

Typologies of corruption in public procurements



Pierre-Christian Soccoja
Central Service for the Prevention of
Corruption

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Introduction:

Why a Public Procurement is
considered as a risky area?

- PP engages important funds (=15 % of Gross Domestic Product).
- PP is a technical process which involves many actors.
- PP constitutes a major intersection between the public and the private sector.



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- 1 - Typology of risks factors, critical stages and irregularities in the public procurements
- 2 - Some measures to prevent, control, detect and sanction corruption



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I- Typology of risks factors, critical stages and irregularities



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A- Risks factors are numerous:

- Regulations: absence, inadequacy or multiplicity of procurement rules.
- Sectors: energy, mining resources, major construction or infrastructures projects, telecommunications, arms sector...
- Tendering organization: lack of training, absence of integrity, culture of corruption...



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B- Critical stages

**each link in the chain or process flow is
vulnerable !**

- Identification of the needs
- Design of tenders.
- Bidding procedures.
- Contract award.
- Execution of the contract.



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C-Irregularities:

corruption is generally linked to other crimes

Main irregularities:

- Bribery
- Favoritism
- Illegal taking of interest.

Other crimes: money laundering, tax evasion, accounting crimes, fraud, collusion, political party funding, conflict of interest, organized criminal associations, blackmail...



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II- Some measures to prevent, control, detect and sanction bribery in public procurement



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A- Preventive measures : They must be strengthened

- Procurement rules must be simple, clear and stable.
- Good practices for promoting publicity, transparency and competition before and after contract attribution.
- Training of personnel for rules, regulations, integrity and best practices.



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B-Controls they must be improved and coordinated

- Internal controls by tendering administration (hierarchic and legality controls, Inspections).
- External controls by private auditors or judges. These controls have to be focused on the whole procurement process and structure.



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C- Detection mechanisms : They must be established

- «Risks mapping » and «Red flags» during the procurement process and the execution of contract.
- Facilitating and encouraging reporting to public procurement authorities.
- Promoting best practices and exchange of information between public procurement offices.



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D- Investigation and sanction best deterrent to bribery in PP

- Investigations should be wide-ranging.
- Administrative and criminal sanctions need equal enforcement.
- International cooperation and exchanges of data and experiences should be enhanced.



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