RESEARCH PAPER

High-profile corporate scandals based on the agenda-setting theory: analysing developed and emerging countries

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ABSTRACT

Research indicates discrepancies in corporate scandal patterns between developed and emerging countries, but the literature's findings remain inconclusive and limited. The study identifies a gap in how data on corporate scandals is collected, proposing a method based on the agenda-setting theory to enhance the robustness and comprehensiveness of the data collection process. The objectives were (i) to develop and validate a new method for collecting data on corporate scandals and (ii) to apply this method to examine and compare the prevalence and profiles of scandals in developed and emerging countries between 2010 and 2021, including Brazil, Canada, South Korea, Spain, India, Italy, and Mexico. We employed contingency tables, frequency analyses, percentage distributions, and graphical comparisons. The results indicate that emerging countries tend to exhibit a greater frequency of scandals. However, the differences observed among the analysed groups appear to be random. The proposed collection method has been validated as more comprehensive. Moreover, the profiles of the scandals and their salient characteristics have been delineated. This study enhances our understanding of the dynamic phenomena of corporate scandals in developed and emerging markets. Additionally, it offers valuable insights into corporate scandals across diverse economic contexts for investors, regulators, and governments, potentially facilitating a more transparent and ethically sound market operation.

Keywords: High-profile corporate scandals; Agenda-Setting Theory; Developed and emerging market countries; Data collection method.

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Escândalos corporativos de grande visibilidade com base na Teoria do Agendamento: análise de países desenvolvidos e emergentes

RESUMO

A literatura indica discrepâncias nos padrões de escândalos corporativos entre países desenvolvidos e emergentes, mas os resultados da investigação permanecem inconclusivos e limitados. Este estudo identifica uma lacuna na forma como os dados sobre escândalos corporativos são recolhidos, propondo um método baseado na Teoria do Agendamento para aumentar a robustez e a abrangência do processo de recolha de dados. Os objetivos foram (i) desenvolver e validar um novo método de recolha de dados sobre escândalos corporativos e (ii) aplicar esse método para examinar e comparar a prevalência e os perfis de escândalos em países desenvolvidos e emergentes entre 2010 e 2021, incluindo o Brasil, Canadá, Coreia do Sul, Espanha, Índia, Itália e México. Foram utilizadas tabelas de contingência, análises de frequência, distribuições percentuais e comparações gráficas. Os resultados indicam que os países emergentes tendem a apresentar uma maior frequência de escândalos. No entanto, as diferenças observadas entre os grupos analisados parecem ser aleatórias. O método de recolha proposto foi validado como mais abrangente. Além disso, foram delineados os perfis dos escândalos e as suas características mais salientes. Este estudo contribui para a compreensão dos fenómenos dinâmicos dos escândalos empresariais nos mercados desenvolvidos e emergentes. Além disso, oferece aos investidores, aos reguladores e aos governos informações valiosas sobre os escândalos empresariais em diversos contextos económicos, potencialmente facilitando um funcionamento mais transparente e eticamente sólido do mercado.

Palavras-chave: Escândalos corporativos de alto perfil; Teoria do Agendamento; Países desenvolvidos e emergentes; Método de recolha de dados.

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1. Introduction

Corporate scandals of various kinds date back to the 18th century and to recent case studies from the 19th century. Since then, societies have tried to prevent their events and consequences through laws, regulations, codes, contracts, and others (Toms, 2019). The more transgressive cases occur, the more responsible institutions respond with new laws and regulations. Thus, our capital market, financial, and governance systems are evolving (Van Driel, 2019). With this reasoning, scandals will likely lead to attempts at regulatory change in order to strengthen corporate governance, laws, and regulations, with significant socioeconomic impact (Van Driel, 2019). Furthermore, scandal cases, as they receive intense media coverage, facilitate the study of the phenomenon, considering that they provide much free information for analysis (Rudkin et al., 2019). Understanding this phenomenon's variations in different cultural and economic contexts is extremely important.

Through this understanding, stakeholders such as investors, regulators, and governments can better recognize warning signs and risk factors for corporate scandals. Armed with this knowledge, they are empowered to implement proactive measures and policies to prevent, detect, and address these instances. For instance, by identifying patterns and typical characteristics of past scandals, regulators can tailor their transparency laws to target areas of heightened risk. At the same time, investors can make more informed investment decisions. Moreover, a deeper understanding of the dynamics of corporate scandals can catalyse cultural and institutional change within organizations (Duho et al., 2020; Kimeu, 2014; Lopes et al., 2023b).

It is generally considered that more developed markets, such as the Anglo-Saxon market, provide more protection to investors. Emerging markets, such as Brazil, India, and South Korea, are weaker. In this sense, studies previously focused on developed markets now point to emerging markets (Al-Malkawi et al., 2014; Black et al., 2012; Briano-Turrent & Rodríguez-Ariza, 2016; Francis et al., 2013). This shift in focus to emerging markets reflects the need to understand the nuances and challenges these economies face concerning corporate scandals. By comparing developed and emerging market countries, researchers can identify similarities and differences in the patterns and consequences of high-profile corporate scandals, which can uncover policymaking and regulatory interventions (Dorfleitner et al., 2022).

Scandals can take various forms, including bribery, embezzlement, investment fraud, insider trading (Hail et al., 2018), financial irregularities, money laundering, asset misappropriation, mergers and acquisitions (Montesdeoca et al., 2019), pollution,

exploitation of child labour, oil spills, mining accidents, worker exploitation, espionage (Rudkin et al., 2019), product recalls, poor working conditions, hazardous products, medical negligence, deceptive advertising, nuclear incidents, product withdrawals (Utz, 2019), human trafficking, drug trafficking, and illicit wildlife trade (Kimeu, 2014). The list of scandals is extensive.

For those pursuing this study area, searching for information on corporate scandals can be tricky. Internet search engines find different corporate scandals, such as accounting scandals, financial scandals, accounting fraud, financial fraud, and many others. However, the terminology used in the literature is not always uniform, which makes it difficult to standardize understanding. Furthermore, identifying, collecting, and categorizing cases of high-profile corporate scandals are significant challenges (Silva et al., 2012).

This study addresses these concerns on two fronts. The first is to identify the scandal, where to get it from (data source), and then how to categorize it. It is clear that all of the classifications mentioned earlier exist, however, they are commonly defined in isolation, and there is no consensual holistic view. The second problem is how to collect the significant cases of corporate scandals from a broad and high-profile point of view, that is, to understand how a corporate scandal process happens, identify it, and be able to catalogue them according to their analogue characteristics, with international relevance, to justify their study holistically.

In order to attend to the various concerns brought to light, we have divided the present study into two distinct objectives, each aimed at tackling the different fronts of restlessness that have been delineated. The first objective was to propose a method that improves the data collection process based on the agenda-setting theory and compare whether the result would be more robust and comprehensive than other data sources, respecting the principles of accuracy and reliability. The second objective was to collect, categorize, and analyse cases of high-profile corporate scandals in developed and emerging countries, comparing the results. According to these characteristics, which were analysed from the perspective of the two different groups of countries, we must be more attentive to assessing the risk that companies bring in their socioeconomic context.

Agenda-setting theory is a widely recognized academic concept that elucidates how the media influence and shape public perception. It illustrates how scandals can accumulate over time and ultimately shape public opinion (Bhutta & Saeed, 2011). Initially conceptualized by McCombs and Shaw (1972), the theory provides a robust framework for analysing media content and supports using media as a data source for identifying corporate scandals. However, it is essential to distinguish between using

the agenda-setting theory and selecting specific scandals, as the two approaches differ significantly (Barkemeyer et al., 2020). Agenda-setting theory relies on the organic prioritization of issues by the media, making it less prone to selection bias but more complex in execution. In contrast, predefined lists of scandals—such as those from Wikipedia or other curated sources—are more convenient but can introduce biases stemming from the source or researcher.

