

# Regional Bribery and Corruption Trends Report:

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## PART I - ASIA PACIFIC 2025



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## About PSA

PSA is a global specialist risk consultancy, delivering critical information to our clients through our three core service lines: **Due Diligence**, **Investigations**, and **Advisory**. We operate where our clients do business, with regional offices staffed by investigators and responders who have extensive in-region experience gained from professional backgrounds in corporate investigations, government intelligence and law enforcement. PSA is committed to the idea that everything we do is driven by value-added human analysis. We put findings in context and deliver insight, not just information. With offices located throughout the globe, PSA's team is positioned to provide insight and analysis on subjects anywhere in the world.



In 2024, PSA has engaged in investigative and due diligence activities in more than 161 countries on six continents.

### COUNTRIES PSA HAS OPERATED IN:

-  Projects completed in the last 5 years.
-  Projects completed in the last 2 years.



For research in comprehensively sanctioned countries, PSA's work is appropriately restricted to media and dataset reviews.



## About This White Paper

For multinational corporations (MNCs), anti-bribery and anti-corruption (ABAC) programs must be adapted to the different countries in which they operate. A “one-size-fits-all” approach to ABAC compliance, which fails to account for different risk environments, can in turn overlook unique bribery risks in foreign jurisdictions. At a minimum, these blind spots put MNCs at a disadvantage when dealing with overseas subsidiaries, suppliers, and distributors, however they can also lead to significant civil penalties and criminal liability. Grasping corruption dynamics across jurisdictions is a complex task—one that requires a working knowledge of different countries’ political, economic, and legal and regulatory systems. PSA has accordingly produced the following three-part white paper series,

which delves into regional bribery and corruption trends across key jurisdictions in Asia Pacific (APAC), Latin America (LatAm), and Africa. Each installation provides an overview of key ABAC legislation in the covered jurisdictions, while also highlighting the countries’ unique corruption dynamics and recent corruption cases. The sections conclude with case studies drawn from PSA’s extensive experience conducting investigative due diligence in these countries.

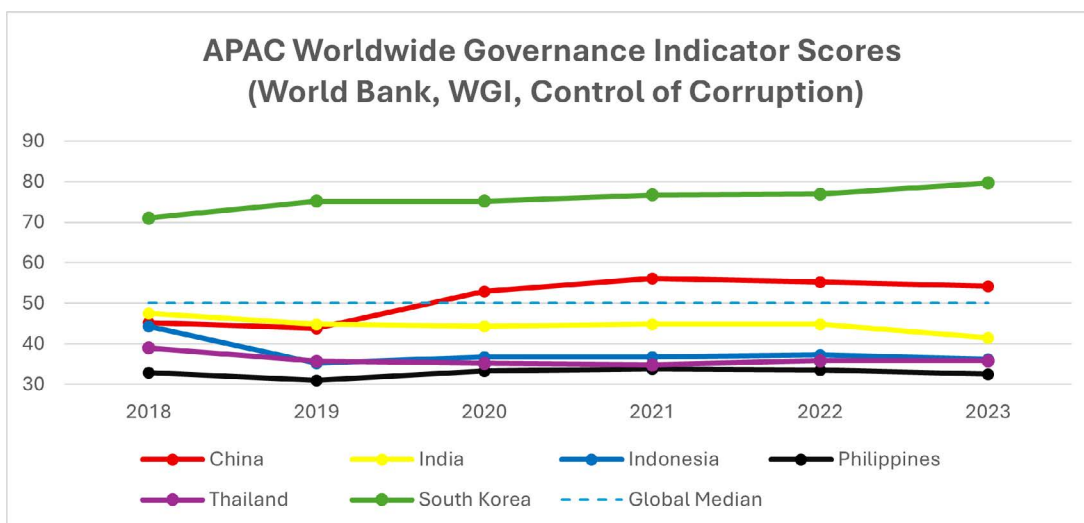
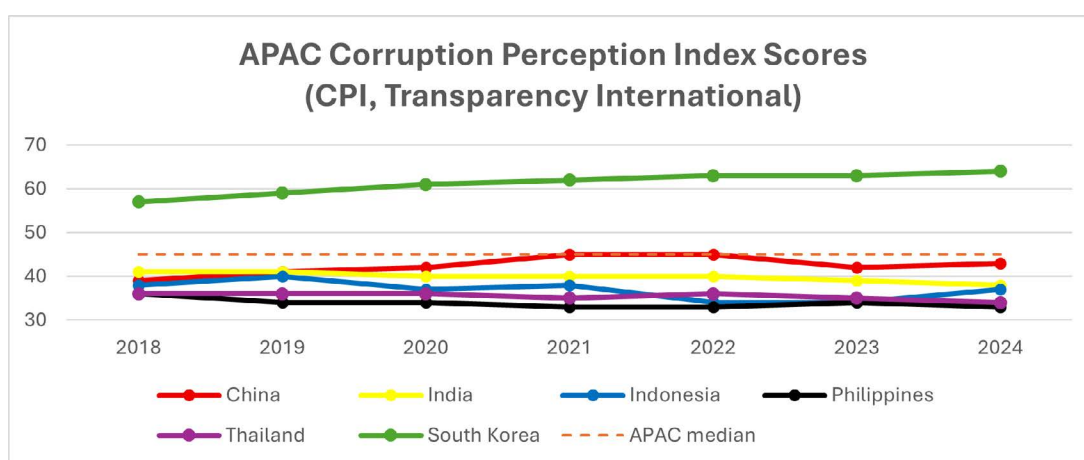
*“At a minimum, these blind spots put MNCs at a disadvantage when dealing with overseas subsidiaries, suppliers, and distributors, however they can also lead to significant civil penalties and criminal liability.”*



