

Case Study Part 2 - “Profit”

2.5 Bribes for New Business

You are a part-owner and CEO of a family business that is launching into new markets, expanding into parts of Asia that were not previously in your company’s portfolio. Your New Year’s mandate is to expand the business into the neighboring countries, grow market share, and increase returns. Your family Board of Directors wants to see tangible results within a year or two.

You and your staff have prepared a proposal for a project that could amount to a hundred-million-dollar contract over the next ten years for your company. The project involves providing your services to a government agency in Southeast Asia. You are now flying into the country to meet the government officials and bid on the deal. When you arrive to meet the officials, you are told that you must submit a “pledge” - in cash - to certain officials in order to stay competitive in the bidding process.

When you ask if other bidders are required to do the same, you are told that it is not your concern. You quickly realize that you are being asked to bribe the officials under the table to secure the contract. Your family has engaged in this practice in the past, before you became the new CEO.

Your principles tell you that this is wrong, but there are many other considerations, such as the jobs that will be created and the economic benefits the project would bring to the land, which could help alleviate poverty.

You understand that, in the cultural context of that country, bribery is a routine practice and very much a way of life.

Discussion

1. What do you do?
2. **Corporate Culture and Past Practices:**

Our business practices are often influenced by our cultures, family values, practices, and the lessons we learned from societies, schools, and universities.

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Are these good guides? Is there anything we need to unlearn and relearn? Where can we relearn? And what must be relearned?

3. Legal and Reputational Risks:

What legal consequences and reputational risks might the company face if it chooses to engage in bribery?

Some relevant Bible passages

Exodus 23:8 “And you shall take no bribe, for a bribe blinds the clear-sighted and subverts the cause of those who are in the right.” (ESV)

Proverbs 17:23 “The wicked accepts a bribe in secret to pervert the ways of justice.” (ESV)

Proverbs 21:14 “A gift in secret averts anger, and a concealed bribe, strong wrath.” (ESV)

Ecclesiastes 7:7 “Surely oppression drives the wise into madness, and a bribe corrupts the heart.” (ESV)

Proverbs 10:2 “Treasures gained by wickedness do not profit, but righteousness delivers from death.” (ESV)

Galatians 6:7 “Do not be deceived: God is not mocked, for whatever one sows, that will he also reap.” (ESV)

Matthew 6:33 “But seek first the kingdom of God and his righteousness, and all these things will be added to you.” (ESV)

Matthew 5:16 “In the same way, let your light shine before others, so that they may see your good works and give glory to your Father who is in heaven.” (ESV)

Resources for Business Owners in Singapore (and as a reference for those overseas)

Bribery laws in Singapore are primarily governed by the Prevention of Corruption Act (PCA) 1960. “The PCA 1960 has extra-territorial powers to deal

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with corrupt acts committed by a Singapore citizen outside Singapore as though these were committed in Singapore”.

“Corruption in Singapore is broadly defined as a bribe offered in return for a favour. The bribe can be in the form of monetary or non-monetary nature. This includes:

- Money, gifts, loans, fees, rewards, commissions or other property of any description
- Any office, employment or contract
- Any payment, release, discharge or liquidation of any loan, obligation or other liability
- Any other service, favour or advantage of any description
- Any offer, undertaking or promise of any gratification”

<https://www.cpiib.gov.sg/about-corruption/legislation-and-enforcement/prevention-of-corruption-act/>