This study leverages the agenda-setting theory to implement an improved data collection method, as detailed in Section 2. It compares its outcomes with traditional approaches, including those used by Barkemeyer et al. (2020) or using Wikipedia lists (Van Scotter & Roglio, 2020). By doing so, we aim to enhance the methodological rigour in identifying and analysing high-profile corporate scandals. Our approach integrates diverse and credible media sources to provide a comprehensive and balanced perspective on corporate scandals across developed and emerging markets.

This work was limited to the period between 2010 and 2021, which is justified by two factors. The first is that studies of this type, with multiple cases of corporate scandals, are limited to the beginning of the 2010s, and we did not find coverage of cases at the end of this same decade (Barkemeyer et al., 2020; Comyns & Franklin-Johnson, 2018; Kaya, 2019; Rudkin et al., 2019; Utz, 2019). The second is that the beginning is purposeful at the end of the Subprime Crisis[i]. The sample limitation is the set of countries: Brazil, Canada, South Korea, Spain, India, Italy, and Mexico.

We used simple analysis methods, as we understand that this is a preliminary study, and its results will lead us to other, more in-depth and more complex studies. Consequently, contingency tables, frequency analysis, percentage distribution, and comparative analysis using graphs were used at this first stage. Considering its contemporary essence, we took special care in describing the method for collecting data. Nevertheless, this study represented an update in corporate scandal research, rebutting previous studies stating that countries in developed markets tend to have more corporate scandals (Dorfleitner et al., 2022; Lopes et al., 2023a; Terreros et al., 2022), highlighting the heightened risk in emerging markets and emphasizing the need for prior analysis of socioeconomic contexts. Furthermore, it validated the data collection method based on the agenda-setting theory and summarized the main differences between scandals in both types of markets. These conclusions have practical implications in guiding decision-makers to direct attention to high-risk areas, such as high-profile executives, corporate finance, and political relations, highlighting the importance of combating corruption in developed markets. This study significantly contributes to the understanding of corporate scandals, as it provides a new standardization for data collection, benefiting the scientific and professional communities and the community in general, promoting more transparent and ethical markets.

This study can help investors in their decision-making process by better understanding the risks associated with investing in companies with a history of high-profile scandals. It is important to note that although current studies provide correlational evidence, further research is needed to establish causal relationships and gain deeper insights into the motivations of actors involved in corporate scandals (Dorfleitner et al., 2022)

This paper continues with the theoretical framework in section two, which provides the pillars for understanding the scandal process. Section three details the methodology and its respective parameters for the selections used. We present the results and discuss them in section four. We conclude the work with section five through inferences, summaries, limitations, and clues for future studies. Finally, we have the references and endnotes.

2. Theoretical references

UStudies reveal that countries with a higher level of development have a positive relationship with corporate governance, strengthening the fight against transgressions and reducing the number of scandals (Gerged & Elheddad, 2020). On the contrary, other studies show that the greater the level of development of a country, the greater the number of scandals found (Dorfleitner et al., 2022; Terreros et al., 2022). Perhaps this more significant number of scandals in developed countries is related to increased transparency and greater disclosure of transgressions cases by the media (Duho et al., 2020; Forti et al., 2011; Sonenshine & Erickson, 2022). Thus, to investigate and try to solve this contradiction, it is mandatory to seek sources of literature that enlighten us about this issue. However, it is necessary to understand what corporate scandals are and how the forming process case is built.

2.1. Corporate scandal and its process
One of the most interesting points that emerged regarding high-profile scandals was internationalization. Most of the cases described in the literature are North American (Guckian et al., 2020; Hogan et al., 2008; Rezaee, 2005; Soltani, 2014). However, high-profile cases become international because they concern transnational companies (Jackson et al., 2014), and the scandal involves their global relationship network (Soule, 2013). We call this impact on third parties (e.g., allies, suppliers, customers) or international repercussions (Lopes et al., 2023b).

The existence of the media in this process is a necessary part of creating a scandal. For this reason, many scandals only exist in societies massively influenced by the media (Adut, 2005; Alexander, 1989; Thompson, 2000). That is an essential statement
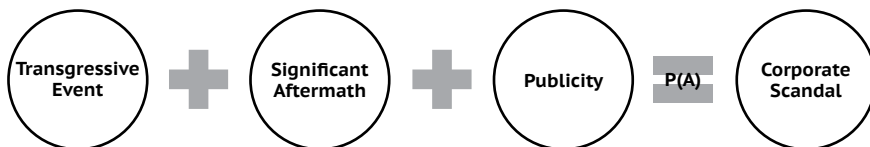
in justifying the use of renowned international newspapers to collect data. However, we must be careful when collecting transgressive cases in the media, as they may be modified in material relevance according to their media framing process (Ball, 2009).

In this literature manifestation, two characteristics are unquestionable and widely defended by researchers: first, a corporate scandal must be a transgression, and second, it must be widely publicized in the media (McDonnell & King, 2013). The transgression must be publicized by the most influential vehicles in the region and, in most cases, internationally (Adut, 2008), so that it can be widely perceived and judged by the public (Hail et al., 2018; Lange & Washburn, 2012; Toms, 2019).

As Lopes et al. (2023b) proposed, the essential elements of a corporate scandal consist of three events arranged in a fixed sequence. First, a *transgression* is the triggering event, defining the scandal's attribute. It is essential to differentiate between the transgression and its underlying attribute, as the latter determines its nature. For instance, misreporting corresponds to fraud, bribery to corruption, wrongdoing to misconduct, and poor labour conditions to negligence. Second, a scandal typically entails significant *aftermath*, characterized by notable repercussions. Prominent examples include the Petrobras Carwash scandal in 2014, which resulted in shareholder losses of US$140 billion; the Samsung Chemical Contamination case in 2018, which affected 260 victims; and Volkswagen's Dieselgate scandal in 2015, which caused extensive environmental damage (Appendix 1). Finally, *publicity* or public disclosure is a defining feature, as disseminating information through various media channels ensures these issues become the focus of public attention and societal debate.

In short, a corporate scandal has three essential elements: transgression, aftermath, and publicity, as Figure 1 demonstrates.

Figure 1. Corporate scandal process

Note. The P(A) notation means that there is a probability that a transgressive case will become a scandal.

For a correct understanding of the stages (or phases) of the scandal process, we summarize that *transgression* is the *first essential element* of a corporate scandal (Clemente & Gabbioneta, 2017; Lopes et al., 2023b; McDonnell & King, 2013). Its attribute determines all intentionality. Thus, the nature of fraud, corruption, or misconduct arises from an immoral or illegal activity that must result from an intentional act. The attribute of negligence arises from amoral conduct (or lack of conduct), which must result from an involuntary act (or lack of act). They all resulted from decision-making (or lack thereof) (Lopes et al., 2023b).

Lopes et al. (2023b) identify the four *attributes* of a corporate scandal process: (i) fraud, (ii) corruption, (iii) misconduct, and (iv) negligence. The first two usually involve the financial area and crimes; the third is generally associated with individual behaviour; and the latter usually comes from unintentional actions (Cooper et al., 2013; Ilter, 2014; Montesdeoca et al., 2019; Rudkin et al., 2019; Tanimura & Okamoto, 2013; Utz, 2019; Van Scotter & Roglio, 2020). Regarding classification, we consider corruption as a subset of fraud, and negligence as a subset of misconduct. However, the groups of fraud and misconduct do not intersect. Corporate governance, laws, and regulations are effective systems that prevent corporate scandals. Scandals are only a tiny part of the overall transgressions in each set. Most transgressions end up scandal-free (Lopes et al., 2023b).

