

**D-r Todor Galev**

# **Combining experts' opinions and company data to assess corruption, state capture and policy measures at national, sectoral and institutional level**

**8 June 2022**

Implemented by:



## Example 1: SC and corruption risks in public procurement

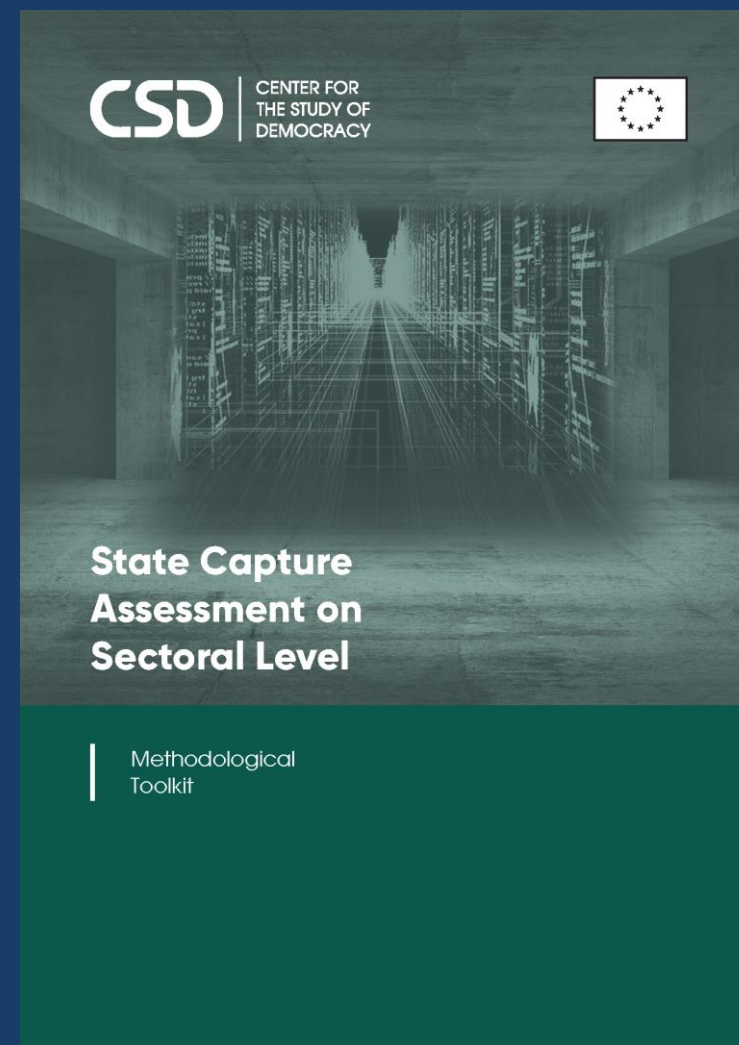
Based on SceMaps framework:

- State Capture Assessment Diagnostics on Economic Sectors Level (SCAD ESL): **mainly experts' assessments.**
- Monitoring Anticorruption Policy Implementation (MACPI): **experts' assessments.**
- Analysis of SC & corruption risks in public procurement: **linked “hard” data** on public procurement, company financial and ownership information and online media

## Example 1: Methodological toolkit



<https://go.csd.bg/sctoolkit>



# Ex1: SceMaps online platform



**SCEMAPS** RANKING ▾ PROFILING ▾ RED FLAGGING ▾ MARKET SIZING

## Flags

► Procurement exposure ratio by revenue

► Procurement exposure ratio by net income

► Procurement exposure ratio by Number of employees

► Procurement exposure ratio by Total Assets

► Incorporation Time Proximity Index

► Buyer Concentration Index

► Suspicious Activity News

► Government Terms Volatility

► Most Notable Recent Success per Tender Count

► Most Notable Recent Success per Value of Contract

## Analytics of Awarded Companies

Showing 21 072 out of 45 859 Awarded Companies

Name	Reports	Country	State/Region in Country	City	ZIP/Post Code	Address	Webs
Piacentini costruzioni SpA (capogruppo RTI) e società cooperativa Braccianti Riminese, cooperativa San Martino, cooperativa Muratori & Cementisti CMC (mandanti)	<a href="#">Project History</a> <a href="#">Company Profile</a>	Italy		Palagano	41046	via Marconi 4-B	
API Movilidad, SA	<a href="#">Project History</a> <a href="#">Company Profile</a>	Spain		Madrid	28050	av. Manoteras, 26	<a href="#">http://</a>
Tehnostrade SRL	<a href="#">Project History</a> <a href="#">Company Profile</a>	Romania		Bacău	600391	b-dul Unirii, nr. 77	
Jan De Nul N.V.	<a href="#">Project History</a> <a href="#">Company Profile</a>	Belgium					
Vitale One Costruzioni SRL	<a href="#">Project History</a>	Italy		Teverola	81030	Via Marco Polo IV Traversa n. 27	

<https://analytics.scemaps.eu>

Need Help?

