CRI | GROUP
Corporate Research and Investigations

WHITEPAPER

ORGANISED CATASTROPHE OF PAKISTAN INTERNATIONAL AIRLINES

Major Critical Risk Elements – Mismanagement - Corruption

INTRODUCTION

Pakistan International Airlines PIA is a national flag carrier found in very miserable circumstance nowadays from fake degrees and professional licenses of the pilots to horrifying crashes with loss of precious lives. This situation is not a coincidence but an organised failure of institutional management, state, and internal controls.

The incidence of fraud and corruption in State-owned enterprises, particularly in Pakistan, has been on the rise at an alarming rate in fairly recent times (Simpson, 2002, p. 21). While the perpetration of financial crime and fraud in Pakistan is a globally renowned fact and while privatised institutions play a particularly substantial role in such statistics (Loughman and Sibery, 2011, p. 254), fraud in the governmental institutions is also a key element in the fabric of financial crime in Pakistan (Daudpota, 2013). In that regard, Pakistan International Airlines (PIA hereafter) plays a significant role in the context of being a State-owned enterprise.

Being the national flag carrier of Pakistan, PIA has a shareholding structure that is predominantly State-based (International Monetary Fund and Middle East and Central Asia Dept, 2014). Indeed, the State owns approximately 87% of the shares in the Airlines, with the remainder 13% being held by private investors (United Nations ESCAP, 2009, p. 183). Yet, despite the active involvement of the government, or rather owing to the active engagement of the administration, PIA has been fraught with corruption and financial fraud for some time now (John, 2009, p. 61). Even recently, three PIA officials have been fired owing to charges of corruption and human trafficking, reflecting the inherent culture of corporate management within PIA (Pakistan Today, 2015).

When one considers such colossal failures to manage financial crime within such public bodies, several critical risk factors such as collusion with tenderers and financial bungling play a prominent role. Of these, this paper seeks to essentially focus on the two main critical risk factors of kickbacks and mismanagement, in order to analyse the manner in which these risk factors have played a role in the perpetration of financial fraud in PIA. Further to this study, the paper shall propose a potential solution in controlling the advent and extent of financial crime in the PIA, as per the established standards of crime control (Croall, 2003).

→ **Check out CRI Group Insights! Find publications including white papers and case studies.**

CRITICAL RISK FACTOR: MISMANAGEMENT

One of the prominent critical risk factors, when one considers financial crime and fraud, is mismanagement of the corporation/institution by the governing authorities (Shiller, 2009, p. xi). It is important to comprehend the nature and the application of this concept, before it is applied to the model of PIA to study the organisation's internal failure from a financial crime point of view.

Mounting competition in today's highly globalised world calls for a very high and stellar level of performance from organisations, in order to survive the market (Ferreira, Erasmus and Groenewald, 2010, p. 19).

One primary way to achieve successful insulation against such competition is to have proper management instituted in order to run the various aspects of the organisation, as per the needs of the company and the changes in the market in which it operates.

Moreover, proper management of an organisation not only focuses on remedying the weak points and the failures of the organisation, but rather also focuses on the reasons as to the successes of its competitors, thereby benchmarking the case of their success and seeking to avoid the mistakes which the latter avoided as well (Bettley, Mayle and Tantoush, 2005, p. 224). Therefore, mismanagement occurs when the management in power fails to undertake and execute these responsibilities successfully, leading to financial crimes within the organisation and potential failure of the institution.

Mismanagement also occurs when the head team fails to properly predict the incidence of business challenges which have a material impact on its viability, thereby leading the operational threats to destabilise the organisation (European Federation of Accountants, 2004).

In view of this, one of the primary causes of the internal turmoil and operational failure of PIA is chronic mismanagement of the organisation by the incumbent management (Yoganandan, 2010).

PIA faces stiff competition both from prominent international airlines which successfully offer lower rates for international routes, and from domestic airlines which compete with it on popular routes to the Gulf and the Middle East. Thus, one would expect that the management would be alert and aware in dealing with such competition. Yet, it is the very lack awareness of the level of competition facing the PIA by its managing authorities that has led to a mismanagement of the resources allocated to running the firm, thereby leading to the perpetration of misappropriation of these resources and the parallel failure of the firm.

Some of the main manifestations of mismanagement in the organisational structure of the PIA include deficiencies in the managerial skills and management training of the managers (Barbot, Costa and Sochirca, 2008, p. 271). Thus, while there were other principal factors which led to the operational failure of PIA, leading to corruption in the organisation, it is these poor management skills which paved the way for other critical risk factors to play a role in the spread of financial fraud and crime within the organisation (Lee and Worthington, 2011, p. 6-8).

