



www.drejtesia.gov.al



MINISTRY OF JUSTICE

National Coordinator Against
Corruption



MINISTRY OF JUSTICE

National Coordinator Against Corruption

As of 2017, the Ministry of Justice has assumed the capacity of the National Coordinator against Corruption (NCAC). In this role, the Ministry of Justice coordinates all strategic and policy efforts based on a three-old approach: Prevention, Repression, Awareness-raising.

Within this competence, this Glossary provides some essential information on corruption.

Table of Content

Abbreviations	8
Foreword	9
Introduction	10
Sources	11
Definition and forms of corruption	13
Corruption in specific sectors	16
Corruption in the legal and judicial bodies	16
Corruption in the education sector	17
Corruption in the health sector	17
Corruption in public procurement	18
Corruption in sports.....	18
Corruption in the private sector	19
Corruption at the local government level.....	19
Corruption and political parties	19
Anticorruption	20
A.....	21
Abuse of functions or office	21
Active corruption	21
Active bribery	21
Accountability	22
Administrative corruption	22
Anti-corruption	22
Asset confiscation	22
Asset recovery	23
Assessment (of corruption)	23
Auditing	23
Awareness raising	23
B.....	24
Bribery	24
Bribery of national public officials	24
Bribery of foreign public officials and officials of public international	

- organisations 24
- Bribery in the private sector** 25
- C** 25
 - Capital flight** 25
 - Clientelism** 25
 - Conflict of interest** 26
 - Criminal forfeiture** 26
 - Cronyism** 26
 - Collusion** 27
 - Concealment** 27
 - Commercial bribery and kickbacks** 27
 - Customer due diligence** 27
- D** 27
 - Debarment** 27
 - Demand side of bribery** 28
 - Democratic accountability** 28
- E** 28
 - Embezzlement** 28
 - Embezzlement of property in the private sector** 28
 - Enforcement** 29
 - Extortion** 29
 - Experience surveys** 29
- F** 29
 - Facilitation payments** 29
 - Favouritism** 30
 - Fees and commissions** 30
 - Fraud** 30
- G** 30
 - Ghost workers** 31
 - Gift giving** 31
 - Grand corruption** 31
 - Governance** 32

I.....	32
Illicit enrichment	32
Illicit financial flows	32
Integrity	32
Integrity Plan	33
K.....	33
Kickback	33
Kleptocracy	33
L.....	34
Laundering of proceeds of crime	34
Lobbying	34
M.....	34
Measurement of corruption	34
Money-laundering	35
N.....	35
Nepotism	35
Neopatrimonialism	35
P.....	35
Passive bribery	35
Perception surveys	36
Passive corruption	36
Petty corruption	36
Political corruption	37
Political patronage	37
Predicate offence	37
Private sector corruption	37
Procurement	38
Public institutional integrity	38
R.....	38
Revolving doors	38
Rent-seeking, lobbying	39
Risk assessment	39

S.....	39
Shell companies	39
Sporadic corruption	40
Solicitation	40
State capture	40
Systemic corruption	40
T.....	41
Trading in influence	41
Trading of information	41
Transparency	42
W.....	42
Whistle-blower	42
Whistle-blower protection	42
Z.....	42
Zero tolerance	42

Abbreviations

EU	European Union
GRECO	Group of States against Corruption
NCAC	National Coordinator Against Corruption
OECD	Organisation for Economic Co-operation and Development
UNCAC	United Nations Convention against Corruption

Foreword

The fight against corruption is among the main priorities of the Albanian Government. With the primary objective of ensuring the prevention of corruption, in conformity with the Constitution and legislation in force, the Albanian government supports any initiative that it deems important in fostering integrity in society and the community. Albania has consistently made significant improvements to its initiatives to raise awareness of corruption. In addition to actions at the legislative and strategic levels, the fight against corruption encompasses a variety of approaches, and it can be effectively promoted through both international cooperation and education that strives to instill an anti-corruption culture.

The Minister of Justice, in the capacity of National Coordinator against Corruption, is focused on three approaches to combat corruption: Prevention, Punishment, and Awareness.

Through its activities, the Network of Anti-Corruption Coordinators aims to strengthen the implementation of the law in the institutions part of the Anti-Corruption Network, with the goal of raising citizen and employee awareness of the importance of adhering to legal norms, avoiding inappropriate practices in violation of the law.

The National Anti-Corruption Coordinator has taken on the challenge of fighting corruption as a priority of the Albanian Government, using all legal means to transform engagement into action, and action into results.

This dictionary has been prepared by the technical assistance of the Delegation of the European Union, for which we are immensely appreciative.

