

2020 LATIN AMERICA CORRUPTION SURVEY

Miller & Chevalier

100 YEARS


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Executive Summary

Latin America serves as an epicenter of the global anti-corruption movement, with blockbuster cases over the last decade involving Petróleo Brasileiro S.A. (Petrobras), Petróleos de Venezuela, S.A. (PDVSA), Fédération Internationale de Football Association (FIFA), the food processing sector, the Argentine notebooks scheme, Guatemala's La Línea scandal, and others. In recent years, the region has experienced enhancements to local anti-corruption laws, homegrown anti-corruption compliance solutions in critical jurisdictions, and growing investigation and enforcement efforts from the region, at times in collaboration with U.S. authorities enforcing the Foreign Corrupt Practices Act (FCPA). More high-powered politicians and business leaders than ever are under investigation, awaiting trial, behind bars, or wanted in exile.

At the same time, and perhaps paradoxically, many businesspeople working in the region perceive growing levels of corruption risk and exhibit greater skepticism toward the effectiveness of local enforcement efforts. In some parts of Latin America, anti-corruption advancements have generated a backlash – from allegations of political bias in local enforcement efforts in countries like Brazil and Mexico, to the dismantling of multilateral investigative efforts like the U.N. International Commission against Impunity in Guatemala (CICIG), to the embracing of new leaders in some countries who display strong authoritarian impulses undercutting the independence of investigators and the judiciary enforcing anti-corruption laws.

In partnership with leading law firms throughout the region, Miller & Chevalier has tracked data during this dynamic period relating to local perceptions of corruption risk, knowledge of anti-corruption laws, and compliance program practices. Our first Latin America Corruption Survey in [2008](#) – and subsequent surveys in [2012](#) and [2016](#) – laid the groundwork for evaluating how these monumental developments are shaping current business attitudes. This year's 2020 Latin America Corruption Survey builds on this foundation, gauging the perspectives of more business community respondents than ever: almost 1,000 representatives of local/regional companies, multinational corporations, and private and publicly traded companies.

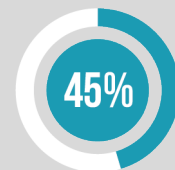
REGIONWIDE KEY FINDINGS

- ▶ **Perceived corruption risk at all-time high.** Survey responses suggest that corruption risk is more prevalent now than in all prior survey years: 54% of survey respondents say corruption is a *significant* obstacle to doing business, up 10% since 2012; only 45% of respondents believe offenders are likely to be prosecuted, down from 66% in 2008; the vast

BY THE NUMBERS

~1000

business community respondents to this year's survey



respondents who say offenders are likely to be prosecuted for corruption



respondents who say corruption is a significant obstacle to doing business

TOP 3

areas of risk in government:

- POLITICAL PARTIES
- LEGISLATIVE BRANCH
- POLICE FORCE



Multinationals steadily improving compliance (since 2008):

Anti-corruption training up 25%

Anonymous reporting mechanisms up 13%

Full-time compliance personnel up 21%

majority of respondents think their anti-corruption laws are "not effective" or only "effective to a small extent."

These results might be surprising in light of increased enforcement efforts and a stream of high-profile investigations in recent years. One explanation may be a "two steps forward, one step back" effect – the sustainability of anti-corruption efforts often experiences setbacks when entrenched power among elites is disrupted and local enforcement efforts are challenged. Another factor could be that some respondents are beginning to view local enforcement efforts as politicized in nature rather than impartial efforts to root out corruption, and weak judicial systems as unfit to provide the necessary protections and assurances. Perhaps more enforcement activity also generates increased awareness of the prevalence of corruption.

PARTICIPANT COMMENT

"Corruption is a deeply rooted practice in every country, and the same authorities that claim to work against corruption cover their eyes and claim not to see and not to know."

PARTICIPANT COMMENT

"Corruption is a disease; it can be controlled in some ways, but it will never disappear."

- ▶ **Enhancements to local anti-corruption laws generating optimism.** In the past 10 years, numerous jurisdictions, including Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, and Peru, have modified their anti-corruption laws to facilitate prosecution of corporations and establish requirements or mitigation credit for companies' anti-corruption compliance programs. This development might explain why, when asked if they think anti-corruption laws are having an impact, respondents from these countries show greater optimism than the regional average of 50%: Argentina (72%), Brazil (74%), Chile (59%), Colombia (55%), Costa Rica (52%), Mexico (68%), and Peru (63%).
- ▶ **Steady compliance program improvement for multinationals.** More large companies throughout the region are embracing a wide range of anti-corruption compliance program elements, including those that go beyond basic policies and training. Multinationals in particular register jumps in anti-corruption training (64% in 2008, 76% in 2012, 85% in 2016, 84% in 2020), anti-corruption policies (88% in 2012, 92% in 2016, 85% in 2020), gifts/travel/entertainment procedures (81% in 2012, 85% in 2016, 86% in 2020), anonymous reporting mechanisms (65% in 2012, 66% in 2016, 78% in 2020), and full-time compliance personnel (56% in 2012, 63% in 2016, 70% in 2020). Increased enforcement and government expectations for compliance programs are likely driving this continued focus on compliance by multinationals, in addition to growing commercial pressures from business partners, investors, external auditors, lenders, and other stakeholders to meet common compliance standards.
- ▶ **Two distinct compliance environments emerging regionwide.** Comparing anti-corruption compliance program results in 2016 with 2020 reveals that, in general, countries in the region are diverging into two categories of compliance program maturity – "Most Developed" and "Least Developed" – leaving fewer in the "Developing" mid-tier category. Most Developed countries feature companies that continue to expand compliance program efforts beyond basic policies, and Least Developed feature companies that have engaged in little effort to mitigate corruption risk.

Most Developed	Developing	Least Developed
Argentina*	Guatemala*	Bolivia
Brazil	Honduras*	Dominican Republic
Chile*		Ecuador
Colombia		El Salvador
Costa Rica*		Nicaragua
Mexico		Panama
Peru*		Paraguay
United States		
Uruguay*		

**Moved up since 2016 survey*

Note that we did not include Venezuela in this ranking given the small number of total responses received from the country.

COUNTRY-SPECIFIC FINDINGS

- ▶ **Cracks in Chile's historic standing as a low corruption risk country.** In our prior surveys, respondents consistently ranked Chile as one of the cleanest in the region, alongside the United States and Uruguay. But Chile's rankings have steadily declined. Nearly half (49%) of respondents with work experience in Chile now state that corruption in the country is a "significant obstacle" – up 27% since 2012. The results suggest that multiple government institutions are responsible for the decrease in the country's corruption ranking. Compared to 2016, respondents seeing "significant" corruption in the legislative branch increased from 29% to 35%, in the judiciary from 9% to 27%, and in customs from 8% to 22%. While 77% of respondents working in Chile found "minimal to no corruption" in the police in 2016, only 8% did so in 2020. These declines in rankings likely stem from several corruption scandals over the past few years in the country. For example, in 2017, the Pacogate scandal implicated over 100 members of Chile's national police – the Carabineros – in a scheme to embezzle millions of public dollars. Numerous other investigations have been underway for years.
- ▶ **Brazil consolidates its position as an enforcement leader.** Despite scandals calling into question the sustainability of the anti-corruption push in Brazil, Brazilians remain upbeat about the future of local enforcement:
 - Nearly 80% of survey respondents think their government will continue to lead the way enforcing anti-corruption laws in the region.
 - Almost 30% say that the prosecution services/investigators in the country have minimal to no corruption, compared to 12% regionwide.
 - Seventy-five percent say the government took action when they reported knowledge of bribery, compared to 33% regionwide.

Notably, respondents expressed these views prior to the recent resignation of Justice Minister Sergio Moro, who had been a leading voice in the country's anti-corruption efforts. It is possible that his resignation may have dimmed this optimism.

- ▶ **Chaos in Venezuela impacts survey.** The continued instability in Venezuela makes it difficult this year to obtain reliable data from the country. While respondents from other countries numbered in the dozens and Venezuelan respondents actively participated in our prior surveys, only eight people in total from Venezuela responded in 2020. Of those, none thought an offender was likely to be prosecuted for corruption, reflecting an environment of perceived lawlessness. All found significant corruption in the executive branch and the police. Respondents in other countries overwhelmingly ranked Venezuela as the most corrupt country surveyed in the region.
- ▶ **Pronounced security-related corruption risks in Mexico.** Despite recent changes to its anti-corruption law, Mexico continues to be viewed as one of the most corrupt countries in the region. Survey respondents with experience there find enhanced risks in security-related areas:
 - Almost 90% rank the police as significantly corrupt.
 - Over 75% rank "prosecution service or investigators" as significantly corrupt, the most corrupt of countries surveyed.
 - Less than half of respondents with experience in Mexico are aware of someone being prosecuted for corruption, compared to a regional average in 2020 of 64%.

In addition, 81% rank municipal/local governments as significantly corrupt, one of the highest scores of the countries surveyed, likely influenced by the prevalence of organized crime permeating local levels of government. In general, lagging enforcement has probably contributed to the noted cynicism – despite the country's efforts at the federal level to adopt the National Anti-Corruption System and appoint a national anti-corruption prosecutor.

- ▶ **Argentines improve compliance efforts while having little confidence in government.** Unlike in prior surveys, Argentine companies now outpace regionwide compliance norms.

	Argentine Companies	Regionwide Average
Anti-corruption policies	96%	84%
Anti-corruption training	87%	70%
Due diligence policies for third parties	79%	64%
Procedures for gifts, travel, and entertainment for officials	91%	69%
Anonymous reporting mechanisms	70%	53%

PARTICIPANT COMMENT

"With the change in government in Argentina, corruption risks on the part of public officials increases enormously, as people who are still being investigated for corruption or have already been charged return to public office."

Interestingly, this new focus is in spite of, or perhaps because of, a perceived inability of the Argentine government to address corruption. Compared to 2016, fewer respondents now think

prosecution of an offender is likely (from 53% to 39%), while only 2% of Argentine respondents think their country will lead the way on anti-corruption enforcement in the future.

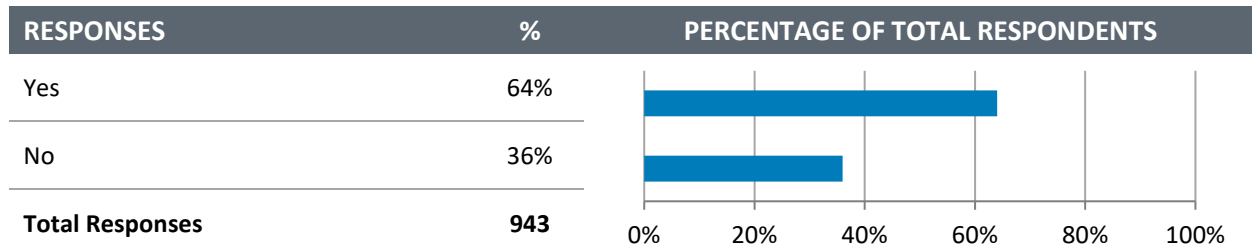
- ▶ **Signs of improvement in Peru.** With four former presidents – and an unprecedented number of other politicians and businesspeople – having been pursued for corruption-related offenses, Peru finds itself in an all-out battle against corruption. Several data points suggest this environment has generated increasingly optimistic attitudes. According to Peruvian respondents:
 - Nearly 75% are aware of corruption prosecutions, versus 44% in 2016.
 - Eighty-five percent believe offenders are likely to be prosecuted, versus 56% in 2016.
 - Only 12% believe they have lost business to companies willing to pay bribes, down from 44% in 2016.

- ▶ **Central America remains at high risk for corruption.** With the exception of Costa Rica, Central American countries continue to rank among the most corrupt in the region. Seventy-two percent of respondents from El Salvador view local anti-corruption laws as ineffective, with even higher degrees of pessimism reflected by respondents from Honduras (83%) and Nicaragua (97%). While Guatemala's CICIG initiative generated a surge of anti-corruption enforcement activity in prior years, including the public prosecution of a former president, vice president, and other high-ranking officials, 69% of Guatemalans now view local anti-corruption laws as ineffective, likely impacted by CICIG's recent dismantling. Perhaps more than any other part of Latin America, Central America has been plagued by decades-long political instability. Gang violence has ravaged Honduras and El Salvador, and to a lesser but still troubling degree, Guatemala, resulting in widespread corruption in certain parts of the police force and the judiciary. Since 2018, Nicaragua has seen heightened civil unrest in protest of the current administration, which has been accused of corruption and human rights violations. By contrast, Costa Rica, which recently passed new anti-corruption laws, is the only country in Central America where respondents (over 50%) perceive effective anti-corruption laws.

- ▶ **More awareness of the FCPA.** Despite the rise in anti-corruption enforcement in certain jurisdictions in Latin America, respondents still put considerable faith in the United States to continue to lead enforcement efforts. Sixty-one percent state that the United States will lead the way in the next three years in enforcing anti-corruption laws. This result is not surprising given the continued impact of the FCPA on Latin American companies. Ninety-six percent of respondents working for companies publicly listed in the United States report that they are very familiar with the FCPA. Even respondents from companies that do not appear to be subject to the FCPA have familiarity with the law – more than half say they are at least somewhat familiar with the FCPA.

Prosecution of Offenders

Q1. In the country in which you work, are you aware of any company, individual, or government official being prosecuted for making or receiving an improper payment, gift, or other benefit related to obtaining business?



The percentage of respondents who say they are aware of a company, an individual, or a government official being prosecuted remains unchanged since 2016. An analysis on a country-by-country basis, however, shows shifts.