## EX1: SceMaps sources

### Public (open) data:

- Public procurement data (TED database)
- Corporate data (public business registries and private data providers)
- Online news-media data

## **Ex1: SceMaps – data challenges**

### **Name entity recognition and matching (buyers & suppliers) of TED data:**

- Missing company's ID
- Matching different names (e.g. using reference fields, i.e. postal address, web-site, contact information)

### **Parent-child matching of corporate data**

- Merging data from different sources: missing IDs, difference in the names;
- Missing (partial information) on company's ownership (particularly outside the country borders) -> use of private data providers;
- Complex ownership networks -> transposed to parent-child relationship.

## **Ex1: SceMaps – data challenges (cont.)**

### **Online media content identification, collection and matching (buyers & suppliers)**

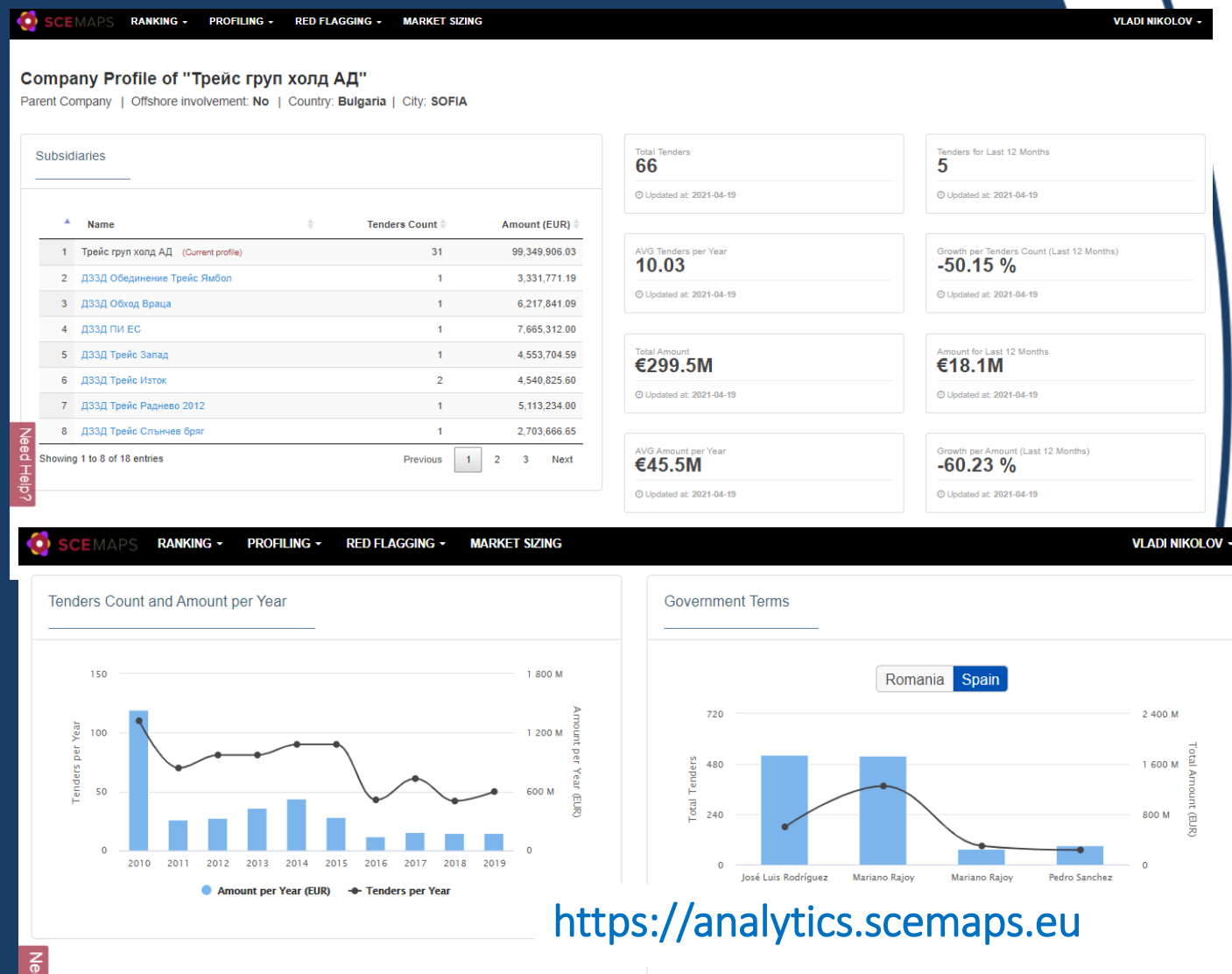
- Identification of online media source (avoiding non-media/personal sites)
- Set-up keywords and “Boolean” search for “corruption AND public procurement” but not buyers & suppliers names -> use specialized media-monitoring services
- Identification and collection of relevant media articles (avoid false positives)
- Filtering full-text media articles dataset for buyers & suppliers (common words, abbreviated names, differences in names, etc.)