The *second essential element* for the existence of a corporate scandal is the *aftermath* (Adut, 2005, 2008, 2012; Clemente & Gabbioneta, 2017; Hail et al., 2018; Toms, 2019). Two actors must be present in the aftermath: the offender and the harmed. There are three ways in which an aftermath can affect the harmed: (i) financial losses, (ii) lives affected (deaths or illnesses), and (iii) immeasurable. Immeasurable can be, for example, environmental problems, dishonour, or disappointment. We want to highlight that the aftermath is one in which the corporate scandal is recognized and necessarily harms third parties (Lopes et al., 2023b).

The Petrobras Carwash scandal in Brazil in 2014 exemplifies the financial aftermath. This incident resulted in shareholders losing approximately US$140 billion. A case that illustrates the aftermath on lives is the Samsung Chemical Contamination case in Vietnam in 2018. Unfortunately, this incident led to approximately 260 victims (employees). Lastly, the Dieselgate scandal in 2015, with Volkswagen as the leading actor, caused an immeasurable environmental aftermath. Specifically, the scandal caused severe pollution due to CO_2 emissions (Appendix 1).

Finally, we must talk about the *media framing process*. That is the most interdisciplinary item concerning corporate governance. That is the third essential element of building a corporate scandal. Its study is unrelated to administration, accounting,

or finance (applied social sciences), so it is oriented toward psychology and sociology. This process has six steps, all supported by the agenda-setting theory. The stages are (i) press release, (ii) triggering event (transgression), (iii) simplification of the case, (iv) wide publicity by the press, (v) public outrage, and (vi) repercussion on third parties. Thus, we can summarize that the process of framing by the media is a sub-process within the agenda-setting theory. It is how the story will be told to the public (Adut, 2008; Barkemeyer et al., 2020; Bhutta & Saeed, 2011; Hail et al., 2018; McCombs & Shaw, 1972; Toms, 2019).

2.2. Objectives and research questions

From the study's point of view, it explores the correlation between media coverage and public perception of corporate scandals. The research questions align with the agenda-setting theory and compare developed and emerging markets to understand how media framing and attention can differ across cultural and economic contexts (Barkemeyer et al., 2020; Bhutta & Saeed, 2011; Briano-Turrent & Rodríguez-Ariza, 2016; Gerged & Elheddad, 2020; McCombs & Shaw, 1972). In short, we are conducting this analysis under the media's framing process that shapes public perception of corporate transgressions; in other words, we are basing our study on the agenda-setting theory.

The first research question addressed a perceived limitation in the sources of scandals used in previous studies. While deemed accurate and reliable under their principles, those sources were considered insufficient in their scope, calling for a more comprehensive method to identify high-profile cases (Barkemeyer et al., 2020; Jemielniak & Aibar, 2016; Mesgari et al., 2015; Preuss et al., 2016). Regarding reliability, we assume the event must be confirmed as a transgression, not just as a journalistic accusation. Similarly, accuracy demands that multiple journalistic sources confirm the details described in cases. We found no big issue about these principles in the other sources beyond the coverage. In order to test this new method, we have the following question:

> **Research Question 1 (RQ1):** *May the method proposed in this study for collecting high-profile scandals provide more comprehensive coverage in identifying more pertinent cases than previously employed methods while simultaneously upholding accuracy and reliability?*

Based on previous studies, we saw a need to understand the quantitative and qualitative behaviour of the corporate scandal phenomenon. This need is due to the risk analysis that investors carry out, both from a restricted point of view, that is, from the analysis of the company in isolation (firm-level), as well as from the analysis in a socioeconomic context (country-level) (Francis et al., 2013).

In this macro context (country-level), the studies verify the hypotheses and conclude that it is necessary to observe phenomena comparatively between developed and emerging markets in order to know whether investments have a reasonable risk and return relationship. It is assumed that developed countries have lower risk and return. Emerging countries also have greater risk and return (Ali et al., 2020; Black et al., 2012; Briano-Turrent & Rodríguez-Ariza, 2016). Given the fact that emerging markets are at greater risk, it is reasonable to assume that the countries in this group have more cases of scandals. Moreover, for developed countries, the opposite.

Lopes et al. (2023a) analysed five distinct global indices to explore the potential correlation between corporate scandals and a country's level of development. Surprisingly, the study revealed that the most upright, developed, and democratic nations had the highest number of publicized scandals. Given that their research employed one of the databases we are currently working with (Barkemeyer et al., 2020), we want to do a new data collection and compare those results with our collecting data proposal in a different thinking. Therefore, the second question is:

Research Question 2 (RQ2): *What is the relationship between a country's level of economic development and the frequency of corporate scandals?*

As a qualitative complement to *RQ2*, we wanted to know whether the characteristics of the scandals that occur in the two groups, from a generalized point of view, are similar, which would give us a strategic positioning of the risk analysis. Therefore, the third question is:

Research Question 3 (RQ3): *What are corporate scandals' general characteristics in developed and emerging countries?*

Hence, the study's first objective was to propose a method that improves the data collection process based on the agenda-setting theory and compare whether the result would be more robust and comprehensive than other data sources, respecting the principles of accuracy and reliability. This aim answered *RQ1*.

The second objective was to collect, categorize, and analyse cases of high-profile corporate scandals in developed and emerging countries, comparing the results. This information can provide relevant information for decision-makers regarding investment in companies in developed and emerging countries. With this aim, we were able to answer *RQ2* and *RQ3*.

3. Methodology

Firstly, we used the corporate scandal process mentioned in Section 2 as a pillar. The press is essential, and we used newspapers as a data source. Secondly, the aim was to analyse large world economies at different levels of development to compare their effects on the results. Thirdly, we identified the most prominent companies with international and economic significance in each chosen country. In conclusion, these entities represent high-profile corporations.

As expected, we started with the first objective to achieve the second objective: to test whether the proposed collection method based on agenda-setting theory is more comprehensive and meets the accuracy and reliability requirements.

3.1. Sample

We chose countries with comparable gross domestic production volumes grouped as peers in the adopted corporate governance models. To ensure a fair comparison, we excluded the USA and China, as they have much larger economies than other nations. Consequently, it is assumed that they have biases in the number of cases. Therefore, we selected one North American (Canada), two Latin American (Brazil and Mexico), two European (Italy and Spain), and two Asian (India and South Korea) countries. The countries selected have been classified as either developed or emerging under the MSCI market classification criteria[ii].

As the idea is to compare similar corporate governance models in large world economies but at different levels of development (Hail et al., 2018), our sample demonstrably only has the Latin (Spain and Italy) and Anglo-Saxon (Canada) models (García-Sánchez et al., 2015; Weimer & Pape, 1999), covering developed markets. For Brazil and Mexico, we call them Latin American, a derivation of Latin, which is why they are similar, with only pronounced differences in the legal and regulatory systems. Finally, as they are a mix between the first two (Latin and Anglo-Saxon), we classify the systems of South Korea and India as mixed. The Latin American and hybrid systems make up the group of emerging markets.

As the objective is to analyse only companies with a global high-profile for the analysis of scandal cases, the selection criteria (filter) was the company having a net revenue above US$20 billion in 2019 (or the last year available) and concomitantly one of the two following items[iii].
    i. Value of assets above US$5 billion in 2019 (or the last year available).
    ii. More than 2,000 employees in 2019 (or the last year available).

For Barkemeyer et al. (2020), although the scandal dataset includes cases collected only until 2016, we applied the high-profile filter using financial and employment data from 2019 (or the most recent year available). This approach ensures that all datasets adhere to the same updated criteria regardless of source or timeframe. Such an adjustment facilitates a consistent and equitable comparison among all three methods of scandal selection.

