

ANNEX 6: CASE STUDY – FRANCE

1. Synopsis

Corruption is largely a taboo issue in France. Neither government nor independent researchers have conducted any comprehensive and empirically based analyses of the phenomenon in the recent past. In addition, the French government does not report publicly on organised crime, and academic research is very limited. The information available publicly nevertheless provides sufficient evidence that in certain geographic (Corsica, large cities, or South-Eastern France) or economic areas (public utility contracts, energy, real-estate, or defence sectors) corruption is often encountered. At the lower level of organised crime, police (information leaking, or direct involvement in OC activities) and local authorities (regarding public contracts) are most often targeted by criminals. At the higher level, judicial corruption and undue political influence over the criminal justice process occur in relation to financial and corporate crimes. The scale of the corruption problem remains unclear due to lack of data. In Corsica, parliamentary reports indicate that the problem is commensurate with the one in mafia-affected regions of Italy.

2. Introduction

The case study is based on analysis of academic literature, media publications, and interviews with key experts. Officials from key French institutions were interviewed: customs, Central Service for the Prevention of Corruption, the main police anti-corruption body, the main judicial anticorruption bodies. A number of independent sources were also contacted, including academics and researchers.

To increase the level of openness, interviewees were assured that their identities would not be linked to particular statements. Some interviewees nevertheless preferred to remain anonymous. A list of the interviewees is provided in the table below. The small number of interviews and the lack of systematic studies on recent corruption in France does not allow for a definitive assessment of the scale and extent to which criminals use corruption in France.

Position	Institution
Member of the Studies Department	General Inspectorate – National Police
Head of the Studies Department	General Inspectorate – National Police
Head of the Central Disciplinary Department	General Inspectorate – National Police
Deputy Head of Anti-Fraud Department	Customs Administration
Rédactrice, Direction Générale des Douanes et Droits Indirects	Customs Administration
Researcher	Institut National des Hautes Etudes de Sécurité
Former prosecutor	Central Office for the Prevention of Corruption
Former magistrate	General Inspectorate of the Judicial Services
Academic	University of Versailles St Quentin
Academic	Institut d'Etudes Politiques
Manager	Private sector
Magistrate	Magistrates' Supreme Council

3. Background: corruption in France

The issue of corruption in France is generally avoided by official institutions. It has not been systematically studied by the authorities or by independent analysts or academics.¹⁴⁸ The position of government interviewees has been that corruption is a phenomenon of very limited scope in France. Similarly, the term of 'organised crime' in the country has not gained wide acceptance officially. Instead, terms like 'milieu' and 'grand banditry' are used. Some of the interviewees in anti-corruption institutions were even of the opinion that organised crime in France does not exist; that instead of criminal groups one sees individual criminals.

The official perceptions presented in the course of the present study largely reflect the official French government policy of denial of corruption as a phenomenon. In France no institution has a comprehensive understanding of the issue of corruption. Knowledge of corruption exists at the local level but no single body is tasked with connecting evidence and data on corruption networks or incidents into an overall analysis. As a result, corruption is considered and presented as an 'epiphenomenon', occurring only sporadically.

The limited understanding of the phenomenon is also due to the general lack of attention from media, criminologists, or other social scientists. Public corruption perception surveys and statistical information have, thus, become largely inadequate instruments to assess a well disguised phenomenon. Several of the interviews and a number of media and academic articles presented evidence that corruption in France is actively used by both 'white-collar' and 'traditional' organized criminals. What sets France apart from other Member States is that this occurs within the context of an elitist political system and strong hierarchical government bureaucracies. It also exists in a society where cultural and social norms and the attitudes towards 'the state' and the related corruption, are diverse and difficult to generalize.

This peculiar state of denial translates into a very narrow understanding of the term 'corruption' that is employed by official institutions (and the media). This narrow approach, often strictly adhering to legal definition, is a way to disguise the real scale and nature of the corruption phenomenon. An example of this aversion towards the term 'corruption' could be seen in the extensive Parliamentary Report (1999) on the Functioning of the Security Forces in Corsica. Although the report presents multiple instances of undue influence and inappropriate behaviour of the judiciary and police forces, the word corruption is not used at all.

4. Background: organised crime in France

The French government does not prepare a regular assessment of organized crime in the country; or if it does, as when cooperating with Europol, it is not distributed to anti-corruption departments or institutions. Existing statistical data shows that France's illegal markets (drugs, prostitution, stolen vehicles, illegal immigration, counterfeit goods, and

¹⁴⁸ The most recent study refers to the period before 1990 (Yves Meny, *La Corruption de la République*, Paris: Fayard, 1992). Other studies have focused on public perceptions, do not explain or analyse the various aspects of the phenomenon itself.

cigarettes) are as well developed as those of other EU countries (see table below).

TABLE 20. FRANCE – MARKETS FOR ILLEGAL GOODS AND SERVICES

Illegal Drugs	% prevalence of drug use	Opiates	Cocaine	Cannabis	Amphetamines	XTC
	France	0.40	0.60	8.60	0.20	0.50
	EU Median	0.40	0.50	4.60	0.50	0.40
Source: UNODC						
Stolen vehicles		2004	2005	2006	2007	
	Stolen vehicles	186,430			168,388	
	Not recovered(related to OC)	116,472			74,613	
Source: Europol/Aubry (2009)						
Trafficking of women		2003	2004	2005	2006	2007
	Traffickers indicted	1,609	1,716	2,059	1,963	
	Victims saved	900	999	1,189	1,218	
Source: UNODC						
Illegal Immigration		2007			Rank EU26	
	Illegal border crossing incidents	5,748			22	
Source: Frontex						
Prostitution	Estimated number of street prostitutes: 18,000					
	Source: French Ministry of Interior					
Cigarettes		2003	2004	2005	2006	2007
	Penetration of illegal trade as share of total sales	5.7	7.8	8.9	11.0	11.3
Source: Euromonitor International						

TABLE 21. ILLEGAL DRUGS SEIZURES IN FRANCE (2003 – 2007)¹⁴⁹

Illicit drugs Seizures	2003	2004	2005	2006	2007
Cannabis	82,430 kg	107,666 kg	86,548 kg	71,725 kg	37,282 kg
Cocaine	4,172 kg	4,484 kg	5,185 kg	10,166 kg	6,578 kg
Heroin	545 kg	557 kg	748 kg	1,051 kg	1,035 kg
Amphetamines	274 kg	75 kg	111 kg	77 kg	307 kg
Ecstasy (pills)	2,211,727	1,893,226	833,648	1,488,919	1,359,912

¹⁴⁹ Source : Osiris Data Base, Office central pour la répression du trafic illicite de stupéfiants, Direction centrale de la police judiciaire, Paris, 2008.