Countries where prosecution awareness has increased

In 11 of the 19 countries surveyed, awareness of prosecutions has risen, and dramatically so in the majority of cases. These jumps might be due, in part, to widespread publicity surrounding the involvement of local officials in the Odebrecht corruption scandal, which has had direct impact across the region, particularly in the following jurisdictions:

- ▶ Dominican Republic: 64% indicate they are aware of offender prosecution – a significant jump from 2016 when only 28% said as much.
- ▶ El Salvador: 59% of respondents had awareness in 2016, increasing to 67% in 2020.
- ▶ Panama: 75% of respondents have awareness – up from 50% in 2016.
- ▶ Peru: Affirmative responses jumped from 44% in 2016 to 73% in 2020.

PARTICIPANT COMMENT

"Corruption remains a big challenge [in Panama]. There is more awareness, but that has only changed the methods used. People are afraid of corruption prosecution, so they are more careful. But in some institutions, unless there is influence or money exchanged, no action is taken to get things done."

Countries where prosecution awareness has decreased

Increases in awareness noted in several countries are offset by notable decreases in Chile, Colombia, and Mexico.

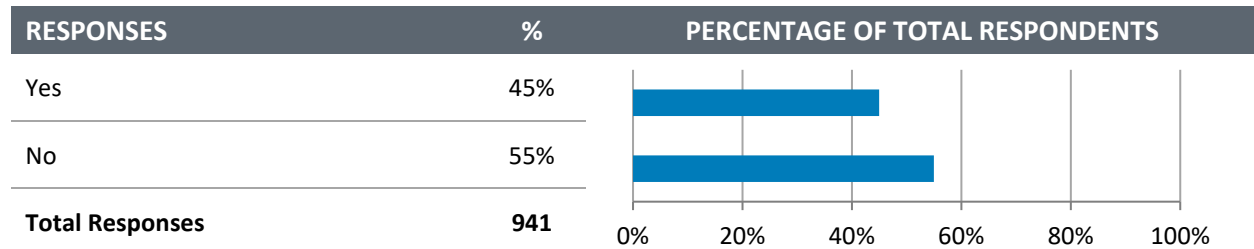
- ▶ A steep drop is seen in Chile, where only 38% of respondents indicate awareness of prosecutions as compared to 58% of respondents in 2016.
- ▶ In Colombia, awareness has dropped from more than two-thirds (68%) in 2016 to a little over half (55%) in 2020.

- ▶ In 2016, 64% of respondents from Mexico indicated being aware of prosecutions. In 2020, that figure dropped to 49%.

Offender prosecution awareness

Argentina	61%	Honduras	69%
Bolivia	59%	Mexico	49%
Brazil	93%	Nicaragua	24%
Chile	38%	Panama	75%
Colombia	55%	Paraguay	76%
Costa Rica	63%	Peru	73%
Dominican Republic	64%	United States	62%
Ecuador	79%	Uruguay	36%
El Salvador	67%		
Guatemala	73%		

Q2. Do you believe that an offender is likely to be prosecuted in the country where you work?



Survey results reflect a growing pessimism among participants when it comes to the likelihood of offenders being prosecuted. Only 45% of respondents – down from 66% in 2008 – believe that an offender would be prosecuted in the country in which they work. Over the last 12 years, those saying "yes" has steadily trended downward, with 64% in 2012 and 59% in 2016.

PARTICIPANT COMMENT

"The justice system is terrible in my country [Ecuador] and the innocent always pay, not the guilty...and everything remains the same."

Argentina	39%	Honduras	38%
Bolivia	37%	Mexico	34%
Brazil	86%	Nicaragua	15%
Chile	43%	Panama	27%
Colombia	27%	Paraguay	44%
Costa Rica	67%	Peru	85%
Dominican Republic	28%	United States	74%
Ecuador	43%	Uruguay	75%
Guatemala	61%		

The overall decline in public confidence seems to have an inverse relationship with the relatively high level of awareness (almost two-thirds) of actual prosecutions. This disconnect could be due to the fact that prosecutions in certain countries, such as Argentina and Colombia, are sometimes viewed as politically motivated and not reflective of a just or independent enforcement environment. It could also be that while large, headline cases surface, respondents do not see prosecution of low-level corruption that they personally encounter on a regular basis.

Countries with significant declines in confidence around offender prosecutions since 2016

- ▶ Argentina: down to 39% from 53%
- ▶ Chile: down to 43% from 78%
- ▶ Colombia: down to 27% from 63%

Low confidence in these jurisdictions could be driven by lack of trust in judicial branches and prosecution services or investigators, discussed in Question 6.

Countries with high or increasing public confidence around offender prosecutions

- ▶ Brazil: 86%, representing the region's highest positive responses
- ▶ Mexico: 34%, up from 28% in 2016
- ▶ Peru: 85%, up from 56% in 2016

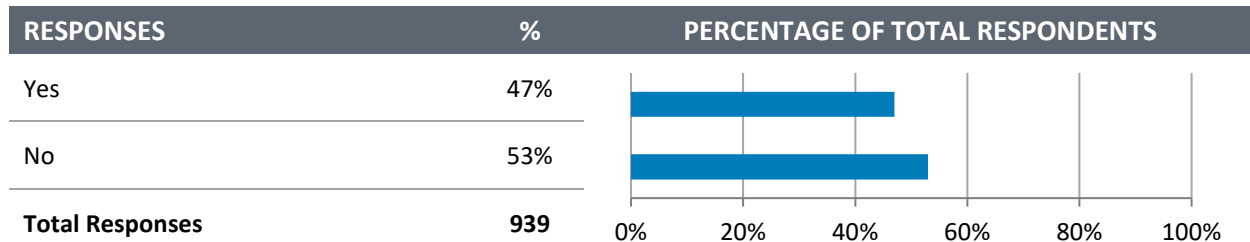
Notably, both Peru and Mexico have enhanced their anti-corruption legislation and enforcement mechanisms during the last four years, and Brazil has done so since 2014.

Higher confidence among multinationals

More confidence in offender prosecution is seen among respondents from multinationals (53%) than among respondents from local or regional companies (38%). That difference could be due to multinational companies having a more global perspective of prosecutions and investigations, which are higher in jurisdictions like the United States, potentially informing their perception and understanding of local enforcement actions.

Consequences of Corruption

Q3. Do you believe that your company has lost business to competitors that have made illicit payments?



The percentage of respondents who believe their company has lost business due to competitors making illicit payments remains remarkably consistent with survey responses in 2012 and 2016.

Countries with the most respondents reporting lost business due to corruption

- ▶ Dominican Republic: 68%, down from 83% in 2016
- ▶ Honduras: 69%, the same as in 2016
- ▶ Nicaragua: 59%, up from 29% in 2016
- ▶ Paraguay: 72%, up from 50% in 2016

Countries with the least respondents reporting lost business due to corruption

- ▶ Chile: 24%, relatively consistent with 2016
- ▶ Peru: 12%, down from 44% in 2016
- ▶ Uruguay: 11%, down from 38% in 2016

No difference between local/regional company respondents and multinational respondents

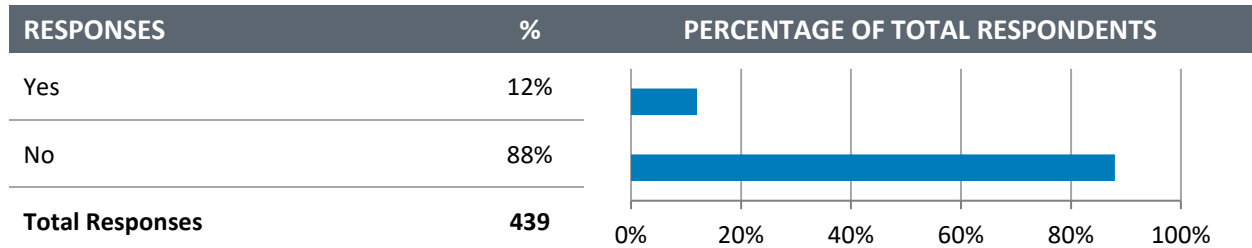
Respondents from multinational companies are just as likely as local/regional companies to think they have lost business to corrupt competitors – a shift from 2012 and 2016, when local/regional companies perceived more lost business due to corruption.

This change could be attributed to various factors, including more press, headline cases, and internal training sessions calling corruption risks to the attention of employees of multinationals; more industries (e.g., food services and production, retail, technology) involving larger companies subject to enforcement efforts and revealing new types of bribery red flags; more "buy local" efforts that have created new local competitors for multinationals; and increased participation of foreign companies from jurisdictions with weaker anti-corruption compliance standards.

PARTICIPANT COMMENT

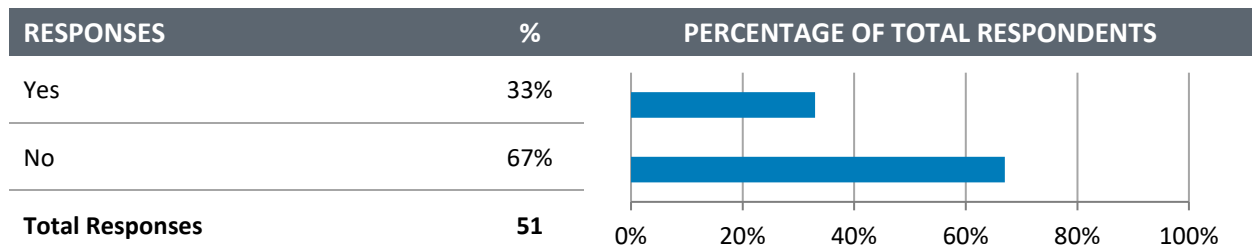
"I am not aware of specific illicit payments, but the loss of business derives from the fact that there are companies/segments that we don't even approach due to [their] reputation of likely corruption."

Q4. After you lost business to competitors that made illicit payments, did you report your concerns to the authorities?



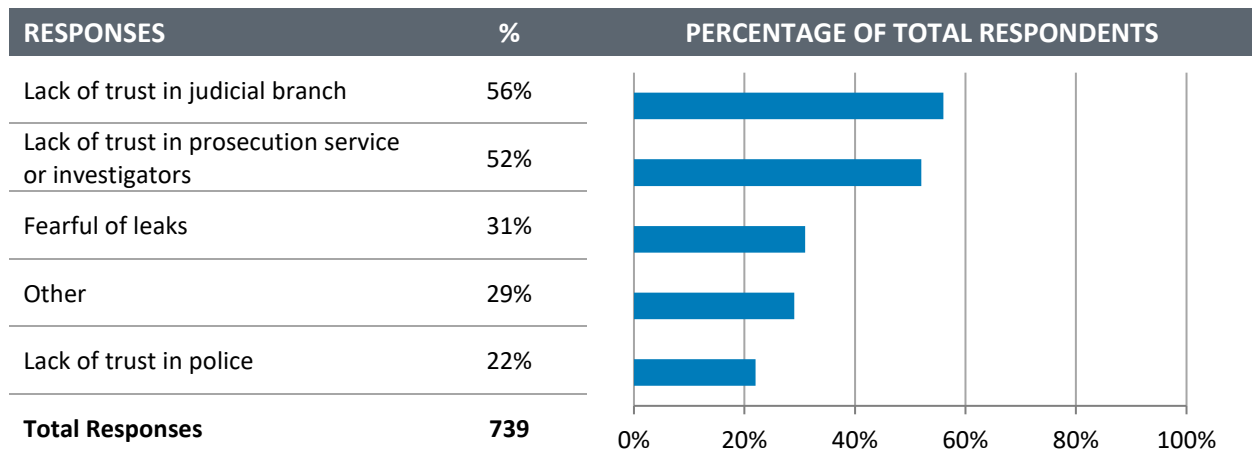
Consistent with the low level of public confidence in the likely prosecution of offenders, 88% of respondents who answered "yes" to Question 3 state that they did not report their concerns to the authorities – a finding that has remained markedly consistent since 2012.

Q5. After you reported your concerns to the authorities, did the government investigate the matter?



Of the 12% of respondents who state they did report their concerns to the authorities, only a third say that the government investigated the matter, again generally consistent with 2016.

Q6. You stated that you did not report your concerns to the authorities. What were your primary reasons for your decision?



Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.

Respondents say their top reasons for not reporting corruption concerns to government authorities are:

- ▶ Lack of trust in the judicial branch (56%)
 - This lack of trust is most prominent in Argentina (87%), Bolivia (85%), El Salvador (80%), and Nicaragua (88%).
- ▶ Lack of trust in prosecution service or investigators (52%)
 - This lack of trust is most prominent in Colombia (71%), where the attorney general incidentally resigned in 2019 in the wake of a scandal tying him to Odebrecht-related misconduct, and the Dominican Republic (70%).

PARTICIPANT COMMENT

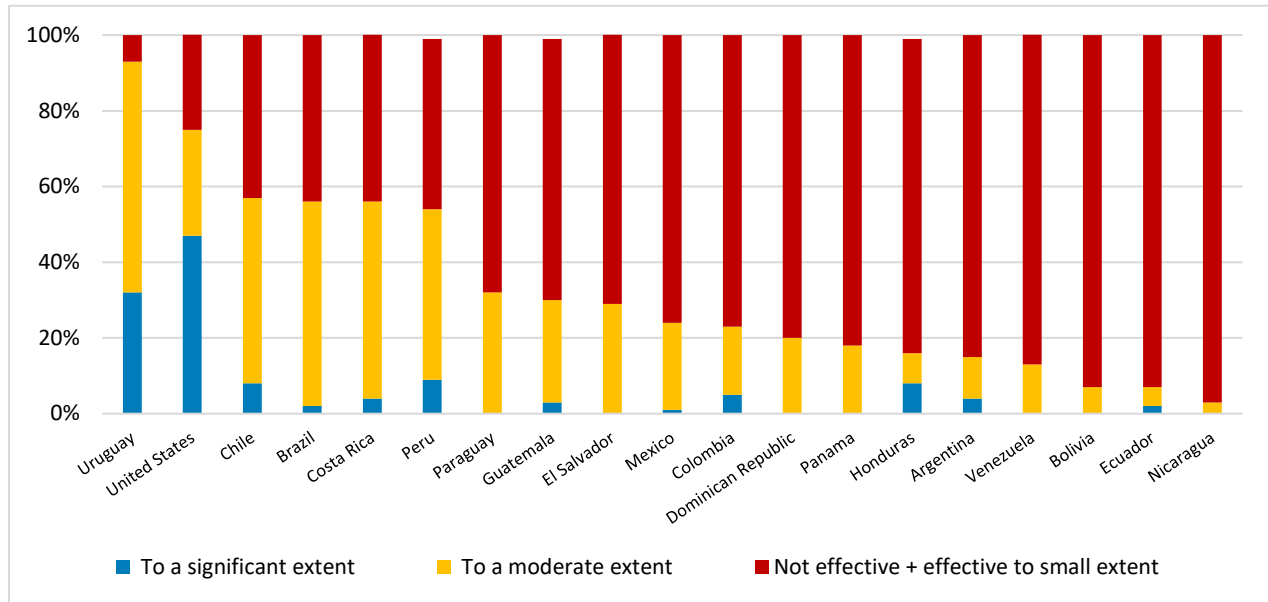
"Impunity converts any intent to report [corruption] into a waste of time."