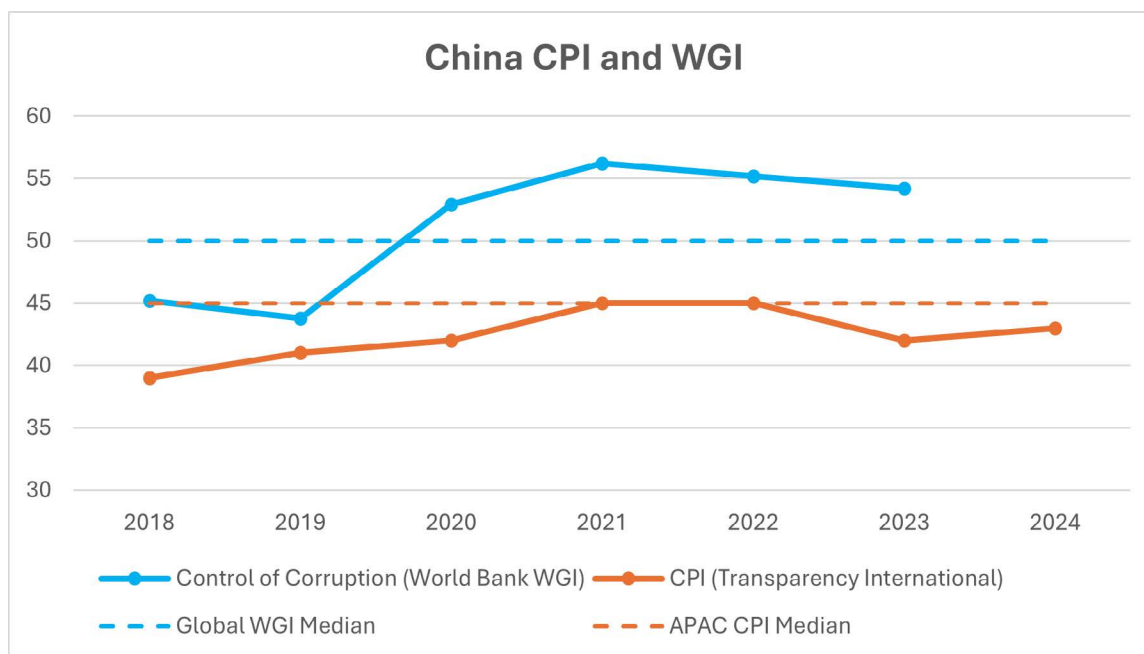
## ASIA PACIFIC REGIONAL OVERVIEW

Corruptions Perceptions Index (CPI) scores in the APAC region have remained largely consistent over the past six years. During this time, PSA has completed roughly 8,000 due diligence projects in the region for our clients with key jurisdictions including in China, India, Indonesia, the Philippines, Thailand, and South Korea.

Among these jurisdictions, South Korea stands out as a notable exception, consistently scoring above the APAC CPI median, while the other countries fall below it. This trend aligns with the World Bank's Worldwide Governance Indicators (WGI) for Control of Corruption, which also places China slightly above the global median, although scores for the other jurisdictions remain stagnant or on declining trajectories below the median. Following a regional overview of jurisdictional trends, we will unpack each jurisdiction's specific legislation and the impacts to local corruption trends.



## COUNTRY SPECIFIC OVERVIEWS | CHINA



China's Transparency International Corruption Perceptions Index (CPI) and World Bank Control of Corruption (WGI) scores have generally exhibited upward trends since 2018. China's CPI score briefly reached the regional median of 45 in 2021, but decreased between 2022-3 before rising again to 43 in 2024. China's WGI score improved significantly between 2019-21, crossing the global median between 2019-20 and peaking at around 56 in 2021, before slightly declining to 54 in 2023. These trends reflect both notable progress in China's efforts to tackle domestic corruption, as well as the ongoing challenges of combating bribery. China's key anti-bribery laws,

*“Penalties include fines, imprisonment, property confiscation, and the death penalty for public officials in serious cases.”*

the Criminal Law and Anti-Unfair Competition Law (AUCL), prohibit bribery in both the public and private sectors, with no exemptions for facilitation payments. Bribery legislation applies broadly to public officials, state-owned enterprise employees, foreign officials, intermediaries, and associates of officials, and also has an extra-territorial scope. Penalties include fines, imprisonment, property confiscation, and the death penalty for public officials in serious cases. Companies face criminal liability and business license revocation, and are automatically held liable for employee bribery under the AUCL unless proven otherwise. On December 29, 2023, the National People's Congress amended the Criminal Law to increase penalties for bribe givers and expand criminal liability for private sector corruption. These amendments, which took effect on March 1, 2024, impose harsher fines, longer sentences, and stricter corporate accountability.

China's improving ABAC metrics have occurred against the backdrop of a more than decade-long anti-corruption drive carried out by the Communist Party of China (CPC), which has identified corruption as a key obstacle to economic development and social stability. As a result, corruption investigations and enforcement, particularly for government officials and state-owned enterprise employees, are often first carried out by CPC disciplinary bodies, which then transfer the cases to the judicial system for prosecution. While China's anti-corruption efforts have led to headline-grabbing enforcement statistics, challenges remain. Much of China's anti-corruption activity is not publicly disclosed and relevant litigation records are often inaccessible, making it difficult to assess the scale of enforcement. Additionally, the rapid growth of emerging technologies such as cryptocurrency and blockchain, alongside rising incidents of internet fraud, identity theft, and cross-border financial crime networks in Southeast Asia, have created new avenues for illicit transactions and enforcement evasion.

## **Notable Recent Bribery and Corruption Cases**

### **1. Ongoing Anti-Corruption Crackdown in China's Healthcare Industry**

In 2024, Chinese anti-corruption authorities reported that 52,000 medical corruption cases were filed nationwide, with 40,000 individuals punished and 2,634 referred for prosecution. Among those involved, over 350 prominent figures from China's healthcare industry were identified, with more than a third being mid-level officials, 30 holding bureau-level positions, and 180 serving as hospital directors or CPC secretaries.

### **2. China's First Cryptocurrency Corruption Case**

In November 2024, Yao Qian, a former head of digital currency research at the People's Bank of China (PBoC), was accused of accepting bribes, including through cryptocurrencies. Authorities disclosed that Yao had abused his senior position at PBoC to support specific technology service providers in exchange for personal benefits, including large sums of money, while using virtual currencies to facilitate these illicit exchanges.

### **3. Death Sentence Issued to Former Official in Landmark Corruption Case**

Li Jianping, a former official in Inner Mongolia Autonomous Region, was executed in 2024 for embezzling RMB 3 billion (USD 421 million) – reportedly the largest individual bribery case in modern Chinese history. The Higher People's Court of Inner Mongolia found Li guilty of corruption, organized crime, bribery, and embezzlement. Li leveraged his mid-level position to evade detection by authorities, amassing unprecedented levels of personal wealth.



## CONCLUSION

China's evolving anti-bribery legislation, coupled with the CPC's ongoing anti-corruption drive, have reshaped the country's ABAC compliance landscape in recent years. While these efforts have boosted public trust and helped to promote a more equitable business environment, they have also raised the stakes for MNCs doing business in this jurisdiction. MNCs in China must implement robust anti-bribery programs to ensure compliance, particularly in industries subject to high regulatory scrutiny, such as digital finance, healthcare, and sectors involving public procurement. At the same time, China-focused compliance programs must also be sensitive to emerging areas of risk, such as the rapid development of fintech and cross-border criminal networks in Southeast Asia, which pose dynamic challenges for Chinese regulators and MNCs alike. Regular audits, employee training, and counterparty due diligence, tailored to China's unique risk environment, are essential for MNCs doing business in this jurisdiction.