Lalam (2004) explains that after World War II, the main organized criminal activities included:

- prostitution and human trafficking;
- bank robberies/kidnapping for ransom;
- various other activities including forgery, racketeering, gaming machines, and smuggling.

With the increased security of banks in particular, armed robberies were gradually abandoned by a majority of criminals and many of them moved into the growing market of drug-trafficking. The drugs market gradually became the largest illegal market. Many crime figures involved in drugs or prostitution chose to invest their profit or to secure a steady income by operating illegal gaming machines. Customs and cigarette market data confirm (see above) that in recent years, France has also become a destination and transshipment country for illegal cigarettes. In 2008, the Customs confiscated 249.7 tonnes of cigarettes, an 18.3% increase over the previous year (Cornevin 2009).

An analysis of organised crime and corruption in France, requires taking into account the historic and cultural geography of the country.¹⁵⁰ One can conceptually differentiate between three aspects of organized crime: traditional indigenous structures; marginalized groups, and migratory/foreign-run criminal networks.

- **Indigenous structures:** Going back at least to the decade prior to World War II, the terms traditional 'grand banditry' (*grand banditisme*) or '*le milieu*' were used to describe indigenous criminal networks in France. Until the present day these traditional criminal structures reside predominantly in the South-east of France (Provence – Alps – Cote d'Azur), and in particular Marseille, Toulon, Nice, Lyon, Grenoble, and the island of Corsica. In some of these areas, and in particular in Corsica, they even resemble the mafia social organization of Southern Italy.¹⁵¹ These structures also have strong presence in the north – in Paris, Nantes, (one of France's largest ports), and Lille (bordering the Belgium) (Lalam 2004). The main part of this French criminal elite is of low, working class origins. They have started their criminal careers with odd jobs, or as petty thieves. To a large extent this social background has deprived them of direct and easy corruption access to the upper professional classes (magistrates or politicians). Many of the representatives of this criminal elite were participants in the 'French connection'. Some live in exile in Spain, from where they participate only in the financing of large drug deals (interviews).
- **Marginalised communities:** In recent decades high rates of immigration and marginalisation have led to the formation of criminal

¹⁵⁰ In this case study, the specifics of French overseas territories will not be discussed, even though culturally they present a different case altogether.

¹⁵¹ Historical parallels between the two also exist. During WWII, Hitler particularly targets the criminal structures in Marseille, as thousands of its residents are exiled, and around 600 sent to death camps (pp.47-49). Following the war, the CIA comes in close contacts and uses criminal structures to counter the influence of pro-communist trade unions (pp.72-92) (Follorou & Nouzille 2004).

structures of a variety of types around ‘difficult suburbs’ in large cities across France.

- **The foreign or ‘itinerant’ criminal networks**, often specialized in particular criminal activities along ethnic lines are another type of criminal formation. The various criminal markets attract criminals from around Europe: money laundering & financial crime (Russian); prostitution (Bulgarian, Romanian, Russian, other Balkan countries); production of counterfeit clothing (Chinese); racketeering & debt collection (Russian, Chinese); arms trafficking (Russian), car-theft (Russian, Polish, Ukrainian, Bulgarian), etc. (Aubry 2009)

Although these three groups could be analysed separately, in reality they are interrelated at least in two important aspects: first, the fact that in respect to some illegal markets (e.g. drugs) all three groups are simultaneously involved (either working jointly or by being involved in different aspects of the market). The special professional skills and the level of trust amongst criminals are key for working together, while ethnicity takes on a secondary importance; second, the indigenous French criminal elite are often the ‘gate keepers’ and control and tax the entry of foreign players in (some) illegal markets.¹⁵² In exchange, they might provide protection from competition or from law-enforcement, using their greater ability to use corruption.

For instance, in the drugs market, members of the French criminal elite may be the key financiers of the large drug shipments while retail distribution is to be provided by networks operating ‘difficult suburbs’, or by foreign-run networks in large cities. Similarly, while prostitution networks from Eastern Europe operate on the streets of cities like Marseille, or provide women to cabarets and bars in Paris or Bordeaux, the street ‘posts’ or cabarets are controlled or racketed by local indigenous criminal elites who in turn could also serve as intermediaries of corruption.

While the above types of criminal networks are all involved in the same illegal markets (e.g. drugs) their ability to launder criminal proceeds and to accumulate economic power at the local level differs. The ability to use corruption remains often limited at the local or regional level. Only a small part of the criminal elite has access to local level law-enforcement or political corruption. The picture differs significantly when one considers the involvement of the French business elite or other economic players in committing ‘white collar crimes’ and their ability to use corruption (discussed further below).

In the course of the interviews Corsica and Marseille were often seen as cases apart from the rest of France. Despite their alleged connections with and influence over the rest of the country, the existing literature considers them also separately. The interviewees were largely unwilling or unable to discuss in depth the specifics of these regions.

¹⁵² For example street prostitution in Marseille involves women and pimps from Bulgaria and Romania, but access to street posts is also regulated by indigenous criminal structures.

4.1 Marseille

Marseille, the third largest city in France, dominated by its historical past of the 'French Connection',¹⁵³ is an emblematic case of a city penetrated by organised crime (Montel 2008). Today one doesn't find large hierarchical groups with someone on top, but rather fluid networks operating across different criminal markets. Traditionally, a city dominated by prostitution networks, gambling (particularly territorial control over slot machines), counterfeit money, ransom-seeking kidnappings, and above all a range of cross-border smuggling activities (from drugs, cigarettes, or any other type of goods) are the main activities of organised crime there. (Alvarez 2003) Adding to gambling and real estate development (and related money laundering), the partition of concessions of public beaches has also turned into a profitable business (interviews).

4.2 Corsica¹⁵⁴

The island of Corsica has a turbulent past and present. With a population of only 260,000, and a social structure based on clan-affiliations and tightly knit clientelistic networks, Corsica is a unique part of France. Historically, Corsica's strong and violent **independence movement** has also shaped the local criminal landscape. Some independence fighters were transformed into organised criminals, taking over large parts of the local economy through extortion or racketeering (Briquet 2008, p. 252). Culturally and in terms of describing the specifics of organised crime on the island, Corsica is often compared to Sicily. Since 1930s Corsican organised crime and its 'godfathers' (*parrains*) have formed part of the French criminal elite (Follorou and Nouzille 2004, p.13). Following the French Connection (dubbed the Corsican Connection) many of these individuals were jailed or fled to Spain, but never ended their involvement in criminal activities. Today, many continue to be at the core of organised crime in Corsica.

