



**ENGINEERING ETHICS & ATTITUDE**

*Lecture 4.*

**BRIBERY & CORRUPTION  
FRAUD & FORGERY**

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# CORRUPTION

1

- ***Corruption*** is a form of dishonest or unethical conduct by a person entrusted with a position of authority, often to acquire personal benefit
- Corruption may include many activities including ***bribery*** and ***embezzlement***, though it may also involve practices that are legal in many countries
- Political corruption (illegitimate use of public power or public money to benefit a private interest) occurs when an office-holder or other governmental employee – i. e. a ***civil servant*** - acts in an official capacity for personal gain

# CORRUPTION

2

- **Legal corruption** is when power is abused within the confines of the law, as those with power often have the ability to make laws for their own protection

Corruption can occur on **different scales**

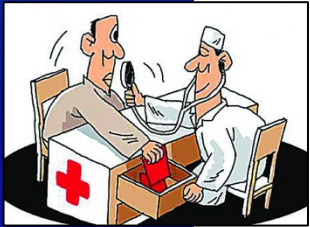
- **Petty corruption** takes place at the implementation end of public services when public officials meet the public
- **Grand corruption** is occurring at the highest levels of government and business in a way that requires significant subversion of the political, legal and economic systems; such corruption is commonly found in countries without adequate policy aiming to prevent and punish corruption

- **Systemic** or endemic **corruption** is primarily due to the weaknesses of an organization or process; it can be contrasted with individual officials or agents who act corruptly alone or in a network within the system



# METHODS OF CORRUPTION

- **Bribery** involves the improper use of gifts and favours in exchange for personal gain
- **Embezzlement** and **theft** involve someone with access to funds or assets, illegally taking control of them
- **Fraud** involves using deception to convince the owner of funds or assets, to give them up to an unauthorized party
- **Extortion** and **blackmail** are the use of negative inducements for corrupt aims by the use of threats (violence, or false imprisonment, or exposure of an individual's secrets)



# BRIBERY

1

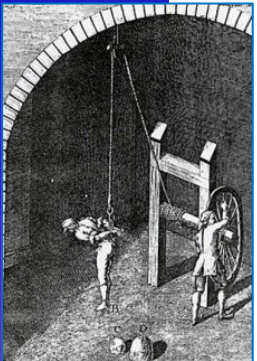
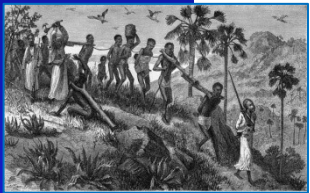
- Deciding when to accept a *gift*, or *amenity*, i. e. distinguishing the perfectly proper acceptance of a **business favour** from an improper acceptance of a **bribe** illustrates this challenge
- **Bribery** has a long history, and it seems to be an area in which our moral views are *changing*
- Moral concepts found enshrined in traditions don't stay the same, they undergo *transformation* and are subject to investigation and criticism
- This can be illustrated by *comparing* the history of the concept of bribery with the history of other moral ideas



# BRIBERY

2

- Until about the 16th century, it was considered wrong to take interest on money - *usury* - as a serious sin (it still is in Islamic countries)
- Due to a number of changing circumstances the prohibition of taking interest on money was lifted in the West and today the term "*usury*" is reserved for the extraction of *excessive* interest
- *Slavery* and *torture* were widely accepted in Western society until the 18th century and now both are condemned as heinous evils
- Is *bribery* becoming increasingly tolerated (like usury), or is it increasingly frowned upon and prohibited (like slavery and torture)?



# BRIBERY

3

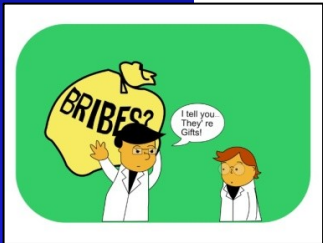
- **Bribery** is viewed with *increasing intolerance* throughout the world for good moral reasons, especially as the capitalist system becomes more widely accepted:

