

## The 10 'most controversial' companies in the world 2016

### From Volkswagen to Mossack Fonseca.

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There were plenty of corporate scandals in the UK last year – from Sports Direct's ongoing shenanigans to the spectacular collapse of BHS. But not a single British firm made it into this list of the world's 10 most controversial companies in 2016.

The research was put together by the business intelligence firm RepRisk and is based on a daily analysis of 80,000 sources, including the news media, government bodies, thinktanks and social media.

It features companies from across the world – from stable western countries like Germany to China and Brazil, which features twice on the list. There are also two from South Korea, long seen as a leading light in Asia but now in the spotlight thanks to a series of corporate scandals that have even dragged in its current president Park Gun-hye.

#### 1. 1Malaysia Development Berhad

The Malaysian sovereign wealth fund was launched in 2009 to attract inward investment to the south-east Asian country but has since faced allegations of money laundering and claims that it funnelled money into the prime minister Najib Razak's personal accounts – something he denies. It has faced investigation by the authorities in the US, Hong Kong, the UAE, Singapore and Switzerland.

#### 2. Mossack Fonseca

The law firm at the centre of the Panama Papers scandal found itself all over the pages of the world's newspapers last April. The leak revealed embarrassing financial affairs of world leaders including the British prime minister David Cameron and Icelandic PM Sigmundur David Gunnlaugsson. The leak also exposed tax evasion, money laundering and other financial crimes committed by shell companies set up by Mossack Fonseca.

### 3. Samarco Mineração

The Brazilian miner comes in third thanks to its handling of the Bento Rodrigues Dam disaster at the tail-end of 2015. The dam ruptured, releasing 60 million cubic feet of toxic mud that caused massive pollution of the local environment and left 17 people dead. The company now faces a slew of criminal and civil court cases that could drag on for some time.

### 4. Jiangsu Changlong Chemicals

China isn't known for its rigorous environmental standards, so Jiangsu Changlong is unlikely to be the last business in that country to face this kind of scrutiny. The company has been accused of burying toxic waste and dumping chemicals in a tributary of the Yangtze river, allegedly causing hundreds of students to fall ill.

### 5. Daewoo Shipbuilding & Marine Engineering

It's been a tough few years for South Korea's world-leader shipbuilders Daewoo, Samsung and Hyundai, which have all run into financial difficulty in the face of competition from China and a slowdown in the global market. Things are especially gloomy for Daewoo, which has been tied up in a massive 5.7 trillion won (£1bn) accounting scandal and other accusations of fraud and embezzlement. Last week its former CEO Ko Jae Ho was sentenced to 10 years in prison for accounting fraud.

### 6. Unaoil

Companies operating in the developed world can often face demands for 'facilitation payments' or other euphemisms for what is essentially a bribe. Unaoil gas faced accusations of acting as a middleman to pay bribes for companies including Rolls-Royce and BP. It has been investigated by the FBI, Australian Federal Police and the UK's Serious Fraud Office but denies any wrongdoing.

### 7. Rizal Commercial Banking Corp

The Philippine bank was implicated in a money laundering scandal after the theft of \$1bn from the Central Bank of Bangladesh. The authorities fined it to the tune of one billion Philippine pesos (£16m) and the scandal claimed the jobs of RCBP's president and treasurer.

### 8. Lotte Group

The second Korean company to make the list, Lotte's headquarters were raided by the authorities in June over bribery allegations and in October the prosecutors indicted the group's chairman Shin Dong-bin. The case has raised questions about the effectiveness of Korea's traditional 'chaebol' governance model.

### 9. Volkswagen

Having graced the headlines for the best part of 18 months, this case needs no introduction. Though VW's high-profile emissions scandal first emerged way back in September 2015, the

German carmaker's woes have dragged on and on. In April it agreed to buy back or fix 500,000 VW, Audi and Porsche cars in the US and that it was setting aside a whopping 16.2 billion euros for potential legal costs. It faces several ongoing investigations and legal challenges across the world.

#### 10. Odebrecht

The Brazilian conglomerate makes the list for allegations revealed in the 'Operation Car Wash' corruption scandal, which brought down the country's president Dilma Rousseff. In June its former CEO Marcelo Odebrecht was sentenced to 19 years in prison for bribing officials at the state oil company Petrobras with more than \$30m in exchange for contracts.