PARTICIPANT COMMENT

"[Reporting is a] waste of time because of the ineffectiveness of the judicial system in Ecuador in its entirety: slow, corrupt, inefficient, bureaucratic, and backwards."

Effectiveness of Anti-Corruption Laws

Q7. To what extent do you think anti-corruption laws are effective in the country where you work?¹



Thirty percent of respondents view anti-corruption laws in their countries as effective "to a significant or moderate extent." On one hand, this percentage is notably low. On the other, it reflects an upward trend over prior years – almost double the percentage of respondents since 2008 (18%) and a small increase from 2016, when 23% of respondents said as much.

The highest levels of ineffectiveness are noted in Argentina (85% say not effective or effective to a small extent), Bolivia (93%), Ecuador (93%), Honduras (83%), and Nicaragua (97%). These responses are contrasted with those from the United States, where 75% of respondents view anti-corruption laws as at least moderately effective, and Uruguay, where 93% do so.

PARTICIPANT COMMENT

"Establishing anti-corruption laws and regulations is unimportant if impunity remains in effect. As long as there are no proper and transparent judicial systems that conclude in fair sentences against offenders, corruption will continue."

¹ In prior surveys, the question was asked slightly differently: "Do you think anti-corruption laws are effective in the country where you work?"

The increase in positive responses may be due, in part, to the change in the question that allowed respondents to select the *extent* to which they view anti-corruption laws as effective (e.g., significant versus moderate) rather than limiting responses to selecting "yes" (effective) or "no" (not effective).

New laws making a difference

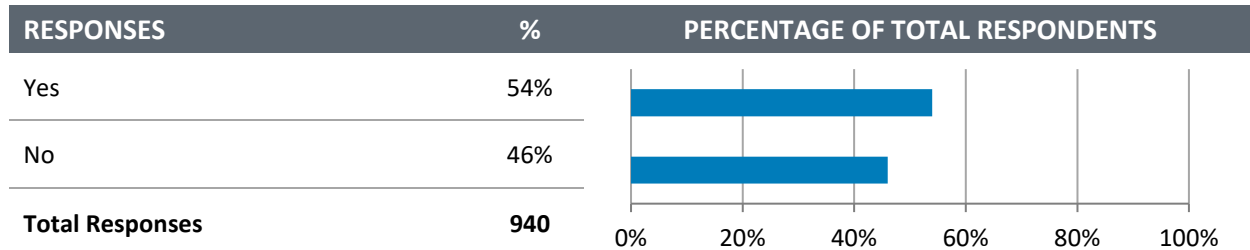
Notably, the four other countries (Brazil, Chile, Costa Rica, and Peru) with a high percentage of respondents stating they perceive anti-corruption laws as effective "to a moderate or significant extent" have recently updated their anti-corruption laws. Brazil and Chile have ramped up enforcement under local laws, likely contributing to public perceptions of their effectiveness. Peru and Costa Rica have more recently passed new anti-corruption legislation, in 2018 and 2019, respectively – it is possible that publicity around the new laws has already contributed to their perceived effectiveness.

A higher percentage of participants from local/regional companies (75%) than participants from multinationals (52%) believe anti-corruption laws are not effective (or effective to a small extent) in the countries where they work. This result could be because local/regional companies are more reliant than multinationals on local laws to protect market integrity and therefore might feel the inadequacy of local laws more acutely.

PARTICIPANT COMMENT

"In our region...there is a lot to be done.... We are in Brazil quite good in producing laws [and] copying best practices.... The big issues are three, in my view: cultural, which takes time to cure; effective accountability processes; and...active inspections process (not on paper or under the law, but in practice)."

Q8. Is corruption a significant obstacle to doing business for your company?



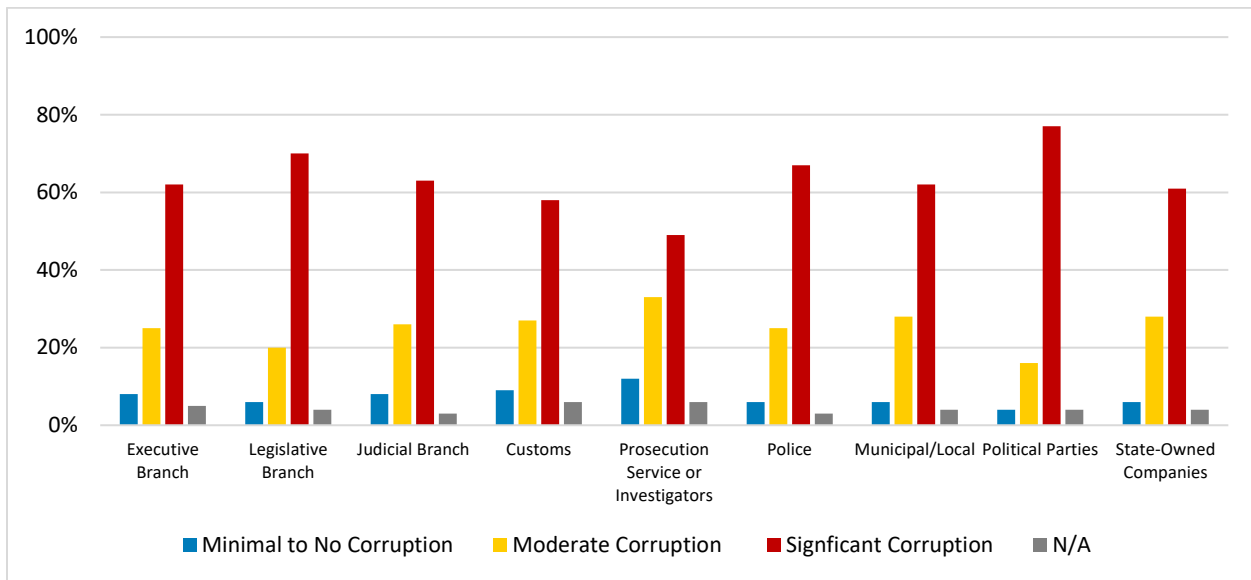
The percentage of respondents who consider corruption a significant obstacle for their company to conduct business has increased to 54%, from 48% in 2016 and 44% in 2012. The countries with the highest percentages of respondents reporting corruption as an obstacle are Nicaragua (76%), Ecuador (75%), Bolivia (70%), and the Dominican Republic (61%). The countries with the lowest percentages are Chile (14%), Uruguay (14%), and Colombia (23%).

Unlike in 2012 and 2016, where local/regional company respondents saw corruption as a significant obstacle at a greater rate than did respondents from multinational companies, in 2020 respondents from both types of companies perceive corruption as an obstacle at the same rate. This change is consistent with the finding that there is no perceivable difference between company types when it comes to whether a company has lost business due to competitors making illicit payments.

Corruption Levels

AREAS OF GOVERNMENT

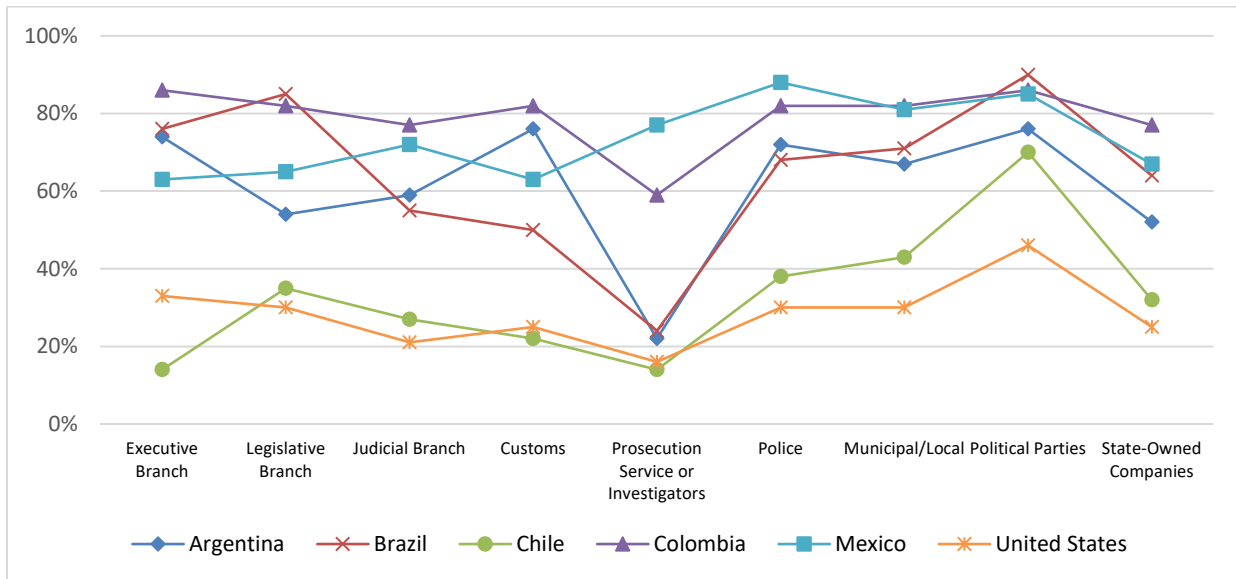
Q9. To the extent public corruption exists in the country where you work, rank the level of corruption in the following areas of government.



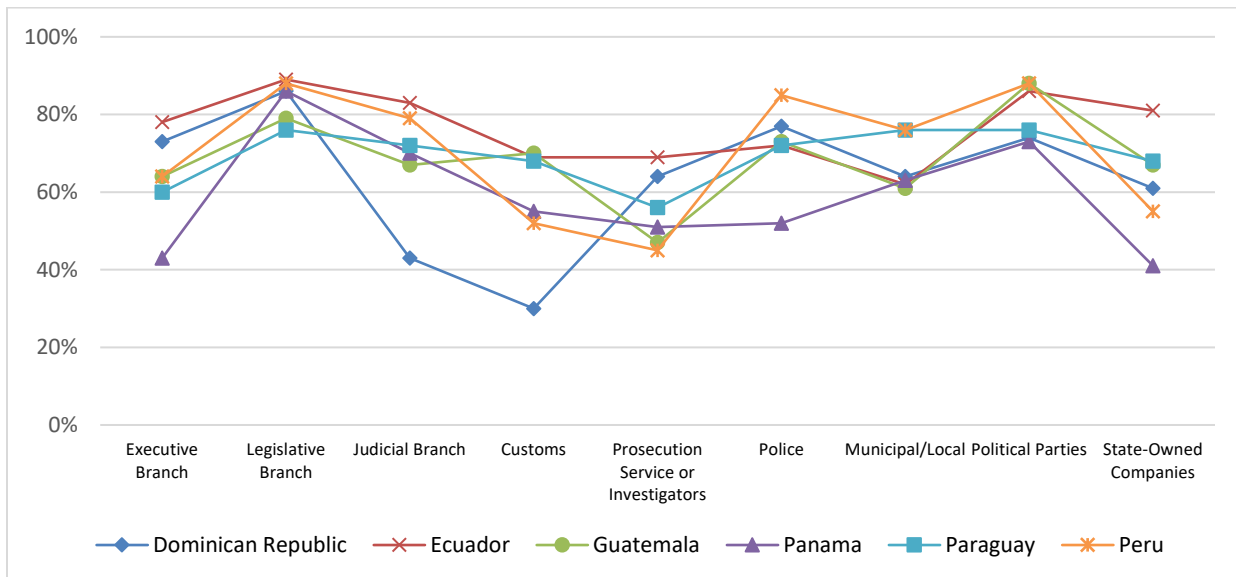
At least 70% of respondents across the region rank political parties (77%) and the legislative branch (70%) as two areas of government in which there is "significant corruption." Between 60% and 70% of respondents also rank the executive branch, judicial branch, police, municipal/local governments, and state-owned companies as significantly corrupt. These responses are consistent with perceptions in 2016 and reflect a general distrust of multiple government bodies.

Comparatively, "prosecution service or investigators" is the one government area perceived regionwide as less corrupt, with less than 50% of respondents classifying them as "significantly corrupt" and 12% of respondents perceiving them as having "minimal to no corruption."

