

Corruption in the UK: Stability and Changes in the era of Covid-19

© DR. MICHAEL LEVI

PROFESSOR OF CRIMINOLOGY

CARDIFF UNIVERSITY

LEVI@CARDIFF.AC.UK +44-29-20874376

HERCULE HUNGARY 2022



Our topics

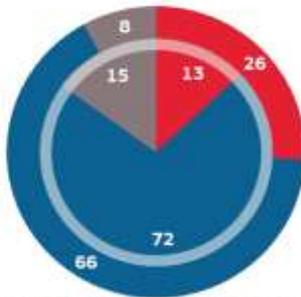
- ▶ The history of corruption and anti-corruption in UK
- ▶ Perceptions of corruption in the UK – home and abroad
 - ▶ Different sectors of activity
- ▶ What do we know about different forms of corruption in the UK?
- ▶ What do we know about how this has changed in recent times?
- ▶ Levels of anti-corruption activity – widening the aperture of investigation

History

- ▶ Corruption is something that happened elsewhere
 - ▶ Alan Doig's **Corruption And Misconduct in Contemporary British Politics (1984)** on domestic
- ▶ UK encouraged anti-corruption agencies overseas to deal with police and administrative corruption – but never at home
- ▶ Poor recognition of conflicts of interest
- ▶ No major recognition of issue of corruption and money laundering enablers until Bribery Act 2010
- ▶ UK had to establish DFID-funded ICU in Met Police and then NCA to guarantee any action
 - ▶ Mainly NGO/political left interest in issues

Eurobarometer 2017-19 data UK

QB15.4 Please tell me whether you agree or disagree with the following?
You are personally affected by corruption in your daily life (%)

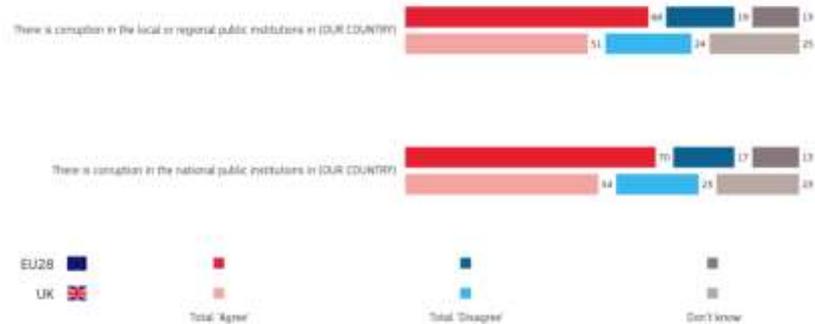


EU28 Outer pie UK Inner pie

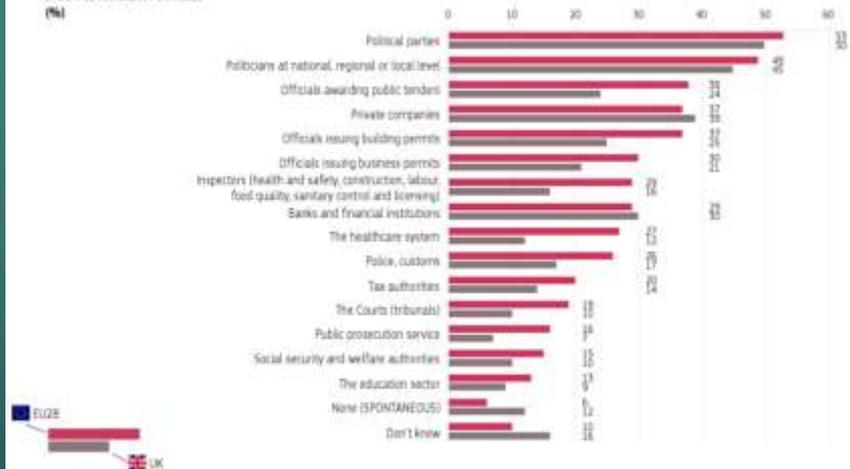
	EU28		UK	
	2019	2017-2019	2019	2017-2019
Total 'Agree'	26	+1	13	-1
Total 'Disagree'	66	-3	72	-7
Don't know	8	+2	15	+8