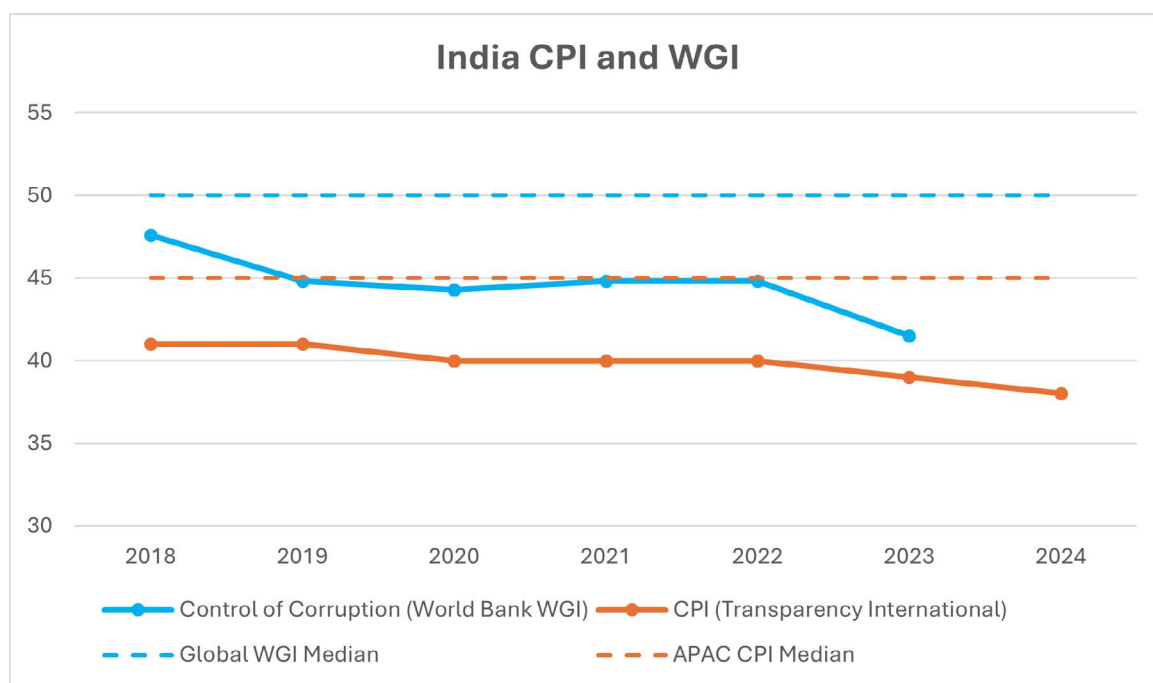
### PSA Case Study:

#### Investigation of Bribery Allegations in the Electronics Distribution Industry in Shanghai

PSA was engaged to investigate whistleblower allegations of bribery within the Chinese - domestic distribution chain of a global electronics manufacturer. Research and stakeholder interviews identified a multi-year history of illicit behavior concealed due to lack of internal compliance controls. PSA presented our findings to the client for their further internal action.



## COUNTRY SPECIFIC OVERVIEWS | INDIA



India's CPI and WGI scores have experienced gradual decline over the past several years. Its CPI score fell from 41 in 2019 to 38 in 2024, several points below the APAC median. Similarly, India's WGI score, which was approaching the global median in 2018, has fallen to 41.5 as of 2023. These diminishing scores reflect growing concerns over the curtailment of Indian civic space and the prevalence of bribery in business transactions, in addition to high profile corruption scandals involving business elites.

Indian ABAC legislation has undergone a series of reforms in recent years, seeking to rationalize enforcement and expand the scope of prohibited offenses. The Prevention of Corruption Act (PCA) is India's primary anti-corruption law, while the Indian Penal Code, Companies Act, Lokpal and Lokayuktas Act, and Central Vigilance Commission Act also

contain important provisions related to bribery. The PCA criminalizes bribery under the concept of "undue advantage", which includes any monetary and non-monetary benefits given to public servants beyond their legal remuneration. While private-sector bribery is not explicitly prohibited, it may fall under corporate fraud or general criminal laws. Hospitality and gifts can qualify as bribes based on intent, while facilitation payments are expressly banned. The law has extra-territorial reach for Indian citizens, but does not directly apply to foreign officials.

*"While private-sector bribery is not explicitly prohibited, it may fall under corporate fraud or general criminal laws."*

Despite the strengthening of Indian ABAC legislation, corruption remains a widespread phenomenon in the country. According to one survey from 2024, nearly two-thirds of Indian companies interviewed admitted to paying bribes, which is seen as necessary to facilitate licensing and other administrative matters. This type of corruption traces its origins to the “License Raj”, a highly regulated bureaucratic system that incentivized bribery by requiring businesses to obtain numerous permits to operate, and whose influence remains deeply embedded in modern business transactions. Moreover, while India is enhancing its ABAC laws, it has also taken a series of legislative measures that limit governing transparency, such as 2016 revisions to the Lokpal and Lokayuktas Act, which excluded public servants’ spouses and dependents from asset disclosure requirements. Revisions to the Foreign Contribution Regulation Act (FCRA) in 2020 have likewise been criticized as a mechanism for limiting the funding of NGOs, which have been increasingly targeted under the administration of Prime Minister Narendra Modi. The curtailment of civic society has in turn limited the space for public oversight of government, weakening anti-corruption efforts.

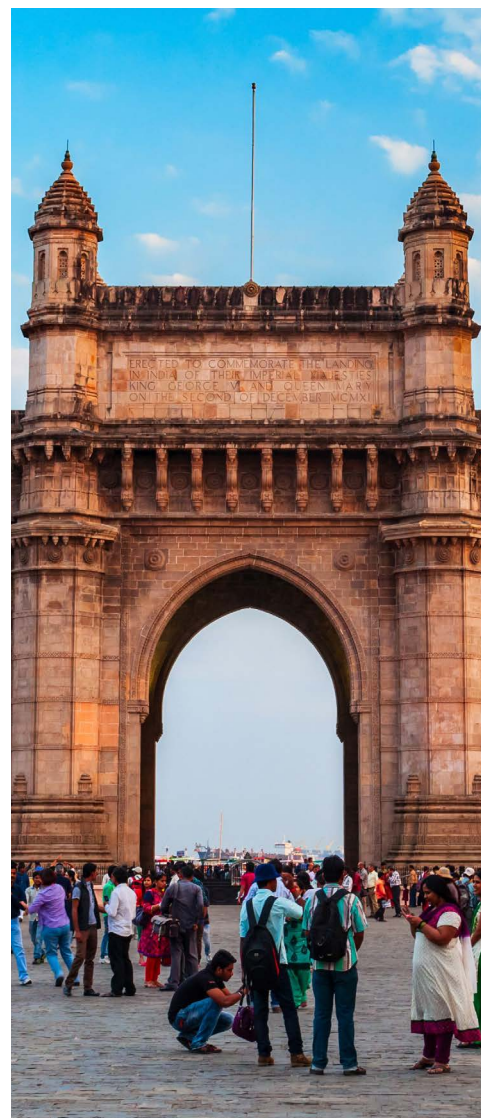
## Notable Recent Bribery and Corruption Cases