3.2. Period

Corporate governance, as we know it today, emerged in the 90s, although history takes us back to the 30s as a response to the Crash of 29[iv]. Since then, regulatory investor protection systems have evolved over the years (Van Driel, 2019). The literature illustrates that the most substantial modifications in corporate governance stem from significant regulatory changes (Ball, 2009; Ha et al., 2019). The last milestone identified in the literature was the 2008 crisis, caused by the Subprime Crisis, as a global domino effect (Grove & Clouse, 2016; Van Driel, 2019). Crises identify existing weaknesses in risk classification and prevention, which are the responsibility of corporate governance (Kirkpatrick, 2009). However, there is a temporal difference between identifying the problem and the regulatory reaction of the organizations. Actions to avoid new problems of the same order can take months or even years. Consequently, we started the analysis period in 2010. As our data collection took place from 2022 onwards, the final analysis period was 2021.

In conclusion, we limited our study to the period between 2010 and 2021 for data collection purposes. This 12-year period begins two years after the 2008 (Subprime Crisis). We used the year 2010 and not 2008 because we believe that a sufficient period is necessary so that, as we have already said, the authorities can react to new market regulations and companies have adhered to them.

3.3. Source and data collection (includes our proposed method)

The role of the media is supported by the agenda-setting theory, which has been widely used to explore the effect of media content on shaping public perceptions (Bhutta & Saeed, 2011). Established in the 1970s by McCombs and Shaw (1972), it enhances the use of the media as a data source for scandal cases.

However, it is crucial to highlight that using agenda-setting theory is not the same as selecting specific scandals. In the first, it is uncertain which case will be presented, while in the second, the case is already known, and its relevance will be verified later. As a result, whether this theory is applied will significantly impact the collection procedure. The first is free from bias but more complex in the search. It often requires centralization in a single communication vehicle or database that concentrates several communication vehicles. The second is more convenient but is biased by the researcher or the source (case list) (Barkemeyer et al., 2020).

Many studies use the Wikipedia[v] page to collect cases of corporate scandals, despite this bias, as we have already mentioned. We will use this same data source to compare with our method (Silveira, 2015; Ilter, 2014; Jory et al., 2015; Van Scotter & Roglio, 2020). Wikipedia has information updated until 2022 and represents a non-academic data source.

Barkemeyer et al. (2020) used a mixed method, lists of known scandals (e.g., Wikipedia, Forbes, Fortune), and then validated the cases through the accuracy and reliability of the agenda-setting theory. We also use this work as a comparative source. Its scandal database is updated until 2016 (academic source).

To begin our data collection proposal, we need a small theoretical basis to justify the paths chosen. According to the dictionary, the press consists of "newspapers and magazines, and those parts of television and radio that broadcast news, or reporters and photographers who work for them" (Cambridge, 2021). At the same time, media are "the internet, newspapers, magazines, television, etc., considered as a group" (Cambridge, 2021). Thus, we can conclude that the press is the professional coverage of news, with opinions or not, while the media are more comprehensive and can disseminate information, not just news. However, the media are not necessarily professionals. They can be amateurs, for example, digital influencers who use social media. Therefore, the media are channels for disseminating the press. However, the media can disseminate information from sources other than the press.

Barkemeyer et al. (2020) found that social media has become a significant news source since 2008. However, they did not extinguish traditional media. They only made them change their operating model (Aula, 2010; Jones et al., 2009). Thus, renowned traditional media companies remain reliable sources in their respective countries (Brown et al., 2016; Entman, 2012; Katz et al., 1973; McCombs, 2014; Skogerbø & Krumsvik, 2015).

In addition, we have said that international dispersion of news highlights, according to the agenda-setting theory, its spillover component. In other words, if the scandal is published in a widespread international newspaper, it has already gone beyond the national sphere of disclosure (Barkemeyer et al., 2020). We selected only newspapers of recognized quality with sizeable international circulation (Barkemeyer et al., 2013, 2017) as data sources. Based on this information, we analysed the newspapers with the highest subscribers worldwide (FIPP & CeleraOne, 2021) with general or financial content. We therefore excluded sports newspapers and those not written in the English language.

It would take much time if we had to consult newspaper by newspaper all the companies we needed, hence the use of a database that included several newspapers simultaneously. Among the various databases used, such as Proquest, Asset4, Compustat, and Factiva (Ailon, 2012; Charalambakis, 2015; Jory et al., 2015; Kim et al., 2016; Tanimura & Okamoto, 2013; Toms, 2019; Utz, 2019; Van Driel, 2019), we chose the one that contained the most prominent newspapers and that we had access to, LexisNexis [vi] (Barkemeyer et al., 2020; Jory et al., 2015; Van Scotter & Roglio, 2020). We carried out the searches between 06/01/2022 and 07/31/2022.

Therefore, the newspapers chosen, as they had many subscribers, were international in scope and were simultaneously in the LexisNexis database: (i) *The New York Times* (USA), (ii) *Financial Times* (United Kingdom), (iii) *The Times* (United Kingdom), (iv) *The Guardian* (United Kingdom), (v) *The New York Times International* (global) and (vi) *Nikkei Asia* (Asia).

Taking into consideration all the literature in Section 3, we observed the following parameters in the LexisNexis database: 1) Advanced Search, 1.2) News, 1.2.1) Company = COMPANY NAME, 1.2.2) Classification = SCANDAL (term), 1.2.3) Source (insert the six chosen newspapers). We then refined the result with the following filters: 1) Timeline = 01/01/2010 to 05/31/2022, 2) Subject = TRENDS & EVENTS, 2.1) Subject = SCANDALS, CORRUPTION and RESIGNATIONS, 3) Negative News = ALL, 4) Exclusions = ALL, 5) Group Duplicates = ON.

The potential influence of releasing the news on the outcomes was not considered. Our examination of the news is based on the agenda-setting theory and the previous parameters. For instance, whether a news story revolves around a billion-dollar corruption scandal or workers' exposure to hazardous chemicals does not sway our data collection. Such incidents are all regarded as corporate scandals.

Using our method, we selected a group of high-profile companies and then looked for news about scandals. Once we had chosen countries, we set the companies to be analysed. Some studies used specialized magazines to obtain and publicize the largest companies in the world (Barkemeyer et al., 2020; Van Scotter & Roglio, 2020). That made us use *Fortune* magazine, specifically the annual list compiled by the Fortune Global 500 [vii] (Lee & Hess, 2022). It includes companies worldwide, ordered by the net revenue value that can be collected from available public sources.

All three scandal selection methods must pass the high-profile filter described in Subsection 3.1. While Barkemeyer et al. (2020) contain scandal cases collected only until 2016, we applied the high-profile filter using the companies' financial

and employment data from 2019 (or the last year immediately available). That ensured that even for datasets with older cases, the most up-to-date financial and employment information was used for consistency. We excluded companies that did not meet the high-profile filter criteria under these parameters from the analysis. Ultimately, 65 companies were selected across the seven countries, 35 from emerging markets and 30 from developed markets.

3.4. Data Treatment
Individual reading of the news was a function of recognizing the transgression and its details. To do so, we used the following criteria:

i. Cases that became public after 01/01/2010 (published in the media).

ii. Cases in which the triggering event is not solely related to the 2008 crisis.

iii. Cases in which the triggering event interval is uninterrupted, beginning before the 2008 crisis and continuing after 2010.

