

Mexico

2015 Country Summary

Recommendations

Mexico's GI ranking in Band C places it in the medium risk category for corruption in the defence and security sector. Operations scored in Band D (high risk) and represent the country's highest risk area.

Compliance with International Anti-Corruption Instruments

In comparison to most OECD and G20 member states, since ratification of the OECD Convention on Combating Bribery there has been "little or no enforcement" of the Convention noted by the OECD and our assessment. Mexico has not sanctioned against foreign officials accused of bribery. Mexico has only fully implemented 4 out of 22 OECD recommendations. The OECD has criticized current draft legislation as insufficient to implement the remaining recommendations.

The collective impact of G20 states on military spending has a disproportionate influence on the rest of the world. There is a similar lack of evidence of Mexico taking action to comply with the UN Arms Trade Treaty, in particular its three anti-corruption articles.

We recommend that the government make greater efforts to amend the proposed legislation to effectively implement the OECD recommendations and to increase the independence and activity of its enforcement agencies. To comply with the ATT, Mexico could put in place mechanisms to avoid the risk of arms diversion and release greater information to the legislature and media at an earlier stage of arms procurement discussions, so as to ensure that upcoming arms exports are subject to robust parliamentary approval and debate.

Investigation and Enforcement of Corrupt Activities by Military Personnel

Our assessment found that the government does not sufficiently regulate officials' engagement in private enterprise. While there are sanctions for failing to report possible conflicts of interest, many sources have noted the minimal number of public servants who have been jailed for such infractions. We recommend that the government expand its regulation of private enterprise by public officials and conflicts of interest to ensure that officials are held accountable.

The Military Inspector and General Comptroller are partly responsible for the regulation of military personnel, but these are not independent institutions. If they detect irregularities, they can only propose sanctions to the military authorities. Furthermore, the Code of

Conduct does not comprehensively cover bribery, gifts and hospitality, conflicts of interest, and post-separation activities. It is a non-binding, purely voluntary code, and as such it lacks a robust oversight mechanism, with very little evidence of enforcement. There needs to be a greater transparency and sharing of information publicly regarding evidence of effective enforcement for these crimes in order to maintain public trust in the defence sector.

Enforcement would be further increased through strengthening whistle-blower protection. Whistle-blowing is an effective mechanism to raise incidences of corruption or bribery to the relevant authorities and could be actively encouraged. We recommend a review to ensure that effective legislation and mechanisms applicable to military and official personnel be enacted to report corruption. These laws and mechanisms should be vigorously implemented with appropriate legal measures in place to rigorously defend whistle-blowers in the defence sector.

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	3
		AC Institutions	2
		Public Trust	2
		Risk Assessments	2
	Defence budgets	Acquisition Planning	3
		Budget Transparency & Detail	2
		Budget Scrutiny	3
		Budget Publicly Available	3
		Defence Income	1
		Internal Audit	2
		External Audit	2
	Other Political Areas	Natural Resources	4
		Organised Crime Links	1
		Organised Crime Policing	2
Intelligence Services Oversight		2	
Intelligence Services Recruitment		2	
Export Controls		2	
Finance	Asset Disposals	Asset Disposal Controls	2
		Asset Disposal Scrutiny	3
	Secret Budgets	Percentage Secret Spending	3
		Legislative Access to Information	0
		Secret Program Auditing	1
		Off-budget Spending in Law	2

		Off-budget Spending in Practice	2
		Information Classification	3
	Links to Business	Mil. Owned Businesses Exist	4
		Mil. Owned Business Scrutiny	2
		Unauthorised Private Enterprise	2
Personnel	Leadership	Public Commitment	3
		Measures for Corrupt Personnel	2
		Whistleblowing	1
		Special Attention to Sensitive Personnel	2
	Payroll and Recruitment	Numbers of Personnel Known	3
		Pay Rates Openly Published	3
		Well-established Payment System	3
		Objective Appointments	3
		Objective Promotions	3
	Conscription	Bribery to Avoid Compulsory Conscription	2
		Bribery for Preferred Postings	2
	Salary Chain	Ghost Soldiers	4
		Chains of Command and Payment	3
	Values, Standards, Other	Code of Conduct Coverage	3
		Code of Conduct Breaches Addressed	1
		AC Training	1
		Prosecution Outcomes Transparent	2
Facilitation Payments		1	
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	3
		Transparent Procurement Cycle	3
		Oversight Mechanisms	3
		Purchases Disclosed	3
		Standards Expected of Companies	2
	Capability Gap	Strategy Drives Requirements	3
		Requirements Quantified	2
	Tendering	Open Competition v. Single-Sourcing	1
		Tender Board Controls	2
		Anti-Collusion Controls	3
	Contract Delivery / Support	Procurement Staff Training	3
		Complaint Mechanisms for Firms	3
		Sanctions for Corruption	2
	Offsets	Due Diligence	1
		Transparency	1
		Competition Regulation	0
	Other	Controls of Agents	2
		Transparency of Financing Packages	0
		Subsidiaries / Sub-Contractors	1
		Political Influence	2