Analyzing organised crime in Corsica is challenging as the lines between organised crime and clandestine independence groups are blurred. The latter are involved in criminal activities, often under the guise of furthering the cause of independence. At the same time, both types of groups have significant stakes in the legal economy, where they also use corruption. In addition, the notion of 'corruption' takes on an entirely different meaning than one would find in the north of France. Nationalistic, clan, political, or local affiliations establish powerful rules of relations, in which a straightforward materialistic motivation of corrupt behaviour could be entirely absent: i.e. even though someone's behaviour could appear to be corrupt, the underlying reasons might be much more complex than simple material gain.

¹⁵³ The "French connection", sometimes dubbed 'The Corsican Connection' is one of the biggest trafficking schemes, largely controlled by Corsican organised crimes, in which heroin was smuggled from Turkey to France, and then to the USA.

¹⁵⁴ Two parliamentary enquiries and a major investigative journalist study on Corsica are the main sources quoted below.

In Corsica, there are multiple nationalist movements that since the 1990s have used a variety of criminal methods to fund their activities or to enrich their leaders, such as diversion of public funds (e.g. from Corsica Economic Development Fund), racketeering (under the guise of a ‘revolutionary tax’), armed robberies (e.g. the UBS affair), bank credits (e.g. the Crédit Agricole affair) or gambling machines rackets. Often these movements divide territories in which they exercise control over criminal activities. On the other hand, some criminal groups/networks use the nationalist branding to justify or disguise their criminal activities as nationalist ones: for example by claiming that a hold-up took place in the name of the terrorist cause.¹⁵⁵

In the early 1990s, two key nationalist movements formed after the *Front national de libération de la Corse* (FLNC) split due (partly) to difficulties in sharing the extortion racketeering income amongst its members. Each new formation had its own military and legitimate face: the *ex-FLNC-Canal Historique* with its *A Cuncolta Naziunalista* and the *ex-FLNC-Canal Habituel* and its *Mouvement pour l'autodétermination* (MPA).¹⁵⁶ The *ex-FLNC-Canal Historique* had also a number of satellite legitimate organisations around it: such as the Trade Union of Corsican Peasants, The Federation of Independent Workers, the Union of Corsican Workers, etc. Nationalist movements also make significant use of companies to provide them with logistical support, and as way to launder criminal profits or raised funds. Car-rental companies or security companies (e.g. *Bastia Securita*) served such purposes, allowing in some cases the legal arming of certain movements, or serving as the legal face for protection rackets on local banks. Adding to the legal economic face, nationalist movements also had a sizeable political representation in local parliament and participated in local elections. In the late 1990s the Parliamentary report estimated that twelve municipal mayors were related to nationalist movements, and a number of city councillors in various cities. In the 1999 elections, the various nationalist movements gathered altogether 27.74% of the vote for the Corsican Parliament.

Apart from the nationalist movements, there are a number of criminal networks. The government-commissioned report by Bastia¹⁵⁷ prosecutor Bernard Legras, known as the *Legras Report*, investigated organized crime in Corsica. It concluded that clan relationships in Corsica manage to control economic, political, and administrative powers using fluid clientelistic relationships based on corruption or on fear. Legras (2000) concluded that high-level politicians on the island “have had and have in their hands the support of local organised crime, which they at times openly defend”. He explains that initially, the political involvement of groups like Brise de Mer was limited to financial support during electoral campaigns, but it gradually accumulated power and was able to influence directly local (cantonal) elections (Legras 2000).

¹⁵⁵ Ms. Mireille Ballestrazzi, *Former Director of Regional Service of the Judicial Police in Caresche 1999.*

¹⁵⁶ *The year before in 1989 already another FLNC group had been formed, Accolta Naziunali Corsa (ANC), which later was associated with its military wing Resistenza.*

¹⁵⁷ *In Upper Corsica.*

Associates of 'Brise de Mer' or 'Du Valinco' have accumulated significant economic power, based on investments in numerous real estate properties, hotels, or gambling facilities. The employment of local residents has allowed it to gradually control or be able to influence a significant number of people, and to establish 'a spider web, typical of a mafia organisation, which is already at an advanced stage'. The small island of Cavallo near Corsica luxury, replete with real estate properties, has become synonymous with an even stronger presence of organized criminals, including crime figures based in Sicily and Sardinia.¹⁵⁸

The influence of Corsican organised crime is not limited to the island. Its influence is most pronounced on Marseille and the South of France, but it also spreads beyond, to Paris and other big cities (Nouzille and Follorou 2004). Criminal proceeds from activities in the mainland are then laundered on the island. In addition, though, Corsica is divided into micro-regions in terms of 'markets for public funds'. External (e.g. Italian) criminal groups have not yet been successful in penetrating these (Legras 2000).

5. Targeted institutions

Unlike Anglo-Saxon countries, France, along with other Mediterranean democracies (Italy, Spain) delayed until the very end of the twentieth century the public identification of the various forms that "public misconduct" can take (Meny 1992; Della Porta and Meny, 1995), and the country has only since begun to address them politically (Lascoumes 2001). The impunity that prevailed until recently corresponded to an absolutist conception of power that kept to a minimum the accountability of government officials. The ideology of "public interest" which is fundamental to French democracy, is often used as an excuse to avoid scrutiny of the motivations and underlying personal interest of civil servants, particularly the top ones (Meny 1992). Lascoumes (2001) argues that the impunity bestowed to high-level officials is rooted in an absolutist conception of power that keeps to a minimum the accountability of government officials. The cases of corruption are usually presented 'exceptional situations in public life'.

Since the beginning of the 1990s, Lascoumes (2001) observes the effects on corruption of a three-fold change: a politicization of the corruption issue, a new ideological stance, and a higher degree of responsibility conferred to a new generation of players in the public sector. As a result, between 1992 and 1995 the number of corruption cases brought to court more than tripled, rising from 17 to 54. As one interviewee commented: "corruption was at the top of the political agenda in the 1990s" but has since passed.

As Lascoumes explains, a new generation of public officials coming from the middle classes gained access to administrative, judicial, and police professions. These newcomers were trained in a less conformist (i.e. corruption tolerant) way. This changed these professions, their values, and

¹⁵⁸ Corsican organized crime has never 'receded' any 'territories' to Italian organized crime, but has rather cooperated.

the way they operated in this new social context. A respect for the law and an awareness of the changing social context became more valued.