### 1. Bribery Charges against Adani Group in the US

In November 2024, US prosecutors filed charges against Adani Group executives, including chairman Gautam Adani, for allegedly agreeing to pay USD 250 million in bribes to Indian government officials between 2020 and 2024 in exchange for solar energy supply contracts. The Adani Group has denied the charges. While the Adani executives have not been charged under the Foreign Corrupt Practices Acts (FCPA), other involved parties are alleged to have violated the FCPA, and it is unclear how the Trump Administration’s shifting FCPA enforcement priorities will affect the case.

### 2. Chanda Kochhar Loan Fraud Case

Chanda Kochhar, former CEO of ICICI Bank, has been accused of corruption in connection with a USD 380 million loan fraud scam involving Videocon, an Indian conglomerate. Kochhar allegedly received kickbacks from Videocon, including investments in companies affiliated to Kochhar’s husband and a Mumbai apartment, during a period when ICICI sanctioned substantial financial loans to Videocon, many of which later became non-performing assets and caused losses to the bank. In July 2025, an Indian appellate tribunal found Kochhar guilty of accepting a bribe in exchange for sanctioning a loan to Videocon.





## CONCLUSION

India's anti-corruption efforts continue to face headwinds despite ongoing legal reforms – reflected in the country's declining CPI and WGI scores. Although India has made notable progress in modernizing its ABAC laws and regulations, bribery remains a widespread practice, accepted by many as a necessary cost of doing business. This is in part a legacy of the country's bureaucratic institutions, but has also been exacerbated by recent government measures that both decrease transparency and limit civic oversight. High-profile corruption scandals further erode public confidence in governing institutions, calling into question the state's ability to impose accountability on business elites. To navigate India's complex risk environment, it is essential for MNCs to implement robust anti-bribery compliance programs – focusing on employee training to deter facilitation payments and promote overall compliance awareness. Due diligence is also a must, particularly for counterparties engaged in sectors with a high degree of interaction with public officials. By adopting adequate compliance controls, MNCs can effectively manage risks in their India operations.

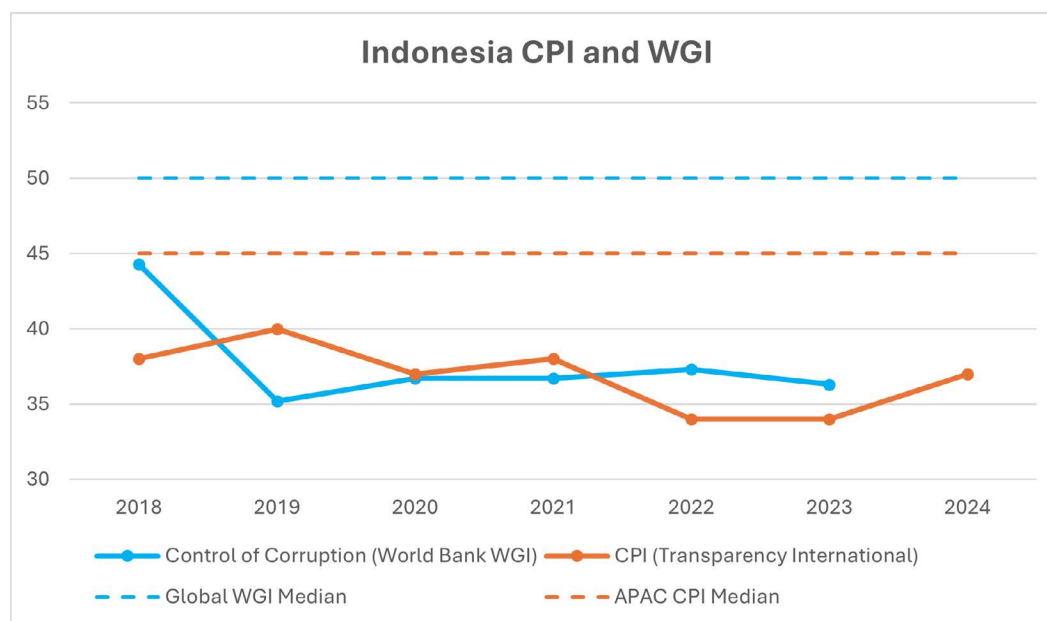
### PSA Case Study:

#### Enhanced Due Diligence and Source Commentary on an Indian Construction Company

PSA was tasked to assess the reputation and business practices of an Indian construction company. PSA's research identified the company's involvement in bribery, anti-competitive practices, and corruption. PSA found that the company had provided commissions to liaison agents, buyers, and other parties to win tenders. The company also appeared to gain business contracts through high-level official and military contacts, who provided insider information and competitive pricing. The company made payments to inspection officers and pollution control board members to ensure smooth operations. PSA's sources further highlighted the company's disorganized internal governance, which led to limited oversight and contributed to the illegal activity carried out by employees.



## COUNTRY SPECIFIC OVERVIEWS | INDONESIA



Indonesia's CPI and WGI scores have remained below regional and global medians over the past several years. Its CPI score increased to a high of 40 between 2018-19, but subsequently fell to 34 in 2022, following which it recovered modestly to 37 as of 2024. Indonesia's WGI score reached a high point of around 45 in 2018, dropped by nearly 10 points between 2018-19, and hovered slightly above 36 as of 2023. These scores reflect recent legislative changes that have weakened the country's anti-corruption agency, as well as persistent corruption within Indonesia's energy and extractive industries.

Indonesia's Criminal Code is an umbrella law for criminal acts, while its key ABAC statutes are the Corruption Law (Law No. 31 of 1999 on the Eradication of Criminal Acts of Corruption as amended by Law No. 20 of 2001) and Bribery Law (Law No. 11 of 1980 on Bribery).

These laws primarily target public sector corruption and lack clear provisions on private sector bribery, though language in the Bribery Law could be interpreted to cover the private sector. Bribery has multiple definitions under Indonesian law, but is generally characterized as gifting or promising something to an official to induce them to do something in violation of their duties. Gifts and hospitality received by officials may be considered bribes if they are unreported and found to involve a quid pro quo arrangement. Indonesian ABAC laws are extraterritorial in scope, but do not establish specific provisions for bribing foreign public officials.