National Coordinator Against Corruption,
Minister of Justice

Introduction

Corruption has emerged as one of the most serious problems for Albania, hindering its socio- economic development, the country's democratization processes and the relations with the international community, most notably its EU accession process. To addressing the problem Albania has undertaken a number of important reforms and has continually updated its anticorruption policies. The Inter-sectoral Strategy against Corruption, which is the country's overarching anticorruption policy, sets out the objectives to be achieved. Its implementation and monitoring are performed by the National Coordinator Against Corruption.

This Glossary has been developed in the frame of the EU financed project Technical Assistance to the National Coordinator Against Corruption – Sector Reform Contract for the Fight against Corruption and published by the National Coordinator Against Corruption of Albania.

To apply an anti-corruption strategy in a well-targeted fashion, and manage integrity in an efficient way, it is necessary to understand the fundamentals of corruption and be able to detect particular forms corruption in specific contexts and types of Government activity involved. Supporting specific aspects of the Government's and other stakeholders' efforts to meet the requirement to work in the most effective way in the common fight against corruption.

This main purpose of the Glossary is to offer basic explanations of the

terms related to the corruption and the fight against it. The Glossary is intended to serve as a quick and reliable reference for public sector employees and policy makers, but also for individuals outside the public sector, such as the business community, the civil society organisations and the media, with the aim to deepen their understanding of the symptoms, causes and effects of corruption, as well as successful strategies for counteracting and prevention of corruption.

Sources

The Glossary draws mainly on materials from the United Nations Convention against Corruption, The Council of Europe, Transparency International and The U4 Anti-Corruption Resource Centre, but other sources also.

The **United Nations Convention against Corruption** is the only legally binding universal anti-corruption instrument. The Convention's far-reaching approach and the mandatory character of many of its provisions make it a unique tool for developing a comprehensive response to a global problem. The Convention covers five main areas: preventive measures, criminalization and law enforcement, international cooperation, asset recovery, and technical assistance and information exchange. The Convention covers many different forms of corruption, such as bribery, trading in influence, abuse of functions, and various acts of corruption in the private sector. A highlight of the Convention is the inclusion of a specific chapter on asset recovery, aimed at returning assets to their rightful owners, including countries from which they had been taken illicitly. The vast majority of United Nations Member States are parties to the

Convention.

The **Council of Europe** is an organization that seeks to protect democracy and human rights and to promote international unity by fostering cooperation on legal, cultural, and social issues. Albania became the 35th Member State of the Council of Europe on 13 July 1995. The Council of Europe upholds and furthers pluralist democracy, human rights and the rule of law and has taken a lead in fighting corruption as it poses a threat to the very foundations of these core values. In 1999 the Council of Europe established The Group of States against Corruption (GRECO) which monitors States' compliance with the organisation's anti-corruption standards.¹ GRECO's objective is to improve the capacity of its members to fight corruption by monitoring their compliance with Council of Europe anti-corruption standards through a dynamic process of mutual evaluation and peer pressure. It helps to identify deficiencies in national anti-corruption policies, prompting the necessary legislative, institutional and practical reforms. GRECO also provides a platform for the sharing of best practice in the prevention and detection of corruption.²

Transparency International is a German based non-governmental organisation founded in 1993 by former employees of the World Bank. It has evolved to a global movement with the purpose to take action to combat global corruption and to prevent criminal activities arising from corruption. Through advocacy, campaigning and research, Transparency International works to expose the systems and networks that enable corruption, demanding greater transparency and integrity in all areas of public life. TI developed the

¹ <https://www.coe.int/greco>

² <https://www.coe.int/en/>

National Integrity System approach as a comprehensive means of assessing country's efficacy sector by sector. It allows a nuanced analysis of national efforts to stamp out corruption. It's most notable publications include the Global Corruption Barometer and the Corruption Perceptions Index, which includes the ranking of Albania.³

The U4 Anti-Corruption Resource Centre is a permanent, donor-funded centre that promotes a better understanding of anti-corruption issues and approaches in international development.⁴

The **EU** deals with the problem of corruption from the point of view of the protection of financial interests of the community and the observance of competition principles as a basic component of the internal market. The situation with corruption combat in the EU candidate states is referred to in the annual reports of the progress of the accession process⁵.

Definition and forms of corruption

Etymology of corruption derives from the Latin in which it meant putrefaction, obsolescence, immorality or falsity, venality.

Although corruption is a term used frequently in the public, political and administrative discourses, there is no single definition of corruption.

The United Nations Convention against Corruption (UNCAC), which is the only legally binding universal anti-corruption instrument, does not provide a definition of corruption as such. The UNCAC therefore defines international standards on the criminalisation of corruption

³ <https://www.transparency.org/en/>

⁴ <https://www.u4.no/>

⁵ https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/albania_report

by prescribing specific offences, rather than through a generic definition or offence of corruption. These include acts such as bribery, embezzlement, money laundering, concealment and obstruction of justice.