Evolution 10/2017 - 12/2019

QB15 Please tell me whether you agree or disagree with each of the following.
 (%)

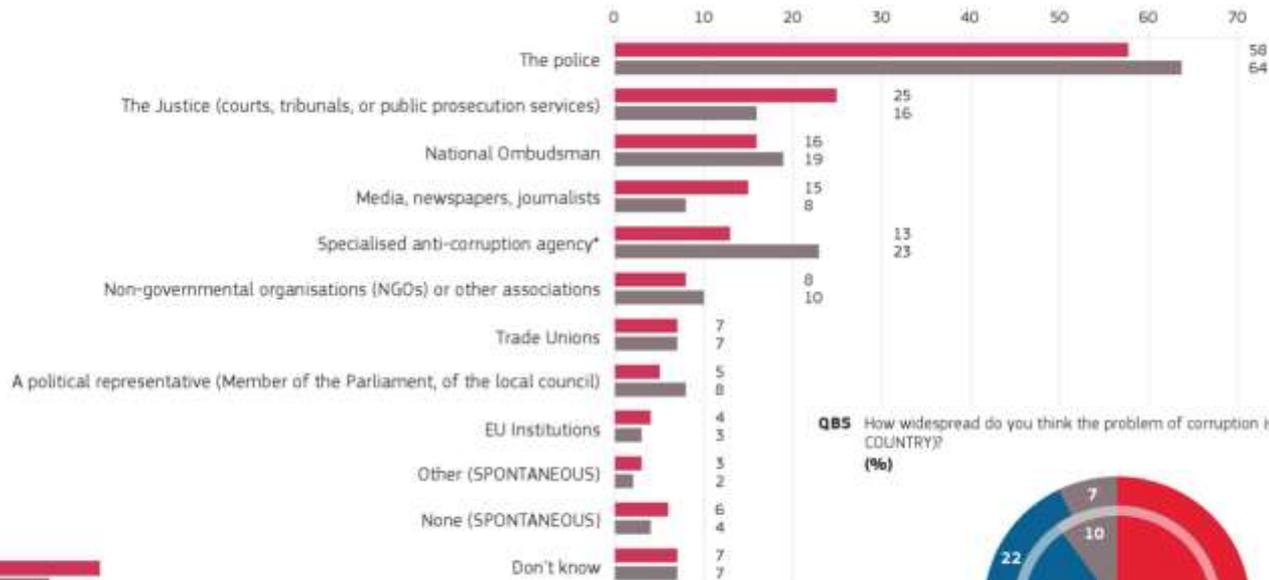


QB7 In (OUR COUNTRY), do you think that the giving and taking of bribes and the abuse of power for personal gain are widespread among any of the following?
 (MULTIPLE ANSWERS POSSIBLE)
 (%)

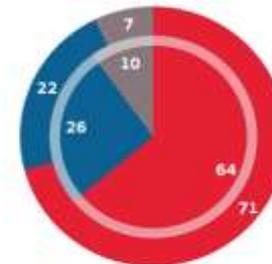


Trust in bodies to deal with corruption

QB11 And if you wanted to complain about this case of corruption, who would you trust most to deal with it? (MULTIPLE ANSWERS POSSIBLE)
(%)



QB5 How widespread do you think the problem of corruption is in (OUR COUNTRY)?
(%)



EU28 (Outer pie) UK (Inner pie)

● Total 'Widespread'

● Total 'Rare'

● There is no corruption in (OUR COUNTRY) (SPONTANEOUS)