1. Bribery *corrupts the capitalist economic system*. The capitalist system is based on competition in an open and free market, where people tend to buy the best product at the best price. Bribery corrupts the free-market mechanism by getting people to make purchases that do not reward the most efficient producer.
2. Bribery is a sell-out to the rich. In any situation ruled only by money, *the deeper pocket will prevail*. If bribery were universally practiced, expert testimony, justice in the courts, and everything else would be up for sale to the highest bidder.
3. Bribery produces cynicism and a *general distrust of institutions*. It destroys people's trust in the integrity of professional services, of government and the courts, of law enforcement, religion, and anything it touches. There is good evidence that societies which allow bribery tend to have social unrest and perhaps revolutions.
4. Bribery *treats people as commodities* whose honour can be bought and sold. It thus tends to degrade the respect we owe to other human beings.



# CASUISTRY

- Even if we agree that bribery is **wrong**, there is still a problem of determining what is and isn't a bribe and when an action is close enough to a bribery to be considered as morally out of bounds (where do we *draw the line*?)
- One way of dealing with this is through the *method of casuistry*, which has a background in *common law*



*In common law a judge decides a case by comparing it with the way previous judges have decided similar cases in the past. His/her reasoning involves citing analogies and disanalogies between past cases and the present one. If the analogies seem more important than the disanalogies, he/she decides the case in a way similar to the way the earlier judge decided the case. If the disanalogies seem to be more important than the analogies, he/she decides the case in a different way.*

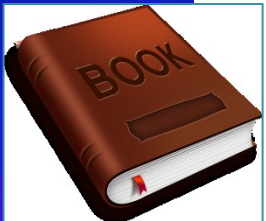


# MISSING SINGLE CRITERION

- In applying a *moral principle*, you will often find
  - some circumstances in which it clearly applies;
  - borderline cases in which the application is controversial;
  - other cases where it clearly does not apply.
- Let's call the cases where the principle clearly does or does not apply *paradigm cases* and the cases where its application is not clear *problematic cases*
- Determination of what is or isn't theft is difficult, because there is no *single criterion* that can be used to decide the issue
- An obvious such criterion would be the *monetary value* of the property in question, but this criterion will not always work

# DEFINING THEFT

- There would be virtually universal agreement that acts 1-3 are and 8-10 aren't examples of theft (*paradigm cases*)
- Probably most people would consider act 4 a type of theft
- Act 5 is something many of us have done - we might say that the action is justified, because the expense and trouble to us of returning the book is probably greater than the value of the book to our friend
- Acts 6 and 7 might be considered less clear examples of theft than example 8, except for the potentially large amount of money involved in these two examples



## EXAMPLE 5.

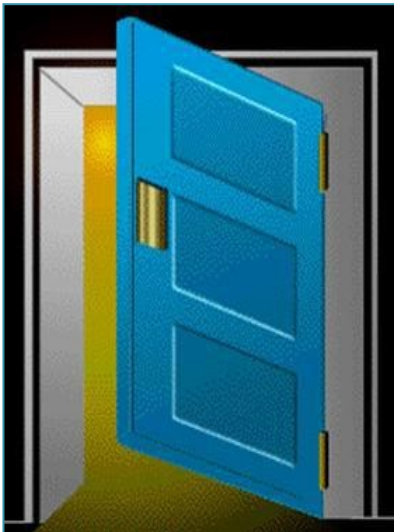
**People should not steal  
(or commit theft)**

1. Breaking into a store and taking €3000 in merchandise.
2. Borrowing a friend's laptop and failing to return it.
3. Taking a bicycle that someone had forgotten to lock.
4. Developing a computer program in work-time for your company, and then patenting a considerably improved version of the software under your own name.
5. Borrowing a book from a friend, keeping it by mistake for a long time and then failing to return it. (You discover the book after your friend has moved away, and you decide to keep it.)
6. Using some ideas you developed at Company A for a different logistic process at Company B.
7. Using some management techniques at Company B that were developed at Company A.
8. Picking up a 1€ coin that you saw someone drop on the street.
9. Failing to return a sheet of paper (or paper clip) you borrowed
10. Picking up a 1€ coin that someone (you don't know who) has dropped on the street.

