

Miller & Chevalier and 13 Latin American Firms Release 2016 Latin America Corruption Survey

77 Percent of Respondents Say Anti-corruption Laws are Ineffective in Their Country
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Washington, DC, August 4, 2016 – Despite more than three-quarters of businesspeople indicating that their country’s anti-corruption laws are ineffective, the 2016 Latin America Corruption Survey released by Miller & Chevalier Chartered and 13 partner firms shows marked signs of regionwide improvement in corporate compliance measures.



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"Given the number of headline corruption issues in Latin America, it is not surprising that few respondents see a noticeable improvement in their country’s anti-corruption programs," said Miller & Chevalier Member Matteson Ellis. "Between Brazil’s Petrobras scandal and Lava Jato investigation, and well-publicized misconduct in other countries like Colombia, Chile and Mexico, we see a clear need for increased anti-corruption legal action in the region. Recent developments like the new Mexican anti-corruption system are long-awaited steps in the right direction."

"While many of the responses in this year’s survey suggest enduring risks and ossified attitudes in Latin America, we also see signs of regionwide improvement in some areas," said James Tillen, Member and Vice Chair of the International Department at Miller & Chevalier. "For example, we are observing significant growth in anti-corruption compliance efforts in a number of key markets, as well as a greater number of companies that are aware of the relevant anti-corruption legislation that pertains to them, which is a good sign for the region overall."

"Despite continued pessimism in the region about the effectiveness of local anti-corruption laws, we expect recent headline-

catching corruption investigations of individuals – such as the former president of Guatemala, the daughter-in-law of Chile's president, and numerous high-ranking officials in Brazil – to begin to shift opinions about the enforcement of corruption laws over the next several years," said Saskia Zandieh, Counsel at Miller & Chevalier. "In addition, the recent adoption of new anti-corruption legislation in many countries – such as Brazil, Mexico and Colombia – and continued FCPA enforcement relating to Latin America could also shift opinion. Stay tuned for our 2020 survey."

Survey Highlights

In April and May 2016, Miller & Chevalier and 13 Latin American partner firms distributed the survey to corporate executives based in 19 countries working in a broad cross-section of industries. 637 individuals completed the survey, which was made available in English, Spanish and Portuguese.

Highlights of Miller & Chevalier's 2016 Latin America Corruption Survey include:

- Generally, the effectiveness of anti-corruption laws is perceived negatively (77 percent of respondents indicate the laws in their country are ineffective). Chile (42 percent), the U.S. (54 percent) and Uruguay (53 percent) are perceived to have the most effective anti-corruption laws of the countries studied. Argentina (3 percent), the Dominican Republic (4 percent) and Venezuela (zero percent) were found to have the least effective anti-corruption laws in the region.
- 89 percent of respondents who believe their company has lost business to law-breaking competitors say they have not reported such offenses to the authorities. Even though more than half (59 percent) of total survey respondents believe an offender would likely be prosecuted for corruption, of the 11 percent of respondents who reported corruption, less than one-third indicate that local enforcement authorities investigated the report.
- Efforts by regional and multinational companies to manage corruption risks in third-party relationships, traditionally one of the highest areas of bribery risk under the FCPA and similar anti-corruption laws, have notably increased regionwide. More companies are implementing due diligence (up from 51 percent in 2012 to 59 percent in 2016) and incorporating contractual safeguards into their agreements with third parties (up from 59 percent in 2012 to 66 percent in 2016).
- Argentina, Brazil, Mexico and Venezuela are viewed by respondents as the most corrupt countries surveyed. That said, respondents note that companies within two of these countries – Brazil and Mexico – along with Colombia and the United States are making the most progress in building anti-corruption programs.
- Locally driven headline enforcement actions can significantly affect perceptions of corruption and corporate compliance, shown by the responses related to Brazil, which stand out due to widespread coverage of the Lava Jato prosecutions. For example, 93 percent of respondents working in Brazil report that they are aware of a company, individual or government official being prosecuted for corruption, compared with the 64 percent who report the same regionwide.

A full copy of the survey results and analysis are [available here](#). A link to the survey results infographic is [available here](#).

About Miller & Chevalier

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100, one-quarter of the Fortune 500 and approximately 30 percent of the Global 100. Based in Washington, DC, a significant number of firm lawyers have held senior positions in the U.S. government and have written many of the regulations they currently help clients navigate. For more information on the firm, visit www.millerchevalier.com.

CONTACTS:

Laura Miller, Media Relations, Greentarget, 312-252-4104

James Tillen, Vice Chair, International Department, Miller & Chevalier, 202-626-6068

Matteson Ellis, Member, Miller & Chevalier, 202-626-1477

Saskia Zandieh, Counsel, Miller & Chevalier, 202-626-5560