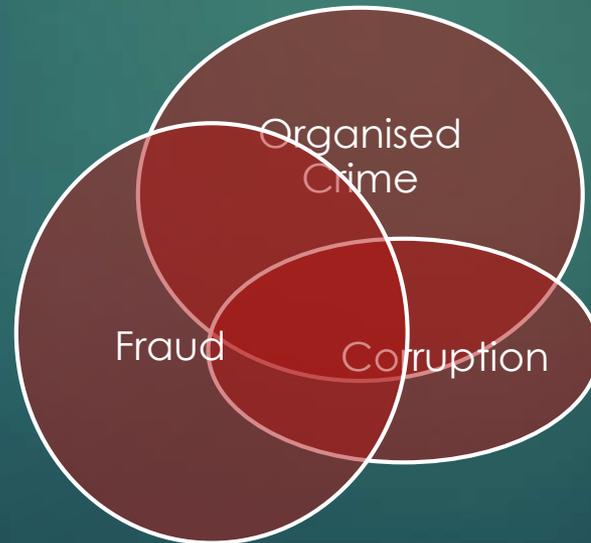
● Don't know

	EU28		UK	
	2019	2017-2019	2019	2017-2019
Total 'Widespread'	71	+3	64	+9
Total 'Rare'	22	-3	26	-6
There is no corruption in (OUR COUNTRY) (SPONTANEOUS)	0	-1	0	-1
Don't know	7	+1	10	-2

Evolution 10/2017 - 12/2019

Thinking straight about corruption & OC

- ▶ Organised crime, fraud and corruption used to be regarded as separate. Now there is more overlap – but in the UK *nationally*? Or even regionally or locally?
- ▶ How do we characterise Covid-19 frauds and purchasing practices in the UK and elsewhere?
- ▶ When do prices under value become illegal?



How Harmful is 'Organised crime'?

Three dimensions of harm and risk:

1. **Economic costs (present/future) & social impact upon victims (individuals, governments, business)**
2. **Media imagery of risks – drives & reflects politics**
3. **Continuing risks arising from the kind of people who are committing crimes (& alleged crimes)**
 - ▶ **Now include Putin's People & Xi's People operating in the UK (and from outside?)**

The Business of Crime

- ▶ All organised crime-corruption relationships vary by type of crime and offender settings, and are assisted by corruption of 'enablers' and enforcement agencies
- ▶ Tighter AML controls may make corruption more necessary
- ▶ Corrupt relationships eliminate business rivals by arrest
- ▶ A corrupt regime may broaden its rent-seeking by offering a criminogenic environment to fraudsters, traffickers, etc.
 - ▶ The UK as 'Butler to the World' (Bullough, 2022)
 - ▶ Company registration, Public Relations, lawyers, accountants
 - ▶ Donations to political parties and nominations to House of Lords, other titles, posts at public & charitable bodies
 - ▶ 'Revolving door' between public and private sector (ACOBA)
 - ▶ Weak discipline of 'misconduct' by ministers/officials/MPs

UK Market for Influence and Corruption

- ▶ Law and rule-making
 - ▶ Lobbying and donation of experts to ministries
- ▶ Regulatory/law enforcement interventions
 - ▶ Police, Prosecutors and Prisons; Regulators
- ▶ Procurement of goods and services, especially where political power is also concentrated
 - ▶ Do we label this as 'organised crime' if not connected to drugs trafficking, etc.? It fits legally
 - ▶ Role of advisers/friendships in contract procurement and in Greensill Capital scandal

Table 1. Recorded bribery data (1989–2017).

Legal framework (dates)	Number of recorded cases
Prevention of Corruption Acts (1989–2011)	202
UKBA (2011–2017)	125
Total	327

Table 4. Outcomes of recorded bribery cases.

No Further Action	97
Charge	93
Ongoing investigation / pending decision	15
Caution	9
Referred elsewhere	4
Internal discipline	4
Adult restorative disposal	2
Community resolution	1
Offence changed	1
Formal action (unspecified)	1
No details on outcomes provided	100
Total	327

Table 3. ONS corruption data (ONS, 2018).