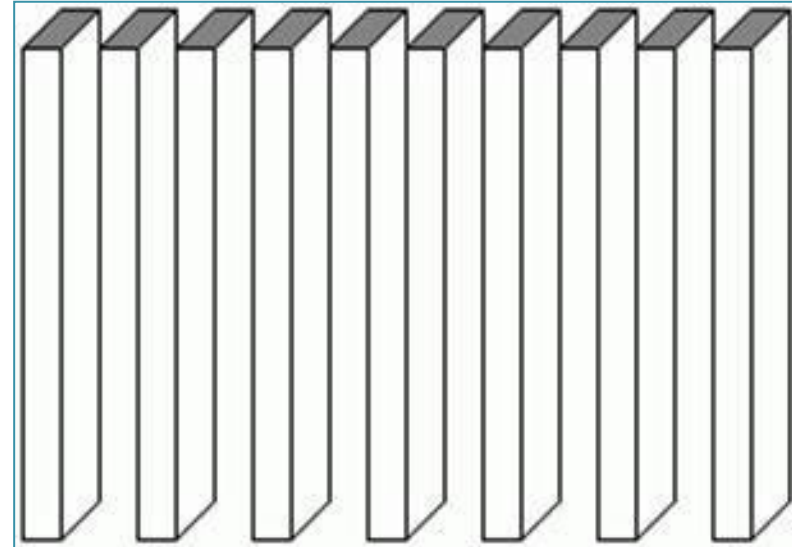
# RECOGNISING ETHICAL PROBLEMS IS NOT EASY 1



Angular or rounded columns?



Door opens inside or outside?



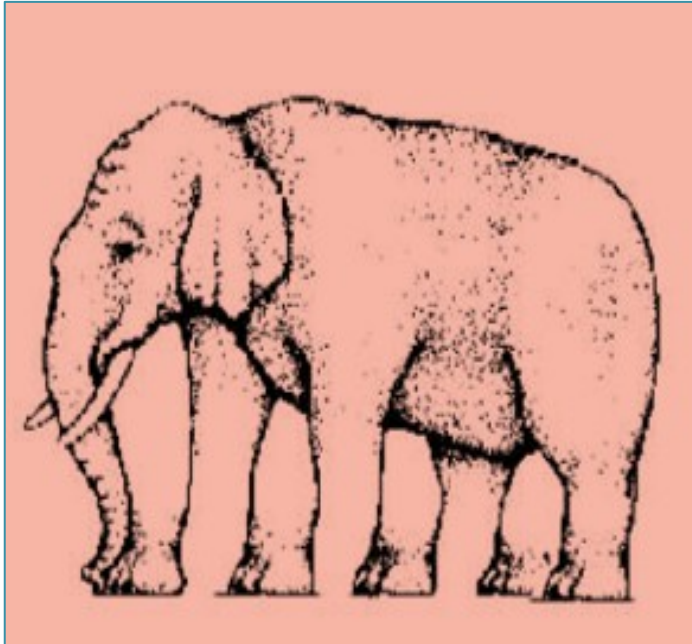
Ten or seven prisms?



Are the purple lines parallels?

# RECOGNISING ETHICAL PROBLEMS IS NOT EASY 2

4 or 5 legged elephant?



Where is up or down?



Is the middle rod existing?



# DEFINING FRAUD

- **Forgery:** the making, altering, use, or possession of a false document knowing it to be false with intent that it should be used or acted on as genuine to the prejudice of another, in order to commit a fraud



- **Felony** in some common law countries, means a serious crime; it is generally considered a crime of *high seriousness*
- **False personation** is the crime of falsely assuming the personal identity of another person to gain a benefit or to cause harm to the public or the other person
- **Conspiracy** is an agreement between people to deceive, mislead, or defraud others of their legal rights or to gain an unfair advantage