→ **CRI Group has launched a new study. This study will critically consider the catalysts for an economic crime with a view to identifying the motivations that contribute to the perpetration of transnational financial crimes. The study will commence with a brief overview of different forms of transnational crimes - namely, money laundering, bribery and fraud. The focus will then be placed on fraud, particularly corporate fraud - a particularly problematic and controversial form of financial crime. Followed by a comparison between U.K. law and U.S. law on corporate fraud will then be undertaken. Explore our new study “An Investigative Study into Causal Factors of the Perpetration of Transnational Financial and Economic Crime (s)”**

Moreover, the individuals comprising the management have been known to lack the motivation to properly conduct the affairs of the PIA, lack the requisite skills in taking key decisions in keeping the organisation afloat, and lack the important inspiring personal qualities which help to inspire the staff to work towards the welfare of the company. This is reflected by the fact that in 2012, the Supreme Court of Pakistan had slammed the PIA over severe and chronic mismanagement issues, which had led to nearly $230 million losses for the airlines in 2012 alone (Dawn, 2012). This was further evidenced by the court in the manner that whenever even the top officials were questioned regarding the abysmal performance of PIA and its staff, they had consistently needed to refer back to their juniors and could only answer about the affairs of the organisation at the following hearing, thereby reflecting clear mismanagement and lack of information and understanding about the firm.

It is the lack of experience of the top leaders in the management of the firm which has led to chronic issues of fraud and corruption in the organisation – this is evidenced from a popular survey taken regarding the reasons as to the poor performance of the PIA, where the results indicate a clear 61% opining that mismanagement was the key reason for this (Nawaz, Manzoor, Jahanian & Mumtaz, 2012, p. 3). This is further exacerbated by the fact that the PIA's management is ineffective in dealing with adverse situations adequately through implementing effectual action plans, thus leaving a void for the officials to exploit the downturn situations for their personal gain (Nawaz et al, 2012).

→ **Human Capital can make (or break) your business - most organisations manage some of their risks via an insurance policy and risk retention. However, this is a reactive strategy when it comes to risk. If you are one of these organisations, then you are missing the riskiest part of the equation: people risk. [Explore more on how to mitigate employee risk here!]**

Background inestigations can help you mitigate employee risks and mismanagement. These checks can reduce the risk of hiring someone who could cause irrevocable damage. Firms spend years, thousands, even millions to brand their products and services and one bad hire can cause loss of capital and reputation to an extent that may bring a business to fail.

The lack of proper management of the affairs of the PIA has led to widespread allegations of corruption by the top officials in the PIA (The News, 2011). While the officials of the management vehemently deny such charges, the case is made that with such gross mismanagement of the firm, corruption and exploitation would naturally lead to the perpetration of fraud within the management and the larger organisation (Suarez, 2014, p. 9). Ultimately, beyond mere perpetration of fraud, such mismanagement of the organisation has also allegedly led to, or is rapidly leading to, the failure of the PIA.

Failure in this regard is usually taken to mean that there would be a discontinuance of the business owing to a lack of adequate financial resources (Everet and Watson, 1998) and lack of vision and skills of the management officials to properly run the company as a viable concern (Pretorius, 2009). The fact that PIA has been on a gradual course of failure, to the extent that the government has needed to overhaul the entire management team, stands testimony to the extent of gross mismanagement in the airlines.

CRITICAL RISK FACTOR: KICKBACKS

Kickbacks are another major critical risk factor which has led to the perpetration of direction corruption and chronic financial fraud within the confines of the organisation.

A kickback essentially refers to bribes which have been negotiated ahead of time of a deal, in the form of a commission, for the rendering of professional services of the insider/individual in closing the deal successfully, regardless of the merits of the deal (Inderst and Ottaviani, 2012). As such, corruption resulting from such kickbacks has been a major impetus in leading to the impending failure and inherent fraud of PIA, where 67% of the respondents from the previously mentioned survey have responded that corruption is the single most important reason for the losses faced by the PIA (Nawaz et al, 2012, p. 3).

One of the main reasons for the perpetration of kickbacks is the culture of corruption and familial piety in Pakistan, generally. Culture affects one in the manner in which he/she respond to incidents and special classes of people differently – it is somewhat like a mental programming which automatically prompts one to undertake a certain course of action as per the software, despite rational logic suggesting otherwise (Hofstede, 1991, p. 27). In Pakistan, the predominant culture, in any walk of life or profession, is based heavily on families and the kinship-based social structures, giving rise to a culture of sifarish (Saikal, 2014, p. 193). Such a culture essentially refers to exploiting one's connections to get things done – cultural kickbacks of sorts.

While it could be deemed as downright bribing from some angles, cultural kickbacks have played a primary role in the perpetration of financial crime in the organisation of PIA.

Owing to the pressure of the sifarish culture, the officials in the PIA are forced to accept kickbacks in order to move things favourably for certain people, owing to their connections with the former's family or with powerful people.

→ **Global corruption costs trillions in bribes. Read further with our "Beating Bribery Leadership and culture in risk and anti-bribery management systems" article**

Failure to do so would mean that the individual risks the family reputation in the social structure of Pakistan, thereby forcing the hand of the officials in the PIA to focus on selfish interests rather than the welfare of the organisation. For example, there have been widespread allegations that officials in the PIA have been forced to accept kickbacks, owing to fears of backlash of the sifarish culture, to promote young and low-ranking cadres to higher positions; similarly, there have been allegations of Ministers paying kickbacks to have particular air stewardesses promoted (Scribd, n.d.).