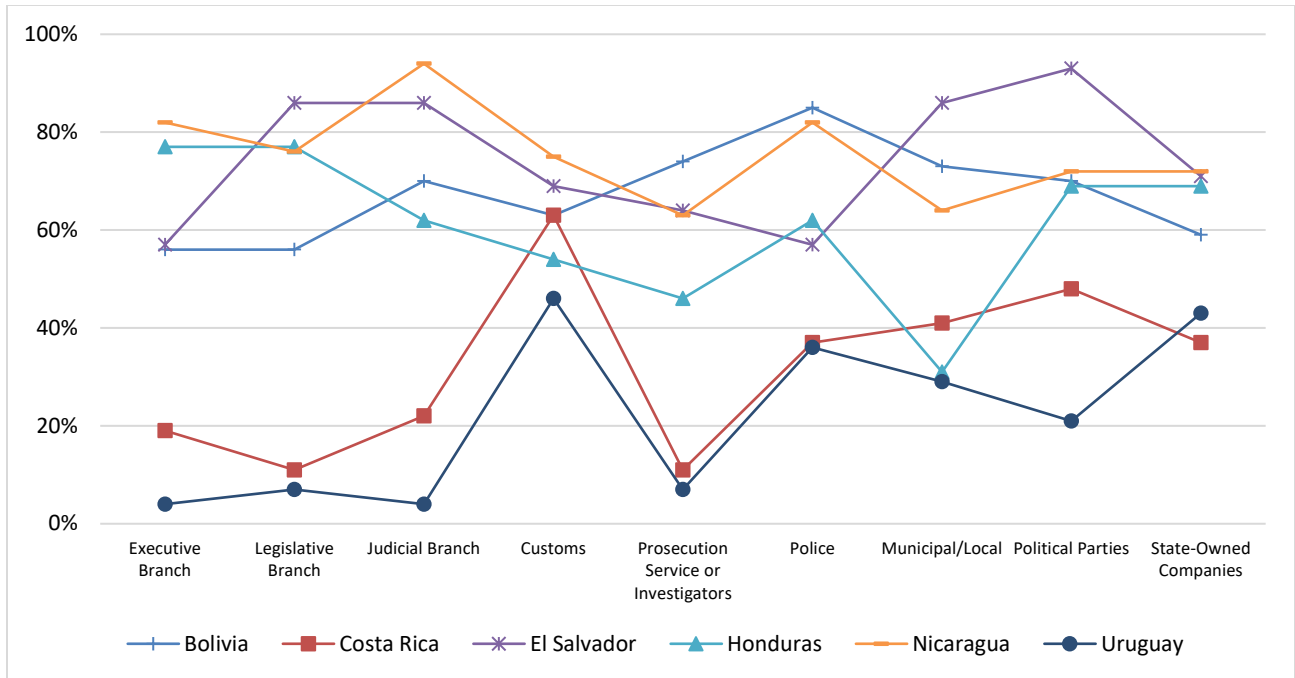
Significant corruption perceived in government entities by larger countries (over US\$500 billion GDP)



Significant corruption perceived in government entities by mid-size countries (US\$100-500 billion GDP)



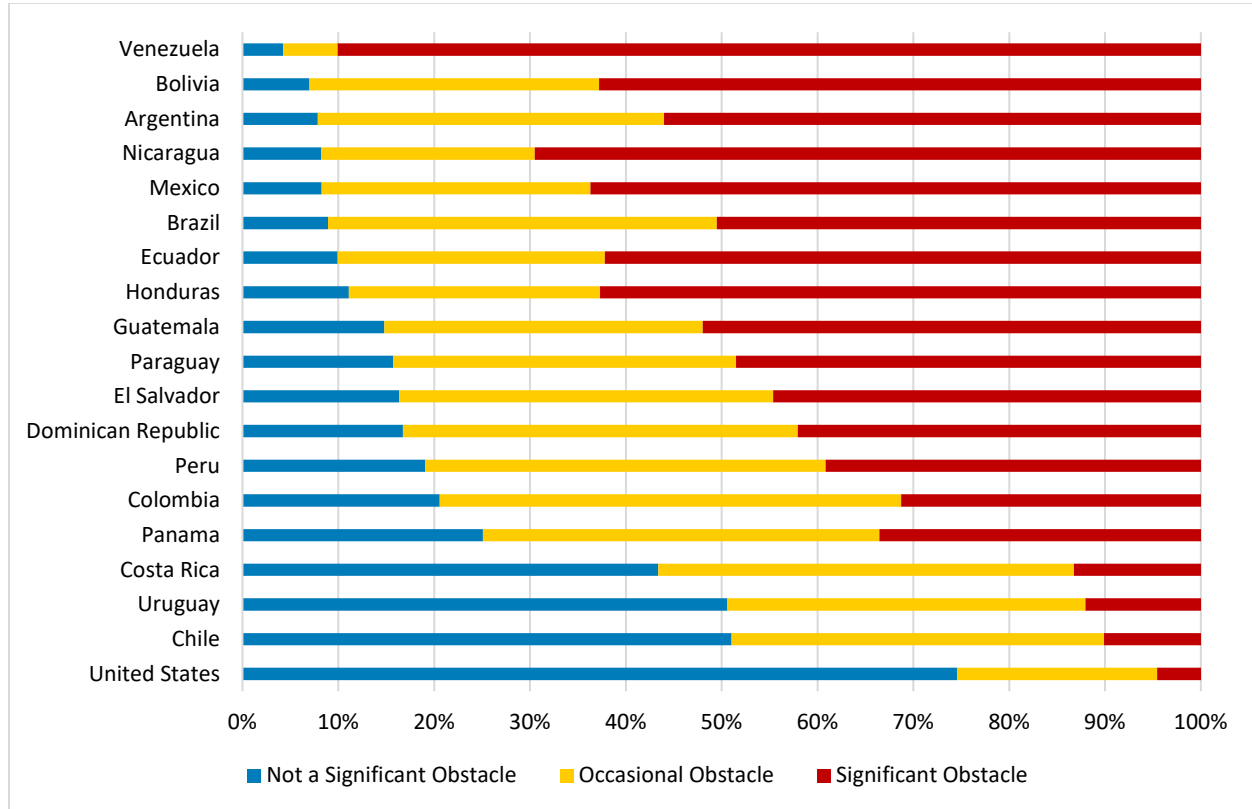
Significant corruption perceived in government entities by smaller countries (less than US\$100 billion GDP)



For more country-specific analysis around corruption levels (e.g., which countries are most/least corrupt in each government area, plus notable changes since 2016), please see Appendix A on page 36.

CORRUPTION LEVEL BY COUNTRY

Q10. How would you rate corruption in the countries where you have business experience?



Corruption level by country remains generally consistent with 2016 – with some notable exceptions

- ▶ The United States, Chile, and Uruguay continue to be ranked the least corrupt countries in the region. But the positive perception of these countries has declined over the last four years – each saw a more than 5% drop in respondents stating corruption was not a significant obstacle.
- ▶ The group of major countries (large economies with over US\$500 billion GDP each) perceived as having the highest levels of corruption (over 50% saying that corruption is a significant obstacle) is largely the same as in 2016 – Mexico, Argentina, and Brazil, .
- ▶ Of the mid-sized economies (US\$100-500 billion in GDP), Venezuela, Guatemala and Ecuador are perceived as having the highest levels of corruption (over 50% saying that corruption is a significant obstacle).
- ▶ Of the smaller economies (below US\$100 billion in GDP), Nicaragua, Bolivia, and Honduras are perceived as most corrupt. This result is generally consistent with 2016, except Nicaragua has replaced El Salvador. Notably, El Salvador recently elected a president who ran on a strong anti-corruption platform and has created an independent commission backed by the Organization of American States to address corruption, which may inform the changing perception.

Steps to Reduce Corruption

Q11. Rank the activities you think may prove effective in reducing overall corruption in the countries where you work. (Rank them in order of effectiveness where 1=most effective, 6=least effective)

RESPONSES	RANK 1	RANK 2	RANK 3	RANK 4	RANK 5	RANK 6	WEIGHTED SCORE
Enhanced accountability and transparency in public sector	352	202	160	93	66	58	4231
Effective government investigation and prosecution	200	337	175	89	82	48	4064
Independent, impartial judiciary	208	138	141	116	84	244	3262
Corporate responsibility and accountability	67	103	263	187	162	149	3003
Effective protections for whistleblowers	61	91	102	174	331	172	2585
Public discussion, participation, and social policing	43	60	90	272	206	260	2406

As in 2012 and 2016, this year's top responses are "enhanced accountability and transparency in public sector" and "effective government investigation and prosecution" – and once again, "corporate responsibility and accountability" and "public discussion" are seen as less important.

This year we introduced two new activities for evaluation by respondents: "independent, impartial judiciary" and "effective whistleblower protections." "Independent, impartial judiciary" emerges as the third most effective activity in 2020, perhaps due to significant improvements in some countries' local anti-corruption laws (e.g., Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, and Peru) and a growing awareness that strong laws and enforcement require independent judicial systems to have sustainable impact.

Notably, respondents on average rank "whistleblower protections" second to last on the scale. This result is surprising, given that whistleblower protections in the context of corporate internal compliance programs are now seen as a standard element, and whistleblowers frequently contribute to the discovery of government corruption scandals, such as Argentina's notebooks case.

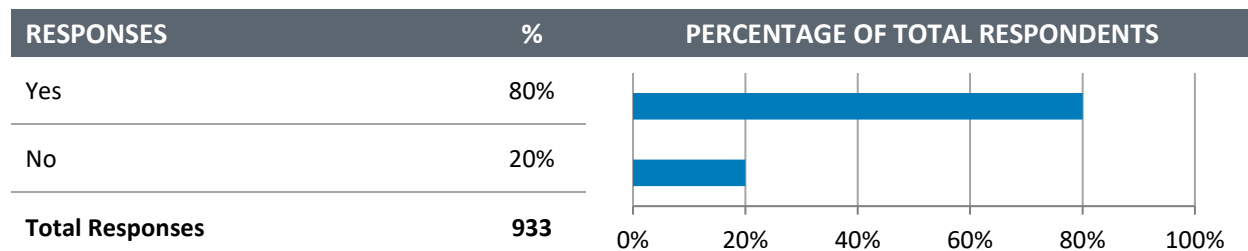
PARTICIPANT COMMENT

"There must be deeper investigation procedures because corruption is embedded in the highest levels of authority, but even more so in the middle ranks, which no one investigates."

PARTICIPANT COMMENT

"Justice is politicized by the administration in power, and there is no independence to investigate acts of corruption."

Q12: Has your company's management taken steps to protect the company from corruption risk?

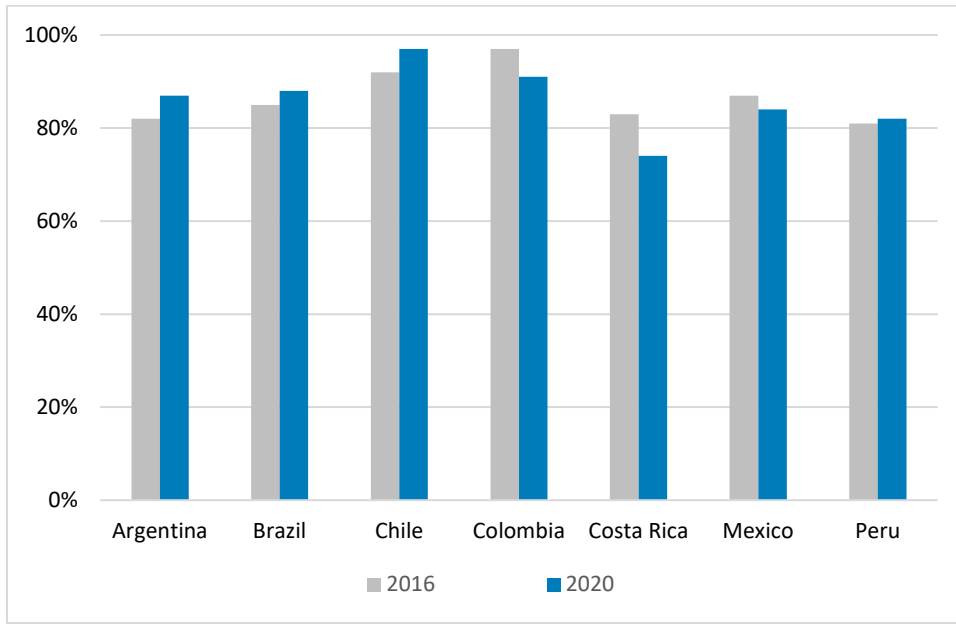


The percentage of respondents who report that their company has taken steps to mitigate risks of corruption has slightly decreased, from 87% in 2016 to 80% in 2020.

This decrease occurs at a time when seven countries in the region have modified their anti-corruption laws, introducing corporate criminal or administrative liability for corruption offenses and creating benefits for companies with adequate corporate compliance mechanisms in place.

