Course Syllabus

Theories and Tools for Combatting Corruption

Syllabus – Current as of February 25, 2018

Law E513 A/B/C Winter and Spring Quarters 2017 (2/2 credits)

Winter: Mondays 8:15 a.m. to 10:20 a.m.
Room L201

Spring —3 evening presentation sessions at times to be selected by class and individual group meeting

Instructor: Professor Anita Ramasastry
arama@uw.edu

Office: Room 428
Office hours: by appointment

This course explores an area of great significance to the fields of international development and international business in emerging markets. Corruption has been identified as an obstacle to development, and ‘cost of doing business’ in many countries. Corruption has plagued governments throughout history, and continues to occur in developing, transitioning and developed countries. This course examines theories, causes and consequences of corruption, and select regimes established to measure and combat it. The course explores corruption in several contexts and from several perspectives: corruption of governmental agencies, personnel and processes; corruption impacting (and/or practiced or promoted by) international business and foreign investors; corruption in development assistance programs.

The first several weeks of the quarter will be focused on theories relating to combatting corruption – what is corruption, what impact does it have on business, on society and on economic growth, and how do we measure corruption. The remainder of the class will be focused on various legislative and policy tools for preventing corruption.

In particular, the class will study domestic structural reforms; criminal and investigatory approaches (including anti-corruption commissions); developed country initiatives such as the U.S. Foreign Corrupt
Practices Act, OECD and UN efforts (OECD Anti-Bribery Convention; OECD Financial Action Task Force Anti-Money Laundering policies; and the UN Convention Against Corruption (UNCAC)). The various roles of NGOs, the business community and civil society will also be considered. For the “tools” portion of the class, students will be reading prepared modules each week, and also preparing in their country teams a short paper, focused on research relating to their team’s assigned country.

By the end of this course, students will be able to:

- Understand structural causes, costs and implications of and rationalizations for corruption in general, and as it relates to developing countries;
- Identify stakeholders and constituencies, as well as the roles played by various domestic and international actors;
- Understand the current international framework addressing corruption and sampling of bilateral anti-corruption efforts;
- Critically analyze anti-corruption measures in use and identify possible barriers for combatting corruption.

Regular attendance at all class sessions (including rescheduled makeup sessions required by University Monday holidays or faculty travel commitments) is required in accordance with ABA accreditation standards.

The course continues in Spring Quarter when there will be additional class meetings to prepare for group presentations and also to discuss any additional topic not covered in the winter. In late spring, each team formed during Winter Quarter will present their analysis and strategy for combatting corruption in a chosen country.

These sessions will likely take place in the late afternoon/early evening, on two-three dates agreed upon by students. The group presentation will be more fully described in class: briefly, at the initial class session, and in detail, during the second week of class, after students have filled out their preference forms.

Student evaluation is based on three components: class participation (15%) a final team written (70%) and a final team oral presentation (15%) during Spring Quarter. Team members receive a common grade for the team components of their grade. This course is not subject to the mandatory JD curve.

Access and Accommodations: Your experience in this class is important to me. If you have already established accommodations with Disability Resources for Students (DRS), please communicate your approved accommodations to me at your earliest convenience so we can discuss your needs.
If you have not yet established services through DRS, but have a temporary health condition or permanent disability that requires accommodations (conditions include but not limited to; mental health, attention-related, learning, vision, hearing, physical or health impacts), you are welcome to contact DRS at 011 Mary Gates Hall or 206-543-8924 or uwdrs@uw.edu (mailto:uwdrs@uw.edu) or disability.uw.edu (http://depts.washington.edu/uwdrs/) DRS offers resources and coordinates reasonable accommodations for students with disabilities and/or temporary health conditions. Reasonable accommodations are established through an interactive process between you, your instructor(s) and DRS. It is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law.


Course reader: The remaining course modules will be available via the CANVAS website – .

Readings

Week One: What is Corruption? (January 8)

Readings

Textbook: Heidenheimer & Johnston


Chapter 3, Mark Philp, “Conceptualizing Corruption,” pp. 41-57;

Discussion of UN Convention Against Corruption and legal definitions of corruption

January 15 – no class – MLK Holiday
Week Two: Measuring Corruption (Part I) and Tools: Asset and Income Disclosure (Part II) (January 22)

Readings

Measuring:

Textbook: Heidenheimer and Johnston


Asset and Income Disclosure:

What’s in Donald Trump’s 104 Page Disclosure?

Ruxandra Burdescu, Gary J. Reid, Stephanie E. Trapnell, and Daniel W. Barnes Income and Asset Disclosure Systems: Establishing Good Governance through Accountability World Bank, Economic Premise, (June 2010), no 17, pp. 1-6


Week Three: The Economics of Corruption? (January 29)

- Guest speaker- Professor Philip Nichols, Wharton School of Business, University of Pennsylvania

Readings

Week Four: Governance Tools for Preventing Corruption (February 5)

Guest Speaker – Liz Hart, former Senior Corruption and Governance Advisor, USAID and former Director U4 Anti-Corruption Resource Centre (Norway)

February 5: Governance tools for preventing corruption

- Understanding the range of governance tools/what an anti-corruption system looks like:


Then skim through some of the evaluation questions regarding a few of the pillars. These are used to rate institutions’ strengths and weaknesses as part of an anti-corruption system and will give you a sense of the role each is intended to have (hint: don’t just stop at the legislature; find something else that is interesting to you): https://www.transparency.org/files/content/nis/NISIndicatorsFoundations_EN.pdf (https://www.transparency.org/files/content/nis/NISIndicatorsFoundations_EN.pdf)

THEN – choose one or two of the anti-corruption tools below and review the materials to get a sense of how the same “tools” play out differently in different contexts.