Q&A SESSION WITH CRI GROUP: CORPORATE FRAUD & CORRUPTION IN PAKISTAN

Corporate fraud and corruption in Pakistan is widespread (Rose-Ackerman, 1997, p. 4), particularly in the government and police forces. However by 2013 the country had improved by 12 indices compared to its previous rank – in 2012, 139 out of 174; in 2011, 134 out of 182; in 2010, 143 out of 178 countries. And in 2017, Pakistan saw a significant improvement in its statistics, with the Corruption Perception Index by Transparency International ranking the country 117th out of 180 countries. However Transparency International latest report (Jan 2020) indicated that Pakistan is a more corrupt country than it was in year 2017 – ranking 139 out of 180 countries in in 2019. There is a need to reform accountability and anti-corruption policies in Pakistan. Read the answers to the following questions:

- To what extent are boards and senior executives in Pakistan taking proactive steps to reduce incidences of fraud and corruption from surfacing within their company?
- Have there been any significant legal and regulatory developments relevant to corporate fraud and corruption in Pakistan over the past 12-18 months?
- When suspicions of fraud or corruption arise within a firm, what steps should be taken to evaluate and resolve the potential problem?
- Do you believe companies are paying enough attention to employee awareness, such as training staff to identify and report potential fraud and misconduct?
- How has the renewed focus on encouraging and protecting whistleblowers changed the way companies manage and respond to reports of potential wrongdoing?
- and much more…

READ MORE

Similarly, powerful officials within the organisation of PIA always have allocated a quota of seats for those who are well-acquainted with them from a familial context: these seats are kept available till the very last minute, thereby leading to a considerable loss of revenue from which could have been earned had these seats been sold commercially (Islam, 2004, p. 323). Thus, such cultural kickbacks have only served to perpetuate corruption further in organisation, as the firm makes losses in order to accommodate the sifarish culture and preserve the family honour of the officials who have been approached to undertake favours for those proximate to them.

While this is how kickbacks have been perpetuated over time within the organisation of PIA, kickbacks have become a very prominent mode of corruption in international deals of the PIA in recent times. This has only been possible owing to the predominant culture of sifarish and kickbacks, thereby perpetuating such conduct at an alarming rate within the administrative framework of the PIA.

A COMPANY'S OWN EMPLOYEES ARE ITS BEST PROTECTION AGAINST CORRUPTION

Statistics show that most corruption is detected internally. Training is a proactive way of demonstrating your organisation's commitment to ethical sustainability. Give your employees the tools they need to prevent bribery and mitigate related risks - achieving:

- ISO 37001 Awareness training
- ISO 37001 Internal Auditor training
- ISO 37001 Lead Auditor training
- ISO 37001 Lead Implementer training - coming soon, find out more

This is also the perfect way to future proof your career as an auditor, compliance officer or if you are a risk management professional. **Our trainers are the best in the business and our e-learning platform is the most user-friendly.**

FIND OUT WHICH COURSE SUIT YOU BEST, HERE!

READ MORE ON TRAINING OPTIONS!

References to key incidents, and how they have affected the functioning of the PIA would be of merit in this instance. One of the important examples of the extent of kickbacks found in PIA lies in the PIA 777 deal which the airlines closed without opening up for any tenders whatsoever.

→ **Do you have the Adequate Procedures in place? Learn more about *"Demonstrating Adequate Procedures with ISO 37001 ABMS Certification and Training"***

The entire process was kept secret and the deal was closed, for five such planes, within a mere 21 days, which is now being considered as a record in the aviation industry (Pakistan Today, 2012). While the market price for each plane was $200 million, each plane was sold for an exorbitant price of $300 million, with the remaining $100 million per plane being paid as kickbacks to several of the top officials in PIA, and other prominent Ministers in the government (Abbasi, 2012). Such a deal was only possible because of the prevailing culture of kickbacks induced by sifarish, which provided the space for these officials to perpetuate fraud and corruption without being turned over by their peers, as all of them are victims to the sifarish culture (Junaid, 2013, p. 2928).

Another prominent example of kickbacks in the PIA is the recent arrest of two important PIA officials by the Federal Investigation Agency's corporate circle, in response to corruption charges against the two officials (Dunya News, 2015).

The officials were arrested as they had accepted kickbacks in order to institute a fake pay order to a private company, resulting in a scandal worth $2.8 million. Thus, the perpetuation of kickbacks has clearly been a prominent critical risk factor which has led to the spread of corruption and incidence of financial fraud in the organisation of PIA. This cannot be confined merely to the financial element of kickbacks – rather, the culture of sifarish in Pakistan plays a prominent role in ensuring that kickbacks are accepted by will or by force of societal pressure.

One could conclude that kickbacks on a summary level, and tolerance of the kickbacks resulting from the familial motivation to engage in corruption at all levels of administration, have helped perpetuate corruption within PIA as a public organisation (Iqbal, 2014).

“

THE MODEL ALSO PERMITS MODIFICATIONS OF THE PROCESSES BASED ON THE RISK TREATMENT, SO AS TO PROPERLY MITIGATE THE CRITICAL RISK ELEMENTS OF PIA

PROPOSED RISK IDENTIFICATION & ANALYSIS FRAMEWORK

Now that the primary critical risk factors impacting on the levels of corruption and fraud within the PIA have been analysed and elaborated upon, the paper shall now proceed to propose a risk identification and analysis framework, in order to contain the effects of the risk factors mentioned above.

Such a system of risk management is a particular set of elements of an organisation which is devoted to and concerns the management of the risk within that organisation's structure (Pickett, 2005, p. 27). Such a system includes managerial components and seeks to involve strategic planning and long-term decisions, in order to combat the critical risk factors in the organisation.