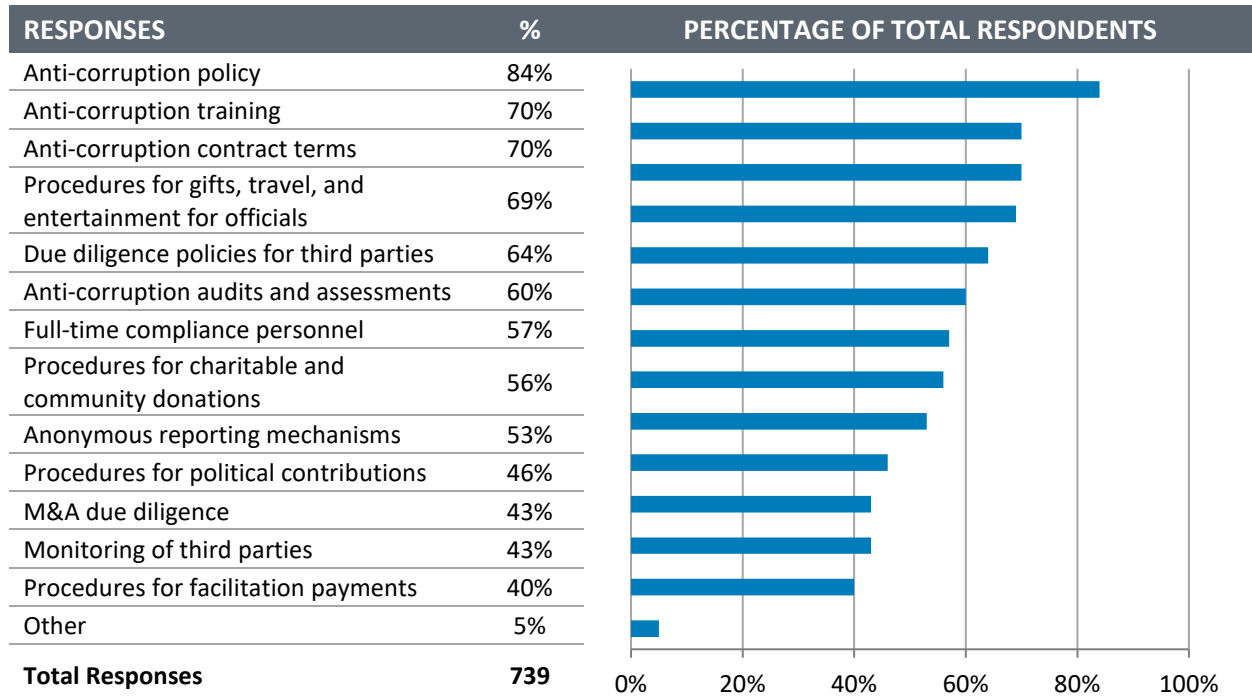
Country	Corporate Corruption Liability Law	Year	Corporate Compliance Benefits	Compliance Guidance
Argentina	Law 27.401	2017	Impacts enforcement determination, defenses, and penalties.	Integrity Program, Art. 23 (Dec 2017)
Brazil	Federal Law 12,846 (Clean Companies Act)	2014	Provides credit in penalty calculation.	Integrity Program Guidance for Private Companies, Decree 8.420/2015 (Sept 2015)
Chile	Law 20.393 (Corporate Criminal Liability Act); Law 21.121	2009/2018	Eliminates or mitigates liability.	Crime Prevention Models, Article 4 of Law 20.393 (Dec 2009)
Colombia	Law 1778 (Transnational Corruption Act)	2016	Mitigating factor in sanction calculation.	Anti-Corruption Compliance Circular (July 2016)
Costa Rica	Law 9699 (Law for Criminal Liability of Legal Entities on Domestic Bribery, Transnational Bribery and other Crimes)	2019	Mitigating factor in sanction calculation by up to 40%.	Draft guidelines under consideration, <i>scheduled to be published in 2020</i>
Mexico	General Law of Administrative Responsibilities (GLAR, part of National Anti-Corruption System)	2017	Considered in penalty calculation.	Integrity Policies, GLAR Art. 25 (July 2017)
Peru	Law 30424	2018	Mitigating factor in sanction calculation.	Prevention Model, Section 5 (Jan 2018)

Interestingly, all six countries that have issued anti-corruption compliance standards in recent years as part of law enhancements (the seventh, Costa Rica, had issued only draft compliance standards at the time of this survey) have respondents who note levels of anti-corruption compliance protections at their companies above the 80% average:



In 2020, 73% of respondents from private companies and 92% from publicly traded companies say management has taken steps to protect their company against corruption risk.

Q13. In what ways has your company's management taken steps to protect the company from corruption risk?



Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.

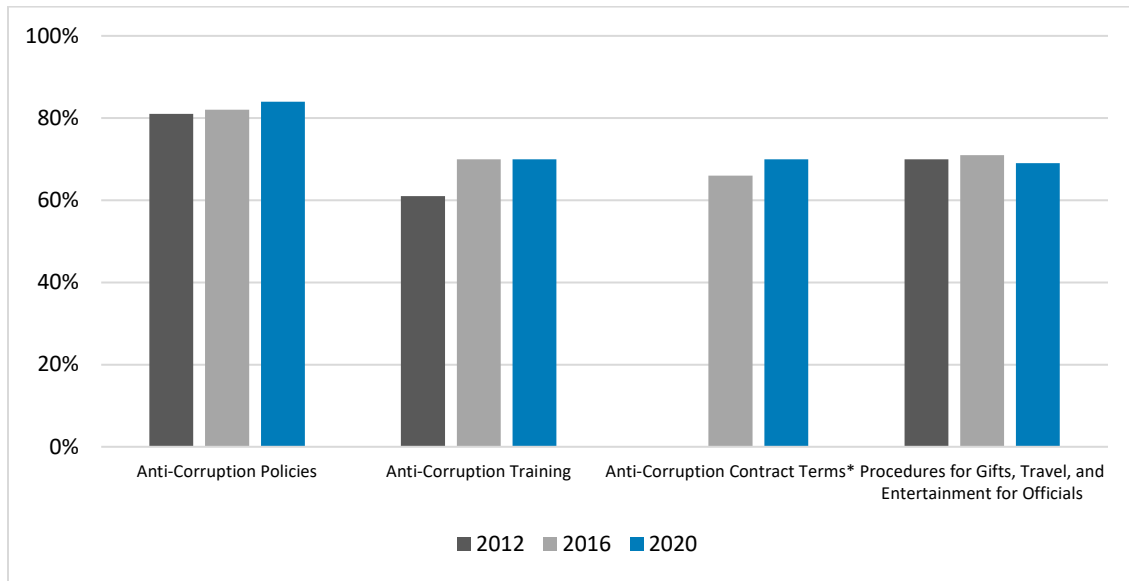
Most common compliance elements in the region remain consistent

The most common compliance elements implemented in the region continue to be anti-corruption policies, training, contract terms, and gifts, travel, and entertainment procedures. For each of these elements, participant responses remain mostly consistent with prior survey responses in both rank and percentage levels.

PARTICIPANT COMMENT

"We must all be agents of change. Countries will change in as much as its people change and work transparently."

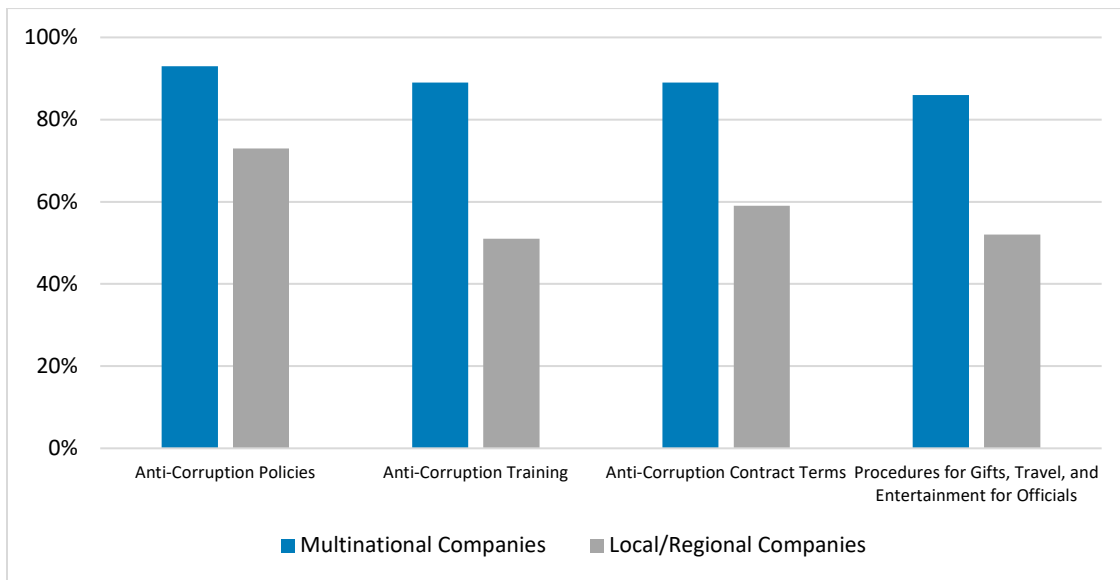
Most Common Compliance Elements, 2020



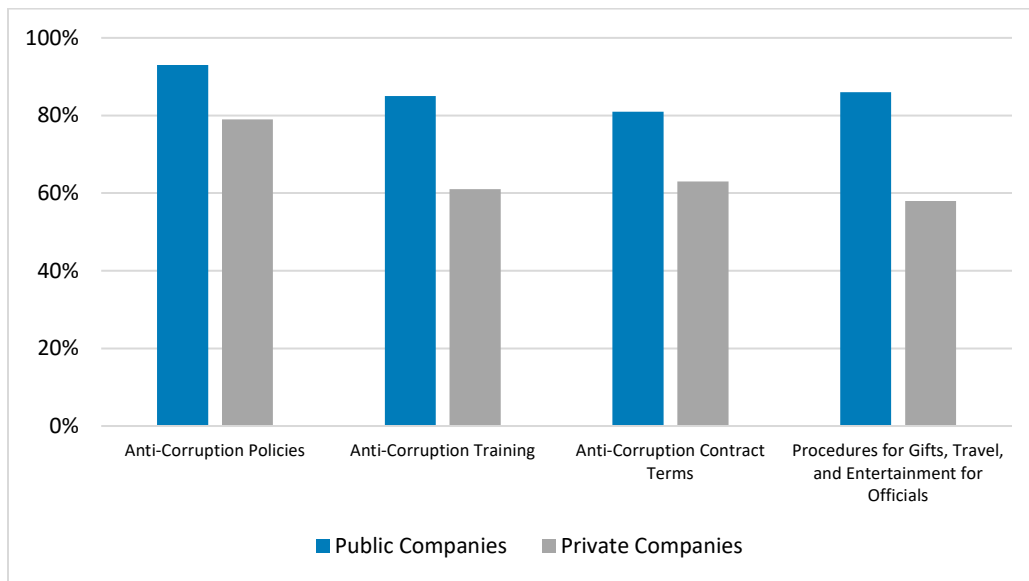
**Not tested in 2012*

Multinational and publicly traded companies continue to outpace their local/regional and private counterparts with implementing these top compliance practices, summarized below. Please see Appendix D on page 44 for greater detail on the breakdown between these categories of companies.

Multinational vs. Local/Regional Companies, 2020



Public vs. Private Companies, 2020



Other efforts to manage bribery risk increase

The rise in adoption of other more nuanced areas of compliance suggests that a meaningful portion of the enhancement trend is indeed substantive in nature, rather than superficial attempts by companies to show a veneer of compliance while ignoring the rigors of actual controls and procedures. For example:

- ▶ Fifty-seven percent of respondents report that their companies have established **full-time compliance personnel** – up from 44% in 2012 and 48% in 2016. This upward trend holds true for both local/regional companies (21% in 2012; 26% in 2016; 38% in 2020) and multinationals (67% in 2012; 70% in 2016; 77% in 2020).
- ▶ Sixty percent of respondents report that their companies conduct **assessments and audits**, an increase from 51% in 2012 and 56% in 2016. Increases are seen for both local/regional companies (32% in 2012; 38% in 2016; 46% in 2020) and multinationals (61% in 2012; 69% in 2016; 71% in 2020).
- ▶ Companies continue to increase efforts in **third-party management**.
 - **Due diligence policies** for third parties continue to increase (49% in 2012 to 59% in 2016 to 64% in 2020). Here again, the upward trend applies to both multinationals (60% in 2012 to 66% in 2016 and a jump to 81% in 2020) and local/regional companies (32% in 2012 to 49% in 2016 to 49% in 2020).
 - **Monitoring** of third parties was not tested in 2012, but the activity has increased from 34% in 2016 to 43% in 2020. In 2020, more than half (54%) of multinationals and 31% of local/regional companies conduct third-party monitoring. This particular increase could be in response to the heightened focus that FCPA enforcement officials have given to this

compliance element, encouraging companies to use data analytics to more effectively, efficiently, and reliably monitor third party transactions.

Other compliance steps taken by companies have remained steady since 2016 and include anonymous reporting mechanisms (53%), political contributions procedures (46%), M&A due diligence (43%), and facilitating payments procedures (40%).

Country-Specific Compliance Program Environments

When responses to Question 13 are reviewed on a country-by-country basis, some countries exhibit mature compliance environments, with companies having implemented many aspects of a best practices compliance program (Most Developed); some countries' compliance environments feature basic compliance elements but with room for further development (Developing); and some demonstrate nascent compliance environments, with practices behind the average (Least Developed) (see full data in Appendix B on page 38).

Most Developed	Developing	Least Developed
Argentina* Brazil Chile* Colombia Costa Rica* Mexico Peru* United States Uruguay*	Guatemala* Honduras*	Bolivia Dominican Republic Ecuador* El Salvador Nicaragua Panama Paraguay

Note that we did not include Venezuela in this ranking given the small number of total responses from the country.

**Denotes the countries that have shifted categories since 2016.*

Since 2016, five countries (Argentina, Chile, Costa Rica, Peru, and Uruguay) have shifted from Developing compliance environment status to Most Developed, more than doubling the number in that category. These more mature compliance program environments feature companies with sophisticated program elements like third-party due diligence, audits and assessments, and anonymous reporting mechanisms. Many of these are also countries where local anti-corruption compliance communities are forming and proliferating.

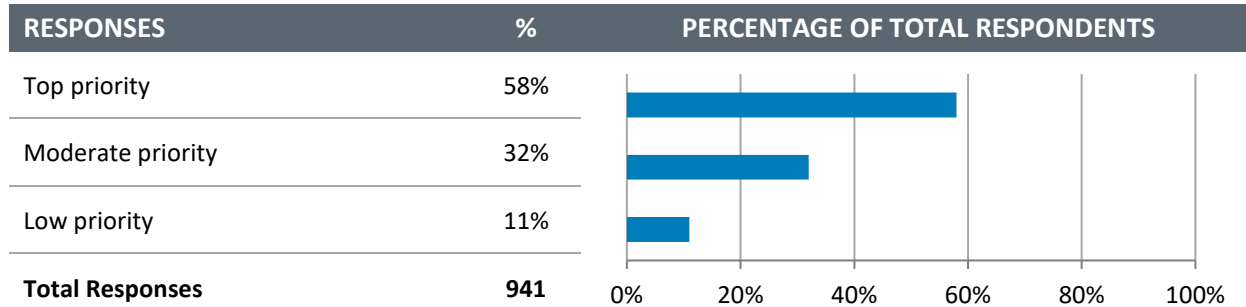
The Most Developed category also includes the seven countries (Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, and Peru) that have modified their anti-corruption laws over the last decade to bolster corporate liability and introduced anti-corruption compliance guidance or drafts of such guidance for companies as part of the new legal regimes. For more information on compliance program implementation data for these countries, see Appendix C on page 40.