*“These laws primarily target public sector corruption and lack clear provisions on private sector bribery though language in the Bribery Law could be interpreted to cover the private sector.”*

Corruption in Indonesia traces its roots to the three-decade presidency of Suharto, who cultivated extensive patronage networks to consolidate regime security. Following Suharto's ouster from power in the late 90s, Indonesia established the Komisi Pemberantasan Korupsi (KPK) in 2002 as an independent commission focused on combatting corruption. The KPK was initially granted broad autonomy to investigate and prosecute corruption, earning a reputation for integrity and becoming one of Indonesia's most trusted institutions. However, KPK's independence has been eroded in recent years, raising concerns about the future of Indonesia's anti-corruption efforts and democratic backsliding more broadly. Legislative amendments in 2019 weakened the KPK and exposed it to political influence, notably by introducing a government-appointed supervisory body and reclassifying KPK employees as public servants. These measures were spearheaded by segments of Indonesian elites, many of whom have deep ties to the former Suharto regime, who were dissatisfied with the KPK's autonomy and willingness to target senior political officials. Indonesia's elite networks have been further strengthened in recent years by the country's booming extractive industries, which allow well-connected businesspeople and politicians to profit from the sale of natural resources.

## **Notable Recent Bribery and Corruption Cases**

### **1. Palm Oil Tycoon Sentenced to 15 years for Corruption**

In 2023, Indonesian palm oil tycoon Surya Darmadi was sentenced to prison for corruption and money laundering, and was also ordered to pay nearly USD 3 billion in restitution. Darmadi was found guilty of bribing officials to illegally convert protected forests into oil palm estates through an affiliated company. Investigators revealed that the company earned approximately USD 40 million per month through these operations.

### **2. Local Official Prosecuted for Corruption**

In 2018, local official Rita Widyasari was sentenced to prison for accepting IDR 116 billion (USD 7.1 million) in illicit payments, comprising gratuities related to projects in Kutai Kartanegara Regency, as well as bribes for granting palm oil plantation permits. Dubbed the "Queen of Coal" for the number of mining permits she issued during her tenure, Widyasari's personal assets grew almost tenfold several years after entering office. Authorities have subsequently seized additional assets belonging to Widyasari, with investigations ongoing as of January 2025.



### 3. The e-KTP Corruption Scandal

In 2018, Setya Novanto, former Speaker of Indonesia's House of Representatives, was sentenced to prison, fined IDR 500 million (USD 30,000), and ordered to repay USD 7.3 million for playing the key role in embezzling nearly USD 250 million from the e-KTP electronic identity card procurement project. The e-KTP case, which implicated other senior politicians and business figures, remains ongoing, with key suspect Paulus Tannos arrested in Singapore in January 2025 after two years on the run.

## CONCLUSION

Indonesia's battle with entrenched corruption remains ongoing, as evidenced by its consistently low CPI and WGI scores that fall below regional and global medians. The politicization of KPK in recent years has eroded its efficacy as an anti-corruption agency, coinciding with broader concerns over democratic backsliding in the country. The growth of Indonesia's extractive industries has simultaneously opened new vectors for exploitation, with bribery and facilitation payments allowing corrupt actors to profit from the sale of natural resources. These trends have converged in a series of high-profile corruption cases in the extractive industry, while the e-KTP scandal underscores the scale and complexity of procurement corruption in Indonesia. Despite the significant opportunities present in this fast-growing jurisdiction, multinational corporations must implement robust compliance controls to navigate corruption and bribery risks – with a particular focus on ownership and supply chain mapping.



## PSA Case Study:

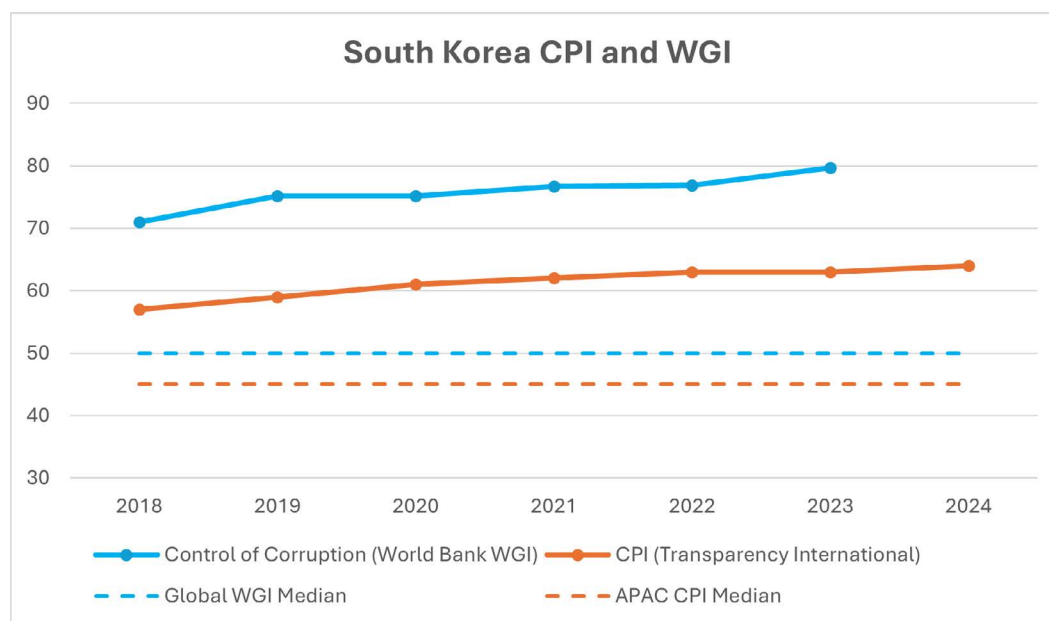
### 1. Enhanced Due Diligence on an Indonesia-Based Power Company

PSA was tasked with researching an Indonesian power company, during which it identified multiple issues related to corruption, political exposure, and financial instability. The company's leadership was found to include individuals with prior government ties, while media reports linked its former executives to high-profile bribery cases, including one involving a multi-million-dollar power plant project. PSA's research further identified significant operational issues, as well as the company's involvement in hundreds of legal disputes, most notably a multi-billion-dollar lawsuit related to a major blackout.

### 2. Investigation and Litigation Support

PSA responded to allegations of undisclosed beneficial ownership, collusion, and corrupt practices among a client's key national distributors. Working from Jakarta, Indonesia and integrated with local teams, PSA was able to identify the UBOs and confirm multiple allegations before obtaining witness statements and admissible supporting documentation.