In the case of PIA, both mismanagement and kickbacks as a culture need to be insured against. Thus, the proposed risk identification framework needs to contain the appropriate risk criteria measuring the two elements of critical risk, and should then onwards be able to preserve this framework in order to identify the level of control which the organisation has over these factors (Goudie and Stasavage, 1998).

The framework also should be able to implement the risk controls which help modify the level of risks in the organisation.

A risk control under such an understanding refers to actions which implement risk management decisions, and mitigate critical risk elements in the organisation (Spira and Page, 2003). Such forms of risk control should include active modes of monitoring and evaluating the critical risk elements and thereby modifying the behaviour of those involved.

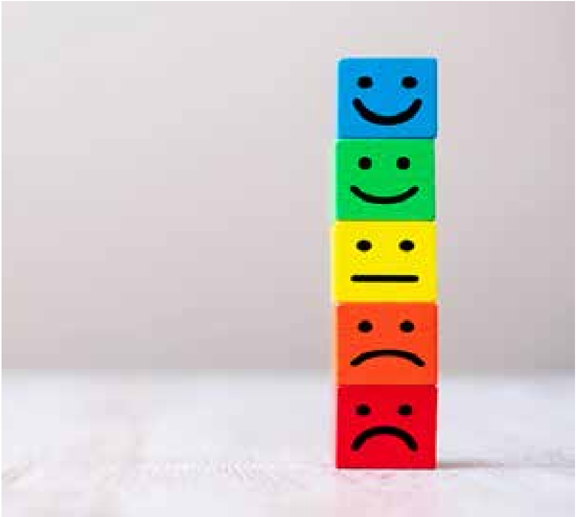
→ **Managing risk effectively is essential to ensure businesses succeed and thrive in an environment of constant uncertainty. ISO 31000 aims to simplify risk management into a set of clearly understandable and actionable guidelines, that should be straightforward to implement, regardless of the size, nature, or location of a business. Getting Started with ISO 31000 Risk Management? Click here to explore the standard and how it can help your business.**

In the case of the PIA then, the risk management system would need to improve and enhance the management of the organisation and reduce the incidence of kickbacks by making the entire organisation more transparent to the shareholders, increasing the efficiency of the processes and allowing for a cross fertilisation between risk estimation, risk controls, and risk assessment. Overall, the risk management system needs to be able to enhance the level of understanding of how the organisation ought to work and how it is actually working.

It is also worth emphasising that the risk identification framework should not be treated as a staff function, but rather as a management activity as it is integral with decision-making (Moeller, 2011, p. 187). While the staff function includes enterprise-wide reporting of risks and other roles of integration, this is not essentially similar to the implementation of risk controls. Thus, in order for the proposed risk identification scheme to manage the risks of PIA, the risk management scheme needs to be sustainable through the regular conduct of audits, reviews and several other forms of monitoring of the incidence of kickbacks and the lack of proper management of the firm's resources. Where such awareness is not coupled with the proposed risk management scheme, the framework would become ineffective, and potentially lead to further abuse and corruption within PIA.

→ **Managing risk effectively is essential to ensure businesses succeed and thrive in an environment of constant uncertainty. ISO 31000 aims to simplify risk management into a set of clearly understandable and actionable guidelines, that should be straightforward to implement, regardless of the size, nature, or location of a business. However without leadership, your risk management strategy is likely to fail. As good leadership has a tremendous importance in the success of the ISO 31000 risk management system. Here are a few key points that top management should pay close attention to for a successful ISO 31000 risk management system. Explore the "Importance of strong ISO 31000 risk management leadership" here!**

Taking these factors into account, the risk identification and analysis framework which this paper proposes is the business-



RISK ASSESSMENT BREAKDOWN: IDENTIFICATION, ANALYSIS, EVALUATION

Whatever your reasons or motivations might be, if your organisation's objective is to have an effective risk management strategy in place, then ISO 31000 can provide the principles, framework and a process for managing risk.

ISO 31000 is not a certifiable standard; the standard is a set of guidelines which provide guidance for internal or external audit programmes. However we recommend taking ISO 31000 Awareness training, this will enable you to fully understand Risk Management activities and mitigate risk. According to ISO 31000, there are two important building blocks that form the core of risk management:

- Risk assessment
- Risk treatment

Under ISO 31000, each of these stages has a whole section of its own – they go into detail about best practices for identifying risks, how to analyse them in terms of probability and severity, and how they can be evaluated in terms of the company's risk appetite. This article discusses the importance of Risk Assessment.

READ MORE

based risk management framework, which was devised as a joint effort by the Association of Insurance and Risk Managers, the Institute of Risk Management and the National Forum for Risk Management in the Public Sector (all of these institutions are based in the UK) (Raz and Hillson, 2005). Basically, such a framework first seeks to conduct a risk assessment of the organisation by estimating the level of risks and identifying the impact of the risks.

The model then seeks to propose both the opportunities and the threats from the risk categories to key-decision makers within the organisation, who then has to decide on the course of action based on the level of risk treatment (Nocco and Stulz, 2006). The model also permits modifications of the processes based on the risk treatment, so as to properly mitigate the critical risk elements of PIA. Finally, as a form of external control over potential abuses of the risk management framework, the model prescribes regular external auditing and monitoring activities, to ensure a 'separation of powers' type of approach to risks.

