Corruption in the Context of Measuring IFFs
Expert Meeting on Statistical Methodologies for Measuring Illicit Financial Flows (IFFs) (SDG 16.4.1)
Geneva, 20-22 June 2018

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Defining Corruption for Statistical Purposes

• No comprehensive, and universally accepted definition of corruption.

• From the Latin corruptus (spoiled) and corrumpere (to ruin; to break into pieces).

• Common working definition: “The misuse of a public or private position for direct or indirect personal gain”.

• No definition provided in UNCAC (2004)
### Specific Types or Acts of Corruption as listed in UNCAC (I)

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<th>Article</th>
<th>Description</th>
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<td>Bribery of national public officials</td>
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<td>16.</td>
<td>Bribery of foreign public officials and officials of public international organizations</td>
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<td>17.</td>
<td>Embezzlement, misappropriation or other diversion of property by a public official</td>
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<td>18.</td>
<td>Trading in influence*</td>
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<td>Abuse of functions*</td>
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<td>23.</td>
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*Adoption to be considered by state parties
Specific Types or Acts of Corruption as listed in UNCAC (II)

- Article 15. Bribery of national public officials
- Article 16. Bribery of foreign public officials and officials of public international organizations
- Article 18. Trading in influence*
- Article 21. Bribery in the private sector*

*Adoption to be considered by state parties

Bribery

Theft-Related

Money-Laundering

- Article 17. Embezzlement, misappropriation or other diversion of property by a public official
- Article 22. Embezzlement of property in the private sector*

- Article 23. Laundering of proceeds of crime
Conceptualizing Corruption for the Purpose of Measuring IFFs

**CORRUPTION**

**Value-Added**
- Bribery
  (facilitation services in the context of other illicit activities/businesses)

**Non-Value Added**
- Embezzlement
- Theft
- Extortion

**Income from Corruption**
(and other illicit activities)

→ Money-Laundering
Corruption in the Context of the Statistical Framework for Measuring IFFs at Country-Level

**Income Generation**

- **Illicit Intermediate Expenditure**
  - Domestic bribery (intermediate)
  - Cross-border bribery (import)

- **Illicit Net Output**
  - Domestic bribery (final)
  - Cross-border bribery (export)

**Income Management**

- **Illicit Income**
  - Domestically generated income from corruption (and other illicit activities)

- **Income from corruption abroad**

**Non-Value Added Illicit Activities**

- Embezzlement
- Theft
- Extortion

**IFF - Outflows**

**IFF - Inflows**

**IFF - Imports (Final Goods/Services)**
Dual Focus in Measuring IFFs

**Income Generation**

- Value-added/non-value added types of corruption
- Corruption in the context of otherwise legal economic activities
- Corruption in the context of illicit markets

**Income Management**

- Distribution of income among different types of corrupt individuals
- Consumption and investment patterns of corrupt individuals
- Illicit finance and wealth management
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