What Can Go Wrong: Corrupt Practices

1. A major international manufacturer paid $1.4 billion to foreign officials through various mechanisms, including direct payments to 'business consultants' for unknown purposes, and liberal use of cash desks and slush funds. Several executives have been jailed, and the company's fines and penalties exceeded $1 billion.

2. One of the world's largest automobile manufacturers received a criminal indictment for paying bribes to foreign officials in at least 22 corrupt nations. The executives used ledger accounts known as 'third-party accounts,' cash desks, offshore bank accounts, and third-party intermediaries. They also used foreign bank accounts of shell companies to pay the bribes.

3. $2.1 million was paid to customs officials to provide the company with preferential treatment during the customs process.

4. The Chief Technology Officer and a computer vendor colluded so the vendor could obtain inside information to win two contracts worth $120 million, and in exchange the vendor took the CTO and his wife on lavish trips and provided free access to yachts.

5. A telecommunications company hired consultants with no telecommunications experience, but paid them hundreds of thousands of dollars because their relatives were high-ranking officials.

6. A pharmaceutical manufacturer paid government health care officials to purchase their products and secure favorable contracts.

7. A produce company operating in a third-world nation paid a terrorist organization for "protection." The company was charged criminally and forced to pay a $25 million fine.

8. A local produce supplier bribed a buyer at a nationwide food distributor to have his products placed into a major grocery chain. The produce contained unacceptable levels of mold.

9. A state official required payments to their 'consulting company', their private foundation, and their campaign to accept vendor bids for work.

10. An Executive Vice President of a national electronics warehouse chain established a shell company, and ordered vendors to kickback a percentage of all orders to the shell company. $85 million in kickbacks over several years were never detected by the EVP's employer.

11. The mayor demanded 3% 'commission' from construction companies on all civic improvement projects. City engineers got involved by taking 25% kickbacks to approve change orders for unnecessary work.

12. An organized crime family worked with the local union of construction workers, government officials, and construction firms to form a cartel. When bidding on government jobs, only construction firms in the cartel could bid, because the union would not supply workers to other firms. Additionally, the cartel would rotate which firm won the bid for the project, guaranteeing all firms received regular work. Cartel members paid the organized crime family to manage the cartel.

13. Two judges colluded with an attorney and a construction firm to build juvenile detention facilities. The construction firm paid a 'broker's fee' to the attorney, and also paid a commission to a company established by the judges' wives. The judges assigned juveniles to the facilities, some for minor infractions. The attorney and judges received a percentage of the cash used to fund the facilities.

14. A payroll system implementation with an original estimated cost of $63 million was halted after the state spent over $600 million for the implementation. Three members of the project alone received at least $39 million in kickbacks.

15. In order to do business with the Turnpike Authority, the Chief Operating Officer required vendors to contribute to fundraising events and high-priced dinners for the state senator.

16. An executive who was being lavishly entertained by a vendor required procurement personnel to reevaluate their assessment of those being considered for the project, and rate his favored vendor more highly.

17. In exchange for kickbacks from a vendor, an executive hired the vendor to recommend projects for the organization, then allowed the same vendor to bid on the recommended projects. The RFP was structured such that no other vendor could fulfill the deliverables.

18. A government official used their influence to secure a high-level purchasing job for a friend. When that purchasing executive rejected a qualified firm for work, the firm asked why they did not win the project. The purchasing executive said, "Maybe you should've given more to [the government official]."

19. An executive overlooked the vendor's habit of cutting corners and submitting unreasonable invoices because the vendor would provide tickets and fly the executive to see their favorite baseball team.

20. In order to win a large contract, the vendor was required to hire the Chief Information Officer's girlfriend for a 'no show' job.