The reading also takes place so that it ensures the criteria of (i) reliability, that is, the event must be confirmed as a transgression and not just be an accusation, and (ii) accuracy, which is the certainty of the details described. We emphasize that although a transgressive practice was considered a scandal in the company's headquarters country, according to the corporate scandal process outlined in the theoretical reference section, we may have observed the absence of the last essential element, which concerns the wide global dissemination (spillover), and often correlated with ramifications in tertiary entities, and therefore, was not considered a scandal. In this case, we can provide an illustrative example of foreign investors interested in these companies.

4. Results and discussion

4.1. Validation of proposed data collection
As an application of the methodology, we selected three data sources (scandal cases) and only companies with cases that occurred between 2010 and 2021. That is why the three methods captured cases before 2010 and, except for the source by Barkemeyer et al. (2020), cases after 2021. The agenda-setting theory method already includes the high-profile filters described in Subsection 3.1, which are applied before identifying scandals, while for others, the filter is applied later. This method's complete list of high-profile corporate scandals is in the Appendix.

Table 1 summarizes the data used to explain the validation. Note that Table 1 has two layers. The first covers the period from 2010 to 2016, as this is the limitation

of the source by Barkemeyer et al. (2020). The second covers the entire period from 2010 to 2021. However, in the latter, we must only compare the Wikipedia source and our proposal for the agenda-setting theory.

Table 1. Companies with scandal cases were found in the research sources.

Country	Barkemeyer et al., 2020[a]	Wikipedia[a]	High-profile filter[b]	Agenda-setting theory	Nominal variation	Total percentage variation
from 2010 to 2016						
Brazil	1	3	1	1	0	
Canada	2	5	0	0	0	
South Korea	0	1	1	5	4	
Spain	0	2	1	0	-1c	
India	0	3	0	2	2	
Italy	0	1	1	1	0	
Mexico	0	0	0	1	1	
Total	3	15	4	10	6	150%
from 2010 to 2021						
Brazil		5	3	3	0	
Canada		7	1	1	0	
South Korea		1	1	6	5	
Spain		2	1	1	0	
India		3	0	2	2	
Italy		1	1	2	1	
Mexico		0	0	1	1	
Total		19	7	16	9	129%

Note. It is important to highlight that these numbers correspond to identifying organizations and not the number of scandal cases. The same company may have had two different cases at two different times. If the same company fell into two distinct periods analysed, it will still count only once for each period and not twice for the more extended period.

[a] The cases found on Wikipedia and in the work of Barkemeyer et al. (2020) may or may not overlap. Therefore, we cannot add the two columns before analysing duplicate cases, such as those indicated in both data sources.

[b] High-profile filters do not include reliability in Wikipedia collections. A case may have been cited by Wikipedia and framed as a possible high-profile company. However, the transgression may not have been confirmed in the newspaper. In the agenda-setting theory, cases must be confirmed in the newspaper.

[c] The reason we have a negative variation is that there are companies mentioned in the researched sources that were covered by the high-profile filter, however, they were unreliable, that is, the complaints were just accusations (a consequence of previous note b).

The first columns show companies with scandal cases from the sources Barkemeyer et al. (2020) and Wikipedia separately. In the high-profile filter column, we add both sources, exclude duplicates, and remove non-high-profile companies. We compare the result to our method and calculate the difference. This distinction aligns with

the principle of comprehensiveness, which posits that the most comprehensive option is selected holistically.

From 2010 to 2016, we concluded that the agenda-setting theory method outperformed the collection by 150% compared with the academic (Barkemeyer et al., 2020) and non-academic (Wikipedia) sources. In evaluating the period from 2010 to 2021 with the non-academic source, the proposed method outperformed the Wikipedia source by 129%. The result clarifies that this proposed method was validated as it has more comprehensive (number of cases) of high-profile corporate scandals numerically found.

The result is even better if we understand that the cases reported by Wikipedia have not been verified for reliability. In other words, whether there was an actual transgression or just an accusation is not confirmed. The big difference to the method of Barkemeyer et al. (2020) is that they first check the cases of scandals already publicized and then confirm them through the sieve of reliability. In contrast, the simultaneous application of this sieve with the agenda-setting theory creates a search for cases without bias.

This validation answers positively to *RQ1*. The method of collecting high-profile scandal cases proposed by this study is as accurate and reliable as the others, even though it is more robust because it is more comprehensive than the ones previously used.

4.2. Results for the accepted (validated) data collection proposal

Given that our method based on agenda-setting theory has been validated, we must understand that we first select companies and then look for scandal cases using this method. That is why we can assess that of a specific group of established companies. Only a percentage will have instances of scandals.

Table 2 depicts the summary of this data collection. Table 2 is already divided into groups of developed and emerging countries. Of the 65 high-profile companies selected, 25% have at least one case of corporate scandal, and 75% are companies from emerging markets.

Emerging countries have an average of 60% higher scandals, which is strengthened when we highlight that 83% of scandals occurred within this group. We note that Mexico, as it has few companies in the sample, can substantially distort the results.

Interestingly, Canadian and Spanish companies had the lowest scandal rates. However, this does not mean they did not commit transgressions, just that they were not widely publicized under the corporate scandal process framework.

From this analysis, we may conclude that either the fact that companies are in emerging markets exposes them to scandals or their corporate governance models need to be migrated or improved. Alternatively, even a combination of the two can be achieved, since corporate governance systems are greatly influenced by local culture.

We realize that we have more cases of scandals than companies captured, meaning that some of them have more than one case. We want to emphasize that the fact that a company does not have its transgression case confirmed as a corporate scandal in the international newspapers does not mean that this case could not have been considered a scandal in its territory. The fact is that this method aims to capture cases of high-profile scandals, and this only occurs when the premises of the framework used are satisfied (Lopes et al., 2023b).

Table 2. Results for companies with high-profile scandals from 2010 to 2021

Country	Firms	Scandal-free firms	Caught in scandals	Firms in Scandals (%)	Number of scandals	Scandals in %	Average scandals by a firm	CG model
Emerging								
Brazil	7	4	3	43%	5	17%	1.67	Latin American
South Korea	17	11	6	35%	12	41%	2	Mixed
India	8	6	2	25%	4	14%	2	Mixed
Mexico	3	2	1	33%	3	10%	3	Latin American
Subtotal	*35*	*23*	*12*	*34%*	*24*	*83%*	*2*	
Developed								
Canada	11	10	1	9%	1	3%	1	Anglo-Saxon
Spain	10	9	1	10%	1	3%	1	Latin
Italy	9	7	2	22%	3	10%	1.5	Latin
Subtotal	*30*	*26*	*4*	*13%*	*5*	*17%*	*1.25*	
Total	65	49	16	25%	29	100%	1.81	

Note. % = percentage. CG = corporate governance.

We can answer *RQ2*, considering that countries in developed markets have fewer cases of corporate scandals than those in emerging markets, confirming the study by Gerged and Elheddad (2020). That means the risk when investing in companies from the first countries offers less risk, confirming previous studies (Ali et al., 2020; Black et al., 2012; Briano-Turrent & Rodríguez-Ariza, 2016). We focused on high-profile companies, such as international visibility (Adut, 2008). Ignoring cases of national corporate scandals not captured by this method limits the analysis.

As for the frequency of cases, we can see in Figure 2 that the cases are concentrated between 2014 and 2019. The scandals begin with significant numbers four years

after the beginning of our time frame, which may indicate that the regulation of countries after the 2008 crisis had an effect, according to a previous study (Hail et al., 2018). Still, during this period, we noted many political scandals involving politically exposed persons, state-owned companies, and heads of state. Although this data was not sought during the research, it is imperative to the market credibility and quality of financial reports (Hung et al., 2015; Wati et al., 2020).

