International Foreign Bribery Taskforce

Indicators of Foreign Bribery



The International Foreign Bribery Taskforce (IFBT) is made up of the Australian Federal Police, Royal Canadian Mounted Police, New Zealand Police, New Zealand Serious Fraud Office, United Kingdom Serious Fraud Office, National Crime Agency (UK) and the United States (US) Federal Bureau of Investigations.

The IFBT brings together foreign bribery specialists to share intelligence, knowledge, skills, methodologies and case studies in international bribery investigations.

This document summarises some key indicators associated with foreign bribery. The indicators have been collated based on the collective experiences of IFBT members.

The IFBT is publishing this document to enable persons working in high-risk sectors, as well as the broader public, to recognise possible instances of foreign bribery and report these concerns accordingly.

The indicators

The indicators of foreign bribery are not stand-alone and work in conjunction with each other. This document presents indicators relevant to individuals and companies that have elevated risk profiles for engagement in international corrupt practices. Some of the indicators are common to other financial crimes, including money laundering.

Taken in isolation the indicators do not automatically equate to criminal activity. Instead, they highlight factors which, when considered in combination and within context, raise the risk profile suggesting further evaluation or assessment is warranted. Further assessment of individuals or companies with an increased risk profile may demonstrate that conduct has moved beyond legitimate business or financial practices.

What we would like you to do

If you identify activity which may be indicative of foreign bribery, please report to the appropriate authority within your jurisdiction and/or within the jurisdiction of the people or companies involved.

Links to report foreign bribery include:

- **Australian Federal Police**
- **Royal Canadian Mounted Police**
- **New Zealand Police**
- **New Zealand Serious Fraud Office**
- **United Kingdom National Crime Agency**
- **United Kingdom Serious Fraud Office**
- **Federal Bureau of Investigations**

Other jurisdictions will have similar reporting processes which will be publicly available.

Further advice can be sought from law enforcement or anti-corruption agencies within your jurisdiction.

Indicators of Foreign Bribery

Conduct

- Uses third party agents or consultants
- Applies multiple aliases or records names inconsistently across datasets
- Utilises shell companies
- Provides or uses multiple email addresses across different domains
- Regularly creates new companies or businesses which are only registered, or registered in their name, for a short time
- Makes unexplained large payments to overseas third parties or consultants
- Makes payments to offshore accounts or shell companies
- Engages in transactions with vague or non-existent documentation
- Deals with inflated invoices or overpays for services
- Undertakes offshore cash transactions or is linked to requests for cash payments
- Business partners or agents refuse to provide details on transactions
- Is linked to requests to make payments through third parties or to unrelated accounts
- Requires unusual secrecy in relation to transactions or contracts and is reluctant to share financial records regarding same
- Requests a high level of discretion around a particular contract
- A Politically Exposed Person (PEP) requests additional fees
- A third-party agent or consultant requests additional fees without explanation
- Foreign contracts are awarded without a competitive bidding process
- Contracts are awarded to a party that lacks the apparent capability
- Foreign agents or consultants are hired without proper due diligence
- Excessive gifts, travel or hospitality are given to PEP.

Government affiliations

- Business involves foreign government contracts
- Requires foreign government permits, approvals or licenses to undertake or operate business
- Is involved in lobbying foreign governments for legislative change
- Employs or contracts PEPs in foreign countries of operation.

Country links

- Has links to a country with a **Corruption Perceptions Index score <40**
- Has links to a country with a **Tax haven index >70**
- Has links to a country with a **Financial secrecy index score >75**
- Has links to a country with Citizenship or visa by investment provisions (Golden passport/Golden visa)
- Has links to a PEP linked to a foreign company
- Has links to a PEP who owns real estate in a foreign country
- Has three or more passports from multiple countries
- Incorporated in a country with no real connection to that country
- Operates in a net export country.

Ownership

- Owns property through a trust
- Owns a business that doesn't align with their occupation
- Owns multiple properties without a mortgage or with a shorter mortgage
- Owns, buys or stores high-value assets in foreign country
- Owns cryptocurrency
- Has a high-value property portfolio disproportionate to income
- Has a high-value property portfolio disproportionate to company size
- Purchases assets from government below market rate
- Has limited identifiable assets in their name, however immediate family has significant assets
- Owns real estate overseas
- Owns shares / companies through complex structures
- Is a shareholder in a company through layers of complex company ownership
- Owns property through trust/s or transfers property through trust/s
- Owns assets purchased from a foreign government
- Is a bespoke charity buying property.

Registration information

- Charity registered with the same name as company
- Is on, or linked to entities on, debarment, banned list or sanctions list
- Changes between industries
- Is a shell company or uses shell companies
- Business description does not align with officeholders' occupation.

Other associations

- Is a PEP, or has links to a PEP, whose wealth greatly exceeds their public service salary
- Has a criminal history or adverse reporting including in relation to foreign bribery allegations
- Is associated with a profession known to facilitate crime
- Is a PEP, or has links to a PEP, associated with entities linked to high-risk industries
- Is linked to a person on a debarment list, banned list or sanctions List
- Is associated with multiple trusts
- Is associated with a bespoke / project specific charity
- Has links to companies across multiple different industries
- Has links to a PEP in a high-risk country that has school aged children attending an offshore private school
- Has frequent unmonitored interactions with a PEP or PEPs.

Glossary

Politically Exposed Person (PEP) – an individual entrusted with prominent public functions. This can include government officials, military officers, judges and high-ranking executives of state-owned enterprises.

Third party agencies – an independent organisation that provides services or performs tasks for a primary organisation, acting as an intermediary between the primary party and another party, or between two primary parties in a transaction. This could include consultants, corporate service providers, industry agents etc

Shell companies – a business that legally exists but has no active business operations, employees, or significant assets, essentially being a "shell" with little substance. While they have legitimate uses, such as holding assets, protecting intellectual property, or facilitating corporate transactions for startups, they are also frequently associated with illegal activities like money laundering, tax evasion, and hiding beneficial ownership due to their ability to obscure financial dealings.

Citizenship or visa by investment – migration programs where applicants can apply for residency or citizenship to a country via significant financial investment. Also referred to as Golden Visa or Golden Passport provision.

Net export country – sells more goods and services to other nations than it buys from them, resulting in a trade surplus.

Complex company structures – involves multiple legal entities, ownership layers, and jurisdictions, often designed to limit liability, optimize taxes, or segment operations. These structures typically feature a parent or holding company with numerous subsidiaries or affiliated entities, creating intricate relationships that can facilitate international expansion, asset protection, or easier succession planning. While they offer strategic advantages, complex structures also increase operational costs, legal obligations, and the difficulty of identifying ultimate beneficial owners.

Legislation

Australia

- *Criminal Code (Cth) Division 70*

Canada

- *Corruption of Foreign Public Officials Act* (S.C. 1998, c. 34)
- Sec 3 (1) Bribing a foreign public official
- Sec 4 (1) Accounting offences
- Sec 5 (1) Offence committed outside Canada

New Zealand

- *Crimes Act 1961*, Sections 99 -106
- *Secret Commissions Act 1910*, Sections 2-10

United Kingdom

- *Bribery Act 2010*
- Section 1, Offences of bribing another person
- Section 2, Offences related to being bribed
- Section 6, Bribery of foreign public official
- Section 7, Failure of commercial organisation to prevent bribery

United States

- *Foreign Corrupt Practices Act*
- *Foreign Extortion Prevention Act*