## COUNTRY SPECIFIC OVERVIEWS | SOUTH KOREA



South Korea stands out as the best performer among the countries covered in this white paper. Its CPI and WGI scores exceed regional and global medians, and are both exhibiting upward growth. South Korea's CPI Score increased from 57 in 2018 to 64 in 2024, while its WGI score rose from 71 in 2018 to 79.7 in 2023, positioning South Korea among the top-ranked countries in Asia. However, despite strong legal and regulatory mechanisms, corruption remains a persistent issue — particularly involving the country's family-owned conglomerates.

South Korea has robust legal and regulatory mechanisms for ABAC enforcement. The Criminal Code and Foreign Bribery Prevention Act (FBPA) prohibit domestic and foreign bribery, with penalties including imprisonment and fines. While no minimum bribery threshold exists, gifts exceeding KRW 30,000

(approximately USD 30) may face scrutiny. Other laws contain relevant provisions, such as the Criminal Proceeds Act, an anti-money laundering statute, and the Financial Transaction Reporting Act, which oblige financial institutions to adopt strict compliance standards. Other key legislation includes the Improper Solicitation and Graft Act (Kim Young-ran Act), which imposes strict limitations on gifts and hospitality for public officials, the Act on the Aggravated Punishment of Specific Crimes, which applies heavy penalties for major bribery cases, and the Public Service Ethics Act, which requires public officials to disclose assets.

Despite having a well-established ABAC legal framework and strong CPI and WGI scores, corruption is still present within South Korea, and often involves chaebols – family-owned conglomerates that dominate the South Korean economy. Chaebols' origins can be traced to the 1960s, when the South Korean government fostered economic



growth by granting privileges such as cheap credit and market monopolies to select capitalists. This system drove South Korea's industrial expansion, giving rise to companies such as Samsung, LG, and Hyundai – while at the same time cultivating close links between business and government that fuel corruption. Chaebols continue to exercise considerable influence within South Korea today and are frequently implicated in corruption and bribery scandals that extend to the highest levels of government. This was exemplified by the corruption scandal involving former president Park Geun-hye, who was sentenced to prison in 2018 for accepting KRW 43 billion (USD 31.3 million) in bribes from chaebol leaders in the form of donations to foundations controlled by

her close associate. Other former South Korean presidents have likewise been implicated in corruption. This includes Lee Myung-bak, who was pardoned for corruption in 2022 after accepting bribes, Moon Jae-in, who has been indicted for receiving bribes from a Korean airline, and Yoon Suk Yeol, whose wife has been investigated for receiving gifts in violation of ABAC laws.

*“Chaebols continue to exercise considerable influence within South Korea today and are frequently implicated in corruption and bribery scandals that extend to the highest levels of government.”*

## Notable Recent Bribery and Corruption Cases

### 1.FCPA Charges Against KT Corporation

In 2022, KT Corporation, one of South Korea's largest telecommunications companies, agreed to pay USD 6.3 million to resolve charges that it violated the FCPA by providing improper payments to government officials in Korea and Vietnam. KT employees, including high-level executives, were able to generate slush funds that were used for gifts and illegal political contributions to government officials in Korea. In Vietnam, KT Corporation made payments to third parties associated with government officials in connection with securing contracts for projects.



## 2. Samsung Heir Bribery Conviction and Pardon

In 2022, Lee Jae-Yong, the executive chairman of Samsung, received a presidential pardon after being sentenced to prison for his involvement in the Park Geun-hye bribery scandal. Lee paid USD 8 million in bribes to Park and her associate to secure support for a merger that would strengthen Lee's control over Samsung. The South Korean government justified clemency on the grounds that Lee's leadership was needed at Samsung to help drive the country's post-Covid economic recovery.

## CONCLUSION

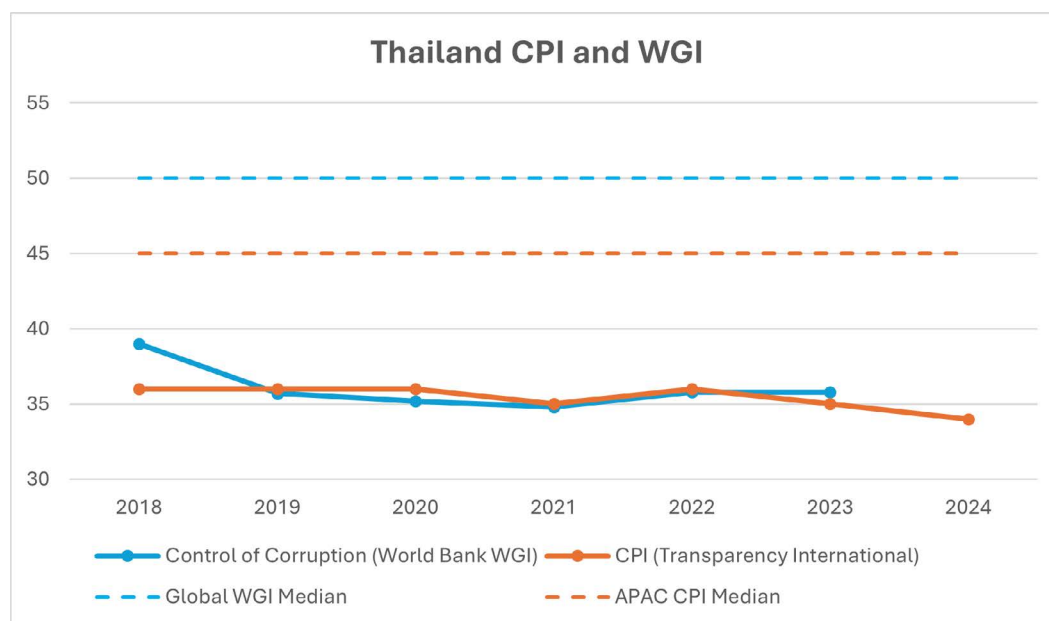
With consistently high CPI and WGI scores, South Korea has achieved notable success in addressing corruption, striking a balance between good governance and economic development. Nevertheless, the persistence of high-profile bribery scandals in South Korea highlights that corruption is a universal phenomenon, one that can occur even in countries with mature ABAC legal frameworks. As the South Korean example illustrates, a close relationship between business conglomerates and political elites can easily incentivize corruption, which can in turn cause significant disruptions to a country's business environment. Multinational corporations operating in South Korea must therefore take a risk-based approach to their compliance programs, focusing on political exposure and government business dealings, UBO mapping, and international bribery risks for counterparties with an overseas presence.

### PSA Case Study:

#### 1. Enhanced Due Diligence on a Publicly Listed South Korean Corporation

PSA was engaged to assess the reputation of a publicly listed South Korean entity. PSA's research uncovered concerns related to tax evasion, financial mismanagement, regulatory violations, and corruption. The company was subject to a significant tax penalty, anti-dumping duties, and multiple instances of financial misconduct by key executives. One executive faced repeated charges of embezzlement and violations of fair-trade regulations, resulting in fines and suspended prison sentences. The company's parent entity and major shareholders were also implicated in tax evasion, financial fraud, and corrupt practices.