The annual average of 2.4 scandals supports a slight growth trend, which may indicate a new regulatory effect after 2019, as it is known that corporate governance has an average response time of two years (Hail et al., 2018).

The cases were classified by their headquarters countries. However, the spillover effect could be observed with repercussions in non-headquarters countries, as Adut (2008) stated. In Figure 3, we can see that the scandals in emerging countries do not have international repercussions, as 2/3 of the cases have *internal aftermaths*. On the contrary, 80% of scandals in developed countries have *international aftermaths*.

This may indicate that corporate governance is more fragile when transgressive events occur outside the headquarters countries. They may not have a more robust administrative structure due to high costs, namely, qualified labour.
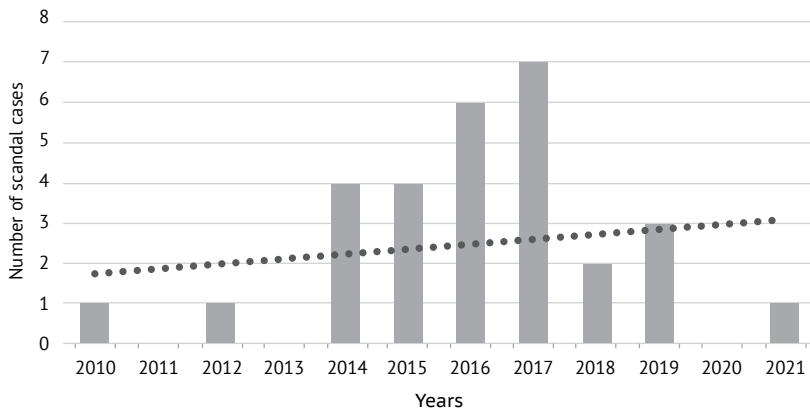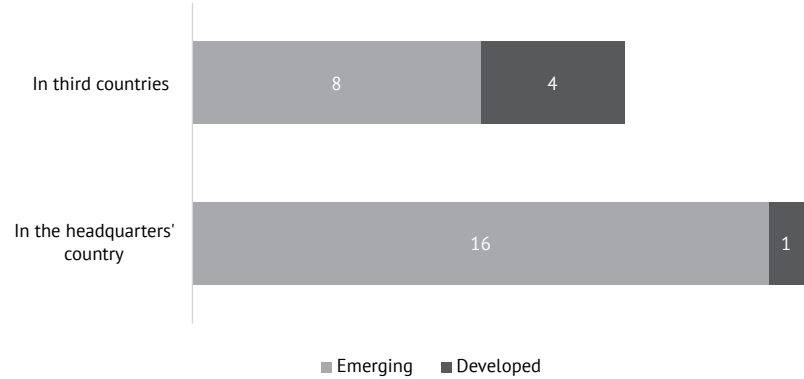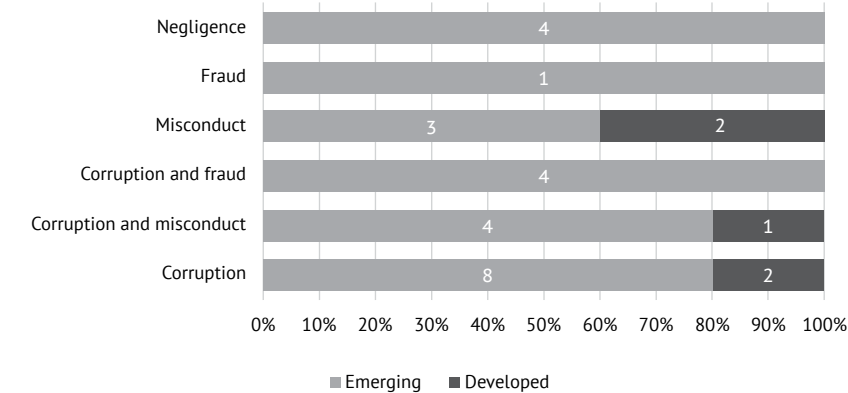
Figure 2. Frequency of high-profile corporate scandals

Figure 3. Where the aftermath of high-profile corporate scandals is reflected

In third countries: Emerging 8, Developed 4

In the headquarters' country: Emerging 16, Developed 1

Emerging ▪ Developed

As is seen in Figure 4, sometimes there is more than one attribute for the same case, as these are complex situations. In these situations, it was not possible to identify the classification that stood out the most between the two.
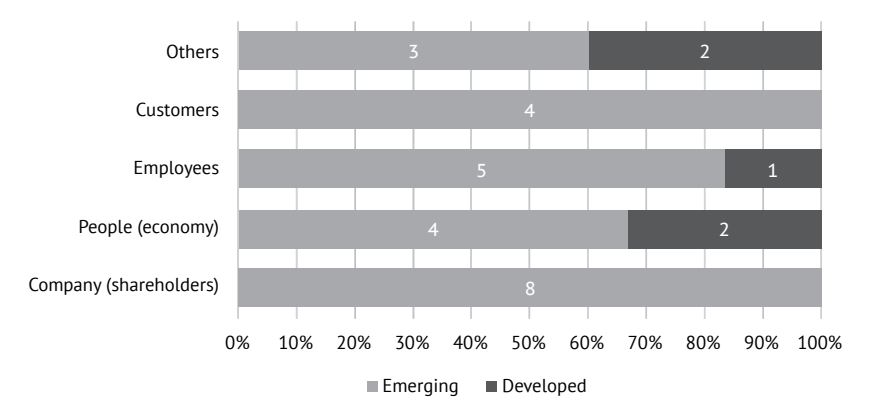
Figure 4. High-profile corporate scandals grouped by attributes

Negligence: Emerging 4

Fraud: Emerging 1

Misconduct: Emerging 3, Developed 2

Corruption and fraud: Emerging 4

Corruption and misconduct: Emerging 4, Developed 1

Corruption: Emerging 8, Developed 2

▪ Emerging ▪ Developed

The types of transgression nature that society should address in the combat against irregularities and socioeconomic deviations are indicated here. We must highlight that 2/3 of the cases involve the *corruption* attribute. This conclusion becomes more striking when analysing developed countries, as 100% of scandal cases involved *corruption* or *misconduct*. Finally, negligence cases were only identified in emerging countries, which could mean weak supervision, whether internally (company) or by public bodies.

We identified and grouped those directly harmed in the cases collected. This data is plotted in Figure 5.
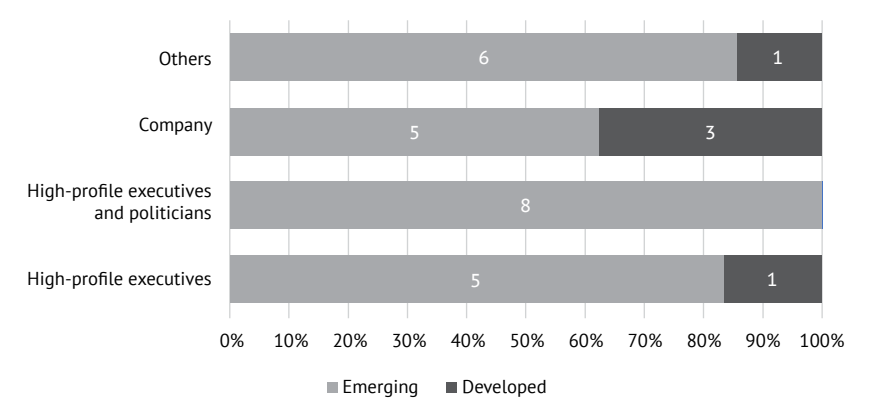
Figure 5. Whom high-profile corporate scandals directly harmed

The most striking fact is that 28% of scandals directly harmed *shareholders*. Furthermore, 100% occurred in emerging markets. It may mean that corporate governance controls and shareholder protection regulations must be improved. Consequently, developed markets did not harm their customers and shareholders, which aligns with the study of Gerged & Elheddad (2020).