While there is also a sizeable number of countries in the Least Developed category, showing a divergence in the region in the comprehensiveness of compliance efforts, today more of the companies in those countries than in 2016 have adopted basic policies and training (with training efforts in Bolivia representing the only exception). This suggests that the most basic of program elements might be taking hold across the region.

	Anti-Corruption Policies		Anti-Corruption Training	
	2016	2020	2016	2020
Bolivia	50%	67%	79%	38%
Dominican Republic	63%	71%	32%	50%
Ecuador	83%	73%	63%	42%
El Salvador	64%	80%	82%	60%
Nicaragua	55%	83%	27%	54%
Panama	33%	60%	44%	50%
Paraguay	67%	67%	67%	57%

Corruption and Compliance Outlook

Q14: Where does dealing with corruption risk rank within the priorities of your company?

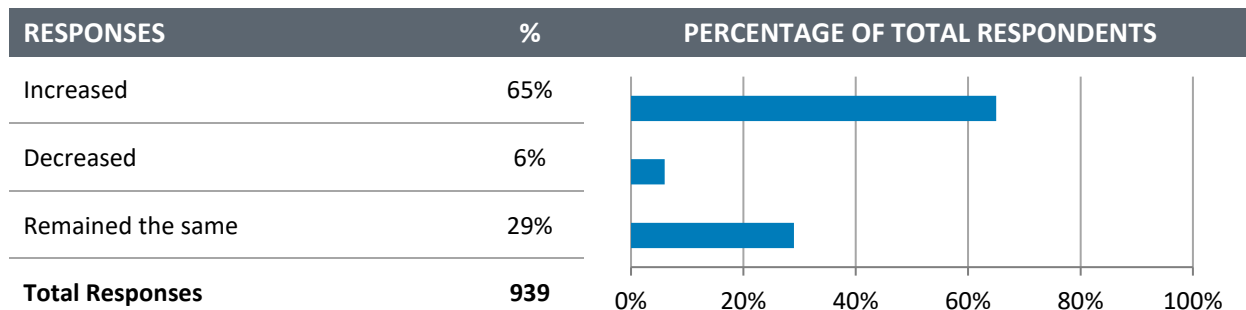


In every survey since 2008, between 55% and 58% of respondents have considered dealing with corruption risk to be a top priority for their company, between 28% and 32% have considered it to be a moderate priority, and between 10% and 16% have considered it to be a low priority.

Discrepancies by company type: local/regional vs. multinational, public vs. private

- ▶ Forty-eight percent of respondents working at local/regional companies consider dealing with corruption to be a top priority for their company, as compared with 64% of respondents from multinationals, a breakdown that is roughly consistent with responses in 2016.
- ▶ A similar discrepancy exists in public versus private companies. Sixty-nine percent of public-company respondents say corruption risk is a top priority for their company, compared with 52% of respondents at private companies, a breakdown that is largely consistent with responses in 2016.

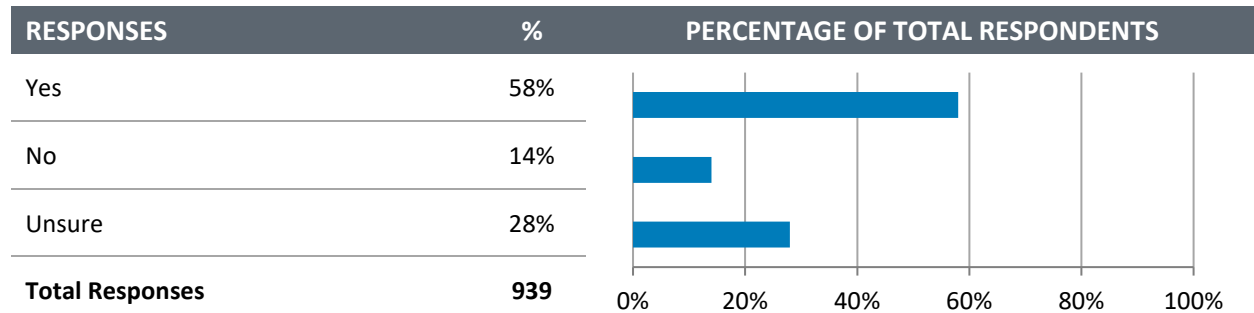
Q15: Has the importance of preventing corruption increased/decreased/remained the same for your company over the last five years?



The percentage of respondents saying that the importance of preventing corruption has increased at their company in the last five years has gone down since 2016 (from 71% in 2016 to 65% in 2020).

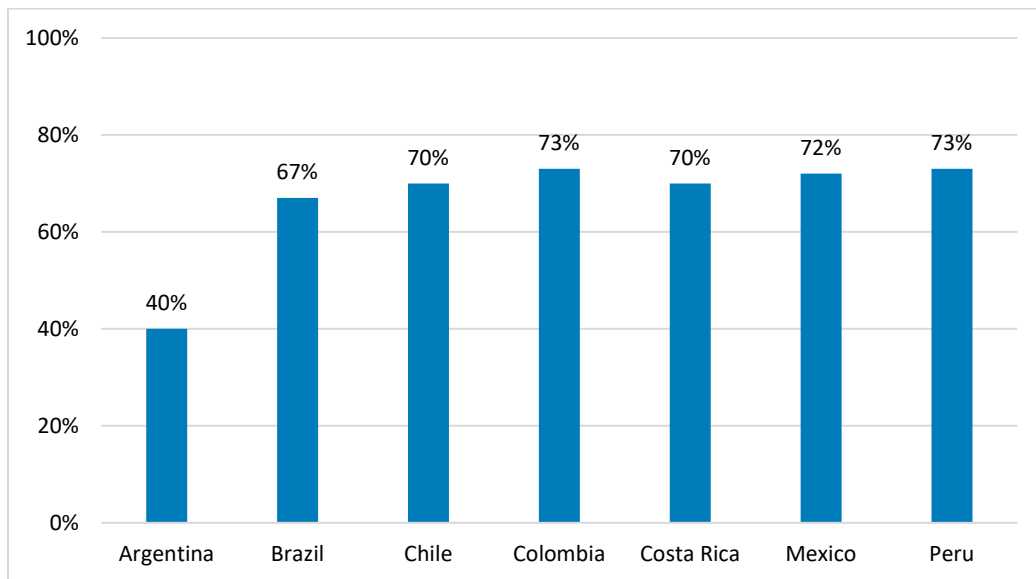
A higher percentage of respondents from multinationals (78%, steadily increasing since 2008) say there is an increase in the importance of preventing corruption at their company than respondents from local/regional companies (57%, a slight drop since 2008). Similarly, 74% of respondents from publicly traded companies perceive an increase in the importance of fighting corruption at their company, as compared to 60% of respondents from private companies.

Q16: In the next 12 months, do you believe your company will increase efforts and resources to improve awareness of and prevent corruption?



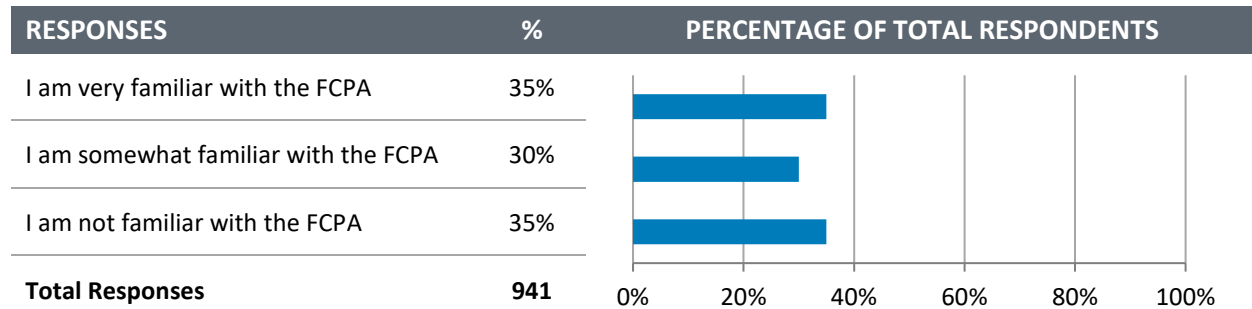
This question was not asked in prior years.

With the exception of Argentina, respondents from countries that have recently amended or introduced new anti-corruption laws are more optimistic that their companies are taking and will continue to take compliance more seriously.



Awareness of Anti-Corruption Laws

Q17: Have you heard of the U.S. Foreign Corrupt Practices Act (FCPA)?



FCPA awareness grows – but non-U.S. multinationals may need more education

Half of local/regional company respondents have some familiarity with the FCPA, while 86% of multinational company respondents do.

Ninety-six percent of respondents who are U.S.-based report that they are "very familiar" with the FCPA, suggesting that awareness of FCPA risk is now well-established for companies subject to the FCPA's jurisdiction.

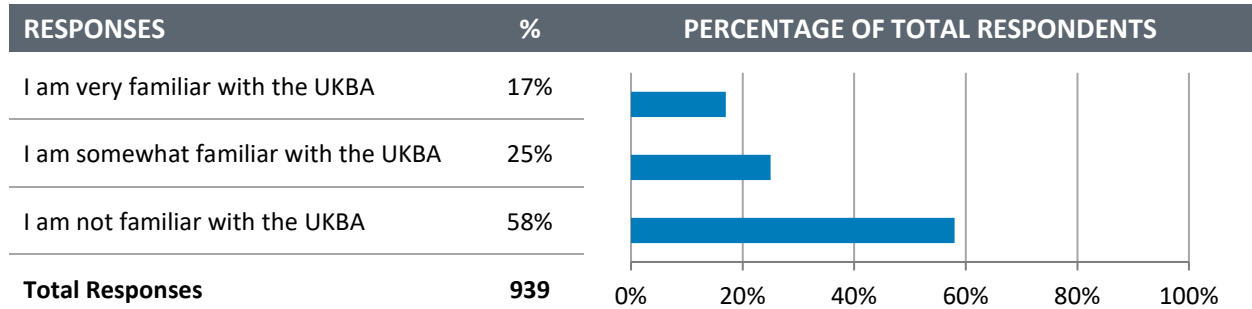
Of respondents who are not directly subject to the FCPA (because they do not work in the United States, their companies are not publicly traded in the United States, or they do not work for an affiliate of a U.S. multinational company), 20% indicate they are "very familiar" with the FCPA and 39% indicate they are "somewhat familiar" with the FCPA. While these percentages are lower than those from 2016 (23% and 46%, respectively), they still demonstrate the notable impact that the FCPA is having on business outside of its jurisdictional reach.

For the 355 respondents whose companies are subject to the FCPA – because the companies are publicly listed in the United States or are affiliates of U.S. multinational companies – 18% believe they are not subject or are not sure whether they are subject to the FCPA. This percentage has gone down over the years, from 30% of respondents in 2008, to 22% in 2012, to 22% in 2016. The decrease may be due to more effective training and communication efforts by companies.

Among non-U.S. multinational companies, 73% of respondents say they are at least "somewhat familiar" with the FCPA, a drop from 2016 (85%). More than a quarter now say they are "not familiar" with the law, up from 15% in 2016. This decrease could be due to non-U.S. multinationals now focusing their compliance training efforts on local anti-corruption laws rather than the FCPA, which can be an effective approach to generating buy-in for compliance practices among non-U.S. audiences. In light of the aggressive enforcement and broad reach of the FCPA, this data also suggests that non-U.S. multinationals would benefit from educating their employees regarding FCPA risk.

Outside of the United States, respondents from Brazil and Argentina have the highest familiarity with the FCPA. Ninety-four percent of Brazilian respondents and 89% of Argentine respondents are either "very familiar" or "somewhat familiar" with the FCPA. Even the countries with the lowest percentages of respondents "very familiar" or "somewhat familiar" with the FCPA – Bolivia (67%) and Ecuador (66%) – reflect the widespread awareness of the FCPA by respondents in the region.

Q18: Have you heard of the U.K. Bribery Act (UKBA)?



Outside of U.S. and Brazil, UKBA remains relatively unknown

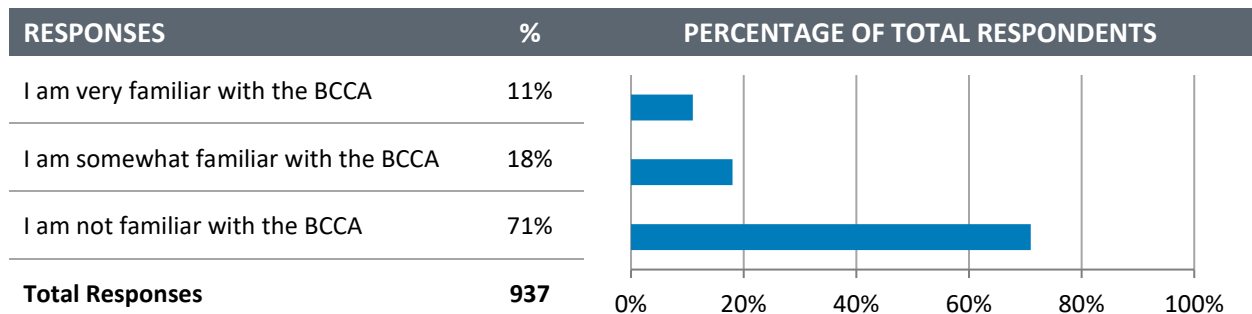
The UKBA is less known by respondents than the FCPA. A significant discrepancy is noted between familiarity with the UKBA by local/regional companies (28%) and multinationals (66%). This result is not surprising, as local/regional companies are less likely to have a connection to the United Kingdom or to U.K. companies, which are not as active in the region as U.S. companies.