The Council of Europe and Organisation for Economic Co-operation and Development (OECD) Conventions take the same approach.

The conventions therefore define international standards on the criminalisation of corruption by prescribing specific offences, rather than through a generic definition or offence of corruption.

On the other hand, definitions of corruption for policy purposes are much more common.

One frequently used definition that covers a broad range of corrupt activities is the “abuse of power for private gain”. This definition is used by the EU also.⁶

The World Bank defines corruption “as a form of dishonesty or a criminal offense which is undertaken by a person or an organization which is entrusted with a position of authority, in order to acquire illicit benefits or abuse power for one's private gain”.⁷

In an alternative definition, corruption is defined as “a form of secret social exchange through which those in power (political or administrative) take personal advantage, of one type or another, of the influence they exercise in virtue of their mandate or their function”.⁸

These definitions can be a useful reference for policy development

⁶ https://ec.europa.eu/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/corruption_en

⁷ Daniel Kaufmann and Pedro C. Vicente. "Legal corruption." *Economics & Politics* 23.2 (2011): 195-219.

⁸ Amundsen, Inge. *Political corruption: An introduction to the issues*. Chr. Michelsen Institute, 1999.

and awareness-raising, as well as for elaborating anti-corruption strategies, action plans and corruption prevention measures.

The performance of corruption entails the availability of the following elements:

- a) an official (or group of officials) in the public sector (administrative officials, politicians, magistrates, employees in the budgetary sphere of service provision, etc.);
- b) discretionary power (the opportunity to take autonomous decisions at one's own discretion);
- c) abuse of public power on the part of the official;
- d) acquisition of personal or group benefits (financial, material, a favour) on the part of the official/officials.

The different combination of the abovementioned elements leads to different types, forms, spheres, scale and mechanisms of performance of corruption.

The most common types or categories of corruption are supply versus demand corruption, **grand versus petty corruption**, and public versus private corruption.

Grand corruption – unfair activities performed by high-ranking officials being in a position to take decisions and allocate significant resources. Very often "large-scale" corruption is associated with corruption in the high ranks of power. In this case, heads of state, senior public officials and politicians use their position to make large personal, political or corporate benefits.

Petty corruption includes bribes paid to enforcement officials, customs personnel, health service providers, and other government officials while grand corruption involves higher ranking government officials and elected officials who exploit opportunities that are

presented through government work. **Supply-side corruption** is used to describe the act of offering an illicit payment or undue advantage. **Demand-side corruption** relates to the acceptance or solicitation of such a payment or advantage. Active and passive corruption is used synonymously with supply and demand corruption.

Considering the sectors in which the participants of the illicit act operate, corruption can also be distinguished by its “public” or “private” nature. Public corruption involves a public official as one party to the corrupt act, whereas private corruption involves only individuals in the private sector, which is also called “private-to-private corruption”.

Corruption in specific sectors

Corruption in the legal and judicial bodies

Opportunities for abuse of powers in the legal and judicial bodies (police, investigation service, prosecution, court of law) can arise in, but not limited to, the following situations:

- Identifying and registration of committed offence or crime.
- Draw-up of statements, imposing fines and other types of sanctions.
- Granting or repeal of bail.
- Bringing in an indictment.
- Refusal for initiation of preliminary proceedings.
- Cancelling the preliminary proceedings or return to trial.

Corruption in the judiciary includes any inappropriate influence on the impartiality of judicial proceedings and judgements and can extend to the bribing of judges for favourable decisions, or no decision at all. Judicial corruption includes the misuse of judicial funds and power, such as when a judge hires family members to staff the court or manipulates contracts for court construction and equipment. It can also play out in biased case allocation and in other pre-trial procedures, such as when bribed court clerks "lose" files and evidence. It can influence any trial or court settlement, and the enforcement - or not - of court decisions and sentences.

Corruption in the education sector

Corruption in education is the systematic use of public office for private benefit, whose impact is significant on the availability and quality of educational goods and services, and, has impact on access, quality or equity in education.⁹ It is believed that Education can act as one of the major pillars in fostering a new sensitivity and enhanced ethics against corruption in Albania, in the similar manner as it has served in many successful examples of countries that have fought their way out of prevailing public indifference in corruption matters.

Corruption in the health sector

Corruption in the health sector has been found to take many forms in various areas, such as in health facility construction;

⁹ Jacques Hallak and Muriel Poisson. "Ethics and corruption in education: an overview." *Journal of education for international development* 1.1 (2005): 1-3.

equipment and supply purchasing; pharmaceutical distribution and use; health worker education; falsification of medical research; and perhaps most important for this report, the provision of health care services.

