

Quiet Corruption in Public Procurement: Structural Leakage Without Open Theft

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ABSTRACT

This article analyzes quiet corruption in public procurement as a form of structural leakage that often occurs without spectacular bribery scandals or overt theft. It argues that procurement losses are frequently generated through design-stage manipulation, weak competition, scoring discretion, poor contract management, emergency exemptions, and fragmented oversight. Because these losses are often legalized through procedure, they can persist for years without generating strong public outrage. Drawing on OECD and World Bank-related governance literature, the article contends that procurement integrity must be assessed across the full contract cycle rather than at tender announcement alone. The most effective reforms are those that combine data transparency, risk-based supervision, professionalization, beneficial ownership disclosure, and rigorous post-award monitoring. Quiet corruption is dangerous precisely because it normalizes public-value erosion while preserving a surface appearance of administrative legality.

Keywords- public procurement; corruption; governance; integrity; contract management.

I. INTRODUCTION

Public procurement is among the most important sites of state spending and one of the most vulnerable to corruption, waste, and mismanagement. Yet procurement failure is often misunderstood as a problem of blatant bribery alone. Many of the most damaging losses occur more quietly: inflated specifications, manipulated scoring, low-information emergency awards, weak competition, contract variation abuse, or poor supervision after award. OECD work has long emphasized that integrity risks extend across the entire procurement cycle, from needs assessment to contract management (OECD, 2007, 2025) (OECD, 2016; OECD, 2024).

This broader perspective matters because public value can be lost without a brown envelope ever changing hands. A contract can be legally awarded through a formally compliant process and still represent a corrupt distortion of purpose, competition, or value. Quiet corruption lives in the grey zone between criminality and tolerated administrative practice (World Bank, 2016; Transparency International, 2014).

II. THE ARCHITECTURE OF QUIET CORRUPTION

Quiet corruption is structural. It thrives where rules focus narrowly on tendering while neglecting earlier and later stages of decision-making. Procurement can be distorted before a call is published through tailored technical specifications,

unnecessary complexity, packaging decisions that exclude smaller firms, or strategic use of urgency exceptions. It can be distorted during evaluation through opaque scoring criteria or discretionary quality assessments. Recent empirical work shows that manipulation can occur through scoring rules even in ostensibly open auctions, with serious consequences for value and fairness (Chen, 2024) (Rose-Ackerman & Palifka, 2016; OECD, 2025).

The post-award phase is equally vulnerable. Contract amendments, delayed oversight, weak verification of deliverables, and poor sanctions for non-performance can transform a formally competitive process into a financially inefficient one. In such cases, the state pays market prices for substandard outcomes, or above-market prices for outcomes that were never competitively secured in substance. Because the paperwork appears complete, these losses are harder to detect and easier to normalize (OECD, 2024; OECD, 2016).

III. WHY IT PERSISTS

Quiet corruption persists for three reasons. First, it is institutionally dispersed. Responsibility is divided across procuring entities, finance ministries, audit bodies, line agencies, and suppliers, allowing each actor to treat losses as someone else's problem. Second, it is informationally opaque. Citizens may see contract values but not technical specifications, ownership structures, evaluation notes, amendment histories, or delivery records. Third, it is politically survivable. A spectacular scandal can topple officials; slow leakage across hundreds of contracts usually does not (OECD, 2016; OECD, 2024).

This is why procurement integrity requires more than open data portals. Transparency is necessary but insufficient unless the data are structured for risk analysis, beneficial ownership tracing, red-flag detection, and contract-performance review. Governments also need professional procurement cadres, conflict-of-interest controls, and credible consequences for manipulative design choices as well as for overt bribery (World Bank, 2016; Transparency International, 2014).

IV. REFORMING FOR INTEGRITY ACROSS THE FULL CYCLE

A robust reform agenda should cover the entire contract life cycle. Needs assessment must be justified and documented. Supplier markets should be widened, not silently narrowed. Evaluation criteria should be intelligible, auditable, and resistant to arbitrary weighting. Beneficial ownership disclosure is essential where politically connected firms or hidden intermediaries distort competition. Emergency procurement should be tightly defined and retrospectively audited. Contract amendments should be visible, capped, and justified. Delivery verification should be independent enough to resist pressure from spending entities eager to close files (Rose-Ackerman & Palifka, 2016; OECD, 2025).

The strongest systems also use analytics. Procurement data can reveal recurring red flags: single-bid awards, repeated fragmentation below thresholds, unusual amendment patterns, or persistent concentration among a small group of firms. Used properly, such analytics convert procurement oversight from passive review into active prevention (OECD, 2024; OECD, 2016).

V. WHY STRUCTURAL LEAKAGE PERSISTS

Quiet corruption persists because it often sits within formally legal process. Technical specifications can be drafted to privilege a favoured supplier; evaluation criteria can be weighted in ways that appear neutral but exclude competition; contract management can tolerate underperformance without visibly unlawful payment; and emergency procedures can be normalized until they become a standing procurement habit. Each step may be defensible in isolation, yet the cumulative effect is value loss to the state without the public drama associated with overt bribery scandals (OECD, 2016; Rose-Ackerman & Palifka, 2016).

This is why procurement integrity cannot be assessed only by looking for criminal conviction. The larger question is whether a procurement system produces competitive tension, credible documentation, timely oversight, and learning from poor contract outcomes. Where those features are weak, leakage becomes structural rather than episodic. States do not merely lose money; they lose quality, innovation, delivery reliability, and the public confidence that procurement serves developmental rather than patronage objectives (World Bank, 2016; OECD, 2024).

VI. DESIGNING PROCUREMENT FOR INTEGRITY AND PERFORMANCE

A stronger system combines transparency with capability. Open contracting data, beneficial ownership checks, conflict-of-interest declarations, and ex post publication of contract amendments are essential, but they must be matched by professional procurement cadres, realistic market analysis, and contract-management competence. Many procurement failures occur after award because the state is less prepared to supervise delivery than to conduct bidding. Integrity therefore

extends beyond award-stage formalities into the full life cycle of infrastructure, goods, and services (OECD, 2025; Transparency International, 2014).

The broader policy lesson is that procurement should be governed as a strategic state function. In small and developing economies, public procurement often represents a large share of domestic demand and can either reinforce fair competition or distort it. When procurement is treated as a compliance checklist, leakage thrives. When it is treated as a core instrument of public value creation, oversight becomes more intelligent, contract design improves, and the threshold for quiet corruption rises materially (OECD, 2024; Rose-Ackerman & Palifka, 2016).

VII. CONCLUSION

Quiet corruption in procurement is dangerous because it erodes value without always violating the outward form of legality. It diverts public resources by manipulating design, discretion, and weak supervision rather than relying only on explicit theft. The governance challenge is therefore to protect the integrity of procurement as a full-cycle system. Public money is lost not only when rules are broken, but also when rules are too narrow to see where leakage actually occurs (OECD, 2016; OECD, 2024).

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