## COUNTRY SPECIFIC OVERVIEWS | THAILAND



Thailand's CPI and WGI scores have consistently fallen below regional and global medians for the past several years. Thailand's WGI score witnessed a decline beginning in 2018, has since stabilized at around 36 as of 2023. Its CPI score briefly improved between 2021 and 2022, but has since declined to its current score of 34. These scores reflect ongoing political instability in Thailand and the resultant weakening of democratic institutions.

According to Thai ABAC laws, a bribe can take the form of property (e.g., money, cars, houses) or benefits (e.g., favors or job promotions). Thailand's Penal Code contains general bribery provisions, while the Organic Act on Anti-Corruption prohibits giving or promising bribes to domestic and foreign officials, as well as representatives of international organizations, to induce these officials to act contrary to their duties. Companies can

be held liable for bribery carried out by related parties, such as employees or agents, unless the company can prove that it has implemented adequate internal controls. In addition, The Public Procurement and Supplies Administration Act (The Public Procurement Act) implements strict transparency rules for public procurement activities, while The Act on Offenses Relating to the Submission of Bids to State Agencies (Collusion Law) criminalizes corruption involving various forms of bid rigging, including cover bidding, bid suppression, and bid rotation.

Thailand has experienced persistent political instability over the past two decades, characterized by coups and oscillating periods of civilian and military governments, which have weakened democratic institutions and limited the efficacy of ABAC enforcement. Much of this instability has centered on a complex political struggle between the Shinawatra family and military-royalist fac-

tions. Former Prime Minister Thaksin Shinawatra was ousted by a military coup in 2006, while in 2014 a military junta replaced the government of Prime Minister Yingluck Shinawatra, Thaksin's sister, shortly after her removal from power by a Thai court. Thaksin and Yingluck have been implicated in various corruption scandals, with Yingluck in 2025 being ordered to pay more than USD 300 million in damages in connection to a rice subsidy scheme that has faced corruption allegations. While critics maintain that such corruption charges are politically motivated, the Shinawatra family's business entanglements remain an ongoing concern and a focus of criticism against Paetongtarn Shinawatra, Thaksin's daughter and the Thai Prime Minister—suspended as of August 2025.

## **Notable Recent Bribery and Corruption Cases**

### **1. FCPA Charges Against John Deere**

In September 2024, Deere & Company (John Deere) agreed to pay approximately USD 10 million to resolve allegations of FCPA violations arising out of bribes paid by its subsidiary, Wirtgen Thailand. Between 2017 and 2020, Wirtgen Thailand employees bribed Thai government officials in the Royal Thai Air Force, the Department of Highways, and the Department of Rural Roads to win multiple government contracts. The bribes came in the form of cash payments, spa treatments, and international travel. These were inaccurately recorded as legitimate businesses expenses.

### **2. Corruption Investigation Involving Rolls Royce and Thai Energy SOE**

In 2024, an investigation by Thailand's National Anti-Corruption Commission (NAAC) found that former executives at PTTEP, a Thai state-owned energy company, had engaged in corruption connected to the Arthit offshore gas field project. Between 2004 and 2008, the executives manipulated bidding processes to help Rolls Royce win a USD 25 million contract to supply gas turbine compressors, with Rolls Royce subsequently making payments to overseas bank accounts connected to the executives. The case has been referred to the Attorney General for prosecution. NAAC was first made aware of this scheme following the US government's announcement of a deferred prosecution agreement with Rolls Royce for bribery in multiple jurisdictions.





### 3. Thai National Parks Corruption Scandal

In December 2022, the director-general of Thailand's Department of National Parks, Wildlife and Plant Conservation was arrested by the Public Sector Anti-Corruption Commission and the National Anti-Corruption Commission, which found THB 4.94 million (USD 148,200) in envelopes and gift boxes in the director's office. The director allegedly extorted bribes from forest reservation units under his control, in addition to demanding a share of departmental budgets. The case was ongoing as of November 2024, with media reporting that the Attorney General had yet to deliberate on the matter.

## CONCLUSION

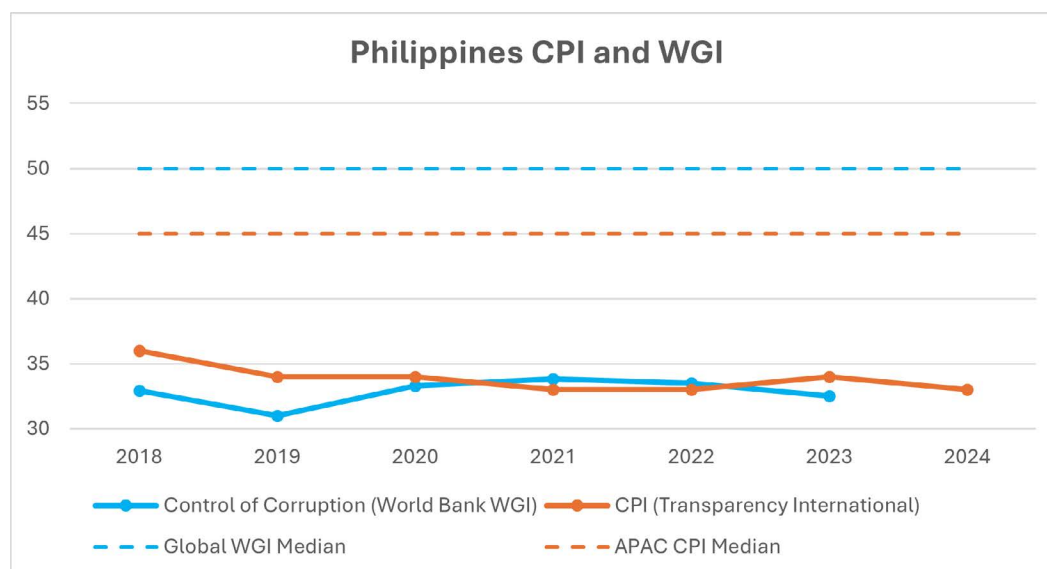
Corruption and bribery remain a persistent issue in Thailand, due in part to the country's recent history of political instability. Factional disputes and successive military coups have stymied the institutionalization of political power – a necessary condition for effective anti-corruption efforts. Despite the return of civilian government, the Thai military continues to exert considerable governing influence, and it remains to be seen whether the current equilibrium between the country's business and military elites will hold. The limitations of democratic institutions in turn reduce the space for transparency and accountability, allowing bribery to flourish as a mechanism for facilitating business transactions. Multinational corporations must therefore implement robust, risk-based compliance programs to mitigate bribery risks when operating in Thailand. As the above cases illustrate, ongoing risk training is a must, particularly for employees interacting closely with government or military authorities.