The anti-corruption efforts of the French government are usually referred to the Central Service for the Prevention of Corruption (*Service Central pour la Prévention de la Corruption*). SCPC is composed of councillors from different public bodies: judiciary, gendarmerie, audit office, tax administration, and civil administration. The mission of the SCPC remains limited to the ‘diagnosis of the conditions that facilitate corruption and make it hard to detect’. It is also supposed to collect information about corrupt practices and provides technical advice to various public authorities. The SCPC, though, fails to analyse the corruption situation in France in any meaningful way in its annual reports. The latter provide little else than general judicial statistics on corruption, analysis of related legislation, theoretical description of fraud schemes – usually focusing on private sector rather than public sector corruption – and almost entirely avoiding the issue of political corruption, or the big corruption scandals that figure in the media.

5.1 Political corruption

The ever-growing focus on “political scandals” since the late 1980’s has led to more radical measures than had previously been the case. After 1988, all company financing of parties and candidates was forbidden, be it direct or indirect. On the other hand, public funding was increased and extended to all campaigns. Tax legislation made individual contributions more attractive and subject to an upper limit. The punishment for violations of these regulations was extended as well (five years of ineligibility for political representatives indicted for corruption or influence peddling and a five-year exclusion from public procurement contracts for those who make illegal contributions).

Several other legislative measures were undertaken to curb political corruption, including a special law (passed in 1993) regulating public procurement procedures, a law governing the campaign for the election of president (passed in 1995) and a law on the declaration of patrimony by members of government and key public officials. The resources of parties and political figures were subjected to transparency rules aiming to avoid lavish financing of parties and political figures. In 1995, the authorities decided to fully cut off the financing of political parties by companies by fully prohibiting financing by legal entities. (Interviews)

Nevertheless, political corruption remains probably the most contested issue in France, and the issue that still attracts the most media attention. The writing of this report coincided with some of the most dramatic recent corruption trials: one against Jacques Chirac on embezzlement charges, and another ending in an effective sentence related to illegal arms deals on former minister Charles Pasqua. However, no recent empirically-based studies have been conducted on the topic, and the media, particularly the local one, has shied away from investigating and

uncovering political corruption. De Brie (1997) has conceptualized the three main types of corruption networks that exist:

- **Locally based networks:** from Corsica to Alsace these local/regional networks of businesses, politicians, and local government, are usually the ones used to facilitate corruption. Evans (2003, pp.79-92) has called this the local system of *notables*. *He argues that historically, strong centralization has meant that corruption matters at the local level were considered peripheral and of lesser importance. The increasing decentralization in recent decades has given increasing power to local mayors and their circle of delegates.*

In the past, Marseilles has been another example of politicians using organised crime to further their goals. Politicians, there, had recruited armed gangs to maintain law and order at the political rallies (Monzini 2003/Allum). Monzini also gives the example of a deputy mayor who launched a poster campaign to proclaim his solidarity with two prominent criminals who had been accused of murder (Monzini 2003/Allum). She also writes that local politicians in Marseilles used organised crime's power of persuasion to maintain social order when it was no longer guaranteed by legal means. Criminal gangs were also informally asked to prevent strikes and other forms of industrial action.

- **Political networks:** these networks dominate with their own networks: Ile-de-France, Provence-Côte d'Azur, Rhône-Alpes. In the 1990s, corruption scandals came to light which involved the mayors of Cannes (involved in a racketeering scandal around the slot machines in the city's casinos) or Toulon (where connections to the local mafia and its international partners were revealed). At the national level, Evans (2003) explains that political elites in major parties share the same background and networks based on **elite schools**. Alternating administrative and political positions is common.
- **Business and professional networks,** are in turn also tightly knit into the elite political networks, based not only on the fact that the majority of executives of private companies are graduates of the same elite schools, but also reinforced by legitimate practices of 'pantouflage' (hiring of former government officials – see below).

Political party financing has been the biggest corruption driver: a process that has been further accelerated with the process of administrative decentralization and regionalization in recent decades in France. Public contracts in large cities like Paris have been granted to companies that have provided support to political parties.

The showcase trial of Charles Pasqua, former Minister of the Interior (investigated on numerous corruption charges) who granted a casino license to finance his political campaign, is only just of the cases that have surfaced. Political corruption in France has generally enjoyed impunity in the late 1990s, that some authors describing former politicians as having tools which allow them to pressure the judiciary. Nominations

within the prosecution office are used to discontinue investigations, or block, or slow down procedures. ‘Destabilisation operations’ against judges considered too curious, blocking international judicial assistance, surveillance and pressure exerted on witnesses or whistle-blowers are some other methods that have been used in the past.

High-level political corruption and related white-collar crime are typically associated with big multinational or national companies. These corruption networks are governed by a different dynamic than regional or local ones. King (2004) explains that the French **political elite** is well defined, with its roots strongly set in the ‘grandes écoles’ (elite universities). The high-profile trials and sentences given to Bernard Tapie,¹⁵⁹ Loik le Floch-Prigent,¹⁶⁰ or Alfred Sirven¹⁶¹ were possible because these individuals were not part of the core elite. The mainstream media has also largely played along and contributed to a sense of impunity – Le Figaro, L’Express, TF1, and Paris Match have been bought by big industrial groups such as Lagardere, Dassault (armaments) and Bouygues (construction).¹⁶²

Much of this high-level corruption has been associated with taking advantage of public contracts in exchange for party financing or kickbacks. The most publicised series of corruption scandals that are closely linked with white-collar crime are related to the public water utility sector in France. Godoy (2003) explains that companies, including large multinational ones such as Suez Lyonnaise des Eaux and Vivendi Environnement, have been investigated in numerous criminal and civil cases, with accusations that have included bribery of public officials, illegal political contributions, kickbacks, price fixing, operating cartels and fraudulent accounting. The two largest cases related to the cities of Paris and Grenoble have revealed that companies like Suez and Vivendi paid millions of francs worth of bribes to political parties and mayors in the 1980s and in 1990s. In one of the largest cases, prosecutors alleged that between 1989 and 1995 public contracts worth \$3.3 billion were awarded in violation of the law in Île-de-France (the Paris region). In exchange, \$86 million was funnelled to the Rassemblement pour la République (RPR) party, while many other parties got smaller kickbacks. The bribes ensured impunity for these companies which then engaged in criminal behaviour by using fraudulent accounting practices to overcharge customers, or by pocketing the interest from bill overpayment accounts. In many of the trials, top executives were not effectively prosecuted or were protected. For instance, Jérôme Monod, a top Suez exe-

¹⁵⁹ Convicted for football related corruption in 1995.

¹⁶⁰ Chief executive of Elf – Aquitaine, one of the largest corruption affairs (allegedly state-sanctioned) of bribery, largely in Africa. (Schofield 2003)

¹⁶¹ Deputy head of Elf – Aquitaine.

