



**MSECB**

**Progress with  
bribery is a delusion**

#StandardinPractice

**JDoe Pharm**, is a wholesale pharmaceutical company located and operating mainly in Eastern Europe for over 20 years. During 2020, the company's main objective was to **increase their revenues by a minimum of 20%** versus the previous year. In order to achieve this, they had to push sales and invent functional marketing campaigns.

The company achieved their goal by focusing on brand awareness, listing of new products, online promotions, and on-site informative sessions at retailers' sites.

However, a Financial Officer had concerns about how the company's main objective was achieved. He had noticed some **suspicious transactions in the best performing region**.

He had no direct knowledge of the persons involved in these potentially inappropriate activities and decided to report his concerns to the Compliance Officer. The Compliance Officer thanked the Financial Officer for his professional observations and started an **investigation into the reported concern**.

The investigation proved that the **suspicious transactions** were coming from one line of sales, involving a salesperson who was responsible for the 'best' performing region.

Moreover, it was proven that during private informative sessions about the company's products, this salesperson **offered bribes** to doctors who would prescribe JDoe Pharm's products to their patients. The bribe money was generated **by creating false invoices** which were approved for payment by the salesperson and paid by JDoe Pharm to an offshore company set up by the salesperson. The investigation concluded that two other JDoe Pharm employees were involved in the bribe scheme. As a result, **all the employees involved were dismissed**.

The company reported the case to the authorities as required per local laws. The case became public and resulted in severe **reputational damage** to JDoe Pharm, in addition to a **considerable fine** from local regulators.

To prevent recurrence and further mitigate the risk of bribery, JDoe Pharm decided to **implement an Anti-bribery Management System (ABMS) based on ISO 37001**. The ABMS processes, procedures, policies and other controls that mitigate the risk of bribery are developed, monitored, evaluated and continually improved. Examples of controls developed and implemented by JDoe Pharm were:

- Anti-bribery Policy
- Procedure to disseminate the policy throughout the company and train all employees
- Segregation of Duties Procedure, whereby a salesperson cannot approve invoices
- Proof of Execution Procedure, which requires the vendor to provide proof that services have been provided, before payment of an invoice can be released
- Conflict of Interest Policy, which requires employees to report ownership of external businesses
- Hotline, that allows employees to report concerns about business misconduct
- Anti-retaliation Policy, which protects employees from retaliation/retribution if they report an allegation of business misconduct

To ensure that the implemented ABMS was well designed and effective, as per the requirements of ISO 37001, JDoe Pharm approached a certification body to get the ABMS ISO 37001 certified.

The **ISO 37001 certification** was obtained after a successful audit by the certification body.

The ISO 37001 certificate confirms that **the implemented ABMS meets all requirements of ISO 37001** and showed third parties that JDoe Pharm is an ethical business partner with a **zero tolerance towards any form of bribery**.



# MSECB

## Contributor

Daniel Bleeker has over 20 years of experience in corporate legal/compliance/investigations. He is one of our most experienced ISO 37001 auditors.

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## About MSECB

MSECB is accredited by IAS to offer audit and certification services against ISO 37001. If you are interested in certifying your organization against ISO 37001 and/or ISO 37301 start by getting a **Free Quote.**

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