## EXAMPLE 6.

### Forgery

- For almost twenty years, Jimmy Jen, a non-licensed civil engineer falsified documents - forged the signature and engineering stamp of two licensed civil engineers on hundreds of documents. The conduct first came to light when a land surveyor noted some anomalies and then tried to contact the purported civil engineer. At the end of an extensive investigation, leading to the arrest of Jimmy Jen and his associate in 2010, this massive fraud case was brought to light and gone to trial.
- The forged documents the defendants are accused of filing affected projects including an expansion of a ground-floor unit in the Mission, replacement of a foundation in Presidio Heights; building plans that include the remodel of a 3-unit building in the Heights and the complete redevelopment of the Alexandria Theatre in the Richmond District.
- In 2013 Jen was held on 232 felony counts, including 143 separate counts of forgery. He was also held on 84 counts of submitting false documents to a government office, two counts of false personation, two counts of identity theft, and one count of conspiracy.
- Source: <http://sfdistrictattorney.org/unlicensed-civil-engineer-held-answer-232-felony-counts-massive-fraud-case>

# TRANSPARENCY INTERNATIONAL



- *Transparency International* (TI) is a global civil movement with one vision: a world in which government, business, civil society and the daily lives of people are free of corruption
- Based on expert opinion, the Corruption Perceptions Index (CPI) published yearly by TI measures the perceived levels of *public sector corruption* worldwide

Not one of the 180 countries assessed in the 2019 index gets a perfect score and two-thirds score below **50/100**, on a scale from 0 (highly corrupt) to 100 (very clean); the average score is **40/100**

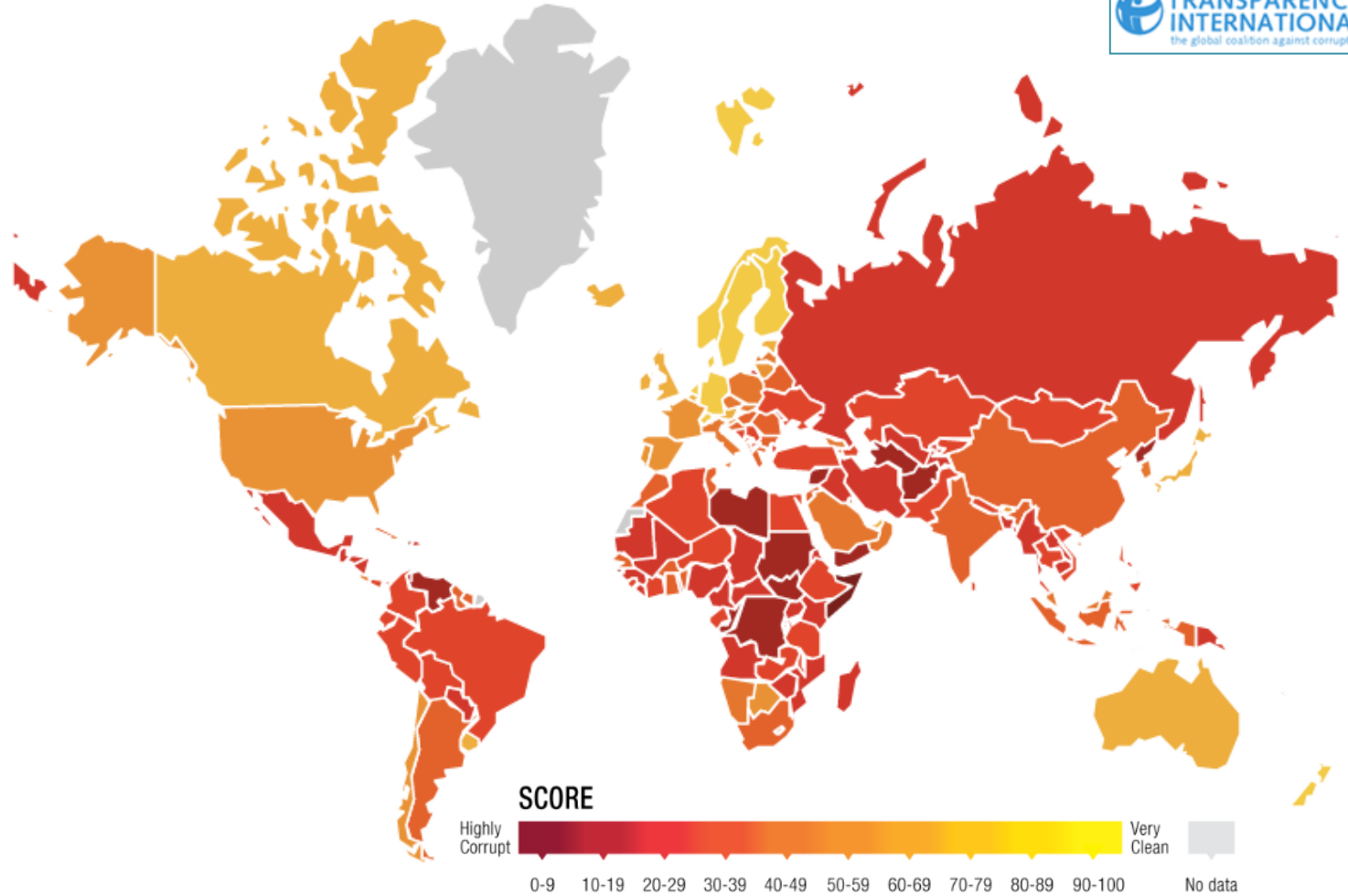
- Nearly 70% of countries worldwide have a serious corruption problem



