

Overview of Data

Indonesia experiences moderate to high levels of corruption in all areas of public administration. It scores near the global averages on most key indicators of governance. The history of FCPA enforcement affecting Indonesian ventures shows clear patterns of corruption enforcement in the oil and gas sector, where eight of twenty investigations were centered, as well as pervasive bribery to secure business with SOE clients in multiple sectors.

Corruption and Governance Indicators	Indonesia	G7 Average
Transparency International Corruption Perceptions Index	38	73
World Bank Control of Corruption Score	46	87
World Justice Project Rule of Law Score	52	77
Major Correlates of Corruption		
Nominal GDP Per Capita Percentile Rank	39	89
World Bank Government Effectiveness Score	59	89
World Bank Enterprise Survey Responses	Indonesia	Top 10 Countries
Share of firms reporting at least one bribe request	31%	1.4%
Share of firms expected to give gifts to secure government contract	33%	1.9%
Share of firms expected to give gifts to officials to “get things done”	21%	1.5%
Share of businesses reporting corruption is a major constraint	14%	7.5%

**All indicators are scores/100 or are percentile ranks, 100=best. Some scores have been adjusted accordingly. 1-33 34-66 67-100.*

Illustrative FCPA Cases (as reported)

Total FCPA Enforcement: 21 Cases

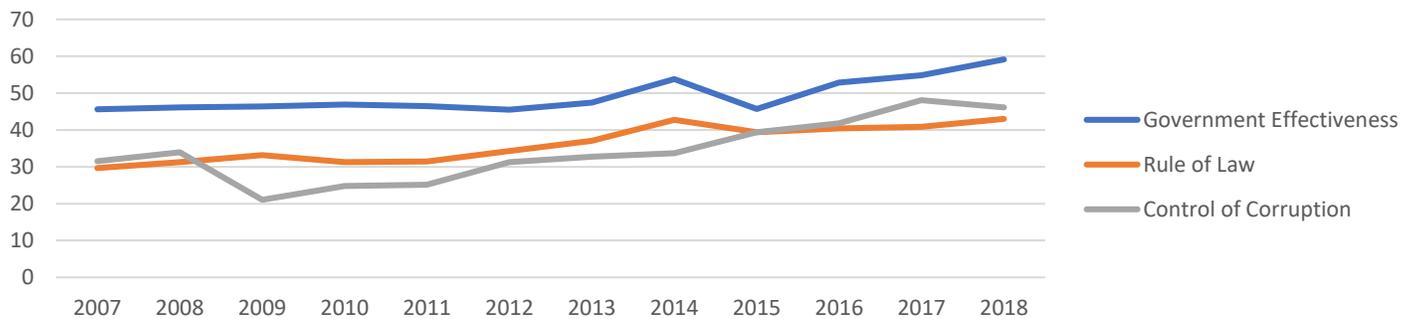
- **Monsanto**—Between 1997 and 2002, Indonesian affiliates of the agribusiness company allegedly bribed numerous Indonesian government officials or members of their families. These alleged bribes were meant to obtain unfavorable political or regulatory decisions affecting the company’s business. Monsanto paid a USD 500,000 civil penalty and 1 million criminal penalty to resolve the case.
- **Allianz**—The German insurance company’s local subsidiary, Utama, allegedly made improper payments to employees of state-owned enterprises to obtain or retain business between 2001 and 2008. Allianz allegedly failed to halt the use of slush funds for paying bribes despite complaints and audit results indicating the problem. Allianz settled with the SEC for more than USD 12 million.
- **Diebold**—The technology company’s local agents and subsidiaries allegedly provided gifts or payments to employees of Indonesian state-owned banks to secure business between 2005 and 2010. In 2013 the company resolved the matter by settling with the DOJ and the SEC for a combined USD 48 million.

Information Accessibility and Transparency

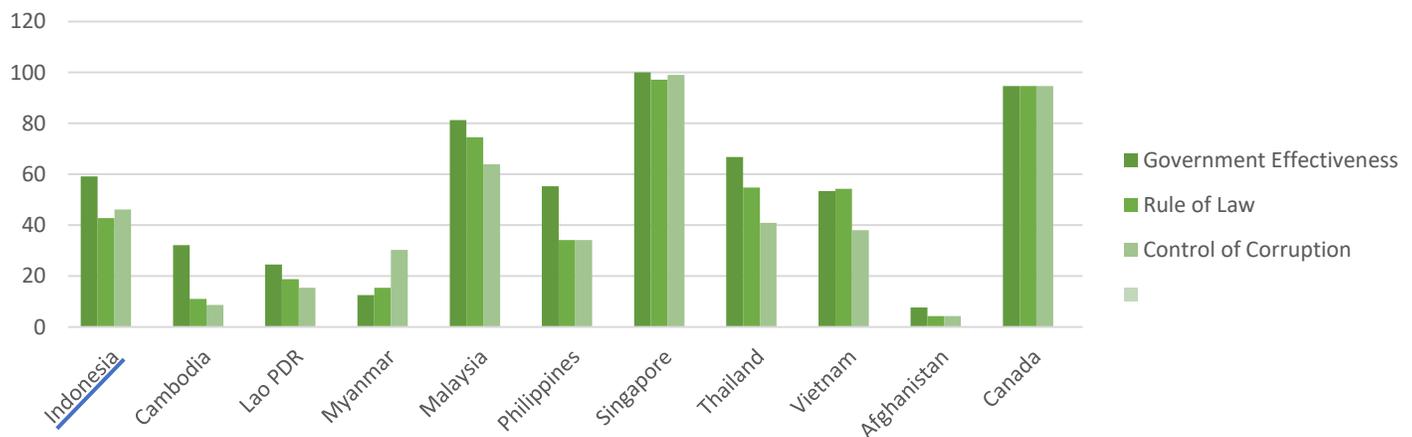
Availability of Records	●	Online corporate records are only available for the largest publicly listed companies. Paper records are relatively accessible and handled by the central government. No litigation records are available online. Searches for paper records are conducted by each jurisdiction.
Freedom of Press	●	Reporters without Borders rank 124/180 (180=worst) Freedom House score 49/100, “not free” (100=least free)
Language Accessibility	●	Virtually all records and media are in Bahasa, which will likely present machine translation issues.
Financial Disclosure	●	Tax Justice Network Financial Secrecy Score—61/100 (100=most secretive).

● Poor ● Moderate ● Accessible

Trendlines—World Bank Worldwide Governance Indicators (100=best)



Country Comparison—World Bank Worldwide Governance Indicators (100=best)



Context: Corruption in Indonesia

Corruption risks in Indonesia are high by OECD standards but typical for Southeast Asia. According to Transparency International 32% of Indonesians have experienced corruption in seeking public services and 65% believe that the problem is getting worse—the second highest rate in Asia. Indonesian business is dominated by large conglomerates run by families that often have high level political connections or include public officials. A high percentage of Indonesia’s largest firms are SOEs. State-economy connections are still colored by the legacy of the Suharto regime, with many prominent businesses in operation today having established themselves during his rule. Close ties between large companies and government officials are common. The boards of companies in medical, oil and gas, and other industries often include PEPs or former military figures. Corruption risks in issues related to land use are high and matters are made worse by poor legal institutions regarding property rights and ownership.