¹⁶² In 2001, investigative reporter Denis Robert and Ernest Backes, an executive at Cedel (presently Clearstream) until May 1983, published a book with the title of *Revelation in which they alleged Clearstream (is the custody and settlement division of Deutsche Börse, based in Luxembourg) played a major part in French political corruption. According to the authors Clearstream was a main platform for money laundering for hundreds of banks, and “operated hundreds of confidential accounts for banks so they could move money undetected. The accusations were that French political figures, industrial leaders, and members of the secret services of maintaining secret accounts at Clearstream, which allegedly were used to transfer kickbacks in the France – Taiwan frigates scandal. The courts found no evidence of the accusation, and the authors were convicted for libel in numerous lawsuits.*

cutive, who was allegedly instrumental to the water privatisation bribery scandal that led to the imprisonment of the mayor of Grenoble, was not only exonerated but also became a senior adviser to former French President Jacques Chirac.

Meny (1997) explains that in France there is a certain level of ignorance about the concept of 'conflict of interest'. The widespread practices of 'mandate accumulation' (*cumul des mandats*) or *pantouflage* are two of its manifestations. Mandate accumulation allows someone in France to hold multiple elective offices: for instance as Member of Parliament one can still retain certain elected or administrative positions in local or regional government. The practice of '*pantouflage*' – or the employment of former government officials who have been in a position to grant contracts to private company – is the other most frequently cited (and even more direct) mode of corruption. The common practice of "*pantouflage*" has led to the establishment of a special Public Figures Ethics Commission responsible for investigating conflict of interest of former political figures involved in the private sector or representing a different party in the public sector. Since it started its work in 1995, this commission has somewhat reduced the risks of *pantouflage*: it checks whether the potential positions that former public officials are about to take are not in conflict with their previous work.

The statistical data on corruption-related convictions supports the above observations. Between 1996 and 2006, on an annual basis only a few dozen cases of corruption of public officials have resulted in convictions, with the majority of the latter being focused on the corruptors rather than the corrupted, and less than a dozen being related to elected officials (SCPC 2007, pp.169-193).

5.2 Judicial corruption

The media in France often criticize and question the independence of the judiciary. Straightforward cases of corruption are very rare, and the statistical information provided has indicated only single cases in recent years. There are two key issues that are addressed: one is the vulnerability to political pressures in cases of white collar crime and political corruption; the second is judicial independence in regions with significant presence of organised crime, such as Corsica.

Evans (2003) has argued that in France the direct control of prosecution by the Ministry of Justice has created a de-facto politicised judiciary, whereby the investigation of high-level figures has been thwarted in various ways, while judges have been subdued to undue media pressure. The few investigative judges or prosecutors (Eva Joly, Eric Halphen, or Eric de Montgolfier) who have investigated high-profile political and judicial corruption, and who have dared to speak out, have all revealed in books or interviews the great amount of political pressure, threats, and counter-investigations mounted against them by the police to thwart their work (Le Monde 2004).

Joly¹⁶³ (2007) has expressed concern about the receding independence of investigative judges in France. Following several high-profile corporate-crime and related political corruption investigations, the powers of investigative judges in France have been gradually shifted towards the Public Prosecution Office (which is under the Minister of Justice). The elimination of investigative judges has thus reduced the independence of criminal investigations. In terms of traditional organized crime, where little high-level political corruption is involved, this is not of concern. In terms of white collar crime, particularly as it relates to political party funding and political corruption, this could greatly reduce the judicial powers to effectively prosecute corruption. Joly (2007, p. 86) explains that in France it has become “difficult and even dangerous to attack key figures suspected of corruption, which by definition may implicate people wielding power at the highest levels”. She further explains that the same members of the National Assembly that were under investigation for corruption were the ones that put the most radical legislative changes aimed at reducing the powers of investigative judges (p.86).

5.2.1 The case of the Nice magistrates

One of the few high-profile corruption cases involved a Nice judge, Jean-Paul Renard. The close association of Judge Renard with the local Freemasonry organisation had led to multiple cases of corrupt and questionable behaviour. Judge Renard was sentenced for having consulted on numerous occasions police files to obtain background information on candidates who applied to the Grand National Lodge of France (Grande loge nationale de France – GLNF). In 2000 a police officer from Nice and a GLNF member was dismissed after it was established that he had regularly consulted the police information database (STIC) not only to vet candidates but also to obtain information on GLNF members who were being investigated (Pascal 2000).

The CSM report disclosed that, for over fifteen years, the magistrate had had a close relationship with Marcel Allieis, a Freemason and a former security services officer of a South American state. During this time, there were several investigations against Allieis in which Renard was involved, and that were resolved via out of court settlements through the mediation of another Freemason who was a police officer. In addition, wiretaps provided evidence that Allieis boasted that his relationship with judge Renard allowed him to help lift arrest warrants. The report also revealed that Allieis used his connection with Renard to help Claude Paccavia – an individual suspected of being linked to the Calabrian Mafia – get rid of his criminal record. Renard’s wife, a lawyer, was used as an intermediary in the deal. In addition, Judge Renard had had a close relationship with Michel Mouillot, former Mayor of Cannes who was convicted in several corruption cases (Mathon 2004).

In a different CSM inquiry, Judge Renard admitted to have given a lighter sentence to a drug trafficker after the trafficker’s lawyer informed

¹⁶³ Joly was an investigative judge between 1990 and 2002, and led one of the largest corruption investigations against Elf-Total.

Renard that his client had discrediting materials regarding other investigative judges in the Nice court. The report described that two other investigative judges had participated, along with local police officers, lawyers, and criminal figures, in multiple swinging parties involving significant cocaine use. The trafficker in question was not in direct contact with the judge, but one of his main clients was a friend of the judge and had been present at the parties. Jean-Paul Renard was transferred to Grasse in June 2002, and later (in 2004) was removed from office, while the other judges were also transferred to different tribunals but were not suspended (Lhomme 2005).