# CPI IN 2019 AROUND THE WORLD



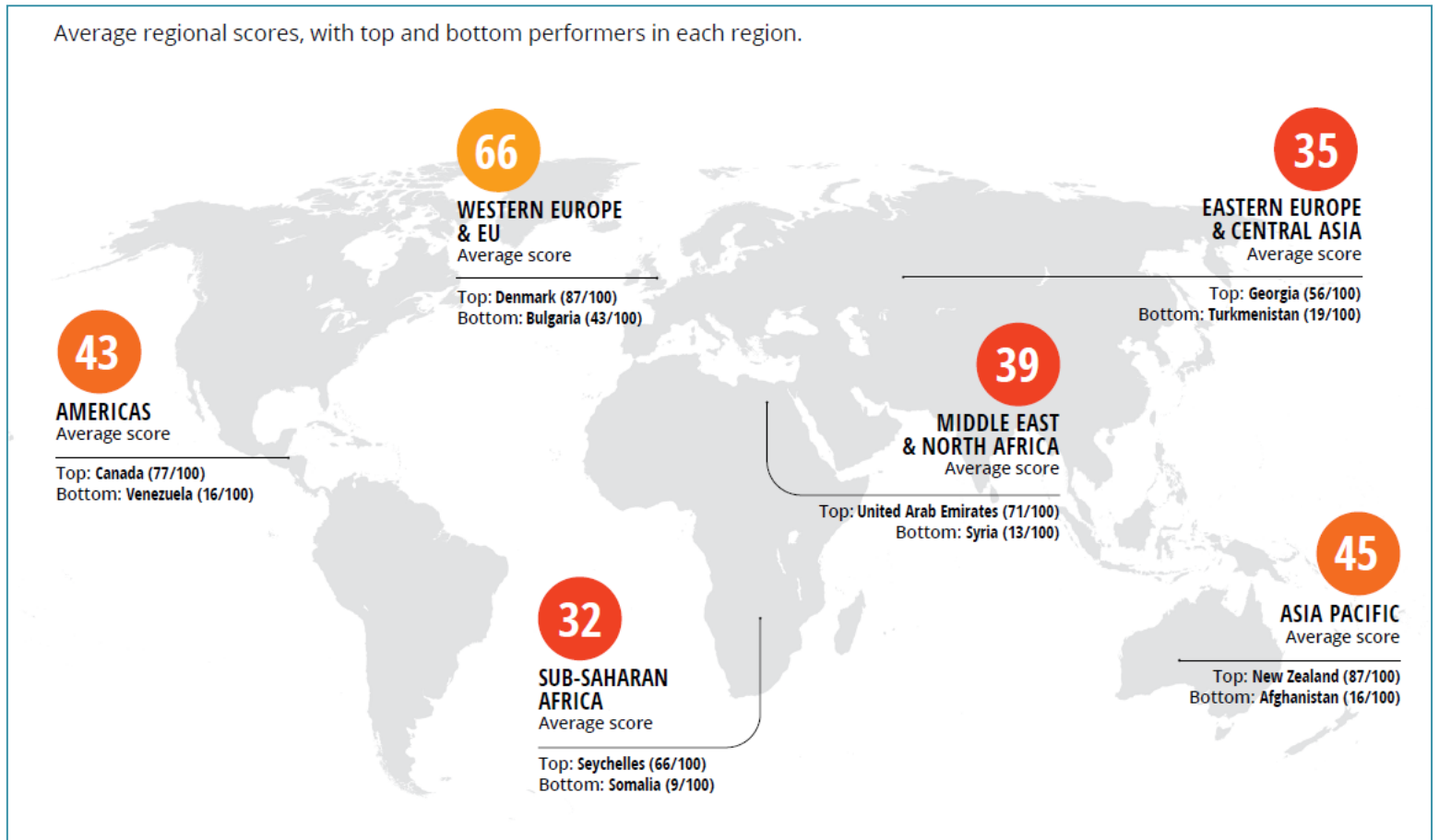
 **TRANSPARENCY  
INTERNATIONAL**  
the global coalition against corruption