- Country examples of different anti-corruption tools:

Anti-corruption commissions: consider the context in which different initiatives have been undertaken, and the strategies for success, or what prevented success


**Regulatory reform & simplification:** how does context affect opportunities for and results of reform efforts?

Eriksen, F. “The rapid economic liberalisation and ruthless fight against corruption in Georgia – Interview with Dr. Tamara Kovziridze” [https://www.cmi.no/publications/6145-the-rapid-economic-liberalisation-and-fight](https://www.cmi.no/publications/6145-the-rapid-economic-liberalisation-and-fight)


**Specialised anti-corruption courts:** What issues emerge from different design approaches to specialised courts?


Transparency initiatives: examples of small victories in difficult contexts

Open contracting in Nigeria: “Open It to Fix It” [https://medium.com/open-contracting-stories/open-it-to-fix-it-fb4e8fd616fc](https://medium.com/open-contracting-stories/open-it-to-fix-it-fb4e8fd616fc)


---

**Week Five  Whistleblowing (February 12)**

**Week Five  Whistleblowing (February 12)**

---

Guest speaker: Matthew McGinn, founder of law firm that represented whistleblowers on corruption case

**Readings**


---

**February 19- Presidents Day holiday**
Week Six: Preventing Foreign Bribery

Guest Speaker – Todd Williams, Esq. Corr Cronin

Readings

Read overview of foreign bribery laws (module overview)

US Foreign Corrupt Practices Act (skim)

http://digitalcommons.law.scu.edu/cgi/viewcontent.cgi?article=1202&context=scujil
(https://digitalcommons.law.scu.edu/cgi/viewcontent.cgi?article=1202&context=scujil)


Association of Corporate Counsel: The US FCPA and the UK Bribery Act: Key Differences
http://www.acc.com/legalresources/quickcounsel/ukbafcpa.cfm
(https://www.acc.com/legalresources/quickcounsel/ukbafcpa.cfm)

DOJ/SEC FCPA Guidance:
(https://www.justice.gov/sites/default/files/criminal-fraud/legacy/2015/01/16/guide.pdf)

Recent DOJ FCPA Enforcement Policy regarding self-disclosure:
https://www.justice.gov/criminal-fraud/file/838416/download
(https://www.justice.gov/criminal-fraud/file/838416/download)

Stanford Law School FCPA Clearinghouse:
http://fcpa.stanford.edu
(https://fcpa.stanford.edu)

U.S. v. Teva Pharmaceutical Industries, Deferred Prosecution Agreement:
The Anti-bribery Business, The Economist, May 9, 2015:

Week Seven: Anti-Money Laundering Initiatives

Readings


Delphine Schant Caroline Gardner, Michael Latham and J.C. Sharman (May 2012), pp. 1-51, 57-61

Country Examples

Nomzi Gwintza, Challenges of Establishing Financial Intelligence Units(examining Botswana, Mauritius, South Africa, Money Laundering Experiences (Institute for Security Studies 2006), pp. 1-16

Yanuar Utomo, Anti-money Laundering Measures to Freeze, Confiscate e and Recover the Proceeds of Corruption, the Indonesian Perspective, pp. 87-95 (8-page pdf document)
Note: During spring quarter, we will have one Monday morning coffee discussion with Philip Vaughn from Fluor Construction, who will speak about collective action to prevent corruption in the construction sector. Fluor has been a leader in anti-corruption initiatives via the World Economic Forum and also via the intergovernmental Asian Pacific Economic Cooperation organization (APEC). I will circulate additional readings about collective action at the end of winter quarter. If students are unable to make the discussion, they can also attend a Global Mondays lecture at 12:30 as an alternative.

Final Team Project: Country Anti-Corruption Strategy

You are advising the President of one of five countries (likely Afghanistan, Kenya, Ukraine and Canada) in a special anti-corruption task force, which represents broad stakeholder interests looking for meaningful anti-corruption reform. You have been asked to review and update an anti-corruption strategy that was prepared by foreign consultants previously. Your task is to review the prior report, and to update it as well as to provide further recommendations relating to one of the recommendations made in the prior report. As part your research you will have the opportunity to interview experts from that country. (Note: Your project may have a sectoral focus)

Your presentation and written proposal must cover the following main topics:

- **UPDATE ON THE CURRENT STATE OF CORRUPTION IN YOUR CONTRY.** Please do a review of the current situation in your country. What, if anything has changed in terms of corruption? Please consider
  1. a) what are the current corruption rankings and indicators – have perceptions of corruption improved or worsened?
  2. b) Have there been any major new scandals or enforcement actions relating to corruption? Have government responses been effective when corruption has been uncovered?
  3. c) Have there been any new legal reforms – have the laws been implemented and has this led to any change?

- **STRATEGY TO COMBAT CORRUPTION:** Identify one issue area from the prior strategy and review the recommendations. Do a deeper dive into one of the issue areas – what else would you suggest the government or other stakeholders do to engage in reform in this area? Are there models from other jurisdictions that have proven effective that the country might study and consider? What are the challenges you see to implementing this reform and how might they be overcome?
Written proposals are due Friday, April 22, and should not exceed 25 pages in length.

**Brevity is encouraged.** For the presentation, groups should prepare a 1-2-page executive summary of their proposal to hand out to the class.

Presentations will be scheduled on several (3) separate evenings – ideally during the weeks of April 24th and May 1st. Each group will present for at most one hour, followed by a one-hour question and answer period. Students will be evaluated not only when their group presents, but also by the questions they ask of their classmates. Every student must ask at least one question during a question and answer session. Questions may be submitted in written format. Incorporating concepts introduced in assigned readings or other related research is a plus. Each team will have a chance to revise their proposal based on the feedback and questions received during their presentation.

---

**Course Summary:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Details</th>
</tr>
</thead>
</table>