



SPEAK UP AGAINST CORRUPTION

EMPLOYEES' HANDBOOK

For Small and Medium Enterprises (SMEs)



**TRANSPARENCY
INTERNATIONAL
MALAYSIA**



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INTERNATIONAL
MALAYSIA

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WE WANT YOU TO SPEAK UP AGAINST BUSINESS CORRUPTION



Transparency International – Malaysia (TI-M)
is an independent, non-governmental organization that
is an accredited chapter of Transparency International.

For more information, please visit:
www.transparency.org.my

*Disclaimer: All characters and events in this book are entirely fictional
and do not represent or reflect any person or event in real life.*

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INTRODUCTION

Small – Medium Enterprises (SMEs) are important engines of growth for the Malaysian economy, contributing to 36.3% of the GDP and 65.5% of total employment as of 2015. SMEs play an integral and substantial part in the economic development of Malaysia. The country’s transition to a high income economy depends highly on the contribution of the SMEs to the GDP growth of the country. However, SMEs operate in an intensively competitive environment, breeding the right conditions for the emergence of unethical practices to procure business.

In view of this, Transparency International–Malaysia (TI-M) aims to reach out to the driving force of the Small–Medium Enterprises – the employees – in order to curb corruption and bribery in the field of business before it spreads and stifles economic development.

TI-M dedicates this handbook to all responsible workers in the eventual hope that it will serve as a valuable guide to promote ethics in the business sector. The handbook aims to engage you, empower you and improve your willingness to share your experiences in dealing with corruption at the workplace.

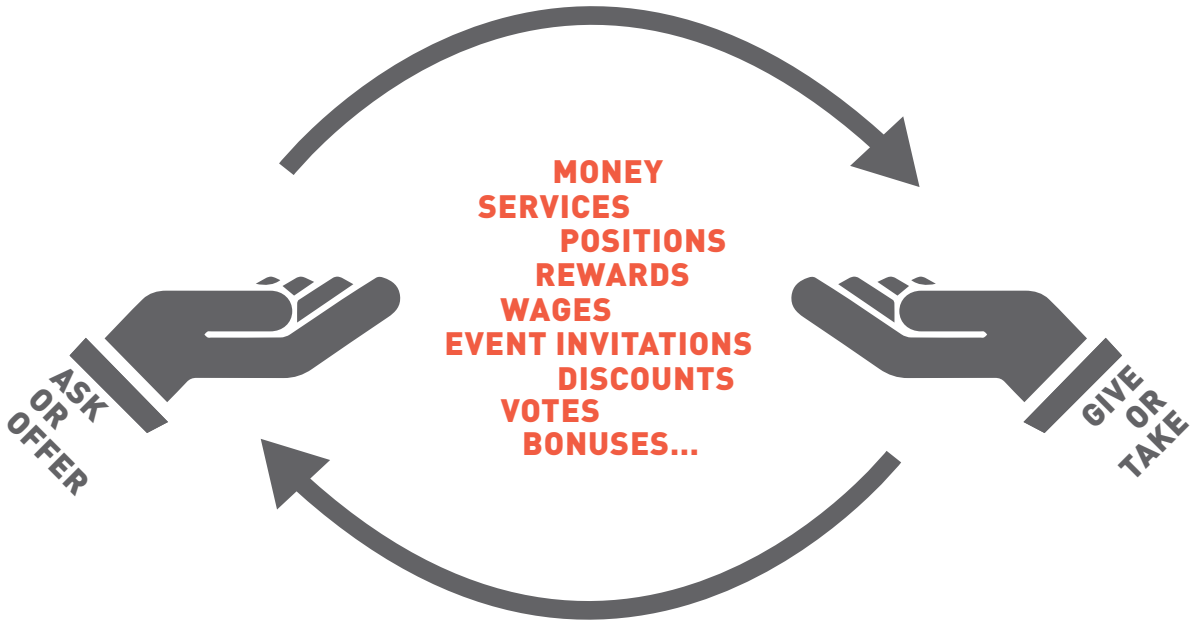
Call our toll free service at 1800-220-122 to share your story and experience, in regards to corruption. Your story will create an opportunity for us to find solutions and work towards forming a corrupt-free business sector in the long term.

