third, comprehensive profile and risk analysis. Fourth, structuring appropriate rules and instruments, such as codes of conduct. Finally, implementing strategies to continuously monitor the AML programme. The effectiveness of any corporate anti-corruption programme relies on the commitment of senior management to implement a culture of compliance from top to bottom, in conjunction with employee engagement, the authority given to employees to act and sufficient resources. An important challenge that should be considered is that of data protection, particularly in light of increasing legislation in this area. Ultimately, companies need to implement and maintain regular processes for using information, as well as providing a safe digital environment unsusceptible, as far as possible, to cyber attacks.

Cass: Risk assessments, employee training, third-party compliance and reporting are all essential components of any compliance programme, which are required by many LATAM countries. While the components are important, building a culture of compliance and operating accordingly is vital. Employees need to know who to contact, how to

contact them and what to watch for in terms of potential red flags that would trigger a compliance programme intervention. One of the main obstacles to creating these programmes is employee training – taking the time out of busy schedules to provide effective training that sticks. Effective compliance requires buy-in from employees and will come at a cost to companies in terms of lost ‘productive’ time and training material costs. Creating a culture of compliance may be difficult in organisations where such programmes have not previously existed, and in regions where corruption and graft is endemic and normalised.

Rassi: The end goal of any compliance programme should be to permanently shift the company’s culture. Challenges include monitoring potential illicit activity and potential issues with third parties. The first step to developing robust sanctions and an anti-corruption compliance programme is to assess the vulnerabilities, then to take and balance preventive and repressive measures. In terms of prevention, every new business opportunity or third-party contract should have an anti-corruption clause and go through a due diligence process that must be kept up to date. Training programmes should be tailor-made for each sector’s needs, especially to cover specific legislation of countries they operate in. Trainees should also learn what tools to use in response to any suspicious activity. As for repressive measures, there should be a hotline for reports of

suspicious activities, and employees should feel protected and unafraid of breaching secrecy. Also, rewards can be granted for whistleblowers, albeit cautiously to avoid incentivising false reports. Internal investigations should follow a detailed procedural code and be as transparent as possible without exposing the parties involved. Sanctions must be applied regardless of seniority, and there should be a zero-tolerance policy for illegal activities.

R&C: What is the outlook for anti-corruption and enforcement activity in Latin America over the months and years ahead? How do companies operating in the region need to respond?

Low: LATAM was hit particularly hard by the pandemic, suffering close to 30 percent of global mortality rates. During the public health crisis, the region experienced significant economic contraction, with the International Monetary Fund (IMF) estimating in its regional economic outlook report for 2021 that GDP in the region will not reach pre-pandemic levels in the medium term. In the coming months and years, companies likely will continue to face a challenging business environment that can contribute to pressures to engage in misconduct. Companies operating in the region should assess whether their compliance programmes’ ongoing monitoring activities adequately account for this business reality. This would include monitoring in

traditional compliance risk areas, but also focusing on any donation, sponsorship, gifts or hospitality surrounding the FIFA World Cup in November, the elections scheduled to take place this year in Brazil, Colombia and Costa Rica, and the constitutional referendum in Chile.

Rodrigues: Brazilian authorities are focusing on prosecuting executives over their failure to prevent irregular practices – prosecutions based on whether an individual contravened their role and function as set out in their company’s bylaws. Besides effective compliance programmes, a solution is also available through the adoption of clear metrics for corporate governance structures. As corporate governance is based on the principles of transparency, equity, accountability and corporate responsibility, there must be a set of implemented mechanisms to regulate internal processes and guarantee company reliability. To obtain better results, a company’s board should be involved in the operational management of anti-corruption processes. It is also recommended to hire external counsel and specialised auditing firms to execute internal investigations whenever needed, as well as to monitor the implementation of respective policies.

Cass: The outlook for anti-corruption and enforcement activity in LATAM is mixed. Corruption will remain a significant issue, however things may begin to change with robust enforcement

efforts coming over the months and years ahead. The US has made it clear that LATAM, specifically the Northern Triangle of Guatemala, Honduras and El Salvador, is of particular concern through the administration’s anti-corruption efforts. FCPA enforcement is a key piece of that effort, along with an increased focus on AML, with new AML measures included in the National Defense Authorization Act passed last year. LATAM states have picked up on these investigations and have begun to slowly bring charges of their own against those named by US authorities. Companies operating in the region should ensure that they have robust and enforced compliance policies and remain extra vigilant of the corruption risks posed by operating in LATAM.

Rassi: The outlook for anti-corruption and enforcement activity in LATAM is not promising, particularly considering the trends seen over the last few years. Unfortunately, companies will have to make a greater effort to guarantee the integrity of their activity, since governments in the region usually lack the structure or willpower to effectively counter corruption. Even if there are signs of efforts, LATAM countries still fail to actively enforce anti-corruption laws, and a change in perspective is not likely to happen, unless there are deep changes in the countries’ structure, culture, economy and politics.

Cadavid: Given the expansion of criminal liability throughout the LATAM region, anti-corruption efforts

are even more important as they allow companies to prevent and control those legal risks. On the other hand, creating better enforcement against corruption to prevent and punish malicious acts should be a public matter. Just as private companies have compliance rules and protocols against corruption, the public sector should also be subject to similar scrutiny. This is particularly important given the size of many of the businesses and projects that public sector firms are involved in, the amount of money they manage and the effects that public corruption can produce. **RC**