

## The riots and phone hacking saga remind us how fragile public confidence in government and corporations has become. Greater leadership, transparency and accountability are the first steps towards regaining this trust.

*The recent riots in the UK and high-level crimes such as phone hacking, and the MPs expenses scandal, reveal a lack of public confidence in the police, government and big business. Special police advisor [William J. Bratton CBE](#) draws on his experience in law enforcement and corporate leadership and finds that tough standards on accountability and transparency are needed to clean up crime at all levels of society.*



It has been my good fortune and honor to have served people in the capacity as a law enforcement officer and leader for most of my adult life. Reflecting on my service as Commissioner of the New York Police Department, Chief of the Los Angeles Police Department and Chief of Police in Boston, and thinking about what I have seen in my current position as Chairman of Kroll, it is clear that while each of these posts were and are different in many ways and required different skill sets and focus, successful actions to fight crime and provide security to citizens share common themes. There are also salient lessons learned that I carry with me today as I discuss and advise leaders in the US and overseas. It is this that I bring to the table as I begin discussions with the Home Secretary this week and why I believe my advice and recommendations on security and policing might be helpful to UK leadership. I have also found that these same principles form a framework for the advice I provide to business leaders concentrating on making positive changes within their organizations.

The [riots](#) that swept across London and other cities in the UK this summer and the evolving [phone hacking controversy](#) at the highest levels of the British media appear to have little in common on the surface, aside from their unfortunate impact on respected agencies of British law enforcement. But as I have seen and learned in the leadership posts I just discussed, both episodes remind us of just how fragile public confidence can be in governments and corporations – and of the necessity to develop a culture of accountability and professionalism from the ground up.

As a young police sergeant trying to improve community relations in Boston, I was struck by how the police talked about major capers and heists while people were concerned with the prostitute on the corner or the broken windows in the building next door. They wanted us to tackle the problems they encountered every day, the events that defined the quality of their lives.

As I went on to serve as Chief of Police in Boston, Police Commissioner in New York City and finally as Chief of Police in Los Angeles, I was shaped by that revelation from those early days. Police don't function effectively by ignoring the people they serve, even on what appear to be small matters. They won't be successful without transparency and accountability. The same is true for governments and corporations.

Let's take New York as an example. As commissioner, I introduced a tough policy called "[broken windows.](#)" Officers began cracking down on drunks in public, aggressive panhandlers, bicyclists who made the sidewalks dangerous for pedestrians and the "squeegee pests" who stepped into intersections to clean windshields. Broken windows didn't just remove these public nuisances – it improved the quality of life and engendered respect for the law and civil society. As we built a reservoir of trust with the public, the rates for major crimes also fell dramatically. It was simple cause and effect.

Merely fixing the broken windows in London's Tottenham neighborhood would not have prevented the riots; the historical relationship between Britain's underclass and police is much more complicated than that. Rather, my point is that police and governments build confidence by exhibiting leadership in small ways that translate into big payoffs.

Put another way, the deepest reserves of trust might not stop hooligans from taking advantage of a situation, but a police force with a reputation for transparency and responsiveness stands a far better chance of making sure the actions of a few do not become adopted by the mob.

This lesson applies equally to the business world, as we have seen recently with the phone-hacking affair and numerous corporate scandals in the United States and Europe. Recently, a major financial institution accused a rogue trader of losing \$2 billion in unauthorized trades, and in the past couple of years global

firms have paid hundreds of millions of dollars in fines to the US government in a crackdown on violations of the Foreign Corrupt Practices Act (FCPA).

It is plain that the 'rogue operator' theory reflects systemic weakness and most FCPA cases involve red flags that didn't get the attention required to nip them in the bud. Just like a good police force, a corporation must pay attention to the broken windows and squeegee pests of the white-collar world. This translates into creating a culture of corporate transparency and accountability. Corporations that pursue aggressive due diligence and compliance programs on the front end will prevent major debacles on the back end. Through careful screening and appropriate enforcement, the rogue operators will be found out before a full-blown scandal emerges, and the red flags will lead to real action.

Building a culture of zero tolerance means promoting the core values of integrity, accountability and leadership. It means having training programs that promote those values and monitoring systems in place to ensure compliance at every level. And, perhaps toughest of all, it means demonstrating the commitment to enforce those values when faced with a violation, instead of resorting to damage control and blame-shifting.

Even the toughest standards and enforcement may not stop every misdeed or crime, but businesses that embrace them are engaging in the ultimate risk management. Like police forces and governments, corporations that are respected and transparent are far more likely to survive when the equivalent of a riot threatens to break out over the occasional misstep. The reserve of trust will keep anger to a minimum. Companies that pay attention to corporate broken windows will keep the looters outside the boardroom and find their neighborhoods a lot more pleasant — and profitable — to work in.

*The podcast for William J. Bratton's LSE 11 October lecture 'A More Secure World: From Neighbourhood to Globe' is now available on the [LSE podcasts site](#).*