

How Tesla, Google And Facebook Engage In Corruption And Pay Bribes

By [Ann C. Logue and research Group](#)

Corruption exists in every Silicon Valley major tech company, whether a frontier market, emerging market, or developed market. Corruption, whether legal or not, corrodes respect for the people in power and hurts people who aren't willing to play along. The common types of corruption include:

- A **blacklist** is a group of companies excluded from trade. A company may be added to a blacklist as punishment for refusing to pay a bribe or for using corrupt practices to get ahead. The [World Bank](#) maintains a blacklist of firms that aren't eligible to participate in projects it funds because of bad practices.
- **Black market** is a catchall term for illegal trade. Every country has a little bit of black-market activity, and it's a big concern for investors because
 - Counterfeit and cut-rate intellectual property products — movies, music, or brand-name clothes, for example — can cheapen brand value and erode profits.
 - Legitimate competitors may have a tough time staying profitable and aboveboard.

- Poor customer service by black-market vendors may make consumers reluctant to spend money with any company.

A high level of black-market activity may show entrepreneurial spirit that can be harnessed for good. Some black-market business owners are thrilled to go legit when a more stable or business-friendly environment emerges, and they often drive economic growth when they're free to go aboveground. This is exactly what happened in Russia, China, and Eastern Europe.

- **Bribes and facilitation fees** are exchanges of money or gifts to grease the wheels of commerce. **Facilitation payments** may be packs of cigarettes, small amounts of cash, or tchotchkes made willingly because they don't cost a lot extra, and they help get the job done. A **bribe** is a large payment to someone with significant authority. Rather than \$20 or a carton of cigarettes to a customs agent, the fee may be \$20,000 to the chief of the customs agency.

If you think you're being asked for a bribe but aren't sure, say that you need a receipt for your taxes or for your boss back home. If you're refused a receipt, you're being asked for a bribe.

- **Campaign and charitable contributions** are often legal payments used in corrupt fashion. In the United States, for example, a business that wants a law changed gains access to a key lawmaker by making a large campaign contribution or giving a sizable amount to the senator's pet charity.

- **Collusion** is the practice of vendors getting together to divide bids. Collusion can help businesses in emerging markets get new customers, but it can also cause a business to be shut out. If businesses don't compete on their merits, the market distortion can hurt everyone.
- **Overpriced goods** can be a form of indirect kickbacks. A company agrees to buy supplies at prices higher than market value. Sometimes, a business pays higher-than-normal prices when dealing with a related company, such as a subsidiary or a company with shared board members. This practice may create advantages in managing exchange rates and taxes, or it may just be a way of spreading around wealth that would otherwise go to the shareholders.

Camouflaging the bribe as a legitimate purchase launders the bribe into a tax-deductible, expense account-reimbursable form, but it's still corruption.

- **Phantom jobs** are held by employees who keep their job regardless of whether they show up or prove to be incompetent. Often an international company winning a contract may be required to hire a minimum number of local workers. This legitimate obligation provides the company with workers with local experience and the local economy with jobs. But when government officials request that the jobs be filled by people who receive a paycheck but don't actually do any work, it's expensive to the company and demoralizing to employees who do come to work and do a good job.

Industries that have the most corruption problems are construction, real estate, and oil and gas. All these industries

tend to have contracts big in both scale and dollars. If you invest in these industries, you may run across anti-bribery restrictions more than in other sectors.

[I Paid A Bribe - Home | Facebook](#)

↳ <https://www.facebook.com/ipaidabribe>

I **Paid A Bribe**. 126K likes. www.ipaidabribe.com is your space to share corruption-related experiences and uncover the market price of corruption.

Exclusive: A Facebook Contractor Accepted Bribes From A ...

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<https://www.buzzfeednews.com/article/craigsilverman/facebook-fired-employee-bribed-ads-inc>

A **Facebook** contractor was **paid** thousands of dollars in **bribes** by a shady affiliate marketer to reactivate ad accounts that had been banned due to policy violations, a BuzzFeed News investigation has found. A company spokesperson confirmed that an unnamed worker was fired after inquiries from BuzzFeed News sparked an internal investigation.