Offences/dates	July 2016–June 2017	July 2017–June 2018	Total
Offences relating to offering, promising or giving bribes (s.1 and s.6 UKBA)	13	9	22
Offences relating to requesting, agreeing to receive and accepting bribes (s.2 UKBA)	4	6	10
Commercial organization—failure to prevent associate bribing another with intent to obtain or retain business or advantage (s.7 UKBA)	0	1	1
Misconduct in a public office	62	106	168

Data on corruption cases UK

Offence	Oct 2019 to Dec 2019	Jan 2020 to Mar 2020	Apr 2020 to Jun 2020	Jul 2020 to Sep 2020	Oct 2019 to Sep 2020	Oct 2020 to Dec 2020	Jan 2021 to Mar 2021	Apr 2021 to Jun 2021	Jul 2021 to Sep 2021	Oct 2020 to Sep 2021
Offences relating to offering, promising or giving bribes	0	2	0	2	4	5	2	3	6	16
Offences relating to requesting, agreeing to receive and accepting bribes	0	1	0	1	2	0	0	0	4	4
Commercial organisation - failure to prevent associate bribing another with intent to obtain or retain business or advantage	0	0	0	0	0	0	0	0	1	1
Misconduct in a public office	22	25	23	23	93	37	27	33	21	118
Total corruption offences	22	28	23	26	99	42	29	36	32	139

The Challenges for the UK

What do we call 'corruption' in law and public perception?

Corruption of whom by whom?

- **Domestic corruption (and organised crime)**
 - international components of domestic corruption
- **Inwards corruption from abroad**
- **Outwards corruption from UK to companies/governments outside & inside the UK**
- **Prosecution and/or regulatory responses?**

Unspent Proceeds of corruption recovery

- **Civil and criminal mechanisms**
- **International co-operation within/outside UK**
- **Monitoring implementation of anti-corruption**

Measuring effectiveness of anti-corruption

Models of Crime Control

- ▶ Institutional specialised Anti-Corruption bodies
 - ▶ Mixed prevention/enforcement approaches
 - ▶ Financial investigation and FIU/BO register connectivity
 - ▶ Independent prosecution powers?
- ▶ E-procurement and monitoring concentration of contracts/collusive rings
- ▶ Controls over media ownership by business?
- ▶ Public and private policing, and self-organised crime prevention partnerships
- ▶ NGOs, local 'civil society' and styles of policing
- ▶ Impacts of external events: leaks, Ukraine conflict

Thinking about effectiveness

- ▶ Efficiency is not always effectiveness
- ▶ Efficiency means doing things better/cheaper
- ▶ Effectiveness means achieving objectives
- ▶ What are goals of anti-corruption?
 - ▶ Reducing costs of services and goods
 - ▶ Increasing legitimacy and credibility of government (at whatever level) among different sectors of 'the public'
 - ▶ Prevention and law enforcement, including recovering the proceeds of crime domestically and internationally
 - ▶ How important is criminal/other law in this process?
- ▶ Corruption is not just one 'thing': street and elite levels
 - ▶ Different measures will have different impacts, depending on pervasiveness and factors influencing corruption
 - ▶ State capture is one end of a continuum of corruption/crime

Concluding thoughts

- ▶ **How important is *criminal* justice to UK fraud and corruption compared other controls?**
- ▶ **'Effective, proportionate and dissuasive' sanctions for violations**
 - ▶ What does this mean in practice and are these internally compatible?
 - ▶ Does shaming suspects or offenders have any effect in this arena?
- ▶ **Sunlight methods**
 - ▶ Whistleblowing protection and rewards in the UK
 - ▶ Financial haven and other leaks of data
 - ▶ Beneficial ownership registers
 - ▶ E-procurement – is it feasible as a control, and what are its limitations?