Act now to fight corruption.

WHAT IS CORRUPTION & BRIBERY?

**CORRUPTION
IS THE ABUSE OF
ENTRUSTED POWER
FOR PRIVATE GAIN.**

WHAT IS A BRIBE?



CORRUPTION DATA

ASIA PACIFIC

Global Corruption Barometer (GCB) 2017



60%
of Malaysians feel that
the level of corruption
has increased.

GCB 2013 – 39%
MCB 2014 – 40%
* Malaysia Corruption Barometer



57%
of Malaysians
think the police are
involved in corruption.



48%
of Malaysians think local
government councilors
and tax officials are
involved in corruption.



46%
of Malaysians think
business executives are
involved in corruption.

Business executives ranked as the **4th** most affected by corruption*.

*out of 9 key influential institutions & people in Malaysia.

Further reading:

<http://transparency.org/my/what-we-do/indexes/global-corruption-barometer/global-corruption-barometer-asia-pacific-2017/>

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COMMON TYPES OF BUSINESS CORRUPTION

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FACILITATION PAYMENT

Speeding up the processes - payments made to officials to obtain or speed up approvals and routine services, which the officials are required to provide.

It does not include payments made directly to obtain or retain business.



"How about you approving my application first?"

FAVOURS

Going all out to please a company or person in order to gain benefits.

Eg. Sponsoring unnecessary visits to secure a business deal.