## PSA Case Study:

### 1. Investigation into Major Thai Infrastructure Project

The client was concerned about several allegations they had identified in local social media against the patriarch and founder of their local partner company. PSA conducted a discreet and contained set of inquiries using high level sources and was able to confirm the allegations and to demonstrate that they represented a pattern of behavior that had continued unchecked for over 3 decades. The client formally withdrew from the project. One month later the patriarch was arrested and tried in a case that garnered global media attention and led to a broader investigation of his contracts and partnerships by the local authorities.

## COUNTRY SPECIFIC OVERVIEWS | PHILIPPINES



The Philippines' CPI and WGI scores have consistently fallen below regional and global medians for the past several years. Its CPI score declined from 36 in 2018 to 33 in 2024, whereas its WGI score, which was 32.5 in 2023, has experienced only minor fluctuations since 2020. These scores reflect entrenched corruption across the Philippines' political and economic system, where dynastic political families exercise considerable influence. Key enforcement agencies also suffer from capacity constraints, limiting their ability to investigate and prosecute bribery.

The Philippines' ABAC regime is grounded in the Anti-Graft and Corrupt Practices Act (RA 3019), the Code of Conduct and Ethical Standards for Public Officials and Employees (RA 6713), and the Anti-Plunder Act (RA 7080). RA 3019 prohibits public officials from receiving gifts or advantages in connection with their

duties, while RA 6713 mandates asset declarations. Philippine laws do not explicitly criminalize private sector bribery or bribery of foreign officials. The Revised Anti-Money Laundering Act (AMLA), last amended in 2022, broadened financial oversight to include digital platforms and high-risk transactions, such as large cash movements, politically exposed person (PEP) dealings, and transactions involving offshore jurisdictions.

Despite the Philippines' gradually improving ABAC legal regime, enforcement of these laws is undermined by selective prosecution and political influence. Provincial and municipal governments are dominated by "dynasties", powerful families that maintain extensive patronage networks, with campaign finance serving as a vector for extracting regulatory concessions and favorable procurement outcomes. This was evident during the 2022 election of President Ferdinand Marcos Jr., who received substantial support



from donors in the real estate, retail, and construction sectors, leading to concerns over potential quid pro quo arrangements for preferential treatment. Capacity constraints have also created backlogs in the Philippines judiciary, with nearly one million unresolved cases as of November 2024. Apart from these systemic limitations, high profile corruption cases often stall or result in acquittals, reinforcing perceptions of elite impunity. Corruption is pervasive throughout the Philippines' public procurement and infrastructure sectors, however attempts to improve bidding transparency, such as through proposed legislation digitizing contracting processes, have thus far been largely unsuccessful.

## **Notable Recent Bribery and Corruption Cases**

### **1. Plunder Complaint Related to Infrastructure Program**

In 2024, former senator Antonio Trillanes IV filed a plunder complaint related to the “Build, Build, Build Program”, a flagship infrastructure initiative of former President Rodrigo Duterte. The complaint alleged that PHP 6.6 billion (USD 119 million) in government contracts were awarded to construction firms owned by the family of Senator Bong Go, a longtime aide and close associate of Duterte. The complaint further alleges that the pattern of awarding public contracts to these firms began during Duterte's tenure as Davao City mayor. The investigation remains ongoing.

### **2. Pharmally COVID-19 Procurement Scandal**

In 2021, a Senate investigation found that the Philippines Department of Budget and Management's Procurement Service (PS-DBM) had awarded more than PHP 11 billion (USD 198 million) to Pharmally Pharmaceutical Corporation (Pharmally), a newly established and undercapitalized firm, for overpriced and substandard COVID-19 supplies. The Office of the Ombudsman has since recommended the filing of graft and plunder charges against several individuals connected to the scandal, with judicial proceedings ongoing. The case has implicated Pharmally executives and various government figures, including PS-DBM chief Lloyd Christopher Lao and Michael Yang, a former economic advisor to Rodrigo Duterte.

### **3. FCPA Case Against Smartmatic Executives**

In 2024, the US Department of Justice charged three executives of Smartmatic, a voting technology company, with violating the FCPA. The executives allegedly paid over USD 1 million in bribes to former Commission on Elections (COMELEC) Chairman Andres Bautista to secure contracts for the 2016 Philippine national elections. The illicit payments were allegedly funded through over-invoiced contracts, which created an off-the-books “slush fund” used to conceal bribes. Authorities notably received permission to prosecute the case during the Trump Administration's pause on FCPA enforcement, and the trial is set to begin in October 2025.



## CONCLUSION

Corruption continues to pose significant risks to businesses operating in the Philippines, particularly in the fields of infrastructure and public procurement. The prevalence of bribery is largely due to inadequate enforcement, which is linked to entrenched political interests and significant capacity constraints within the agencies tasked with combatting corruption. These limitations lead to the politicization of ABAC enforcement, which in turn reinforce perceptions of elite impunity. To navigate these risks, robust third-party due diligence, transaction monitoring, and internal compliance audits are essential.

### PSA Case Study:

#### 1. Enhanced Due Diligence Report on a Medical Products Distributor

PSA was engaged to research a medical products distributor. Research found the company's involvement in the 2020 PhilHealth scandal, in which PHP 15 billion (USD 225 million) in public funds were allegedly misused. The distributor was found to have colluded with PhilHealth executives to inflate medical supplies through fraudulent bidding practices





## PSA's Commitment to Compliance

Understanding regional ABAC dynamics is crucial for multinational companies operating in APAC. Each jurisdiction presents unique challenges and risks, from entrenched corporate corruption to bribery in public procurement and infrastructure projects. Despite ongoing legal reforms and improvements in anti-corruption frameworks, issues such as selective enforcement, political influence, and weak institutional capacity remain persistent hurdles across the region. For multinational companies, staying ahead of evolving regulations and identifying trends in bribery and corruption is vital. Robust due diligence practices, including thorough third-party vetting, regular internal audits, and strong anti-money laundering controls, are essential to mitigate exposure to compliance risks. As these countries continue to modernize their legal and reg-

*“Despite ongoing legal reforms and improvements in anti-corruption frameworks, issues such as selective enforcement, political influence, and weak institutional capacity remain persistent hurdles across the region.”*

ulatory frameworks, businesses must adapt to ensure they are operating in line with local laws while maintaining global standards. A proactive, informed approach to compliance will not only reduce legal and reputational risks but also foster a culture of integrity in regions where corruption remains a significant concern.