“

THE MODEL ALSO PERMITS MODIFICATIONS OF THE PROCESSES BASED ON THE RISK TREATMENT, SO AS TO PROPERLY MITIGATE THE CRITICAL RISK ELEMENTS OF PIA

LEVERAGE ISO 31000 TO IMPROVE YOUR BUSINESS CONTINUITY MANAGEMENT PROGRAM...

Following ISO 31000 standard means that you are protecting your organisation from potential risks that could endanger the operational efficiency, governance, and stakeholders' confidence. It will help strengthen and achieve the strategic objectives of your organisation by establishing a risk-based system of values whilst ensuring the consistency and the effectiveness of management across all its areas such as IT, HR, compliance, quality, health and safety, business continuity, etc.

Enable your organisation to:

- ✓ Enhanced risk management will support achieving goals & objectives
- ✓ Reduce costs through proper risk management
- ✓ Respond to change effectively & find viable solutions
- ✓ Create a consistent basis for decision making & planning
- ✓ Identify & mitigate the risk throughout the organisation
- ✓ Create & protect value
- ✓ Increase the likelihood of achieving objectives
- ✓ Productively identify the opportunities & threats
- ✓ Gain stakeholder confidence & trust

Our partner ABAC® Center of Excellence can help you and your team implement ISO 31000 standard.

GET A FREE QUOTE NOW!

LAUNCHING A NEW ISO 31000 AWARENESS COURSE BENEFITS

The first step of demonstrating your and your organisation's commitment to an effective risk management is to commit to ISO 31000:2018 implementation and training. Here are some of the course benefits:

- Develop the skillsets, tools, techniques and attributes to recognise, analyse, treat and manage risks across your organisation
- Understand the scope of ISO 31000
- Examine the risk management principles
- Add value to your risk management process
- Remain compliant to the International Standard for Risk Management
- Build your stakeholders confidence by identifying and managing organisational risks

SIGN UP NOW!

CONCLUSION

This research article has essentially sought to analyse two major critical risk elements found within PIA, which have influenced greatly the level of corruption and fraud within the organisation. The first such element is that of mismanagement of the various aspects of PIA.

On a deeper level of analysis, the mismanagement of the organisation is leading the firm to its ultimate failure. The second critical element is that of kickbacks, which have been exacerbated by the culture of sifarish. This is owing to the influential role which pressure from families has on the officials presiding over the organisation. Having considered various elements of risk identification frameworks, the proposed solution in dealing with these organisational crimes is to implement the business-based risk management framework.

SENIOR MANAGEMENT NEED TO TAKE RESPONSIBILITY FOR MANAGING FINANCIAL CRIME RISK NOW!

We expect senior management to take clear responsibility for managing financial crime risks, which should be treated in the same manner as other risks faced by the business. There should be evidence that senior management are actively engaged in the firm's approach to addressing the risks.

SELF-ASSESSMENT QUESTIONS:

- When did senior management, including the board or appropriate sub-committees, last consider financial crime issues? What action followed discussions?
- How are senior management kept up to date on financial crime issues? (This may include receiving reports on the firm's performance in this area as well as ad hoc briefings on individual cases or emerging threats.)
- Is there evidence that issues have been escalated where warranted?

EXAMPLES OF GOOD SENIOR MANAGEMENT PRACTICE:

- Senior management set the right tone and demonstrate leadership on financial crime issues.
- A firm takes active steps to prevent criminals taking advantage of its services.
- A firm has a strategy for self-improvement on financial crime.
- There are clear criteria for escalating financial crime issues.

EXAMPLES OF POOR PRACTICE:

- There is little evidence of senior staff involvement and challenge in practice.
- A firm concentrates on narrow compliance with minimum regulatory standards and has little engagement with the issues.
- Financial crime issues are dealt with on a purely reactive basis.
- There is no meaningful record or evidence of senior management considering financial crime risks.

TAKE CONTROL OF YOUR BUSINESS' FUTURE

We are always ready to assist you to effectively manage your workplace in an efficient and risk-free manner that best suits your needs and your business. Our experience base, skilled workforce, technical resources, networking capabilities, internal flexibility and global offices maximise our solution efficacy.

CHECK OUT OUR BROCHURE

GET A FREE QUOTE NOW!

INTRODUCING ISO 37001:2016 ANTI-CORRUPTION MANAGEMENT SYSTEM

ISO 37001:2016 standard - helps organisations promote an ethical business culture. "Designed to help [you and] your organisation implement an ABMS, and/or enhance the controls you currently have. It helps to reduce the risk of bribery occurring and can demonstrate to your stakeholders that you have put in place internationally recognised good-practice anti-bribery controls". These measures involve top-level leadership, training, bribery risk assessment, due diligence adequacy, financial and commercial controls, reporting, audit, and investigation.

This standard mirrors numerous steps contained in the U.S. Foreign Corrupt Practices Act (DOJ and SEC) and Good Practice Guidance on Internal Controls, Ethics and Compliance (OECD), Anti-Corruption Ethics and Compliance Handbook for Business (OECD), UK Bribery Act 2010 and the British Ministry of Justice's Adequate Procedures document.