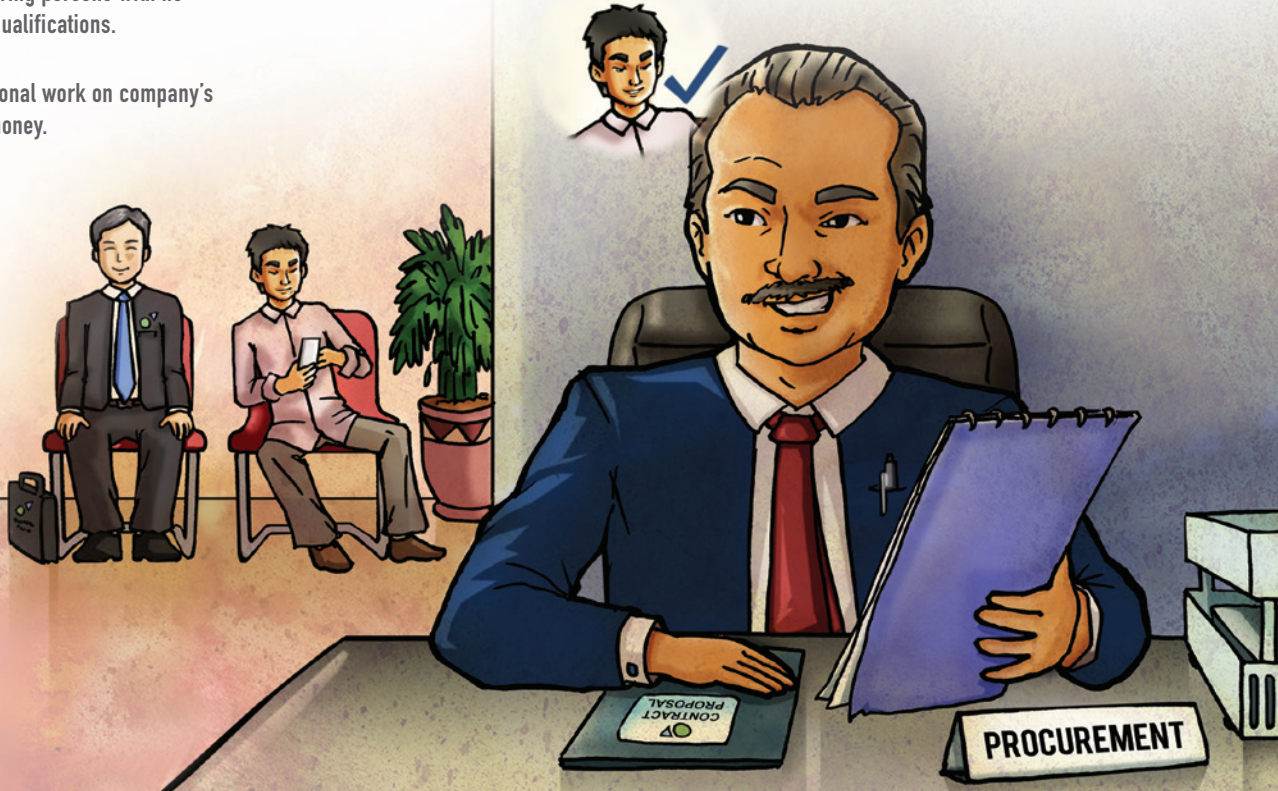


CONFLICT OF INTEREST

Gaining or providing opportunities to undeserving persons with no matching qualifications.

Doing personal work on company's time and money.

"I'll hire my cousin even though he is not fully qualified for the job."



KICKBACKS

"I will give you 5% of the profit if your company could approve my contract."

A kickback is a commission given to encourage the other party to cooperate in the illegal scheme.

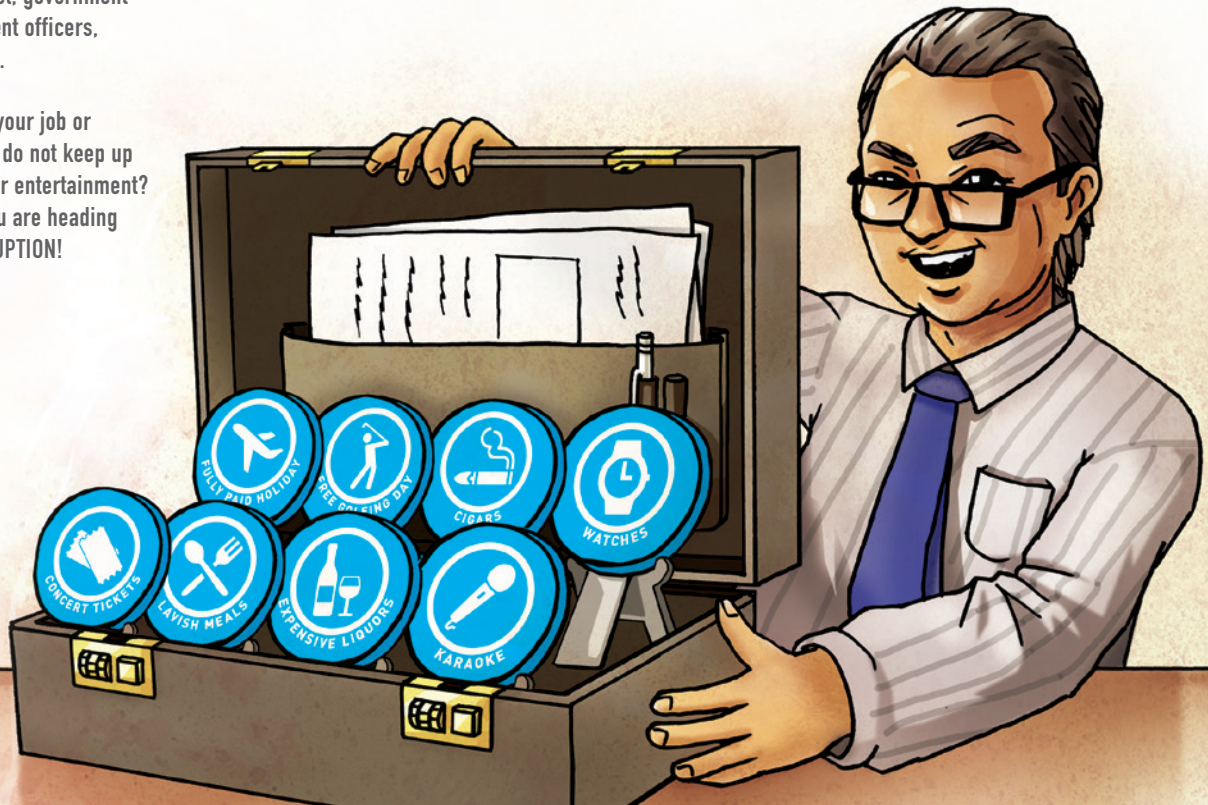
Eg. a business deal worth RM 1 million, but before two parties sign the contract, RM 200,000 (20%) was requested from one party to ensure the contract would not be sabotaged.