Corruption in the health sector has serious consequences for access, quality, equity, efficiency, and efficacy of health care services – the five dimensions of health system performance. An estimated 500 billion EUR in public health spending is lost globally to corruption every year.¹⁰

Corruption in public procurement

Corruption in procurement occurs when there is clear misuse of public office. First, the act must be intentional. Second, the person must derive some recognisable benefit from the act. Third, the benefit derived must be a direct return from the act of corruption. Corruption in procurement can be political or bureaucratic.

Corruption in sports

Corruption in sport is defined as any illegal, immoral or unethical activity that attempts to deliberately distort the result of a sporting contest for the material gain of one or more parties involved in that activity.¹¹

¹⁰ <https://www.transparency.org/en/our-priorities/health-and-corruption>

¹¹ Eddie TC. Lam. "Corruption in Sport: Causes, Consequences, and Reform." *International Journal of Sport Communication* 12, no. 1 (2019)

Corruption in the private sector

Corruption is not limited to the public sector alone. It is a problem that affects also private companies of all sizes. Companies could be both victims and perpetrators of corruption. In a business context, corruption can include false or misleading financial reporting, procurement fraud, embezzlement, bribery, and a range of other acts.

Corruption at the local government level

Because local government comprises many of the sector functions of a national government – education, social services, transport, construction, elections and tax collection – it is also exposed to corruption. However, local governments may be more susceptible to corruption because interactions between private individuals and officials happen at greater levels of intimacy and with more frequency at more decentralized levels. Forms of corruption pertaining to money like Bribery, Extortion, Embezzlement, Nepotism and Patronage are more commonly found in local government systems.

Corruption and political parties

Existence of corruption practices in political life results from the accumulation of power, which as a rule belongs to the whole society, but is actually concentrated in a particular group of people (political and party elites). By taking advantage of the right to control that public resource of power those who rule the country can decide on their own how to act.

Political corruption differs from corruption in public administration in its subjects and its specific benefits and effects. In the case of political corruption, benefits are not always interpreted as money, but very often they have to do with evasion of the democratic political process (representativeness, accountability, transparency, equality before the law). Malpractices here involve also re-directing resources in favour of a particular party or a social group. The origins of this stem from the control exercised by the party-political elite over legislation and political processes.

Anticorruption

Anticorruption comprises activities that oppose or inhibit corruption. Just as corruption takes many forms, anti-corruption efforts vary in scope and in strategy. A general distinction between preventive and repressive measures, or punishment, is often made.

- Prevention of corruption often entails:
- Adopting effective and coordinated anticorruption policies
- Strengthening the integrity of the public sector¹²
- Strengthen transparency of public institutions
- Establish fair and transparent system of public procurement
- Increase awareness of the citizens to avoid engaging in corruption and report cases of corruption they witness

Punishment of corruption entails the investigation, prosecution

¹² See Albania's Integrity Plans at central and local level on the website of the NCAC

and punishment of cases of corruption, including confiscation of assets derived from corruption, and maintaining social justice.

Information on Albania's effort to the fight against corruption can be found on the Government website:

<http://drejtesia.gov.al/strategjia-ndersektoriale-kunder-korrupsionit/>

A

Abuse of functions or office

A public official's intentional abuse of their functions or position to unlawfully perform or fail to perform an act. The intention is to obtain an undue advantage for themselves or for another person.

Active corruption

The promising, offering or giving, directly or indirectly of any undue advantage to a public official for himself or for anyone else to act or refrain from acting in relation to or in breach of his duties.

Active bribery

Active bribery refers to the act of promising or giving the bribe, as opposed to the act of receiving a bribe (passive bribery). The term does not mean the active briber has taken the initiative, since the bribe may have been demanded by the receiving party (who commits "passive bribery"). When a citizen reluctantly makes an informal payment in order to receive medical care, which would be refused otherwise, she is nevertheless committing active bribery. The

distinction between active and passive bribery is primarily made in legal definitions, which need to be precise and allow for the possibility to sanction either side of the transaction, as appropriate. The classification is similar to the distinction between supply-side and demand-side corruption, which is used in analysing the patterns of incentives or drivers of corrupt practices.

Accountability

The obligation of an individual or an organisation (either in the public or the private sectors) to accept responsibility for their activities, and to disclose them in a transparent manner. This includes the responsibility for decision-making processes, money or other entrusted property.

Administrative corruption

Corruption occurring at the interface between the state, represented by public officials/bureaucrats in decision-making positions and the public/citizens when they need a service.

Anti-corruption

A term used to designate the range of approaches to combat corruption. Many broader good governance and democracy-promotion approaches produce similar outcomes, even if they are not explicitly labelled as "anti-corruption."