Our ABAC® program helps ensure that your business has implemented a management system which prevents, detects and responds to bribery and complies with anti-bribery laws, internally and externally (i.e. agents, consultants, suppliers, distributors and other third-parties).

- **Build your competence level & prepare your company**, organisation or department for a successful implementation of ISO 37001 standard
- **Provide** your company, customers, stakeholders, employees, & partners with **confidence** in your business operations & ethics
- **Create new & better business partnerships** with entities that recognise your certified status, including supply chain manufacturing, joint ventures, pending acquisitions & co-marketing alliances
- **Provide evidence** to prosecutors & courts that you & your organisation have taken reasonable steps to prevent bribery & corruption
- **Gain a competitive edge** over non-certified organisations & other professionals in your industry or niche
- Potentially **reduce corporate insurance premiums**

GET A FREE QUOTE NOW!

WHY CRI GROUP?

Since 1990, Corporate Research and Investigations Limited “CRI Group” has safeguarded businesses from fraud and corruption, providing insurance fraud investigations, employee background screening, investigative due diligence, third-party risk management, compliance and other professional investigative research services. CRI Group’s expertise will add to the diverse pool of business support services available within your region

INVESTIGATIVE RESEARCH

ANTI-CORRUPTION & REGULATORY INVESTIGATIONS
ASSET SEARCH & RECOVERY
FRAUD RISK & INSURANCE INVESTIGATIONS
IP INFRINGEMENT INVESTIGATIONS
INTERNAL INVESTIGATIONS & CONFLICT OF INTEREST
FINANCIAL INVESTIGATIONS & FORENSIC ACCOUNTING

BUSINESS INTELLIGENCE

MARKET RESEARCH & ANALYSIS
COMMERCIAL INVESTIGATIONS

COMPLIANCE SOLUTIONS

INVESTIGATIVE DUE DILIGENCE
CORPORATE SECURITY & RESILIENCE
THIRD-PARTY RISK ASSESSMENT
ANTI-MONEY LAUNDERING
INTEGRITY DUE DILIGENCE

DueDiligence360™
Partners to TRUST

BACKGROUND INVESTIGATIONS

VENDOR & 3RD PARTY SCREENING
PERSONNEL VETTING & PRE- EMPLOYMENT SCREENING
EMPLOYEE INTEGRITY DUE DILIGENCE

EMPLOYSMART™
Smarter Background Checks Today for a Better Workforce Tomorrow

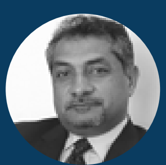
CERTIFICATION & TRAINING

ISO 37001 ANTI-BRIBERY & ANTI-CORRUPTION MANAGEMENT SYSTEMS
ISO 19600 COMPLIANCE MANAGEMENT SYSTEMS
ISO 31000 RISK MANAGEMENT SYSTEMS
ISO 37002 WHISTLEBLOWING MANAGEMENT SYSTEMS UNDER DEVELOPMENT
ISO 37000 GUIDANCE FOR THE GOVERNANCE OF ORGANISATIONS UNDER DEVELOPMENT

ABAC ANTI-BRIBERY ANTI-CORRUPTION CENTER OF EXCELLENCE

WHY WORK WITH US?

- CRI Group has one of the largest, most experienced and best-trained integrity due diligence teams in the world.
- We have a flat structure which means that you will have direct access to senior members of staff throughout the due diligence process.
- Our multi-lingual teams have conducted assignments on thousands of subjects in over 80 countries, and we’re committed to maintaining and constantly evolving our global network.
- Our solutions are easily customisable, flexible and we will tailor our scope to address your concerns and risk areas; saving you time and money.
- Our team of more than 50 full-time analysts is spread across Europe, Middle East, Asia, North and South America and is fully equiped with the local knowledge to serve your needs globally.
- Our extensive solutions include due diligence, employee pre & post background screening, business intelligence and compliance, facilitating any decision-making across your business no matter what area or department.



Zafar I. Anjum, Group Chief Executive Officer
e: zanjum@CRIgroup.com | **t:** +971 50 9038184

Zafar, Group CEO of Corporate Research and Investigations Limited (CRI Group), has been building a 30 years’ career in the areas of anti-corruption, fraud prevention, protective integrity, security, and compliance. Possessing both industry expertise and an extensive educational background (MS, MSc, CFE, CII, CIS, MICA, Int. Dip. (Fin. Crime), CII, MIPI, MABI), Zafar Anjum is often the first certified global investigator on the scene when multi-national EMEA corporations seek to close compliance or security gaps.