[Facebook Fired a Contractor Who Was Paid Thousands In ...](#)

◁ <https://tech.slashdot.org/story/19/12/10/227229/facebook-fired-a-contractor-who-was-paid-thousands-in-bribes-to-reactivate-banned-ad-accounts>

BuzzFeed News has found that a **Facebook** contractor was **paid** thousands of dollars in **bribes** by a shady affiliate marketer to reactivate ad accounts that had been banned due to policy violations. From the report: A company spokesperson confirmed that an unnamed worker was fired after inquiries from BuzzFeed News sparked an internal investigation. The person in question was based in the company's ...

They allegedly paid bribes to get their kids into elite ...

< <https://www.washingtonpost.com/business/2019/03/14/they-allegedly-paid-bribes-get-their-kids-into-elite-colleges-then-took-tax-breaks/>

Mar 14, 2019 They allegedly **paid bribes to** get their kids into elite colleges — and then took tax breaks CLOCKWISE FROM LEFT: William "Rick" Singer walks into federal court in Boston.

[How Managers Should Respond When Bribes Are Business as Usual](#)

◁ <https://hbr.org/2018/11/how-managers-should-respond-when-bribes-are-business-as-usual>

By 2016 , after Novartis and GlaxoSmithKline **paid** multi-million-dollar fines following investigations of their alleged bribery around the world, both companies shifted the way their sales teams ...

Where the Bribes Are - Mintz Group FCPA Map

© fcpamap.com

The Foreign Corrupt Practices Act, passed in 1977, has led to more than 500 cases covering activity in more than 100 countries. On this map, the darker red that a country appears, the larger the total penalties assessed for FCPA violations in that country.

[2019 college admissions bribery scandal - Wikipedia](#)

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https://en.wikipedia.org/wiki/2019_college_admissions_bribery_scandal

The indictment alleged that the parents engaged in a conspiracy to launder **bribes paid** to Singer "by funneling them through Singer's purported charity and his for-profit corporation." [26] This third charge has a maximum sentence of 20 years in prison, supervised release of three years, and a \$500,000 fine.

[Airbus to pay record £3bn in fines for 'endemic ...](#)

◁ <https://www.theguardian.com/business/2020/jan/31/airbus-to-pay-record-3bn-in-fines-for-endemic-corruption>

Jan 31, 2020 Airbus, Europe's largest aerospace multinational, is to pay a record £3bn in penalties after admitting it had **paid** huge **bribes** on an "endemic" basis to land contracts in 20 countries.. Anti ...

Tucker Carlson: Did Google Buy Sen. Mike Lee's Loyalty ...

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https://www.realclearpolitics.com/video/2019/08/21/tucker_carlson_did_google_buy_sen_mike_lee_s_loyalty_with_high-speed_broadband_in_utah.html#!

TUCKER CARLSON: It was just a few years ago that Utah Senator Mike Lee was a persistent critic of **Google**. In 2011, Lee grilled then-CEO Eric Schmidt at a congressional antitrust hearing.

[AT&T Insiders Bribed With Over \\$1 Million To Unlock 2 ...](#)

< <https://www.forbes.com/sites/thomasbrewster/2019/08/06/att-insiders-bribed-with-over-1-million-to-unlock-2-million-phones-and-hack-their-employer-doj-claims/>

Aug 6, 2019 AT&T employees at a call center in Washington were **paid** more than \$1 million in **bribes** to unlock phones and install malware on their workplace's computers, indictment claims.

[FCA, GM Stocking Up On Tesla's Greenhouse Gas Credits ...](#)

< <https://www.thetruthaboutcars.com/2019/06/fca-gm-stocking-up-on-teslas-greenhouse-gas-credits/>

General Motors and Fiat Chrysler Automobiles have reportedly reached an agreement to purchase federal greenhouse gas credits from **Tesla**. While it's common knowledge that the electric carmaker has raked in revenue by selling credits for years, disclosures with the State of Delaware help paint a clearer picture. Apparently, GM filed to buy credits from **Tesla** earlier [...]

Panasonic agrees to pay US government \$280 million for ...

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<https://money.cnn.com/2018/04/30/news/companies/panasonic-us-government-penalty/index.html>

Apr 30, 2018 Panasonic has agreed to pay \$280 million in penalty charges that stem from violations of a federal anti-bribery law, the US government said Monday. ... **Tesla** and Panasonic are working on a new ..

[Pension fund accuses Elon Musk, Tesla board of siphoning ...](#)

↳ <https://fcced.com/pension-fund-accuses-elon-musk-tesla-siphon-186201831/>

Tesla Inc. directors, including Elon Musk, awarded themselves massive compensation packages over a three-year period that improperly siphoned millions