Asset confiscation

The seizure and confiscation of proceeds of crime, usually because they were used in committing the crime, or derived from it.

Asset recovery

Asset recovery, as outlined in the UN Convention against Corruption, refers to the process by which the proceeds of corruption transferred abroad are recovered and repatriated to the country from which they were taken or to their rightful owners.

Assessment (of corruption)

An assessment analyses the situation in a country, sector or institution to identify the system's shortcomings and other factors (including political dynamics) that enable and sustain corruption.

Auditing

An official inspection of an organisation's (public or private sector) accounts to make sure money is spent and reported on appropriately.

Awareness raising

Awareness-raising is a process that seeks to inform and educate people about a topic or issue with the intention of influencing their attitudes, behaviours and beliefs towards the achievement of a defined purpose or goal.¹³ Awareness-raising is intended to mobilize the power of public opinion in support of an issue and thereby influence the political will of decision makers.

¹³ Richard Sayers. Principles of Awareness Raising. UNESCO 2006.
<http://unesdoc.unesco.org/images/0014/001476/147637e.pdf>

Bribery

The offer or exchange of money, services or other valuables to influence the judgment or conduct of a person in a position of entrusted power. The benefit does not need to go to the official in question directly – it can go to a spouse, a child, another relative, a friend, or even to the official's political party as a donation. A bribe is sometimes paid after the fact – for instance, in monthly instalments to the official issuing permits to street vendors as long as they are allowed to operate. This form of bribery is called a kickback. Bribery is widely criminalised, and both the party paying the bribe and the party receiving may be liable (see active bribery/ passive bribery). In Albania facilitation payments are criminalized, with exception of facilitation payments in the private sector.

Bribery of national public officials

Promising, offering or giving an undue advantage to a public official, or the soliciting or accepting of one by such an official. This might happen directly or indirectly and be either for themselves or another person. The intention is that the official performs or refrains from performing their official duties.

Bribery of foreign public officials and officials of public international organisations

Promising, offering or giving an undue advantage to a foreign public official or an official of a public international organisation, or the soliciting or accepting of one by such an official. This might happen

directly or indirectly and be either for themselves or another person. The intention is that the official performs or refrains from performing their official duties so that the offender obtains or retains international business or another undue advantage.

Bribery in the private sector

Active or passive bribery by any person who directs or works, directly or indirectly, in any capacity, for a private sector entity

C

Capital flight

The movement of large sums of money out of a country. This movement can be legal (for example investors withdraw their money because of a political crisis and a lack of confidence in the economic situation) or illegal. Illegal capital flight often concerns money earned through criminal activity, and the intention is that the money disappears from any record in the country of origin. Any earnings on it are not usually returned to the country of origin.

Clientelism

An informal exploitative system of exchanges (of resources, services, favours) between a wealthier and/or more powerful "patron" or "boss" and less wealthy/weaker "clients" or "followers." Such systems are typically found in settings where formal governance structures fail to provide adequate resources (including protection), leaving poor and/or marginalised members of society to seek assistance from powerful figures that can deliver them. The

corruption dimension is clear when the "patron" is an elected official who distributes resources under his/her control inequitably (abusing his/her entrusted power), as a reward for electoral support (private benefit). Similar informal systems may not involve elected officials directly, but may nevertheless undermine formal rules and institutions, including efforts to combat corruption.

Conflict of interest

A conflict of interest is a conflict between an entrusted duty on the one hand, and the private interest of the duty-bearer on the other hand. For example, a parliamentarian sitting in the committee for healthcare reform might own stock in a major pharmaceutical company. The existence of this private interest could improperly influence the performance of entrusted responsibilities. Because conflicts of interest create opportunities for corruption to take place, they should be avoided or managed.

Criminal forfeiture

The loss, following a criminal conviction, of the right to a property that was used to commit a crime, and which was confiscated by the government.

Cronyism

The favourable treatment of friends and associates in the distribution of resources and positions. The concept is related to nepotism, where the favourable treatment extends to family members.

Collusion

Collusion refers to secret agreement and cooperation between interested parties for a purpose that is fraudulent, deceitful, or illegal.

Concealment

Intentional concealment or continued retention of property occurs when the person knows that such property is a result of corruption offences, even when they have not participated in such offences.

Commercial bribery and kickbacks

These involve employees of one company giving payments, undue advantage or expensive gifts to employees of another company to secure an advantage. Examples include paying procurement staff to sway their decision in favour of the paying company, giving an expensive gift to a bank manager to secure a loan, and various forms of kickbacks.

Customer due diligence

Obligation for financial institutions to implement identification processes for customers, i.e. to verify that they are who they claim they are by checking their names, residential addresses etc.

