

Argentina

2015 Country Summary

Recommendations

Argentina's GI ranking in Band C places it in the medium risk category for corruption in the defence and security sector. Argentina's highest risk areas are Procurement in Band D (high risk) and Operations in Band E (very high risk).

Parliamentary Scrutiny and Oversight

Argentina has a dedicated committee for reviewing defence strategy and spending in both chambers of Parliament. Evidence suggests that the members of these committees have extensive experience and knowledge of defence issues, however, their remit is formally curtailed by the Executive, and neither committee has significant powers to influence the defence budget, monitor procurement, or oversee intelligence operations. While Parliament has formal rights to scrutinise internal audit reports of military spending, evidence suggests that these reports have not been provided to these committee for a number of years.

To oversee the defence sector more effectively, we recommend that Parliamentary committees be granted more extensive oversight powers: they should have access to a fully detailed defence budget and internal audit reports; be able to call expert witnesses and scrutinise defence agencies and institutions; meet regularly; and publish reports on their activity.

Intelligence Services

In response to the death of prosecutor Alberto Nisman, Argentina has recently begun to re-organise its intelligence services. The decades-old Intelligence Secretariat (SI) will be replaced by a new Federal Intelligence Agency. We recommend that the policies, administration, and budget of the intelligence service be subject to effective, properly resourced, and independent oversight. In addition, senior positions within the intelligence services should be filled on the basis of objective selection criteria, with appointees subject to investigation of their suitability and prior conduct.

Implementation of International Anti-Corruption Instruments

A report issued by the OECD in December 2014 found Argentina to be seriously non-compliant with key articles of Anti-Bribery Convention, noting that the organisation doubts Argentina's commitment to fight foreign bribery. The report highlighted that "Argentina still has no law to punish companies for foreign bribery or prosecute its citizens who commit this crimes abroad. Widespread delays continue to plague complex economic crime investigations. Executive contact with and disciplinary processes against judges and

prosecutors threaten their independence. Urgent action is needed to address these grave concerns.”

We recommend that Argentina demonstrate serious action to investigate and prosecute all foreign bribery cases as well as encourage companies to adopt measures to prevent foreign bribery from taking place. For those companies found guilty of corruption, sanctions should be applied and a blacklist made public. To ensure that bribery is reported, the government must take action to encourage whistle-blowing and to ensure whistle-blowers be afforded adequate protection from reprisals.

National Defence and Security Strategy

Argentina’s defence sector enjoys little strategic planning. Not only does this limit the available information regarding potential defence purchases, it undermines the ability of Parliament to oversee and scrutinize the whole acquisition planning process. The Law on Restructuring the Armed Forces, intended to improve strategy planning, has never been implemented. Furthermore, while the Ministry of Defence has enhanced its efforts to generate a strategic planning system based on military capabilities and results-oriented budgetary planning, the process has yet to be completed.

We recommend that Argentina implement a robust strategic planning system in accordance with the military’s core needs. This plan should be made publicly available in advance to allow for effective public and parliamentary scrutiny.

Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	2
		Defence Committee	2
		Defence Policy Debated	2
		CSO Engagement	2
		International AC Instruments	3
		Public Debate	2
		AC Policy	2
		AC Institutions	3
		Public Trust	3
		Risk Assessments	1
	Defence budgets	Acquisition Planning	2
		Budget Transparency & Detail	4
		Budget Scrutiny	1
		Budget Publicly Available	3
		Defence Income	2
		Internal Audit	2
		External Audit	2
	Other Political Areas	Natural Resources	4
		Organised Crime Links	3
		Organised Crime Policing	2
Intelligence Services Oversight		2	
Intelligence Services Recruitment		2	
Export Controls		2	
Finance	Asset Disposals	Asset Disposal Controls	1
		Asset Disposal Scrutiny	1
	Secret Budgets	Percentage Secret Spending	4
		Legislative Access to Information	2
		Secret Program Auditing	0
		Off-budget Spending in Law	4
		Off-budget Spending in Practice	
	Links to Business	Information Classification	2
		Mil. Owned Businesses Exist	4
		Mil. Owned Business Scrutiny	
Personnel	Leadership	Unauthorised Private Enterprise	2
		Public Commitment	2
		Measures for Corrupt Personnel	2
		Whistleblowing	2
	Payroll and Recruitment	Special Attention to Sensitive Personnel	1
		Numbers of Personnel Known	3
		Pay Rates Openly Published	3
		Well-established Payment System	3
		Objective Appointments	3
		Objective Promotions	2
	Conscription	Bribery to Avoid Compulsory Conscription	
		Bribery for Preferred Postings	
	Salary Chain	Ghost Soldiers	4

		Chains of Command and Payment	3
	Values, Standards, Other	Code of Conduct Coverage	2
		Code of Conduct Breaches Addressed	1
		AC Training	1
		Prosecution Outcomes Transparent	1
		Facilitation Payments	3
Operations	Controls in the Field	Military Doctrine	1
		Operational Training	1
		AC Monitoring	1
		Controls on Contracting	1
		Private Military Contractors	2
Procurement	Government Policy	Legislation	2
		Transparent Procurement Cycle	2
		Oversight Mechanisms	1
		Purchases Disclosed	2
		Standards Expected of Companies	0
	Capability Gap	Strategy Drives Requirements	0
		Requirements Quantified	2
	Tendering	Open Competition v. Single-Sourcing	2
		Tender Board Controls	0
		Anti-Collusion Controls	2
	Contract Delivery / Support	Procurement Staff Training	1
		Complaint Mechanisms for Firms	3
		Sanctions for Corruption	2
	Offsets	Due Diligence	
		Transparency	
		Competition Regulation	
	Other	Controls of Agents	2
Transparency of Financing Packages		2	
Subsidiaries / Sub-Contractors		2	
Political Influence		3	