When identifying the transgressive party, the results are shown in Figure 6, which stands out in differentiating between the two groups of countries.

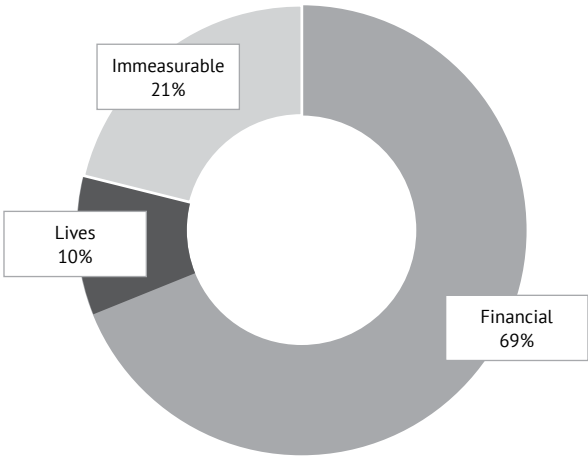**Figure 6.** Transgressors in high-profile corporate scandals

In emerging countries, 54% of cases involve *high-profile executives* from transgressive companies, justified by specific studies, such as Van Scotter & Roglio (2020). Furthermore, head political figures are engaged in at least 1/3 of these cases, denouncing the need to consider this variable type in studies (Hung et al., 2015; Wati et al., 2020). There is an indication of the need for better application or development of corporate governance concerning companies' internal power figures (high-profile executives), such as the CEO and directors.

The highlight for developed countries is that the legal entity (company) caused 60% of their transgressions. Nevertheless, considering that all these cases occurred in Italy, it may be related to the laws of its internal market.

Regarding the aftermath classification, there was no highlight between the groups, as there was a uniform distribution of cases across countries. However, a global analysis (Figure 7) shows that 69% of cases are related to *financial scandals*. Therefore, accounting studies must continue to be the main point of approach to avoid future corporate scandals, as previous accounting studies by Cooper et al. (2013) and Ilter (2014) have already demonstrated.
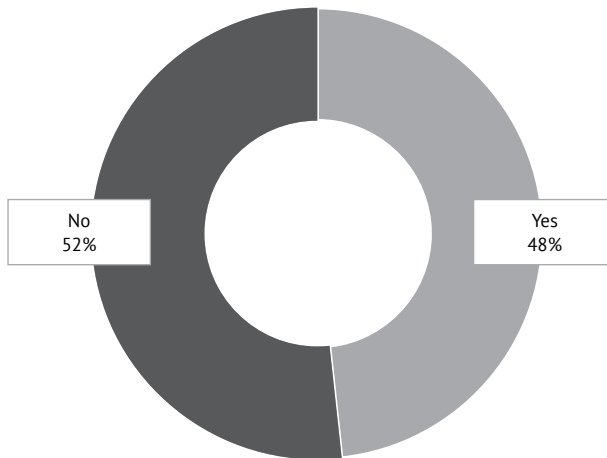
Figure 7. Aftermaths in high-profile corporate scandals

Also, Figure 7 shows us where efforts to stop transgressions should be directed. We could state that accounting and auditing would play a significant role in this development. Therefore, future studies may be more effective if they focus on the types of financial scandals, as they will address more than two-thirds of the issues.

Also, the cases were classified according to the involvement of politically exposed persons due to the results that emerged, compared to the importance of the studies by Hung et al. (2015) and Wati et al. (2020). Figure 8 also represents a general analysis response.

Figure 8. Involvement of politically exposed persons in high-profile corporate scandals

The distribution between the two groups of countries was approximately the same. However, the revelation that half of the cases involved politically exposed persons may show that *individual interests* prevail over collective interests.

We did not find a viable systematization for the types of transgressions. The result was dispersed, and it was not possible to see trends. Another situation was the ordering of cases by relevance. The most biased ordering for this situation is aftermaths, which have three dimensions: financial, lives affected, and immeasurable. Although the financial route is logical and has already been studied by Ilter (2014), human lives are unquantifiable, which makes it impossible to order the two types together. Furthermore, the immeasurable type has no ordering bias, not even individually.

Finally, when answering *RQ3*, it was impossible to state that the scandals of developed and emerging countries are totally different, as there are similar aspects between the scandals of both groups. Thus, although significant differences have been highlighted, the short answer to *RQ3* is that the characteristics are partially different in developed markets from those in emerging markets.

5. Conclusions and implications

This study represents a significant update in corporate scandal research, moving beyond previous studies limited to data available until the early 2010s (Barkemeyer et al., 2020; Rudkin et al., 2019; Utz, 2019). Extending our analysis until 2021, we provide more recent and relevant information for understanding this constantly evolving phenomenon.

The study's first objective was to propose a method for improving the data collection process based on the agenda-setting theory and to compare its comprehensiveness with other data sources while adhering to the principles of accuracy and reliability. We validated our proposed method by answering *RQ1* positively, confirming its accuracy and reliability, even though it is more comprehensive than previous approaches. It offers a new standard in data collection for future research.

The second objective has been accomplished, as the cases of high-profile corporate scandals within the sample have been collected, categorized, and analysed. This process yields pertinent quantitative and qualitative information for decision-makers regarding investments in companies contextualized within developed and emerging countries to manage this phenomenon (Francis et al., 2013).

The answer to *RQ2* suggests that countries in emerging markets tend to have higher corporate scandals, aligning with previous research that highlights the heightened risk associated with emerging markets due to weaker governance structures and regulatory environments (Ali et al., 2020; Black et al., 2012; Briano-Turrent & Rodríguez-Ariza, 2016). However, this finding also contradicts certain studies indicating that developed markets often report more scandals due to more vigorous enforcement mechanisms and greater media scrutiny (Dorfleitner et al., 2022; Duho et al., 2020; Forti et al., 2011; Sonenshine & Erickson, 2022; Terreros et al., 2022). This dual perspective underscores the importance of contextualizing corporate scandal data within each country's socioeconomic and institutional frameworks. It further reinforces the critical need to analyse these contexts thoroughly before making substantial investments, as the return potential must be assessed considering the complex interplay between economic and regulatory factors (Kirkpatrick, 2009).

Furthermore, based on the trends observed between 2014 and 2019 (Figure 2), it is expected that emerging markets are in the process of improving their regulatory systems, as already indicated in previous research (Ball, 2009; Ha et al., 2019; Hail et al., 2018). This observation highlights the need for continuous improvements in the regulatory frameworks of these markets, aiming to mitigate risks and create environments more favourable to healthy and sustainable development.

Table 3 summarizes the holistic view of the phenomenon of corporate scandals, highlighting the main differences and similarities between high-profile cases in developed and emerging countries. Although we found differences in some characteristics of the scandals in response to *RQ3*, stating that the cases between the two groups are similar or different in holistic terms is inconclusive, as some characteristics showed notable similarities (Table 3).

Table 3. Recapitulation of high-profile corporate scandals between developed and emerging countries

Scandal characteristics	Emerging	Developed
Country where the aftermaths occur	2/3 of the incidents occurred within the headquarters' country	80% of the aftermaths of cases occurred in third countries
Attribute	2/3 of cases involved corruption; and 100% are cases of negligence	100% of cases involved corruption and/or misconduct
Directly harmed	28% of cases harmed shareholders, 100% of which occurred in this type of market	There were no transgressions against customers and shareholders
Transgressors	54% of events involved high-profile executives; and 1/3 involved head political figures	60% of the events had the corporation as a transgressor; and 100% of cases occurred in Italy
Aftermaths	2/3 of scandals had financial aftermaths	
Politically exposed persons	Approximately 50% of cases involved politically exposed persons	

The practical implications of this study are significant. In emerging markets, decision-makers, especially shareholders, should direct their attention to (i) high-profile executives, (ii) corporate finances, including rigorous auditing, and (iii) political relationships that companies may have, whether as collective entities or through their leaders. These were the predominant characteristics of high-profile scandals in these markets (Table 3).