In a 2005 interview, the prosecutor behind all of the above investigations, Eric de Montgolfier, offers his explanations regarding the pressures exerted from politicians and the Ministry of Justice. Montgolfier also argues that Masonic lodges continue to exercise undue influence, since a number of their members are using them to promote their interests and influence the judiciary. The treatment of Mr. Montgolfier by the French Judicial system is in itself telling of this influence. The investigations of Mr. Montgolfier into Mr. Renard provoked two different oversight institutions, the Inspection générale des services judiciaires (IGSJ) and the Conseil supérieur de la magistrature (CSM) to produce two entirely different reports on the case of Mr. Renard: IGSJ entirely exonerating the judge, while the second providing the evidence recounted above, and eventually leading to Mr. Renard's dismissal. In an interview, Mr. Montgolfier talks about a discrediting report against him that was made public on the Ministry of Justice website, while the blatant disregard for facts in the IGSJ report was never addressed: facts that he said 'forces one only to conclude that influence of freemasonry' is behind that disregard. (Lhomme 2005a)

Another recent case of judiciary corruption involved Jean-Louis Voirain, a magistrate of Bobigny (Paris), who has been sentenced to three years imprisonment and a 30,000 Euro fine for corruption in the "Sentier II" case involving a money laundering network operating between France and Israel. Mr. Voirain was removed from office in January 2004 and was convicted by the Paris Criminal Court of crimes of corruption and undue influence. He was prosecuted for having accepted cash bribes in exchange for the "legal protection", advice and assistance that he provided to leaders of an international money laundering network. In this trial, 151 people were prosecuted and four banks (two of the banks, La Société Marseillaise de Crédit and the National Bank of Pakistan were found guilty) (AFP 2008).

5.2.2 The Judiciary in Corsica

The issue of corruption and political influence over the judiciary manifests itself in a specific situation in Corsica. The 1999 Parliamentary Report established that an informal policy of 'circumspection' was at play within the prosecutor's office. The policy was in effect pushing magistrates, and above all prosecutors, to take into account local political and social 'sensitivities'. This policy of 'judicial prudence' on many occasions bordered impunity and the discretion to interpret the law as

was convenient provided space for corrupt behaviour. The ‘circumspection’ policy nevertheless went beyond the prosecution and in fact also characterised the work of the police as well. Police forces often received orders for selective arrests that took into account the political balance and in-fights amongst the various nationalist factions. This went so far as not prosecuting assassinations that were publicly claimed by certain nationalist factions. In other instances quoted, armed nationalists arrested ‘by mistake’ were released on orders from the Ministry of Interior. In the late 1990s, magistrates were subjected to lots of pressure and direct threats. Fourteen magistrates protested publicly against the circumspection policies by stating that ‘certain judicial decisions that are taken can be explained only by the existence of negotiations’ with the members of clandestine organisations (Caresche 1999).

5.3 Police corruption

Corruption in the French police (and gendarmerie) is a rarely discussed topic. The general perception of the police leadership is that police corruption is a very rare occurrence, and in terms of corruption related to organized or white collar crime, it is practically absent. The statistical data supports this perception. In 2008, the Main Inspectorate of the National Police (IGPN – Inspection générale de la police) reported that 3243 police officers had been sanctioned (L’Express 2009). Out of these though, as the table below shows, only a handful were related to corruption (the rest referred to various forms of unethical or criminal behaviour). The National Gendarmerie cases are even fewer, as in 2007, only 75 internal investigations against members were taken, that comprised all sorts of inappropriate or criminal behaviour by officers (violence, abuse of power, thefts, etc.). There cases involved only petty corruption related to pocketing ticket fines from foreign drivers who paid in cash. The perception of some of the interviewees was that the military discipline and culture resulted in a lesser number of corruption cases in the Gendarmerie (Cornevin 2008).

TABLE 22. NUMBER OF POLICE OFFICERS

Year	2004	2005	2006	2007	2008
Number of prosecuted officers	7	7	11	6	12

Source: IGPN¹⁶⁴

The above-mentioned statistics and perceptions, though, seem to reflect a narrow understanding of corruption, a general denial of the problem, and apparent inability to effectively tackle it in certain parts of the country, such as Corsica (or the overseas territories). The relatively narrow legal definition, as some interviewees explained, stipulated the presence

¹⁶⁴ The only systematic analysis of IGPN’s corruption related data Razafindranaly (2001) was based on 18 corruption cases that were registered in 2000.

of 'direct or indirect offers, promises, gifts, presents, and advantages' (Penal Code, Art. 432.11).

Publicly known cases of corruption indicate that the police in France suffers from the problems common to police forces in other EU-17 countries. There are three general areas where most cases of police corruption or corrupt behaviour related to organized crime occur: drugs, prostitution, and economic crime. Information leakage seems to be the biggest concern in terms of corruption by organized crime (LEI-1-3). Direct involvement in organized criminal activities and the related protection of criminal associates (again by means of the provision of information allowing criminals to avoid detection) seem to be the main issues. In some cases, informants seem to be the main intermediaries, while in others this role is served by former police officers.

To illustrate the above, below we present a number of cases that were quoted in interviews and the media:

- In November 2008, François Stuber, former police captain, and former deputy head of the Drug Squad of the Strasbourg police, was given the maximum prison sentence of 10 years. He had been charged with the task of destroying drugs seized by his department. Instead of destroying them, between 2003 and 2007 he established a network and traded the seized drugs (that included heroin, cocaine, cannabis, and subutex). He also became involved in the importation of some drugs. Captain Stuber's intimate partner, Laurence Hamon, was an employee at the local court, where she had access to files, indicating whether anyone from the distribution network that Mr. Stuber used to distribute the drugs was under investigation. [This tactic was apparently used to avoid the variety of tracing mechanisms instituted by the IGPN to prevent unnecessary information access]. In addition, her premises were used to stock the drugs, and her bank accounts to launder some of the income. The drugs distribution network included at least seven distributors (most of them police informants), and was headed by a police informant, who also doubled as a customs informant. Although the defence tried to present a case that captain had used the drugs as a way to pay his informants, it was revealed that between 2003 and 2007, the key informant coordinating the network had paid Mr. Stuber between € 400,000 and € 500,000 (LibeStrasbourg 2007, 2008). Despite the lack of involvement (or at least indictments) of other officers in the case, there seemed to be a general questioning of the management of seized drugs and systems in place that failed to detect for such a long time the theft of seized drugs. The case also illustrated the corruption vulnerability of police officers in their work with informants. The Perben II law (dating from 9 March 2004) legalised the practice of police officers paying informants for delivery of information. This new tool was essentially aimed at fighting organised crime. Several years after the adoption of the law, it seems that the payments permitted by the law are an insufficient stimulus for the informant's cooperation. Hence, the old practices of using illegal means (e.g. exchanges of favours or information) to compensate informants continue.

