Unchecked conflicts of interest and ‘austerity’ fuelling corruption risks, says fraud watchdog

Domestic corruption risks in areas such as business, education, local government and elections are neglected and poorly understood because officials focus on bribery overseas, warns the Fraud Advisory Panel in its new report, *Hidden in plain sight: domestic corruption, fraud and the integrity deficit*.

The report points out that crimes committed overseas grab all the headlines and resources, while data on domestic corruption are not collected systematically, let alone analysed. There is no dedicated infrastructure or single agency in the UK responsible for taking the lead in policing domestic corruption.

Everyday practices like revolving doors, nepotism, ‘self-regulation’ and excessive ‘hospitality’ – while not strictly illegal – work by stealth to divert resources and opportunities, concentrate power and advantage, and corrode trust.

“The neglect of domestic corruption risks sits uncomfortably with everything else we know about the epidemic of economic crime in the UK”, says David Clarke, chairman of the Fraud Advisory Panel.

“With most types of economic crime rampant, why would corruption be the exception? If UK companies commit bribery overseas, why would nothing similar occur at home? We add our voice to the growing chorus demanding a clear and positive commitment to ethical business, both at home and abroad.

“Corruption isn’t a single event or act; it is a process whose ultimate objective is to create a culture in which it can become the new normal. Everywhere we look in Britain today we see signs that just such a culture is beginning to take root.”

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Notes for editors:

1. The **Fraud Advisory Panel** is the UK’s leading counter-fraud charity. We bring together fraud professionals from all sectors and disciplines to improve fraud resilience across the UK and around the world. [www.fraudadvisorypanel.org](http://www.fraudadvisorypanel.org)

2. The Panel was founded in 1998 by ICAEW which continues to provide valuable support. Twenty-one years ago the idea of bringing together diverse voices – from the professions, finance, commerce, charities, the police, regulators, government and the public sector – to create a strongly multi-disciplinary approach to tackling fraud was novel. The practical effectiveness of this pioneering model has set an important and now widely copied example.