Global Leader in Risk Management,
Background Screening & Due Diligence Solutions

37th Floor, 1 Canada Square,
Canary Wharf,
London, E14 5AA,
United Kingdom
t: +44 203 927 5250
e: london@CRIgroup.com

SOURCES

1. Abbasi, A. (2012). $500m kickbacks feared in PIA 777 Deal. Retrieved from http://www.thenews.com.pk/TodaysPrintDetail.aspx?ID=12703&Cat=13
2. Barbot, C., Costa, A. & Sochirca, E. (2008). Airlines Performance in the New Market Context: A Comparative Productivity and Efficiency Analysis. Journal of Air Transport Management. 14(5), 270-274
3. Bettley, A., Mayle, D. & Tantoush, T. (2005). Operations Management A Strategic Approach. London, United Kingdom: Open University Press
4. Croall, H. (2003). Combatting Financial Crime: Regulatory versus Crime Control Approaches. Journal of Financial Crime, 11(1), 45-55
5. Daudpota, F. (2013). Anti-Money Laundering Law of Pakistan – An Overview. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2368483
6. Dawn. (21 Dec 2012). Supreme Court slams PIA over 'mismanagement'. Retrieved from http://www.dawn.com/news/772971/supreme-court-slams-pia-over-mismanagement
7. Dunya News. (24 Aug 2015). 2 PIA officers arrested on corruption charges. Retrieved from http://dunyanews.tv/en/Pakistan/294929--2-PIA-officers-arrested-on-corruption-charges
8. European Federation of Accountants (FEE). (2004). Avoiding Business Failure: A Guide to SMEs. Retrieved from http://www.cpaireland.ie/docs/default-source/business-resource/fee---avoiding-business-failure.pdf?sfvrsn=2
9. Everet, J. E. & Watson, J. (1998). Small business failure and external risk factors. Small Business Economics, 11(4), 371-390
10. Ferreira, E. J., Erasmus, A. W. & Groenewald, D. (2010). Administrative Management. Cape Town, South Africa: Juta and Company Ltd
11. Goudie, A. W. & Stasavage, D. (1998). A framework for the analysis of corruption. Crime, Law and Social Change, 29(2), 113-159
12. Hofstede, G. (1991). Culture and Organizations: Softwares of the Mind. London, United Kingdom: McGraw Hill
13. Inderst, R. & Ottaviani, M. (2012). Competition through Commissions and Kickbacks. The American Economic Review, 102(2), 780-809
14. International Monetary Fund and Middle East and Central Asia Dept. (2014). Pakistan: Staff Report for the First Review Under the Extended Arrangement Under the Extended Arrangement Under the Extended Fund Facility, Request for Waiver of Nonobservance of a Performance Criterion and Modification of Performance Criteria. New York, USA: International Monetary Fund
15. Iqbal, F. (2014). An Analysis of Administrative Reforms in Pakistan's Public Sector. Retrieved from http://uobrep.openrepository.com/uobrep/bitstream/10547/550403/1/Iqbal%20Faiisal%20Thesis.pdf
16. Islam, N. (2004). Sifarish, sycophants, power and collectivism: administrative culture in Pakistan. International Review of Administrative Sciences, 70(2), 311-330
17. John, W. (2009). Pakistan: The Struggle Within. Delhi, India: Pearson Education
18. Junaid, M. R. (2013). Collapse of giants: Conceptualizing trust as a metaphysical imperative in organization infrastructure. African Journal of Business Management, 7(30), 2926-2937
19. Junaid, M. R. (2013). Collapse of giants: Conceptualizing trust as a metaphysical imperative in organization infrastructure. African Journal of Business Management, 7(30), 2926-2937
20. Lee, B. L. & Worthington, A. C. (2011). Operational Performance of low-cost carriers and international airlines: New evidence using a boot-strap truncated regression. Retrieved from http://eprints.qut.edu.au/46126/1/WP271.pdf
21. Loughman, B. P., & Sibery, R. A. (2011). Bribery and Corruption: Navigating Global Risks. New Jersey, United States of America: John Wiley & Sons
22. Moeller, R. R. (2011). COSO Enterprise Risk Management: Establishing Effective Governance, Risk, and Compliance (GRC) Processes. New Jersey, USA: John Wiley & Sons
23. Nawaz, N., Manzoor, S. F., Jahanian, A. & Mumtaz, R. (2012). Factors Underlying the Failure of Organizations: A Focus on Pakistan International Airlines. Journal of Law, Policy and Globalization, 6, 1-7
24. Nocco, B. W. & Stulz, R. M. (2006). Enterprise Risk Management: Theory and Practice. Journal of Applied Corporate Finance, 18(4), 8-20
25. Pakistan Today. (2012). $500m corruption in PIA, says PTI. Retrieved from http://www.pakistantoday.com.pk/2012/02/26/national/500m-corruption-in-pia-says-pti/
26. Pakistan Today. (22 Aug 2015). 3 PIA employees sacked on human trafficking, corruption charges. Retrieved from http://www.pakistantoday.com.pk/2015/08/22/business/3-pia-employees-sacked-on-human-trafficking-corruption-charges/
27. Pickett, K. H. S. (2005). Auditing the Risk Management Process. New Jersey, USA: John Wiley & Sons
28. Pretorius, M. (2009). Defining business decline, failure and turnaround: a content analysis. SAJESBM NS, 2(1), 1-16
29. Raz, T and Hillson, D. (2005). A Comparative Review of Risk Management Standards. Risk Management, 7(4), 53-66
30. Saikal, A. (2014). Zone of Crisis: Afghanistan, Pakistan, Iraq and Iran. London, United Kingdom: I. B. Tauris
31. Scribd. (N.D.). PIA Case Study. Retrieved from http://www.scribd.com/doc/68071448/Pia-Case-Study#scribd
32. Shiller, R. J. (2009). The New Financial Order: Risk in the 21st Century. New Jersey, USA: Princeton University Press
33. Simpson, S. (2002). Corporate Crime, Law, and Social Control. Cambridge, United Kingdom: Cambridge University Press
34. Spira, L. F. & Page, M. (2003). Risk management: the invention of internal control and the changing role of internal audit. Accounting, Auditing and Accountability Journal, 16(4), 640-661
35. Suarez, G. D. B. (2014). The Impact of Ownership Structure on the Financial Performance of Airlines in the International Context. Retrieved from https://etd.ohiolink.edu/!etd.send_file?accession=walshhonors1411569757&disposition=inline
36. The News. (20 Nov 2011). PIA rejects corruption, mismanagement charges. Retrieved from http://www.thenews.com.pk/TodaysPrintDetail.aspx?ID=78368&Cat=3
37. United Nations ESCAP. (2009). Review of Developments in Transport in Asia and the Pacific 2007: Data and Trends. New York, USA: United Nations Publications
38. Yoganandan, G. (2010). Globalisation of Pakistan: Lessons for Politically Unstable Countries. International Journal of Marketing Studies, 2(1), 133-147