# Ex1: SceMaps - Profiling


## Supplier Profile Example

- Total and average tenders won
- Total and average awarded amount
- Subsidiaries
- Tenders count and awarded amount per industry
- Government terms volatility





# Ex1: SceMaps red flags – procurement exposure ratios


RANKING ▾
PROFILING ▾
RED FLAGGING ▾
MARKET SIZING
TODOR GALEV ▾

## Flags

- Procurement exposure ratio by revenue
- Procurement exposure ratio by net income
- ▼ Procurement exposure ratio by Number of employees
  - ☒ International Company Ranking
  - ☐ Local Company Ranking

**Countries**

☒ Bulgaria
☒ Italy
☒ Romania
☒ Spain

Year From: 2011
Year To: 2019

**Search**

### Procurement exposure ratio by Number of employees in *Bulgaria, Italy, Romania and Spain* for 2011-2019

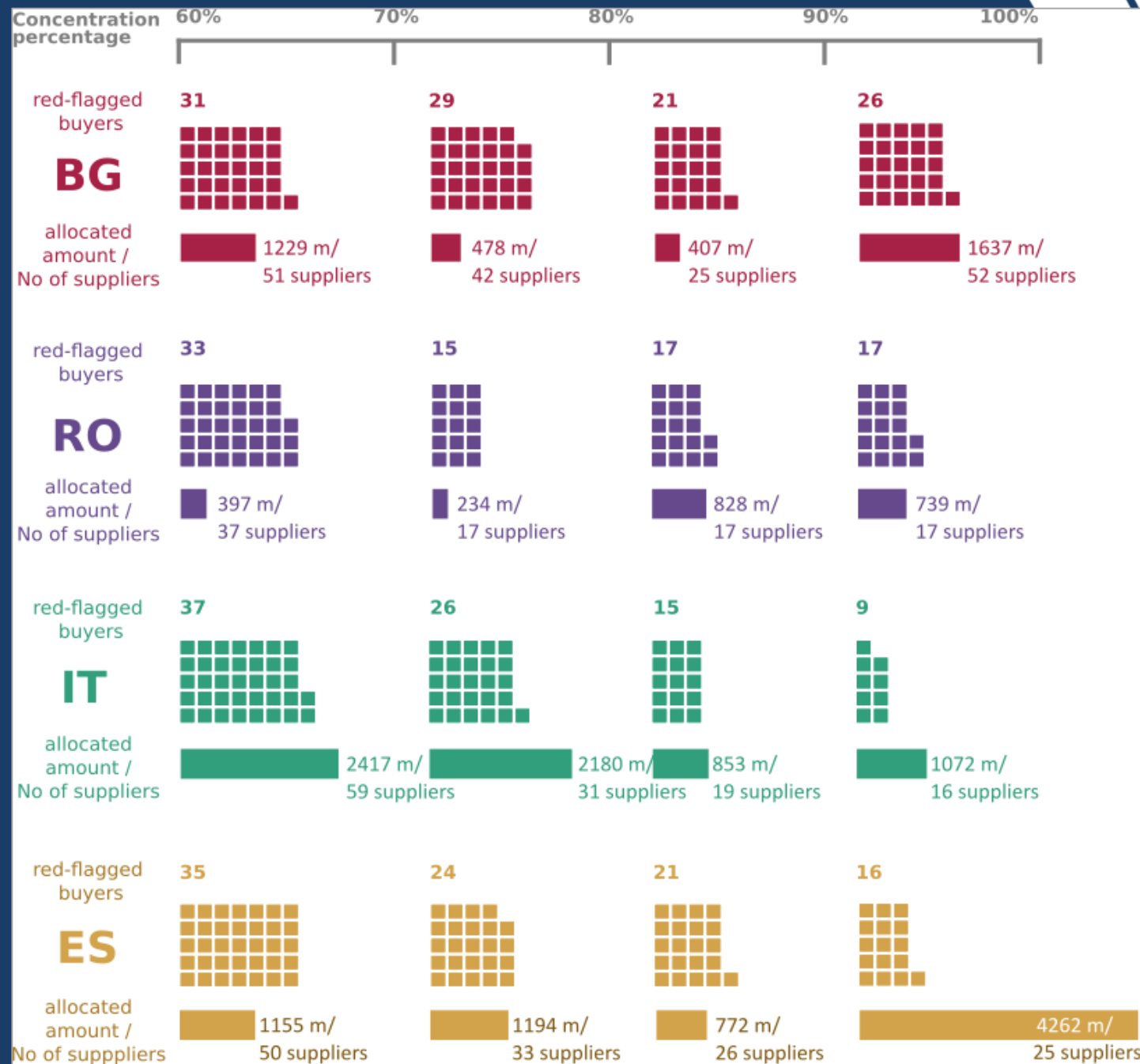
Showing 65 Awarded Companies

Name	Reports	Amount for 2011-2019 (EUR)	Number of Employees for 2011-2019	Amount per Employee (EUR)	Percentile	Flag Level	Country
Lifetech Consulting SRL	<a href="#">Project History</a> <a href="#">Company Profile</a>	14,572,367.80	13	1,120,951.37	100	🚩🚩🚩🚩🚩	Roma
Етропал Трейд ЕООД	<a href="#">Project History</a> <a href="#">Company Profile</a>	13,725,494.95	15	915,033.00	100	🚩🚩🚩🚩🚩	Bulga
Соломед ЕООД	<a href="#">Project History</a> <a href="#">Company Profile</a>	167,253,965.25	195	857,712.64	100	🚩🚩🚩🚩🚩	Bulga
Fresenius Kabi Romania SRL	<a href="#">Project History</a> <a href="#">Company Profile</a>	332,251,011.00	397	836,904.31	99	🚩🚩🚩🚩🚩	Roma
Medex	<a href="#">Project History</a> <a href="#">Company Profile</a>	304,438,676.42	396	768,784.54	99	🚩🚩🚩🚩🚩	Bulga

<https://analytics.scemaps.eu>

# Ex1: SceMaps red flags – buyer concentration index

Aggregated data