D

Debarment

Debarment is the term used for an individual or a company being

formally excluded from tendering for a project that the government is funding or supporting. A company is debarred when an enquiry or examination finds it has been involved with fraud, mismanagement, or corruption.

Demand side of bribery

The demand side of the bribe (also known as "passive" bribery) focuses on the person or entity soliciting or receiving the bribe.

Democratic accountability

Democratic accountability refers to the idea that citizens can provide feedback to actors (political parties; parliaments; public officials) that are in charge of policy-setting and decision-making and in this way, shape policies and decisions.

E

Embezzlement

Intentional misappropriation or diversion by a public official of property, funds or anything of value that had been entrusted to them by virtue of their position. Accountants and financial managers typically have access to an agency's funds and so are in a position to embezzle them. Other forms of embezzlement include the taking of supplies, equipment, etc.

Embezzlement of property in the private sector

Embezzlement by any person who directs or works, directly or

indirectly, in any capacity, for a private sector entity.

Enforcement

Sanctions imposed on convicts, for example imprisonment, confiscation of stolen assets, and collected of financial penalties.

Extortion

The practice of obtaining something (money, favours, property) through the use of threats or force. For example, extortion takes place when armed guards' exact money for passage through a roadblock. Withholding life-saving medical attention unless a bribe is paid could also be considered an act of extortion.

Experience surveys

Questionnaires that ask about direct encounters with corruption, for instance: - whether respondents have had to pay a bribe for a particular public service; - how many times in the past year they paid a bribe; - the amount of the bribe paid.

F

Facilitation payments

Refer to relatively small, individual amounts paid beyond the official fees to speed up services such as customs clearance, work permits, border crossings, etc. Technically, these are a bribe. In many countries, however, facilitation payments by companies doing business abroad are exempt from prosecution for bribery in their

home countries as long as they are used to speed up legal processes, rather than to avoid regulations. This exception recognises the fact that in certain settings, it is impossible to operate a business without conceding to such payments.

Favouritism

The biased distribution of resources based on personal preference. For example, giving offices or benefits to friends and family regardless of qualification. Unfair distribution of positions and resources is also known as cronyism or nepotism.

Fees and commissions

Fees and commissions constitute the giving of a financial advantage, although they will not necessarily be bribes. A commission is unlawful if it is a facilitation payment for the performance (or faster performance) of an existing duty.

Characterizing a payment as a fee or commission might be a way of disguising the payment of a bribe.

Fraud

An economic crime involving deceit, trickery or false pretences by which someone gains unlawfully. Fraud often accompanies corrupt acts, in particular embezzlement, where it is typically used to falsify records to hide stolen resources.

G

Ghost workers

Employees who appear on a payroll but do not actually work for the company or the public institution. Pay checks are created and paid to someone who does not work for the company or the public institution or who does not exist at all.

Gift giving

People offer presents and favours in various circumstances. It is a cultural practice in many societies. Problems arise when gift giving to and by public officials contradicts impartiality, professionalism, and meritocracy. In exchange for a gift, the official is expected to show preferential treatment to the giver. In those cases, gift-giving can be regarded as bribery, criminal activities, and efforts to hide wealth from tax authorities.

Excessive gifts and hospitality are given to employees to influence business decisions or tasks. This kind of gift might be travel, luxury items or tickets to sporting events.

Grand corruption

This involves higher ranking government officials and elected officials in a position to take decisions and allocate significant resources who exploit opportunities that are presented through government work. In this case senior administrators and politicians use their position to make large personal, political or corporate benefits. This type of corruption entails the operation of more complex and fine mechanisms where mediators play a key role. Since here the abuses and the benefits gained, as well as the social and economic effects are of a much greater scale, there is no clear boundary between its active and passive form.

Governance

Governance goes further than traditional conceptions of government. It focuses on relationships between leaders, public institutions and citizens. It includes decision-making and implementation processes. Governance can also apply to companies and NGOs.

I

Illicit enrichment

A significant increase in assets of a public official that cannot reasonably be explained as being the result of his or her lawful income.

Illicit financial flows

Illicit financial flows involve the cross-border transfer of money earned through illegal activities. These activities include corruption, criminal activities, and efforts to hide wealth from tax authorities.

Integrity

Integrity means following of a set of moral or ethical principles. It evaluates key 'pillars' in a country's governance system, both in terms of its internal corruption risks and their contribution to fighting corruption in society at large. When all the pillars are functioning well, corruption remains in check. Where some or all of the pillars are weak, this can allow corruption to thrive.

Integrity Plan

Integrity plan is a tool for establishing and verifying the integrity of the organization. It is a documented process for assessing the level of vulnerability of an organisation, its exposure to unethical and corruption practices. It helps individual institution to assess corruption risks and manage them efficiently. The main goal of integrity plan is to strengthen integrity and anti-corruption culture in a public sector by identifying risks, planning and implementing adequate measures.

