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**Countering Grand Corruption**

**Paper submitted by the Government of Peru**

**Proposal for conference room paper on countering grand corruption**

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## Countering Grand Corruption

Corruption is a crime that poses serious problems and threats to the stability and security of societies, undermining the institutions and values of democracy, ethical values and justice, and jeopardizing sustainable development and the rule of law. Corruption also has links with other forms of crime, in particular organized crime and economic crime, including money laundering. In many cases corruption involves vast quantities of assets, threatening the sustainable development and political stability of States.

Nevertheless, the United Nations Convention against Corruption, adopted in 2003, doesn't have a comprehensive and universally accepted definition of corruption. However, even if there is no explicit reference to the concept of "grand corruption", the preamble of the Convention expresses concern "about cases of corruption that involve vast quantities of assets, which may constitute a substantial proportion of the resources of States, and that threaten the political stability and sustainable development of those States..."

International organizations consider corruption as the "abuse of a public charge for the benefit of a private interest". Nevertheless, it is a fact that this definition, useful in terms of international agreements and conventions, presents problems regarding investigations focused on corruption among private companies and NGOs, and it is not always useful to establish indicators for the elaboration of control mechanisms.

Upon recognition of this problem, international organizations and scholars have invested efforts on the elaboration of typologies and standards that could be applied to the diverse social realities. On this regard, one of the most important documents of reference is the *United Nations Handbook on Practical-Anticorruption Measures for Prosecutors and Investigators*, which contains a typology of corruption acts, measurement requirements, evidence organization methods and prosecution mechanisms for corruption acts. This handbook presents the following definitions regarding "Grand" and "Petty" corruption:

*"Grand corruption" is an expression used to describe corruption that pervades the highest levels of government, engendering major abuses of power. A broad erosion of the rule of law, economic stability and confidence in good governance quickly follow. Sometimes it is referred to as "state capture", which is where external interests illegally distort the highest levels of a political system to private ends.*

*"Petty corruption", sometimes described as "administrative corruption", involves the exchange of very small amounts of money, and the granting of small favours. These, however, can carry considerable public losses, as with the customs officer who waves through a consignment of high-duty goods having been bribed a mere \$50 or so.*

*The essential difference between grand corruption ("state capture") and petty corruption (day-to-day administrative corruption) is that the former involves the distortion of central functions of government by senior public officials; the latter develops within the context of functioning governance and social frameworks.*

Grand corruption consists on offences mentioned in chapter III of UNCAC involving high level officials and a significant amount of money, leading to significant public damage or to the infringement of fundamental rights of at least part of a State's population. In this regard, the concept of grand corruption should be taken into due consideration, taking into account the gravity of all its consequences to the international community as a whole. The effective prevention and prosecution of corruption in all its forms, such as grand corruption cases, must be ensured by taking measures at national and international levels and by enhancing international cooperation, in order to avoid that this crime goes unpunished.