LET'S TALK

If you'd like to discuss your business needs, we'd love to hear from you.

EMEA HEAD OFFICE
United Kingdom
Corporate Research & Investigations Ltd.
37th Floor, 1 Canada Square,
Canary Wharf, London, E14 5AA,
United Kingdom
t: +44 203 927 5250
e: london@crigroup.com

MIDDLE EAST
UAE — Dubai
Corporate Research & Investigations Ltd.
917, Liberty House, DIFC P.O. Box 111794,
Dubai, U.A.E.
t: +971 4 3589884 | +971 4 3588577
toll free: +971 800 274552
e: cridxb@crigroup.com

UAE — Abu Dhabi
Corporate Research & Investigations Ltd.
Office No: 3509, 35th Floor Al Maqam Tower, ADGM Square, Al Maryah Island, Abu Dhabi, U.A.E
t: +971 2 4187568
e: criadgm@crigroup.com

Qatar
Corporate Research & Investigations LLC — QFC Branch
Office No. 130, 1st Floor, Al – Jaidah Square,
63 Airport Road, PO Box: 24369, Doha, Qatar
t: +974 4426 7339 | +974 7406 6572
e: doha@crigroup.com

NORTH AMERICA
U.S.A.
Corporate Research & Investigations LLC
445 Park Avenue, 9th Floor New York,
NY 10022, United States of America
t: +1 212 745 1148
e: newyork@crigroup.com

Canada
Corporate Research & Investigations Ltd.
540, 439 University Avenue,
5th floor Toronto ON, M5g 1Y8, Canada
t: +1 437 836 3223
e: toronto@crigroup.com

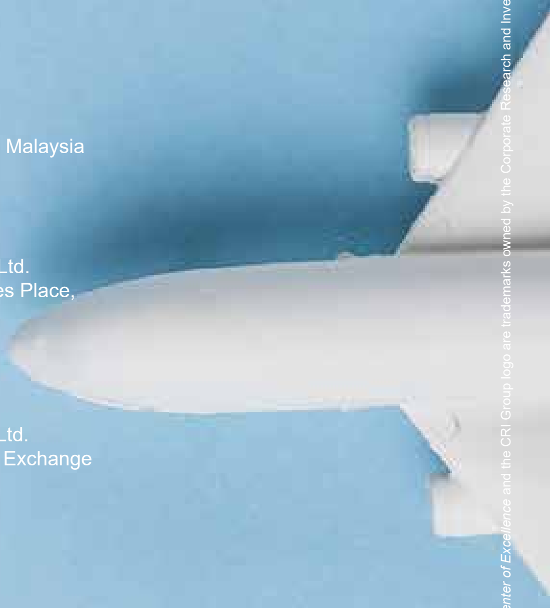
SOUTH AMERICA
Brazil
Corporate Research & Investigations LLC
Paulista Building 2064/2086 Paulista Avenue,
14th floor, São Paulo 01310-928 Brazil
t: +55 11 2844 4290
e: brazil@crigroup.com

ASIA
Malaysia
Corporate Research & Investigations LLC
Lot 2-2, Level 2, Tower B, The Troika,
19 Persiaran KLCCM, 50450 Kuala Lumpur, Malaysia
t: +60 32178 6133
e: malaysia@crigroup.com

Singapore
Corporate Research & Investigations (Pte.) Ltd.
1 Raffles Place, #19-07, Tower 2, One Raffles Place,
Singapore 048616
t: +65 9723 5104
e: singapore@crigroup.com

Pakistan — Islamabad
Corporate Research & Investigations (Pvt.) Ltd.
Level 12, #1210,1211, 55-B, Pakistan Stock Exchange (PSE) Towers, Jinnah Avenue,
Blue Area, Islamabad, Pakistan
toll free: +92 (51) 080 000 274
t: +92 (51) 111 888 400
e: pakistan@crigroup.com

Pakistan — Karachi
Corporate Research & Investigations (Pvt.) Ltd.
BRR Towers 13th Floor, I.I Chundrigar Road,
Karachi 74000 Pakistan
t: +92 (51) 111 888 400
e: pakistan@crigroup.com



Scan & find out more about CRI Group or go to:
crigroup.com/about

info@crigroup.com