# THE GLOBAL PICTURE 2017



Average regional scores, with top and bottom performers in each region.





# COUNTRY SCORES

## 2019

1



SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK
87	Denmark	1	69	France	23	56	Czech Republic	44
87	New Zealand	1	69	United States of America	23	56	Georgia	44
86	Finland	3	68	Bhutan	25	56	Latvia	44
85	Singapore	4	67	Chile	26	55	Dominica	48
85	Sweden	4	66	Seychelles	27	55	Saint Lucia	48
85	Switzerland	4	65	Taiwan	28	54	Malta	50
84	Norway	7	64	Bahamas	29	53	Grenada	51
82	Netherlands	8	62	Barbados	30	53	Italy	51
80	Germany	9	62	Portugal	30	53	Malaysia	51
80	Luxembourg	9	62	Qatar	30	53	Rwanda	51
78	Iceland	11	62	Spain	30	53	Saudi Arabia	51
77	Australia	12	61	Botswana	34	52	Mauritius	56
77	Austria	12	60	Brunei Darussalam	35	52	Namibia	56
77	Canada	12	60	Israel	35	52	Oman	56
77	United Kingdom	12	60	Lithuania	35	50	Slovakia	59
76	Hong Kong	16	60	Slovenia	35	48	Cuba	60
75	Belgium	17	60	Korea, South	39	48	Greece	60
74	Estonia	18	59	Saint Vincent and the Grenadines	39	48	Jordan	60
74	Ireland	18	58	Cabo Verde	41	47	Croatia	63
73	Japan	20	58	Cyprus	41	46	Sao Tome and Principe	64
71	United Arab Emirates	21	58	Poland	41	46	Vanuatu	64
71	Uruguay	21	56	Costa Rica	44	45	Argentina	66
						45	Belarus	66
						45	Montenegro	66
						45	Senegal	66
						44	Hungary	70
						44	Romania	70
						44	South Africa	70
						44	Suriname	70
						43	Bulgaria	74
						43	Jamaica	74
						43	Tunisia	74
						42	Armenia	77
						42	Bahrain	77
						42	Solomon Islands	77
						41	Benin	80
						41	China	80
						41	Ghana	80
						41	India	80
						41	Morocco	80
						40	Burkina Faso	85
						40	Guyana	85
						40	Indonesia	85
						40	Kuwait	85
						40	Lesotho	85
						40	Trinidad and Tobago	85