- A number of other cases related to the issue of police involvement in prostitution networks. Prostitution is generally legal in France, but there are a number of limitations that criminalise pimping and all other ways of profiting from prostitution, making brothels illegal. The most common form of corruption involving police relates to obtaining free services from sex workers. Interviewees stated that the high penalties posed on pimps made their presence in France rather rare, therefore making corruption involving pimps or pimp networks difficult. In a 2006 case, seven community police officers from the Paris suburb of Seine-Saint-Denis were sentenced to various prison terms for committing a number of crimes, including obtaining free services from prostitutes. (Liberation 2006). In a different case, in 2006 four police officers (three from Marseille and higher level Commissaire, from Carpentras) received sentences of between one and four years for having financed and operated at least two swinger clubs (*clubs échangistes*) that also involved prostitution (TF1 2006).
- The third type of cases that were brought up included trading in information. In 2008, Patrick Moigne, who since 2003 headed the Anti-Payment Fraud Brigade of the Paris Police was indicted for having sold confidential information regarding the ongoing investigation against the oil giant Total.¹⁶⁵ Mr. Moigne sold two types of information: (1) information on planned arrests or police operations related to the Total investigation; (2) information extracted from the national police STIC database, which listed huge amounts of large-sum transaction data. The two buyers of this information were business intelligence industry representatives, one of them, though, was Jacques Le Roy, a former officer of the Financial Crime Police Brigade, who had been employed in the business intelligence industry. This is one of the most senior police ever implicated in a corruption case (Lévêque 2008).

This latter case reminds a point brought up by interviewees, and a point that SCPC (2004, pp.84-114) has analysed in more depth. SCPC explains that 10-15% of business intelligence information that a company needs to understand its competition is contained in non-open sources, which could be accessed only in illegal ways. Access to such information usually resides either with certain public administrative services/law enforcement or with private companies. Interviewees also stated that the incidence of former police officers tapping into old contacts to obtain confidential information from the police is an issue of concern for the French police (LEI 1-3).

Police corruption is particularly problematic in regions of the country where organised crime has a traditionally strong hold, such as Corsica or Marseille. For many years, the police priority in Corsica has been the fight against the nationalist movement. In the early 1990s there were even specific instructions for local police to focus exclusively on pro-independence groups. This allowed organized crime to flourish for a number of years. The general assessment was that at the time ‘po-

¹⁶⁵ There had been different investigations against Total: one was related to the oil-for-food programme; a second was involved gas field exploration contract in Iran, and the third one was related to money laundering related to the former Minister of Justice of Cameroon.

lice services were either infiltrated or had formed relationships either with the nationalist movements as well as with organized crime'.¹⁶⁶ This forced many police operations to be conducted directly from Paris, or to involve as few people as possible. A case was recounted with an arrest of a high-level nationalist (*Mattei et Santoni*), where only the Head of the Anti-terrorist unit of the prosecution along with a couple of very senior officers conducted the operation. In addition, corruption not only of police but also of France Telecom employees made the use of surveillance instruments (bugging phones) almost impossible, as one interviewee stated that these normally were leaked within 48 hours.¹⁶⁷ Police officers that were suspected of leaking information were preventively arrested before operations started to prevent leakage. As a result of the information leakage issue the Gendarmerie lacked confidence in the Police, and the two institutions did not exchange any information, thus failing to cooperate adequately.¹⁶⁸

Presently, the situation with respect to police corruption in Corsica is monitored directly from the IGPN office in Paris. The observation of the interviewees was that the detection of any inappropriate relations and behaviour was extremely difficult. The small size of the island meant that police at all levels had personal knowledge and even relations with local organized crime figures or economic elites. Officers coming on rotation from Paris or the mainland are usually perceived as outsiders and kept at arm's length by locals.

5.3.1 Police anti-corruption strategies

There are several bodies that monitor and investigate police corruption cases in France:

- The Main Inspectorate of the National Police (IGPN – Inspection générale de la police), headquartered in Paris and with regional offices in Lyon and Marseille. It is a general police oversight body that monitors police behaviour and performance of close to 135,000 members of the National Police. In addition, it is responsible for overseeing issues of police misbehaviour (crimes or violence committed by police officers);
- Inspection de la gendarmerie nationale (IGN) – 103,000;
- In addition, similar functions are carried out by the General Inspectorate of Services (IGS) in the Paris region;
- Commission nationale de déontologie de la sécurité (CNDS): National Ethics Commission on the Security Forces – established in 2000 and responsible for monitoring adherence to the ethics and moral codes of the security forces on the territory of France.

Although there is no particular counter-corruption strategy aimed at organised crime, a number of counter corruption measures are in place and are continuously developed:

¹⁶⁶ Mr. Bernard Lemaire, Former Head of Police (Préfet) of Upper Corsica (Haute-Corse) quoted in Caresche (1999).

¹⁶⁷ Mr. Jean-Louis Bruguère, premier vice-président chargé de l'instruction au tribunal de grande instance de Paris quoted in Caresche (1999).

¹⁶⁸ M. Jean-Pierre Dintilhac, Former Director General of the Gendarmerie National quoted in Caresche (1999).

- Unlike some other police forces in the EU, officers are usually not allowed to serve in the particular neighbourhoods from which they originate. This general guideline is certainly difficult to adhere to in small towns or neighbourhoods.
- In certain areas, for instance in Corsica, anti-corruption efforts (as well as serious and organized crime investigations) are carried out directly from Paris. Even though the IGPN has a regional office in Marseille, the significant Corsican population in the city, has induced an additional precautionary measure, of investigations being removed further away.
- Limitations on the employment of former police officers as private investigators or as employees in corporate investigation firms. For a period of three years subsequent to leaving the police, officers are not eligible to be employed in such positions.
- Although provocation is not allowed under French law, various undercover inspections have been introduced to improve the quality of police services. One of these also includes the prevention of abusive access to police files.
- A number IT solutions have been implemented to prevent abusive access to information systems. Preventive software solutions warning of excessive access or access by unrelated officers to information of investigations have been introduced.
- A number of measures have also been introduced to prevent officers being exposed to financial hardship. It has been illegal for police officers to default on bank loans.
- Stringent penalties and high levels of responsibility for supervising officers. In one of the corruption cases cited, seven traffic officers in Paris were running a scheme in which they were writing fake tickets to drivers and pocketing the money. In addition to the imposition of lengthy prison sentences to the officers involved, their supervisor was dismissed for failing to detect or prevent the corrupt behaviour of the officers. In other cases quoted, officers have been dismissed for accepting bribes as little as € 10.