K

Kickback

A bribe paid after the fact for an undue favour or service. For instance, a company that receives a government contract might send the responsible official regular payoffs for the duration of the contract. Street vendors may pay the permission-granting authority a small sum each month as long as they are allowed to operate.

Kleptocracy

A Greek word meaning "rule by thieves", kleptocracy refers to a system of government in which leaders use their position for private gain at the expense of the governed. It is typically correlated with autocratic regimes with no meaningful accountability mechanism, effectively allowing the leader to plunder the state and its citizens for personal enrichment and to entrench his hold on power. Some well-known former kleptocrats include Francois Duvalier ("Papa Doc") of

Haiti, Mobutu of Zaire, and Suharto of Indonesia.

L

Laundering of proceeds of crime

Converting, concealing or transferring property acquired from money earned through illegal means and making it seem as if it has been acquired legally.

Lobbying

Any activity carried out to influence a government or institution's policies and decisions in favour of a specific cause or outcome. Lobbying is an essential tool for stakeholders to make their voice heard with politicians and public officials. Citizens engage in lobbying when they write to their elected representative or join a protest, etc. Professional lobbyists, by contrast, are paid to advocate for specific interest of their clients before responsible public officials. They are sometimes former officials themselves, hired due to their knowledge of the issues and contacts in the sector. But terms of engagement of former public officials are usually clear and limited in order to distinguish permissible lobbying from illegal trading in influence.

M

Measurement of corruption

There are two main approaches in appraising/evaluating corruption. One is measurement, which aims to quantify the extent of

corruption. The other is assessment, which seeks to identify the factors that allow corruption to take place.

Money-laundering

Any act or attempted act disguising the source of money or assets obtained from corruption or other criminal activity. Money laundering includes concealing the origins and the use of the illegal assets. It is often used to hide the proceeds of corruption, as well as of proceeds of other types of economic crime.

N

Nepotism

A form of favouritism involving family relationships, in which someone exploits his or her authority to procure jobs or other favours for relatives. When this treatment is extended to friends and associates, the appropriate term is cronyism.

Neopatrimonialism

A style of governance based on informal patron-client relationships, where the elite uses resources such as public goods and public offices to secure loyalty from the general population.

P

Passive bribery

Refers to the act of receiving the bribe. This does not mean the

passive briber has taken no initiative – in many cases he or she may have demanded the bribe in the first place.

Perception surveys

Questionnaires that ask about the respondent's views on levels of corruption in a country/sector/institution, and sometimes his or her impression of whether the situation is changing for the better or worse.

Passive corruption

The request or receipt, directly or indirectly, by any public official of any undue advantage for himself or for anyone else, or the acceptance of an offer or a promise of such an advantage, to act or refrain from acting in relation to or in breach of their duties.

Petty corruption

Unfair activities performed by administrators of lower rank being in direct contact with citizens, clients and enterprises. In this case, the benefits (payments, presents, favours) are less but large in scale and received daily. The corruption can be fulfilled in several ways

- The official plays the active part by directly stating the “price” for the required activity or favour;
- The official does not state directly that he/she requires a bribe but puts formal and non-formal barriers, “implies” that the problem could be possibly solved at which the other side is forced to suggest some “corruptive alternative”;
- The person willing to obtain a kind of favour undertakes active measures by directly suggesting a corruptive “reward”

of some kind to the corresponding official.

Political corruption

The term is both narrowly used to designate the manipulation of policies, institutions and rules in the financing of political parties and in electoral campaigns, and also more broadly as a synonym for "grand corruption", or corruption taking place at the highest levels of government where policies and rules are formulated, and executive decisions are made. Political corruption happens when political decision-makers use the political power they are delegated with, to sustain their power, status and wealth. Due to its seriousness and the high-ranking level of public officials involved it is considered a type of grand corruption.

Political patronage

Political patronage is the use of state resources as a reward to individuals for their political and electoral support. Political patronage violates the boundaries of legitimate political influence and the principles of merit.

Predicate offence

The criminal activity from which the proceeds of a crime are derived. Money laundering is a derivative crime. Its status as a crime depends on the origin of the funds involved.

Private sector corruption

The abuse of professional obligations within a corporation or other non-governmental entity for private gain. For example, private sector

corruption occurs when a corporate employee sells commercial secrets to a competitor. The term is also used more broadly for situations where individuals or groups from the private sector influence public officials to take decisions and actions that constitute abuses of entrusted power. One example would be corporations offering bribes to public officials in exchange for favourable legislation or lucrative contracts.