GIFTS & ENTERTAINMENT

To or from corporation's supply chain personnel, government and enforcement officers, politicians, etc.

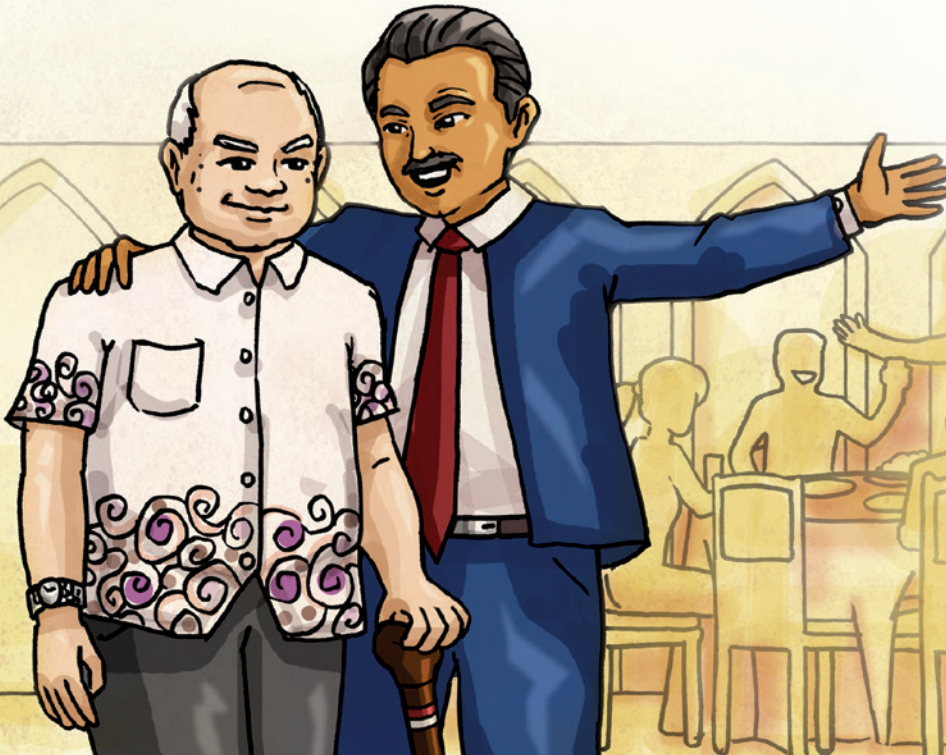
Will you LOSE your job or contract if you do not keep up with the gifts or entertainment? If YES, then you are heading towards CORRUPTION!



CHARITABLE CONTRIBUTIONS & SPONSORSHIP

"Maybe I can assist to cover the expenditure of your company's upcoming annual dinner in return for approving my contract."