Combating corruption must be prioritized at political and business levels in developed markets. Losses in these markets tend to be predominantly financial, with aftermaths that often extend beyond national borders. Paying attention to politically exposed persons is essential regardless of the market, as this characteristic is shared between developed and emerging markets (Table 3).

The discovery that 25% of the companies researched were involved in at least one scandal is a critical warning regarding data analysis. Considering these companies' high relevance in global net revenue, this high proportion highlights the continuous need for vigilance and assessment of corporate risks. We also infer that when politically exposed persons are involved, there is a greater probability of a transgression becoming a corporate scandal (Figure 8). That is another powerful warning to follow.

Another notable example is that despite the absolute numbers, it is impossible to say that there are more scandals in Brazil than in Mexico. First, the Mexican sample is tiny because there are smaller companies in terms of net revenue. That brings us a statistical reduction. Second is the international media's interest in these countries. Our research was based on cases requiring international exposure. Then, we should assess whether the cases were relevant nationally and whether there was coverage in the local media. Only after good local coverage does the news spread abroad.

As theoretical implications, we validate the method based on the agenda-setting theory and outline the characteristics of cases of high-profile corporate scandals in developed and emerging market countries.

It became evident that we could not follow the scandal process in its natural course, that is, in the order in which it is formed. We only realize that a scandal occurred at the end of the process, that is, through media repercussions. Thus, as a practical application, when news appear in the international press, we are already in the last phase of the scandal process. Other valuable points are the easy identification of those directly harmed, the transgressors, the scandal attributes, and the significant aftermaths.

Ultimately, this study provides valuable insights into the dynamics of corporate scandals in developed and emerging markets. By understanding the distinguishing characteristics and areas of overlap, investors, regulators, and governments can be better prepared to address corruption and financial transgression risks, contributing to more transparent and ethical markets.

5.1. Limitations

The limitations of this work are restricted to its methodological parameters, that is, seven countries (Brazil, Canada, South Korea, Spain, India, Italy, and Mexico), companies listed by the Fortune Global 500 (high-profile), framed by the framework of corporate scandal process, in selected international newspapers of large circulation and for the period between 2010 and 2021.

5.2. Future Research

It would be interesting to consider a larger sample of non-American and Chinese countries, reaching more capital markets and having a greater breadth of analyses.

Furthermore, news could be obtained through social networks like Twitter or Instagram. In that case, it is essential to question whether the results would be the

same (Barkemeyer et al., 2020), considering that using these platforms can introduce variables that affect the information collected.

Finally, more robust methodological and statistical tools must be used to verify the results achieved here. These include descriptive statistics, non-parametric statistical tests, regressions, as well as the use of risk and governance indicators.

APPENDICES

Appendix 1. Results of high-profile corporate scandals collected through the proposed method based on the agenda-setting theory

Company	Country of Origin	Country of Event	Year of Scandal	Attribute	Transgression	Aftermath in Millions (USD)	Aftermath in Lives
Bank of Nova Scotia (Scotiabank)	Canada	USA and Peru	2017	Corruption	Money Laundering	$ 3,600	N/A
ENI	Italy	Nigeria and Italy	2017	Corruption	Bribery	$ 1,300	N/A
FCA (Fiat Chrysler Automobiles)	Italy	Worldwide	2015	Misconduct	Pollution	Immeasurable	Immeasurable
FCA (Fiat Chrysler Automobiles)	Italy	USA	2019	Corruption and Misconduct	Bribery and Labour Exploitation	N/F	N/A
Hyundai Motor	South Korea	South Korea	2016	Corruption	Influence Peddling	$ 1	N/A
Hyundai Motor	South Korea	South Korea	2017	Misconduct	Product Failures	Immeasurable	Immeasurable
Iberdrola	Spain	Spain	2021	Misconduct	Espionage and Bribery	Immeasurable	N/A
JBS	Brazil	Worldwide	2017	Corruption and Misconduct	Food Security and Bribery	Immeasurable	Immeasurable
Korea Electric Power	South Korea	South Korea	2012	Corruption and Fraud	Forgery	N/F	N/A
Lotte Shopping	South Korea	South Korea	2016	Corruption	Influence Peddling	$ 6	N/A
Lotte Shopping	South Korea	South Korea	2016	Corruption	White Collar	$ 153	N/A
Pemex	Mexico	Mexico and USA	2014	Fraud	Asset Misappropriation	$ 400	N/A
Pemex	Mexico	Mexico	2017	Corruption	Overpricing and Bribery	$ 10	N/A
Pemex	Mexico	Mexico	2019	Corruption and Misconduct	Embezzlement and Greed	$ 150	N/A
Petrobras	Brazil	Brazil	2014	Corruption and Fraud	Embezzlement	$140,000	N/A
Petrobras	Brazil	Brazil and UK	2015	Corruption	Bribery	$ 200	N/A
Petrobras	Brazil	Brazil	2015	Corruption and Fraud	Overpricing and Bribery	$ 2,000	N/A
POSCO	South Korea	South Korea	2016	Corruption	Influence Peddling	N/F	N/A
Reliance Industries	India	India	2010	Corruption and Fraud	Bid Rigging	$ 40,000	N/A
Reliance Industries	India	India	2014	Corruption	Influence Peddling	$ 1	N/A
Reliance Industries	India	India	2015	Corruption and Misconduct	Espionage and Bribery	Immeasurable	N/A

Company	Country of Origin	Country of Event	Year of Scandal	Attribute	Transgression	Aftermath in Millions (USD)	Aftermath in Lives
Samsung Electronics	South Korea	China	2014	Misconduct	Child Labour and Labour Exploitation	N/A	N/F
Samsung Electronics	South Korea	Worldwide	2016	Negligence	Product Failures	$ 5,300	N/A
Samsung Electronics	South Korea	South Korea	2017	Corruption and Misconduct	White Collar	$ 10,000	N/A
Samsung Electronics	South Korea	Vietnam	2018	Negligence	Poor Labour Conditions	N/A	260
Samsung Electronics	South Korea	worldwide	2018	Misconduct	Poor Labour Conditions	Immeasurable	Immeasurable
SK (Holdings)	South Korea	South Korea	2017	Corruption	Influence Peddling	$ 10	N/A
Tata Steel	India	UK	2016	Negligence	Excessive Risk-Taking	$ 92	N/A
Vale	Brazil	Brazil	2019	Negligence	Disaster	N/A	270

Note. N/A = not applicable. N/F = not found.   = approximately.

Endnotes

i It was a global financial crisis initiated by substandard mortgage loans in the USA, which resulted in economic impacts across the world in 2008.

ii MSCI Market Classification Framework: https://www.msci.com/our-solutions/indexes/market-classification, retrieved on 06/01/2025.

iii Source of financial information: https://fortune.com/global500/, retrieved on 03/15/2022.

iv When prices on the New York Stock Exchange fell drastically and made the news around the world on 10/24/1929, the stock market crash, or simply the *Crash* of 29.

v Source of corporate scandal cases: https://en.wikipedia.org/wiki/Category:Corporate_scandals, retrieved on 03/31/2022.

vi Access: https://signin.lexisnexis.com/

vii Source: https://fortune.com/global500/

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