Procurement

Procurement refers to the different stages of acquiring goods or services from an external source, and where buyers (such as public institutions and organisations), often in a bidding process, look for the best value-for-money offer for the goods and services that need to be procured.

Public institutional integrity

Public institutional integrity is the robust disposition of a public institution to legitimately pursue its legitimate purpose, to the best of its abilities, consistent with its commitments.

R

Revolving doors

Revolving doors refers to individuals' moves from jobs as legislators or regulators into jobs in companies or lobby firms subject to legislation and regulation. It can be abused if not properly regulated.

Rent-seeking, lobbying

Rent-seeking is to lobby the government for protection, subsidies, and preferential policies for a business. The aim is to avoid competition in the free market and to achieve monopoly-like situations and super-profits (rents). Rent-seeking results in reduced economic efficiency through misallocation of resources, reduced wealth-creation, lost government revenue, and heightened income inequality. Unlike profit-seeking by market means, rent-seeking by political means does not create wealth; it merely transfers privilege from one party to another. The lobbying involved often includes buying of public officials and politicians – i.e. corrupt practices.

Risk assessment

A systematic process of evaluating the potential risks or hazards that may be involved in an activity or undertaking. A corruption risk assessment involves first describing how a given governance mechanism operates, through a detailed mapping of all relevant sub-processes. Each element is then analysed to identify the opportunities for corruption. Identified risks are then evaluated for probability of occurrence and the expected impact, so that appropriate mitigation measures can be identified and implemented. Together, the steps constitute a risk management system. See also Integrity Plan.

S

Shell companies

A shell company is a non-trading company, which is used as a vehicle

for various financial manoeuvres, illicit purposes, or which is kept dormant for future use in some other capacity. Shell companies are usually incorporated in a jurisdiction in which it has no physical presence and is unaffiliated with a regulated group.

Sporadic corruption

Sporadic corruption is the opposite of systemic corruption. Because it occurs irregularly, it does not threaten the mechanisms of control nor the economy as such. It is not crippling, but can seriously undermine morale and sap the economy of resources.

Solicitation

This occurs when an employee of a company requests a payment, undue advantage, expensive gifts, or sexual favours in return for conducting specific business-related tasks or making particular decisions.

State capture

Powerful individuals, groups and organisations undemocratically shaping a nation's policies, legal institutions and economies to illicitly enrich themselves with impunity. This is a type of grand corruption that occurs when a company/ies or organization/s shape/s and influence/s legislation or government policies in an entire sector through payments. For example, businesses can improperly influence legislators to pass favourable laws.

Systemic corruption

A situation when corruption is an integral part of a state's economic,

social and political system, and where most people have no alternatives to dealing with corrupt officials. Sporadic corruption, in contrast, occurs irregularly and does not compromise the mechanisms of governance in the same crippling way.

T

Trading in influence

Known also as influence peddling. Trading in influence occurs when a person who has real or apparent influence on the decision-making of a public official exchanges this influence for an undue advantage. The offence is similar to bribery with one important difference: trading in influence concerns the "middleman", or the person that serves as the go-between the decision-maker and the party that seeks an improper advantage. The final decision-maker may not even be aware of the illicit exchange. One example is when an MP receives a payment from a company to attempt to convince fellow legislators to support amendments that would benefit that company. Trading in influence is difficult to prove because the legal definitions involve disputable criteria of "intentionality" and "undue"/improper influence. Trading in influence is also often difficult to distinguish from permissible forms of lobbying.

Trading of information

This happens when a business employee offers or receives a bribe in exchange for confidential information, where the bribe could take a number of different forms. When confidential information is the basis for trading in a company's stock, bonds or other securities, this constitutes an offence called "insider trading".

Transparency

Transparency is the quality of being open, communicative and accountable. It implies that governments and other agencies have a duty to act visibly and understandably. Transparency can lead to improved resource allocation, enhanced efficiency, and better prospects for economic growth.

W

Whistle-blower

Whistle-blowers are people who inform the public or the authorities about corrupt transactions and/or other unlawful or immoral behaviour they have witnessed or uncovered. These individuals often require protection from those they expose.

Whistle-blower protection

Whistle-blower protection refers to the measures taken to shield the official who reports wrongdoing from retaliation.

Z

Zero tolerance

A policy to fully investigate, prosecutes, and sanctions all instances of corruption, no matter how minor.



**FIGHTING CORRUPTION
PREVENTION – PUNISHMENT – AWARENESS**

MINISTRY OF JUSTICE
NATIONAL COORDINATOR AGAINST CORRUPTION

Find more information on:
www.drejtesia.gov.al
<https://shqiperiaqeduam.al>



“This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of Cowater International and do not necessarily reflect the views of the European Union”