5.4 Customs corruption

The customs authorities, like the police, prefer to treat corruption as an internal matter: as a consequence, the public is unfamiliar with the issues surrounding corrupt transactions involving customs officials. The interviews indicated that the perception within the French Customs is that corruption is a non-issue. Historically, in the 1980s a culture of corruption prevailed in many land-border posts (e.g. with Belgium). The risks of corruption were further reduced with the reduction of land border customs posts (with the creation of the EU customs union), the introduction of electronic processing systems, the awarding of the status of 'public servant' to the customs officers, and improvement in their remuneration (interviews). Between 1990 and May 2009, there had been a total of only forty-six cases of corruption in the French customs: an average of only two cases per year.¹⁶⁹ From this statistical data, though,

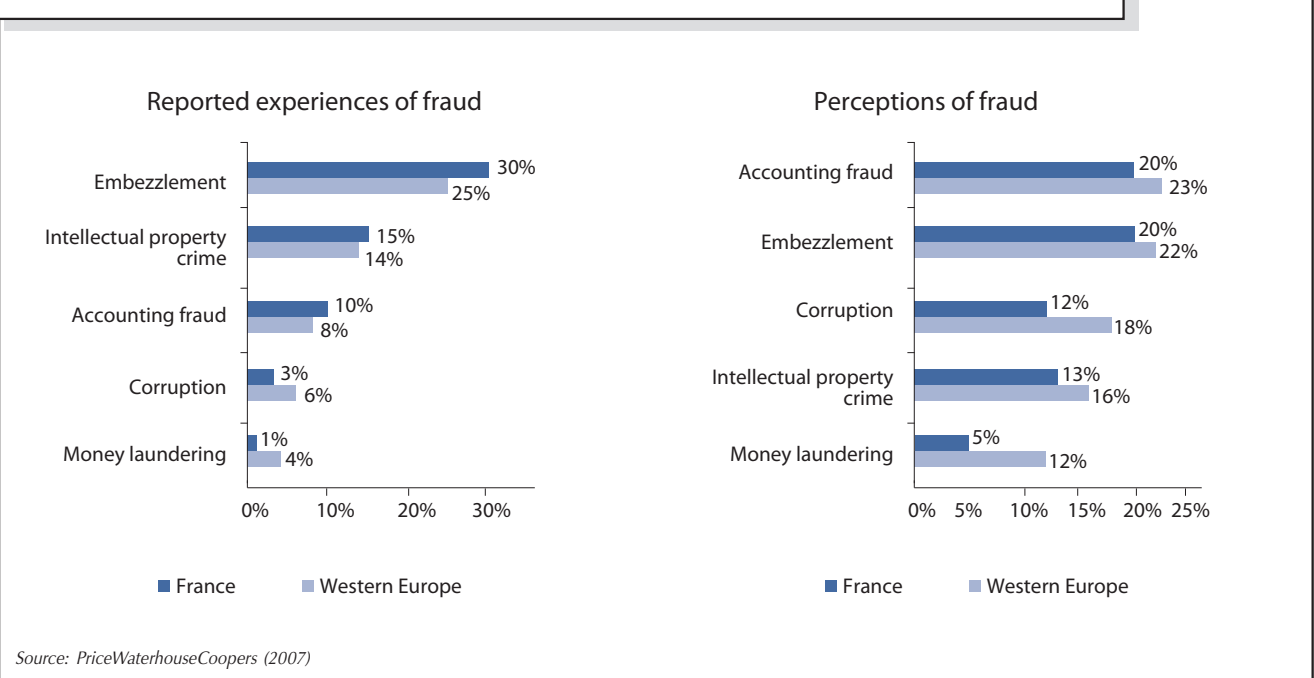
¹⁶⁹ The data was provided by French Customs in official communication to Project One.

it is difficult to assess the level of organised crime related corruption in the customs.

6. Private sector corruption

Private sector corruption – both in terms of the perceptions and the experiences of companies surveyed by PwC – seems to be lower than in other EU-17 countries. In addition, while in Western Europe 14% of companies report that they feel to have lost market share or a contract to a competitor who has paid a bribe, in France only 11% report so. Whether the survey results indicate that corruption in France is really lower than in other Western European countries, or whether this is a result of the possibility that corruption is something of a taboo issue that business are reluctant to discuss, is a matter of debate.

FIGURE 18. EXPERIENCES AND PERCEPTIONS OF FRAUD AND CORRUPTION IN FRANCE (% OF COMPANIES IN 2007)



In France, as in other countries, lawyers are particularly exposed to corruption risks in their role of defending or consulting clients. A well known corruption case in France involved administrators appointed by the commercial courts for the redress of companies that have filed for bankruptcy. For instance, in the case of SDBO, a former subsidiary of Credit Lyonnais, thirteen directors and court-appointed administrators were implicated in the corruption scandal. These individuals secured loans from SDBO for the companies they were administering. The case was returned for revision in late October 2006 by Judge Evelyne Picard. The defendants were convicted to ten years of imprisonment for “bribery” with a 150,000 euro fine imposed. The briber, Pierre Despessailles, 79, former CEO of SDBO, was indicted for having “designed” a “corrupt pact” to encourage agents and administrators to secure the SDBO loans. Prosecutors said the officers were involved “with varying degrees of greed” in this illegal agreement. A tax audit in 1996 revealed that the administrators accepted, between 1982 and 1992, private or business

loans at rates from up to five to six points below the market interest rates at the time.

7. Conclusion

The personal experience of citizens with corruption in France (Eurobarometer 2008) places the country slightly below the least corrupt countries or Northern Europe or the UK, yet above its southern neighbours of Italy and Spain. Yet the regional differences within the country (south-north), or specific regions like Corsica, as well as the cultural specifics of the business-political elite networks, create favourable conditions for criminals to use corruption. The often subtle nature of corruption, the passive media, and the high tolerance of the public have created an environment from which white-collar criminals could benefit.

The present research has indicated that in certain regions of France (Corsica and to some extent the south-west) local criminal elites use various forms of corruption on local judicial officials, police officers, and politicians. Although often these cases are not of the classic bribery type, but instead constitute trading in influence or favours, organised crime creates an environment where its activities continue uninterrupted. In other parts of the country sporadic evidence suggests that police corruption and occasional cases of influence over the judiciary occur but the scale is unclear. Political corruption, except in the above mentioned regions, seems to be limited to complex corporate crimes and corruption deals, especially in industries with significant public sector exposure (such as utilities). In these situations well established networks of the French *elite*, whether business or political, facilitate corrupt transactions.

The lack of access of criminologists and social scientists to business and political elites or to low class traditional criminals from the 'milieu' has left a corruption knowledge gap. The lack of comprehensive government reporting could probably be explained by the fact that two successive French presidents – namely, Jacques Chirac and Francois Mitterrand – have been involved and prosecuted in a number of political corruption scandals. The shift of power from Mitterrand to Chirac in the late 1990s produced a spur of investigations, corruption trials, and a public debate that have since abated. Although a number of political party financing anti-corruption measures were introduced since the mid 1990s, the continuing lack of proactive anti-corruption mechanisms could mean that corruption networks have simply been transformed and that even subtler mechanisms are now being used.