## **Example 2: Disclosing assets and conflict of interests**

- Analyse the applicability of asset declarations as corruption prevention and risk assessment instrument.
- Uncover politically exposed companies and/or showcase their impact on the economy.
- Expose cases of “disclosure gaps”
- Possible sectoral approach

## Ex2: Asset declaration – data collection challenges

Asset declarations:

- National specific -> initial and follow-up declarations (disclosing only changes)
- Partial disclosure:
  - Not all companies / relatives disclosed
  - Partial data (e.g. company ID)

Corporate data:

- Check for ownership/management by PEP or PEP's relatives in other companies than disclosed
- Check companies linked with already disclosed (e.g. subsidiaries or mother companies)
- (optional) Check owners/managers of linked companies

## **Challenges & benefits in combining experts' assessments and “hard” data**

### Challenges:

- State capture / corruption mechanisms undermine sectoral approach
- Inconsistency and data gaps of all type of data
- Data available only from private (propriate) providers
- Reliability of media data

### Benefits:

- Confirmation (or not) of experts' assessments
- Using “hard” data for supporting experts' assessments
- Using experts' assessments for verifying “hard” data results



# **Practical task: Elaborate indicators for assessing corruption**

Hints:

- Define the research object (what you want to measure / assess)
- Define the main concepts (building blocks of your research object)
- Define the sources of data and information for each concept
- Operationalise each concept in one or more indicators



Iceland  
Liechtenstein  
Norway grants



Norway grants

# Thank You!

# Questions?

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