

Press release

‘PROSECUTE MORE AND LOCK UP FOR LONGER’: COMPANIES CALL ON AUTHORITIES TO TAKE STRONGER ACTION AGAINST BRIBERY

Brussels, 29 April 2008 – A survey, published today, of Heads of Legal and Chief Compliance Officers of the largest publicly listed companies in Europe, shows a significant minority (33%) believe the authorities are not willing enough to prosecute bribery cases. Companies based in the UK are even more critical with half (50%) of all respondents thinking the authorities are too reluctant to take legal action against suspected bribery.

Mark Pieth, Chairperson, OECD Working Group on Bribery commented: “The findings from this research are remarkable. Those surveyed are employed to protect their companies from prosecution; calling for more prosecutions is not in their self-interest. But companies’ integrity has been called into question by the failure of authorities to properly investigate and prosecute instances of bribery. Nowhere is this more acute than in the UK where, despite high profile cases, no prosecution has been brought in the 10 years since the UK Government adopted the OECD Anti-Bribery Convention.”

The findings of the *2008 European Corporate Integrity Survey**, published by Integrity Interactive, reveal that bribery (48%) is now the issue of most concern to those responsible for preventing corporate malpractice. This is an increase of 14% over the past year. The research also shows that even when the authorities successfully prosecute, the sentences handed down are considered to be too lenient. Asked to comment on the sentences given to Fausto Tonna, ex-Parmalat Chief Financial Officer, and Andreas Kley, former Chief Financial Officer at Siemens, two thirds (67%) think they are not severe enough and do not send a strong enough message on the importance of good behaviour.

However, the same is not true when looking at the sentences given for white collar crimes in the United States. The 24 year and 25 year sentences handed down to the former Chief Executive of Enron, Jeffery Skilling, and ex-WorldCom Chief Executive, Bernard Ebbers, are respectively considered too severe.

Sentence	Too lenient	About Right	Too Severe
Fausto Tonna, CFO ,Parmalat 2 ½ years	67%	32%	1%

Andreas Ley, CFO, Siemens 2 years suspended sentence	67%	30 %	3%
Loik Le Floch-Prigent, Chairman, Elf 5 years and Euro 375,000 fine	16%	74%	10%
Robert P Krass, CEO, UCAR 17 months and \$1.25 million fine	15%	68%	17%
Manfred Schmider, CEO, FlowTex 12 years	5%	61%	34%
L. Dennis Kozlowski, CEO, Tyco 25 years	7%	45%	48%
Jeffery Skilling, CEO, Enron 24 years	5%	33%	62%
Bernerd Ebbers, CEO, WorldCom 25 years	4%	30%	66%

As a consequence of Europe's jurisdictions position on bribery and other ethical issues, support is growing for the introduction of new statutory powers. A majority of 55% are in favour of introducing a European version of the US Federal Sentencing Guidelines, with financial punishment for breaches of ethics and compliance set at a very high level, but with significant discounts given to those companies that can demonstrate good corporate governance and effective ethics and compliance programmes. Half of those surveyed (49%) believed that this introduction would result in an improvement in ethical behaviour in European companies and lead to fewer instances of corporate wrongdoing.

Paul Basson commented: "It is surprising to see that the survey revealed that Chief Compliance Officers in Europe are supportive of more regulation. Many are in favour of introducing a version of the US Federal Sentencing Guidelines but interestingly not all believe that it will improve ethical behaviour. This should be seen as a cry for help. In reality they are not calling for more regulation but are calling on more to be done to prevent ethics and compliance failures. Compliance professionals are calling upon boards to acknowledge their own responsibility for mitigating risk."

"A European version of the Federal Sentencing Guidelines would substantially increase penalties, but at the same time define what companies must do to mitigate these penalties. This will help provide a framework of what needs to be done and offer the incentive of significantly reduced penalties for putting this in place."

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* The questionnaire was designed by BrandEnergy Research in close consultation with Integrity Interactive and distributed in three languages English, French and German. In December 2007, the opinions of eight hundred and seventy two heads of legal, senior counsel and chief compliance officers from the largest companies in Europe were solicited. A total of 103 questionnaires were returned to BrandEnergy Research by the 9th January 2008 and were included in the overall analysis. Respondents came from companies based in the following countries: Germany, Benelux, Switzerland, Austria, the United Kingdom and France.

About Integrity Interactive

Integrity Interactive is the world's leading consultancy service managing and mitigating corporate ethics and compliance risk. Integrity Interactive's content and services include: risk identification and assessment, employee training and communications, and internal controls and reporting. It has over 350 clients from around the world, taken from a range of industries including manufacturing, chemicals, and pharmaceuticals. Current clients include BP, Suez, Phillips, adidas Federal Express, Ford, Novartis, Shell and Coca-Cola. Integrity Interactive was founded in 1999 and is based in Boston, Massachusetts, with its European headquarters in Brussels. It has additional offices in London, Paris and Munich and a European Multilingual support centre in Monaco. For more information about Integrity Interactive, please visit www.integrity-interactive.com.

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About BrandEnergy Research

BrandEnergy Research was founded in 2003 by Peter Hutton. Peter worked for MORI from 1974 to 2003, as a director from 1988, deputy MD from 2000 and as head of the Corporate and Consumer Research Division from 1999 to 2002. He is a full member of the Market Research Society, Business Leader member of the Marketing Society, Research Director of the Managing Partners Forum/Professional Marketing Forum.