



International Chamber of Commerce

The world business organization

Department of Policy and Business Practices

Paul Wolfowitz
President
The World Bank
1818 H Street, NW
Washington, DC 20433
United States

9 August 2006 JK/ev

Subject: Proposal for an extortion/solicitation disclosure scheme

Dear Mr President,

At the beginning of June, I had the pleasure of listening to your address to the Pontifical Council on Justice and Peace in Rome. Your remarks on corruption in Africa and the resulting devastating poverty on that continent left a lasting impression on me. The following session of the Council chaired by his Eminence Cardinal Renato R. Martino was particularly informative and inspired new ideas on how to combat corruption more efficiently.

During the question time that followed your address, I described the general contours of an **extortion/solicitation disclosure scheme**, which ICC intends to put in place. I understood from your reaction at the time that the proposed scheme could meet with support from the World Bank, as it well fits the goals and approach of the Voluntary Disclosure Program which the Department of Institutional Integrity is in the process of implementing. Therefore, please allow me to describe in more detail the basic elements of the scheme we have in mind.

Extortion/solicitation is a nightmare for enterprises. They know that being subject to it is no excuse for paying bribes and are aware that the best way to face extortion/solicitation is to squarely reject any request for an illicit payment. At the same time, enterprises understandably expect to receive any possible protection against extortion. To even partly meet this expectation, ICC believes that effective prevention mechanisms should be made available. This can be most efficiently achieved through identifying and exposing the "warm nests of extortion".

We propose that companies accept to disclose voluntarily any extortion attempts they experience to a professional organization specialized in fighting economic fraud. This organization, called "*ICC Commercial Crime Services*" (CCS), is a multi-disciplinary office based in London that enjoys an outstanding reputation of integrity and independence and can boast a remarkable record in countering fraudulent activities.

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In the scheme proposed, CCS would register the disclosures made by the companies and verify the accuracy of the data received. It would then compile the disclosures, keeping the reporting company anonymous, and seek to highlight recurring patterns. In particular, CCS would identify the most active soliciting entities and ultimately expose them by making this information public. Shedding light on corrupt practices will highlight problem areas, put public pressure on governments, and prompt administrative reform initiatives. Attached to this letter, you will find a note containing further details on the intended work of the voluntary disclosure scheme.

Putting in place such a system requires the support of enterprises for the basic concept underlying the scheme, their moral and financial backing as well as input from international organizations who share our concerns on the crucial importance of addressing the demand side of corruption. As of now, a number of ICC member companies have expressed interest in the initiative, but they have also made clear that their financial contribution will depend on the level of support that this project is able to generate at an institutional level. Therefore, receiving the moral (and possibly financial) support of the World Bank or of the regional development banks in the starting phase of the programme would give us a welcome boost and help us “kick off” and develop the proposed scheme.

We believe that our extortion/solicitation disclosure scheme can contribute to enhancing integrity in international commercial transactions, international public procurement and international financial dealings by shedding light on the source of international corruption. Captain Pottengal Mukundan, Director of CCS, and I would be interested in starting a dialogue with you and your specialists as well as with interested regional development banks on the content and the practical possibilities of our programme as well as the possibility of cooperating on its launching.

This letter is being copied to Mr Guy Sebban, ICC Secretary General and Captain Pottengal Mukundan, Director of CCS, as well as two persons who were also present in Rome and showed an interest in the proposed scheme - Mr Richard E. Messick, Senior Public Sector Specialist of the World Bank and Mr Stephen Zimmerman, Chief of the Office of Institutional Integrity of the Inter-American Development Bank.

Thank you again, Mr President, for the thoughts and ideas you inspired in Rome and for the interest you have shown in our work at ICC. I send you my cordial regards.

Yours sincerely,

A handwritten signature in black ink, which appears to read 'François Vincke', is placed over a light grey rectangular background.

François Vincke
Chairman of the ICC Commission on Anti-Corruption

Cc: Guy Sebban, Secretary General of ICC, International Chamber of Commerce
Captain Pottengal Mukundan, Director of CCS, ICC Commercial Crime Services
Richard E. Messick, Senior Public Sector Specialist, The World Bank
Stephen Zimmerman, Chief of the Office of Institutional Integrity, Inter-American Development Bank