As was the case in 2016, respondents from the United States and Brazil show strong familiarity with the UKBA (82% and 70%, respectively, are "somewhat" or "very familiar"). This result is potentially explained by the significant levels of investment between the United Kingdom and these jurisdictions.

About half of respondents from the major markets of Argentina, Chile, and Mexico have no familiarity with the UKBA. Colombia and Peru both show a bit more familiarity, with slightly under two-thirds having at least some familiarity.

More than 70% of respondents in Bolivia, the Dominican Republic, Ecuador, El Salvador, Nicaragua, and Panama say they have no familiarity with the UKBA.

Q19: Have you heard of the Brazilian Clean Companies Act (BCCA)?



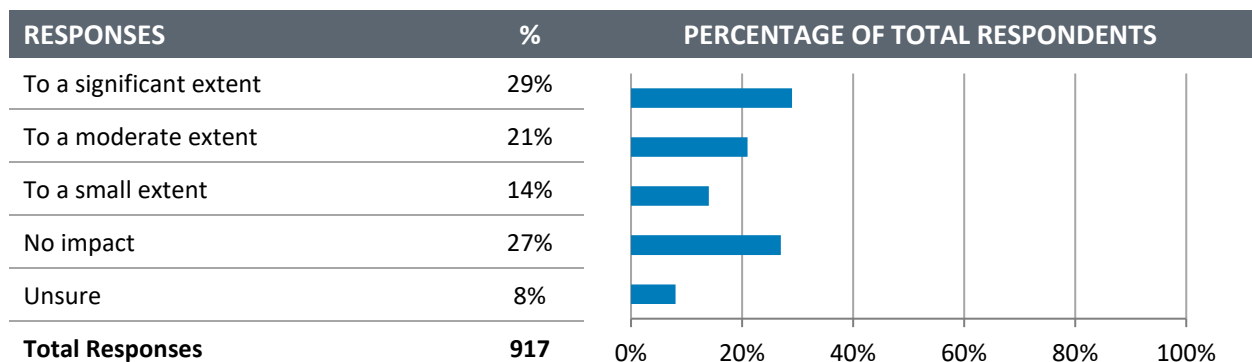
BCCA yet to gain traction outside of Brazil, the United States, and Argentina

Though overall familiarity with the BCCA has slightly decreased since 2016 (in 2020, 71% say they are not familiar versus 66% in 2016), the familiarity among Brazilians has gone up – 92% of Brazilians have at least some familiarity compared to 86% in 2016. Half of them are "very familiar," down from 62% in 2016. Of the 50% who are "very familiar," 85% work for multinationals or their affiliates. This high percentage might be due to the fact that multinationals are increasingly incorporating BCCA into their current compliance training programs – in fact, 90% of Brazilians who work for multinationals say they receive anti-corruption training, higher than the 70% average.

All other jurisdictions demonstrate low levels of familiarity with the BCCA, except for the United States and Argentina, where about half of respondents have at least some familiarity (54% and 46%, respectively). The numerous coordinated corruption resolutions between U.S. and Brazilian authorities over the last few years has likely spread awareness among U.S. respondents of BCCA impact on enforcement. It is also possible that Argentina has a growing familiarity with Brazilian law given the recent establishment of investigation cooperation agreements within Mercosur. Argentina might also be looking to Brazil for lessons learned regarding implementation of the BCCA to inform its own response to the notebooks and other recent scandals.

Only 17% of respondents from other countries (excluding Argentina, Brazil, and the United States) indicate at least a basic familiarity with the BCCA. Despite this low level of familiarity, the BCCA has extraterritorial reach, applying to conduct taking place abroad.

Q20: To what extent has enforcement of the FCPA, UKBA, BCCA, or other anti-corruption laws helped mitigate the risk of corruption in or on behalf of your company?



Half of respondents now say enforcement of laws has helped mitigate risk

This survey question was asked for the first time in 2020. Notably, 50% of respondents say that enforcement of anti-corruption laws has helped mitigate the risk of corruption in or on behalf of their companies to a "significant" or "moderate extent."

Multinationals and public companies see more benefit

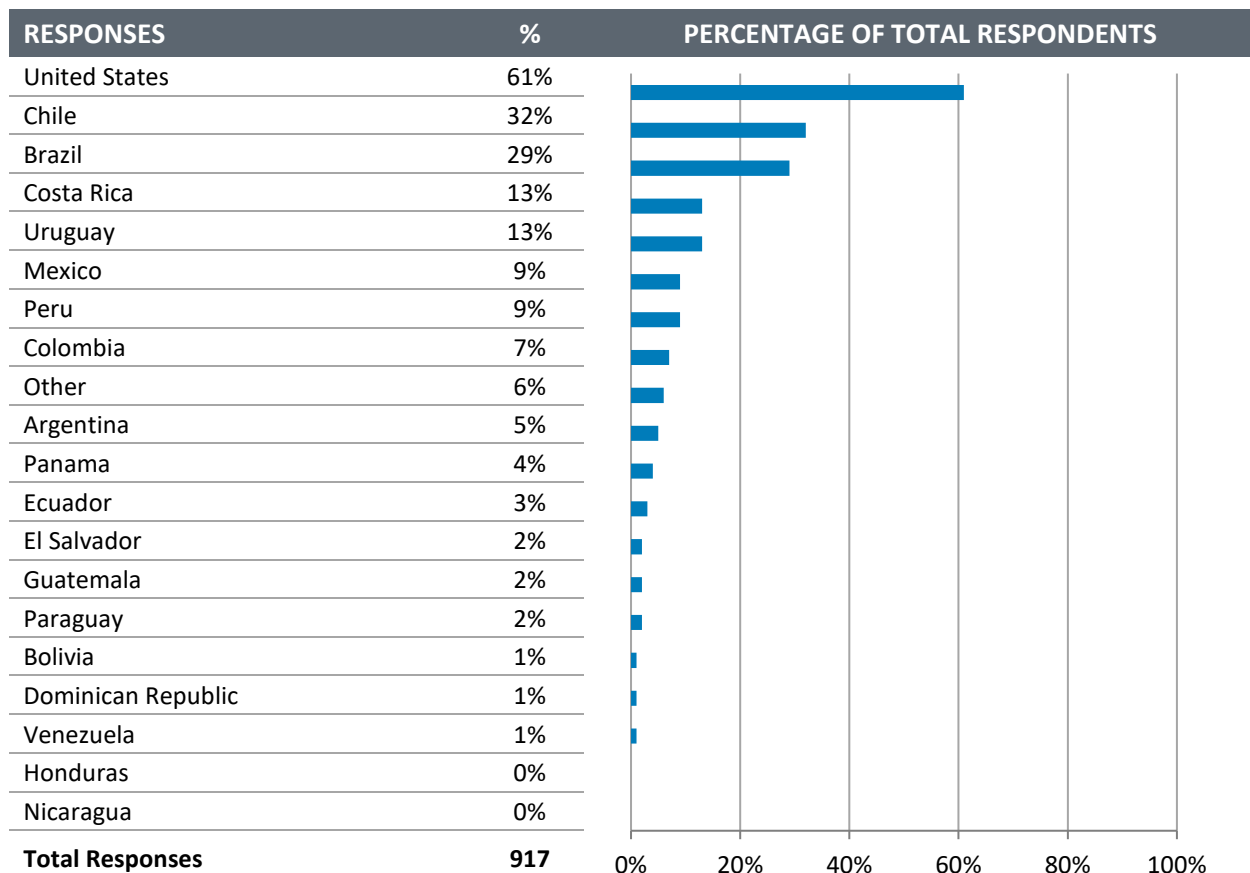
While 41% of local/regional company respondents see the laws as having *no impact* on mitigating risk, about the same percentage (39%) of multinational respondents say the laws mitigate risk to a *significant extent*. The percentage finding enforcement of such laws helps "to a significant extent" goes up even further (to 48%) for respondents of publicly traded companies, compared to 36% of private company respondents seeing no impact.

Stronger local anti-corruption laws change attitudes in several countries

Respondents from jurisdictions that have recently adopted stronger anti-corruption laws are above the average of 50% finding significant or moderate impact: Argentina (72%), Brazil (74%), Chile (59%), Colombia (55%), Costa Rica (52%), Mexico (68%), and Peru (63%). These results suggest that the strengthening of local anti-corruption laws can indeed change attitudes around the ability to reduce corruption.

Respondents from the United States (53%) and Brazil (54%) have the highest percentages of respondents citing a significant impact, likely given that the FCPA and BCCA are the most enforced anti-corruption laws in the region.

Q21: In your opinion, which of the following countries will lead the way in the next three years in enforcing their anti-corruption laws?



United States to lead the way, followed by Chile and Brazil

A sizeable percentage of Latin American respondents (61%) appears to put their faith in the U.S. government to continue taking the lead on enforcement of anti-corruption laws.

The optimism that Chile will take a lead is surprising since enforcement efforts there have been relevant but do not have the same international reach as countries like Brazil (in the wake of Lava Jato) and Peru (where numerous evidence-sharing requests have been issued and several political leaders have been subject to criminal proceedings). As such, the data may simply reflect a generalized impression of Chile as one of the region's cleanest countries rather than specific knowledge of prosecutorial advancement there. In fact, this view appears contradicted by survey responses from Chileans this year, who themselves indicate higher levels of corruption risk than in the past – as well as multinational company respondents, who choose Brazil (42%) over Chile (26%).

Brazilian respondents are upbeat about their future, with 79% thinking their government will lead the way. We note, however, that this survey was conducted before the resignation of Justice Minister Sergio Moro, a leading voice in the country's anti-corruption efforts. His resignation could affect the optimism of Brazilian respondents.

Brazil, Chile, and Peru are unique in that their respondents have more faith in their own governments than in the United States: in Brazil, 54% identify the United States while 79% identify Brazil; in Chile, 41% identify the United States while 73% identify Chile; in Peru, 50% identify the United States while 56% identify Peru. This optimism is likely due to recent, highly publicized anti-corruption enforcement efforts in each of these jurisdictions.

Methodology and Demographics

From January 20 through February 25, 2020, Miller & Chevalier joined with 14 Latin American partner firms spanning 18 countries to distribute a survey via email to individuals working at a broad cross section of U.S. and Latin American companies.

The survey, available in English, Spanish, and Portuguese, was completed by 946 respondents. Participating law firms were [BLP](#) (Costa Rica), [Brigard & Urrutia Abogados](#) (Colombia), [Carey y Cía](#) (Chile), [Beccar Varela](#) (Argentina), [Demarest Advogados](#) (Brazil), [FERRERE Abogados](#) (Bolivia, Ecuador, Paraguay, and Uruguay), [García & Bodán](#) (El Salvador, Costa Rica, Honduras, and Nicaragua), [Headrick Rizik Alvarez & Fernández](#) (Dominican Republic), [Hoet Pelaez Castillo & Duque](#) (Venezuela), [LOVILL](#) (Panama), [Miller & Chevalier](#) (United States), [Orihuela Abogados](#) (Peru), [Paz Horowitz Abogados](#) (Ecuador), [QIL+4 Abogados](#) (Guatemala), and [Von Wobeser y Sierra](#) (Mexico).

Twenty percent of respondents identified themselves as a Lawyer, 20% as a Senior Executive, 17% as a Director, and 9% as a Compliance Officer.

Fifty-two percent of respondents work at a local/regional company and 47% at a multinational corporation. Twenty-six percent of respondents work at a business that is publicly listed in the United States.

Responses were received from individuals working throughout the Americas in a broad range of industry sectors, including agriculture, banking, construction, consumer products, energy, food and beverages, manufacturing, and pharmaceuticals/medical devices.

APPENDIX A: Country-Specific Corruption Levels by Government Area

Executive Branch

- ▶ *Most corrupt in:* Colombia (86%), Nicaragua (82%), Ecuador (78%)
- ▶ *Least corrupt in:* Uruguay (4%), Chile (14%)
- ▶ *Notable changes since 2016:* Argentina increased from 50% to 74% in 2020; Paraguay increased from 31% to 60%.

Legislative Branch

- ▶ *Most corrupt in:* Ecuador (89%), Peru (88%), Dominican Republic (86%), El Salvador (86%), Panama (86%), Brazil (85%)
- ▶ *Least corrupt in:* Uruguay (7%), Costa Rica (11%)
- ▶ *Notable changes since 2016:* Peru increased from 50% to 88%; Chile increased from 29% to 35%.

Judicial Branch

- ▶ *Most corrupt in:* Nicaragua (94%), El Salvador (86%)
- ▶ *Least corrupt in:* Uruguay (4%), United States (21%), Costa Rica (22%)
- ▶ *Notable changes since 2016:* Brazil increased from 35% to 55%; regionwide, responses increased from 51% to 63%.

Customs

- ▶ *Most corrupt in:* Colombia (82%), Argentina (76%), Nicaragua (75%)
- ▶ *Least corrupt in:* Chile (22%), United States (25%), Dominican Republic (30%)
- ▶ *Notable changes since 2016:* Argentina decreased from 91% to 76%; Guatemala decreased from 95% to 70%; Chile increased from 8% to 22%.

Prosecution Service or Investigators

- ▶ *Most corrupt in:* Mexico (77%), Bolivia (74%)
- ▶ *Least corrupt in:* Uruguay (7%), Costa Rica (11%), Chile (14%), United States (16%)
- ▶ *Notable findings (question not asked in 2016):* For Mexico, only 3% view the prosecution service or investigators as having "minimal to no corruption." Zero respondents in Colombia describe the prosecution service or investigators there as having "minimal to no corruption."

Police

- ▶ *Most corrupt in:* Mexico (88%), Peru (85%), Bolivia (85%)
- ▶ *Least corrupt in:* United States (30%), Uruguay (36%), Costa Rica (37%)
- ▶ *Notable findings:* Zero respondents in as many as nine of the 19 countries surveyed, more than with any other area of government reviewed, found "minimal to no" corruption with the police, suggesting that police corruption is pervasive no matter the jurisdiction.