# COUNTRY SCORES

## 2019

2



39	Serbia	91	34	Kazakhstan	113	28	Dominican Republic	137	24	Zimbabwe	158
39	Turkey	91	34	Nepal	113	28	Kenya	137	23	Eritrea	160
38	Ecuador	93	34	Philippines	113	28	Lebanon	137	22	Nicaragua	161
38	Sri Lanka	93	34	Eswatini	113	28	Liberia	137	20	Cambodia	162
38	Timor-Leste	93	34	Zambia	113	28	Mauritania	137	20	Chad	162
37	Colombia	96	33	Sierra Leone	119	28	Papua New Guinea	137	20	Iraq	162
37	Ethiopia	96	32	Moldova	120	28	Paraguay	137	19	Burundi	165
37	Gambia	96	32	Niger	120	28	Russia	137	19	Congo	165
37	Tanzania	96	32	Pakistan	120	28	Uganda	137	19	Turkmenistan	165
37	Vietnam	96	31	Bolivia	123	28	Angola	146	18	Democratic Republic of the Congo	168
36	Bosnia and Herzegovina	101	31	Gabon	123	26	Bangladesh	146	18	Guinea Bissau	168
36	Kosovo	101	31	Malawi	123	26	Guatemala	146	18	Haiti	168
36	Panama	101	30	Azerbaijan	126	26	Honduras	146	18	Libya	168
36	Peru	101	30	Djibouti	126	26	Iran	146	17	Korea, North	172
36	Thailand	101	30	Kyrgyzstan	126	26	Mozambique	146	16	Afghanistan	173
35	Albania	106	30	Ukraine	126	26	Nigeria	146	16	Equatorial Guinea	173
35	Algeria	106	29	Guinea	130	25	Cameroon	153	16	Sudan	173
35	Brazil	106	29	Laos	130	25	Central African Republic	153	16	Venezuela	173
35	Cote d'Ivoire	106	29	Maldives	130	25	Comoros	153	15	Yemen	177
35	Egypt	106	29	Mali	130	25	Tajikistan	153	13	Syria	178
35	North Macedonia	106	29	Mexico	130	25	Uzbekistan	153	12	South Sudan	179
35	Mongolia	106	29	Myanmar	130	24	Madagascar	158	9	Somalia	180
34	El Salvador	113	29	Togo	130						

# RECOMMENDATIONS

1



- **Governments should reduce the risk of undue influence in policy-making by tightening controls over financial and other interests of government officials**
- **In order to prevent excessive money and influence in politics, governments should improve & properly enforce campaign finance regulations**
- **For democracy to be effective against corruption, governments must ensure that elections are free and fair**
- **Governments must promote the separation of powers, strengthen judicial independence and preserve checks and balances**

# RECOMMENDATIONS

2



- **Governments should promote open and meaningful access to decision-making and consult a wider range of groups, beyond well-resourced lobbyists and a few private interests**
- **Governments should create mechanisms to ensure that service delivery and public resource allocation are not driven by personal connections or are biased towards special interest groups at the expense of the overall public good**
- **Governments should protect civil liberties and political rights, including freedom of speech, expression and association**

# FIGHTING CORRUPTION

- The material and human costs of corruption are huge, yet all too often leaders with notoriously corrupt records continue to enjoy lives of *luxury* at the expense of people living in grinding *poverty*
- Corruption will stop only when we *collectively fight against it* - it is crucial that we change the common mentality of accepting corruption and treat this *crime* as the terrible thing that it is
- Successful anti-corruption work needs to focus on *people* and *systems* - one has to work to build attitudes, consciousness and knowledge amongst people, while simultaneously making sure to establish *transparent systems* and routines that minimises the risk and possibility of corruption.



# FOOD FOR THOUGHT

1

- According to new research most people *trust the absolutists* (those whose moral principles are black and white) *more than the ponderers*
- Our goal is to do the right thing, to make the choice that is judged as the best one from some kind of *impartial viewpoint*
- But what if this is profoundly misguided? What if morality is in fact nothing more than a *system for managing social interaction*, a way of promoting harmony and keeping us from each other's throats?



# FOOD FOR THOUGHT

2

- „What people call impartiality may simply mean **indifference**, and what people call partiality may simply mean mental activity.”
- Impartiality is a pompous name for indifference, which is an elegant name for **ignorance**.”

*Gilbert K. Chesterton, famous English writer (1874-1936)*



Humanity	Neutrality	Impartiality	Operational independence
Human suffering must be addressed wherever it is found. The purpose of humanitarian action is to protect life and health and ensure respect for human beings.	Humanitarian actors must not take sides in hostilities or engage in controversies of a political, racial, religious or ideological nature.	Humanitarian action must be carried out on the basis of need alone, giving priority to the most urgent cases of distress and making no distinctions on the basis of nationality, race, gender, religious belief, class or political opinions.	Humanitarian action must be autonomous from the political, economic, military or other objectives that any actor may hold with regard to areas where humanitarian action is being implemented.

# THE BEAST (WITHOUT BEAUTY)