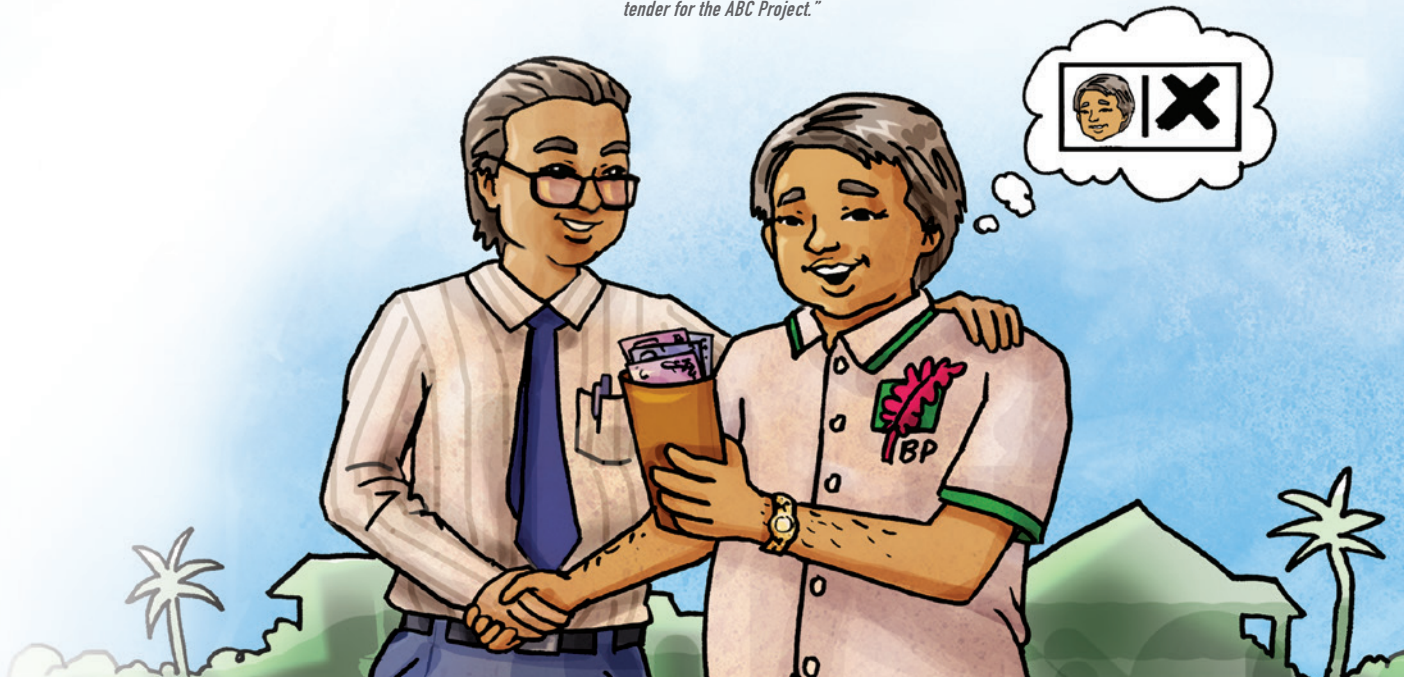
Bribes can be disguised as charitable contributions or sponsorship. It should not be made as a favour for any business deals. It should be given directly to the organization, not the individual.



POLITICAL CONTRIBUTIONS

Contributing to political parties that are in control to obtain contracts or permits pertaining to your company.

"Let me contribute to your party while you review my tender for the ABC Project."



FALSIFYING PAYMENT DOCUMENTS

Claiming from company or vendors, using false invoices or marking up rates in the supporting invoices that do not reflect the actual costs incurred.

Eg. Somebody uses RM87 to buy office materials, but manipulates receipts to claim RM690.



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NEGATIVE IMPACT OF CORRUPTION

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**TO
INDIVIDUALS
AND
BUSINESSES**
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**LOSS OF JOB
OPPORTUNITIES
AND LOWER
SOCIAL ACCEPTANCE**



**SUBJECTED TO
IMPRISONMENT
AND PENALTIES**



**LOSS OF RESPECT,
FAITH AND TRUST**

**PERCEIVED AS AN
UNETHICAL PERSON**

**LOW FAMILY COHESION
AND DISTRESS**



DAMAGES FAMILY REPUTATION



**DROP IN
STOCK VALUE
AND PROFITS**

LOSS OF PUBLIC TRUST

Reduces
business
credibility





**JEOPARDIZES
BUSINESS
EFFICIENCY AND
PRODUCTIVITY**

**UNDERMINES
INSTITUTIONAL
SYSTEMS,
PROCEDURES
AND REGULATIONS**

**Tarnishes the
company's image
and reputation**



OFFENCES



SOLICIT OR RECEIVE BRIBE

Any person soliciting or receiving bribes as an inducement or reward in an official transaction.