Municipal/Local Government

- ▶ *Most corrupt in:* El Salvador (86%), Colombia (82%), Mexico (81%)
- ▶ *Least corrupt in:* Uruguay (29%), United States (30%), Honduras (31%)

Political Parties

- ▶ *Most corrupt in:* El Salvador (93%), Brazil (90%), Guatemala (88%), Peru (88%)
- ▶ *Least corrupt in:* Uruguay (21%), United States (46%), Costa Rica (48%)
- ▶ *Notable changes since 2016:* Chile increased from 55% to 70%; Ecuador increased from 58% to 86%; Peru increased from 63% to 88%.

State-Owned Companies

- ▶ *Most corrupt in:* Ecuador (81%), Colombia (77%)
- ▶ *Least corrupt in:* United States (25%), Chile (32%), Costa Rica (37%)
- ▶ *Notable changes since 2016:* Brazil decreased from 84% to 64%.

APPENDIX B: Country-Specific Corruption Policies

For **Argentina**, companies of practically all respondents surveyed have policies, and the vast majority do training sessions and third-party due diligence. Companies with gifts, travel, and entertainment procedures have increased from 78% in 2016 to 91% in 2020, whereas the 2020 regional average is 69%. Those performing anti-corruption audits and assessments have increased significantly from 41% in 2016 to 70% in 2020, whereas the 2020 regional average is 60%, and anonymous reporting mechanisms have similarly spiked from 48% in 2016 to 70% in 2020, whereas the 2020 regional average is 53%.

Almost all (94%) of **Brazil** respondents say their companies now have compliance policies, compared to 88% in 2016, whereas the 2020 regional average is 84%. At the same time, only 60% of Brazil respondents say their companies conduct due diligence on third parties. While this is up from 53% in 2016, it is still slightly below the 2020 regional average of 64%.

Respondents from **Chile** say that more of their companies are performing compliance training, from 66% in 2016 to 83% in 2020, whereas the 2020 regional average is 70%; more have full-time personnel, from 53% in 2016 to 72% in 2020, whereas the 2020 regional average is 57%; and more have anonymous reporting mechanisms in place, from 56% in 2016 to 81% in 2020, whereas the 2020 regional average is 53%. Of particular note, companies' procedures for charitable and community donations increased from 68% in 2016 to 83% in 2020, whereas the 2020 regional average is 56%, which is not a surprise given the significant mining activities in the country that feature bribery risks in interactions with local municipalities and indigenous communities. More companies also have political contribution procedures, from 42% in 2016 to 61% in 2020, whereas the regional 2020 average is 46%, which could be linked to the high-profile FCPA enforcement action and related local investigations around the political donation practices of Chilean companies.

Colombia respondents note an increase by their companies in performing due diligence on third parties, from 79% in 2016 to 90% in 2020, whereas the 2020 regional average is 64%, as well as an increase in full-time compliance personnel, from 62% in 2016 to 80% in 2020, whereas the 2020 regional average is 57%. Going against the regional trend, however, fewer companies in Colombia are implementing anti-corruption audits and assessments, from 79% in 2016 to 65% in 2020, which is still slightly above the 2020 regional average of 60%.

Respondents from **Costa Rica** note that their companies have made improvements in the following areas: The percentage with anti-corruption policies has increased from 88% in 2016 to 95% in 2020, whereas the 2020 regional average is 84%; due diligence on third parties has increased from 54% in 2016 to 85% in 2020, whereas the 2020 regional average is 64%; gift, travel, and entertainment procedures have increased from 71% in 2016 to 85% in 2020, whereas the 2020 regional average is 69%; and anonymous reporting mechanisms have increased from 33% in 2016 to 70% in 2020, whereas the 2020 regional average is 53%.

Based on responses from **Mexico** participants, more companies since 2016 are implementing every compliance program element surveyed except one (anti-corruption policies), the percentage of which has essentially stayed the same at 87%. Significant increases are seen in training (71% in 2016 to 84% in 2020,

whereas the 2020 regional average is 70%), third-party due diligence (74% in 2016 to 82% in 2020, whereas the 2020 regional average is 64%), and anti-corruption contract terms (74% in 2016 to 88% in 2020, whereas the 2020 regional average is 70%).

At a time of dramatic enforcement developments in **Peru**, the country has seen spikes in compliance efforts in critical areas. A significant increase in respondents' companies employing full-time compliance personnel is noted, from 23% in 2016 to 74% in 2020, whereas the 2020 regional average is 57%. Similarly, the percentage of companies with training programs has increased from 62% in 2016 to 89% in 2020, whereas the 2020 regional average is 70%. More companies are also using anti-corruption contract terms, from 54% in 2016 to 81% in 2020, whereas the 2020 regional average is 70%, and adopting anonymous reporting mechanisms, from 38% in 2016 to 67% in 2020, whereas the 2020 regional average is 53%.

APPENDIX C: Measurement of Compliance Maturity in Various Markets

Most Developed	Developing	Least Developed
Argentina Brazil Chile Colombia Costa Rica Mexico Peru United States Uruguay	Guatemala Honduras	Bolivia Dominican Republic Ecuador El Salvador Nicaragua Panama Paraguay

Note that we did not include Venezuela in this ranking given the small number of total responses from the country.

MOST DEVELOPED (Scores generally above regional averages)	
<p>ARGENTINA</p> <ul style="list-style-type: none"> ▶ 77% conduct training, compared to regional average of 70% ▶ 87% have anti-corruption policies, compared to regional average of 84% ▶ 79% conduct due diligence on third parties, compared to regional average of 64% ▶ 91% have procedures for gifts and hospitality, compared to regional average of 69% 	<p>BRAZIL</p> <ul style="list-style-type: none"> ▶ 87% conduct training, compared to regional average of 70% ▶ 94% have anti-corruption policies, compared to regional average of 84% ▶ 84% apply anti-corruption contract terms, compared to regional average of 70% ▶ 82% have procedures for gifts and hospitality, compared to regional average of 69% ▶ 71% have procedures for charitable donations, compared to regional average of 56% ▶ 64% have procedures for political contributions, compared to regional average of 46% ▶ 70% conduct audits and assessments, compared to regional average of 60% ▶ 70% have anonymous reporting mechanisms, compared to regional average of 53% ▶ 62% have full-time compliance personnel, compared to regional average of 57%

MOST DEVELOPED (Scores generally above regional averages)	
<p>CHILE</p> <ul style="list-style-type: none"> ▶ 83% conduct training, compared to regional average of 70% ▶ 86% have anti-corruption policies, compared to regional average of 84% ▶ 92% have procedures for gifts and hospitality, compared to regional average of 69% ▶ 78% conduct audits and assessments, compared to regional average of 60% ▶ 81% have anonymous reporting mechanisms, compared to regional average of 53% ▶ 72% have full-time compliance personnel, compared to regional average of 57% 	<p>COLOMBIA</p> <ul style="list-style-type: none"> ▶ 85% conduct training, compared to regional average of 70% ▶ 95% have anti-corruption policies, compared to regional average of 84% ▶ 90% conduct due diligence on third parties, compared to regional average of 64% ▶ 70% apply anti-corruption contract terms, compared to regional average of 70% ▶ 60% have anonymous reporting mechanisms, compared to regional average of 53% ▶ 80% have full-time compliance personnel, compared to regional average of 57%
<p>COSTA RICA</p> <ul style="list-style-type: none"> ▶ 95% have anti-corruption policies, compared to regional average of 84% ▶ 85% conduct due diligence on third parties, compared to regional average of 64% ▶ 75% apply anti-corruption contract terms, compared to regional average of 70% 	<p>MEXICO</p> <ul style="list-style-type: none"> ▶ 74% have full-time compliance personnel, compared to regional average of 57% ▶ 74% have anonymous reporting mechanisms, compared to regional average of 53% ▶ 82% conduct due diligence on third parties, compared to regional average of 64% ▶ 88% apply anti-corruption contract terms, compared to regional average of 70% ▶ 57% conduct M&A due diligence, compared to regional average of 43%

MOST DEVELOPED (Scores generally above regional averages)	
<p>PERU</p> <ul style="list-style-type: none"> ▶ 89% conduct training, compared to regional average of 70% ▶ 93% have anti-corruption policies, compared to regional average of 84% ▶ 70% conduct due diligence on third parties, compared to regional average of 64% ▶ 78% have procedures for gifts and hospitality, compared to regional average of 69% 	<p>UNITED STATES</p> <ul style="list-style-type: none"> ▶ 96% conduct training, compared to regional average of 70% ▶ 98% have anti-corruption policies, compared to regional average of 84% ▶ 94% conduct due diligence on third parties, compared to regional average of 64% ▶ 92% apply anti-corruption contract terms, compared to regional average of 70% ▶ 91% have procedures for gifts and hospitality, compared to regional average of 69% ▶ 92% have anonymous reporting mechanisms, compared to regional average of 53% ▶ 81% have full-time compliance personnel, compared to regional average of 57%
<p>URUGUAY</p> <ul style="list-style-type: none"> ▶ 91% have anti-corruption policies, compared to regional average of 84% ▶ 82% conduct due diligence on third parties, compared to regional average of 64% ▶ 77% have procedures for gifts, travel and entertainment for officials, compared to the regional average of 69% 	

DEVELOPING (Scores generally consistent with regional averages)	
<p>GUATEMALA</p> <ul style="list-style-type: none"> ▶ 87% conduct training, compared to regional average of 70% ▶ 80% conduct due diligence on third parties, compared to regional average of 64% ▶ 73% apply anti-corruption contract terms, compared to regional average of 70% ▶ 73% have procedures for gifts and hospitality, compared to regional average of 69% ▶ 53% conduct M&A due diligence, compared to regional average of 43% ▶ 67% conduct audits and assessments, compared to regional average of 60% ▶ 67% have anonymous reporting mechanisms, compared to regional average of 53% ▶ 70% have full-time compliance personnel, compared to regional average of 57% 	<p>HONDURAS</p> <ul style="list-style-type: none"> ▶ 73% conduct training, compared to regional average of 70% ▶ 73% have procedures for gifts and hospitality, compared to regional average of 69% ▶ 82% conduct due diligence on third parties, compared to regional average of 64% ▶ 55% have anonymous reporting mechanisms, compared to regional average of 53%

LEAST DEVELOPED (Scores generally below regional averages)	
<p>BOLIVIA</p> <ul style="list-style-type: none"> ▶ 67% have anti-corruption policies, compared to regional average of 84% ▶ 33% conduct due diligence on third parties, compared to regional average of 64% ▶ 14% have anonymous reporting mechanisms, compared to regional average of 53% 	<p>DOMINICAN REPUBLIC</p> <ul style="list-style-type: none"> ▶ 50% conduct training, compared to regional average of 70% ▶ 71% have anti-corruption policies, compared to regional average of 84% ▶ 32% have anonymous reporting mechanisms, compared to regional average of 53%
<p>ECUADOR</p> <ul style="list-style-type: none"> ▶ 73% have anti-corruption policies, compared to regional average of 84% ▶ 52% apply anti-corruption contract terms, compared to regional average of 70% ▶ 48% conduct audits and assessments, compared to regional average of 60% 	<p>EL SALVADOR</p> <ul style="list-style-type: none"> ▶ 80% have anti-corruption policies, compared to regional average of 84% ▶ 50% apply anti-corruption contract terms, compared to regional average of 70% ▶ 20% have anonymous reporting mechanisms, compared to regional average of 53% ▶ 20% conduct M&A due diligence, compared to regional average of 43%

LEAST DEVELOPED (Scores generally below regional averages)	
<p>NICARAGUA</p> <ul style="list-style-type: none"> ▶ 54% conduct training, compared to regional average of 70% ▶ 83% have anti-corruption policies, compared to regional average of 84% ▶ 38% conduct due diligence on third parties, compared to regional average of 64% ▶ 25% have anonymous reporting mechanisms, compared to regional average of 53% 	<p>PANAMA</p> <ul style="list-style-type: none"> ▶ 50% conduct training, compared to regional average of 70% ▶ 76% have anti-corruption policies, compared to regional average of 84% ▶ 62% apply anti-corruption contract terms, compared to regional average of 70% ▶ 52% have procedures for gifts and hospitality, compared to regional average of 69%
<p>PARAGUAY</p> <ul style="list-style-type: none"> ▶ 57% have anti-corruption policies, compared to regional average of 84% ▶ 62% have anti-corruption contract terms, compared to regional average of 70% ▶ 67% have procedures for gifts and hospitality, compared to regional average of 69% 	

APPENDIX D: Data: Steps Taken to Protect Company From Corruption Risk

Q13. In what ways has your company's management taken steps to protect the company from corruption risk? (Check all that apply)

	Multinational Companies	Regional/Local Companies
Anti-corruption training	89%	51%
Anti-corruption policy	93%	73%
Due diligence policies for third parties	81%	49%
Anti-corruption contract terms	82%	59%
Procedures for gifts, travel, and entertainment for officials	86%	52%
Procedures for charitable and community donations	77%	33%
Procedures for political contributions	68%	28%
Procedures for facilitation payments	58%	21%
M&A due diligence	63%	28%
Anti-corruption audits and assessments	71%	46%
Anonymous reporting mechanisms	78%	31%
Full-time compliance personnel	77%	38%
Monitoring of third parties	54%	31%
Other	8%	3%

	Public Companies	Private Companies
Anti-corruption training	91%	61%
Anti-corruption policy	96%	79%
Due diligence policies for third parties	81%	56%
Anti-corruption contract terms	85%	63%
Procedures for gifts, travel, and entertainment for officials	87%	61%
Procedures for charitable and community donations	81%	45%
Procedures for political contributions	65%	37%
Procedures for facilitation payments	61%	30%
M&A due diligence	62%	35%
Anti-corruption audits and assessments	79%	51%
Anonymous reporting mechanisms	80%	42%
Full-time compliance personnel	82%	45%
Monitoring of third parties	61%	35%
Other	7%	4%