s.16(a) and 17(a) MACC Act 2009



OFFER OR GIVE BRIBE

Any person offering or giving bribes to public or private sector officials in an official transaction.

s.16(b) and 17(b) MACC Act 2009



FALSE CLAIM

Any person submitting false claims in payment requisitions.

s.18 MACC Act 2009



ABUSE OF PUBLIC OFFICE

Abuse of office or position by a public official in making decisions for purposes of self interest.

s.23 MACC Act 2009

PENALTY



IMPRISONMENT AND FINE

Imprisonment: Up to 20 years, and
Fine: RM10,000/- or 5 times the bribe amount;
whichever is higher.

s.24 MACC Act 2009

WHAT YOU CAN DO TO FIGHT CORRUPTION?



PRACTICE GOOD VALUES

Uphold integrity, justice and fairness



SELF-DECLARATION

Say no to corruption and bribery



KNOW YOUR RIGHTS

Ask questions and be informed



BE OUR EYES AND EARS! SPEAK TO US!

Share your stories

HOW TO SPEAK TO TI-M



1800 220 122 (TOLL FREE)



speakup@transparency.org.my



03 7960 8690

**You have nothing to fear,
no liability, no obligation and
we will keep you anonymous.**

INFORMATION NEEDED FOR HOTLINE CALL

SHARE WITH US:



Location of the incident (café, office, factory..).



How many parties involved?



What and how it happened?



Transaction amount and type.

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FREQUENTLY ASKED QUESTIONS

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FAQs

1 What is the TI-M Toll Free Service 1800 220 122?

Employees are encouraged to call our toll free hotline to state issues concerning corruption and bribery. We will provide free guidance and support on a strictly confidential basis.

The hotline serves as the right avenue for frustrated, but honest employees to vent out feelings of disappointment and resentment.

TI-M aims to raise awareness and educate employees on their duty and rights to fight corruption.

Note:

TI-M is a voluntary body with no authority to investigate

2 What kind of support is provided by TI-M?

- Assist to identify corrupt practices.
- Suggest solutions to manage the situation.
- Provide tips to prevent the situation from occurring again.
- Assist in referring the matter to the relevant authorities if the need arises.

3 What does TI-M do with the information?

- The callers will remain anonymous to us.
- The information provided by you will be treated confidentially.
- Your case will be compiled and published as a generic case study for educational purpose to raise awareness amongst society.

GLOSSARY

BRIBERY

The offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages (taxes, services, donations, favours etc.).

GIFTS & ENTERTAINMENT

Giving or accepting gifts or entertainment presents bribery risks, especially to influence a business decision or gain an unfair business advantage. It may be used by third parties to make employees feel obligated to act corruptly.

FACILITATION PAYMENTS

A small bribe, also called a 'facilitating', 'speed' or 'grease' payment; made to secure or speed up the performance of a routine or necessary action to which the payer is entitled to.

CONFLICT OF INTERESTS

A situation where an individual or the entity for which they work, is confronted with choosing between the duties and demands of their position and their own private interests.

KICKBACK

A "commission" that is given to someone in return for helping in a secret and dishonest business deal.

GLOSSARY

FAVOURS

Giving unfair preferential treatment to one person or group at the expense of another.

FALSIFYING PAYMENT DOCUMENTS

Altering, changing, or modifying a document for the purpose of deceiving another person.

CHARITABLE DONATIONS & SPONSORSHIPS

Donations, financial or in kind, given to support a good cause. This can be loans, gifts of property, services, sponsorship of tables at events or sporting clubs, advertising or promotional activities. Charitable contributions may be used as a subterfuge for bribery and asked to be part of a business agreement.

POLITICAL CONTRIBUTIONS

Any contribution, made in cash or in kind to a political cause to gain improper business advantages. This includes: gifts, services, advertising activities endorsing a political party and the purchase of tickets to fundraising events.

WITH APPRECIATION



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Special thanks to:



STAND UP AGAINST CORRUPTION

ACT NOW! CALL

1800 220 122

TOLL FREE, 9am - 4pm, Monday - Friday

www.transparency.org.my  facebook.com/timalaysia  twitter.com/TI_Malaysia