Preventing Corruption

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Professor Adam Graycar
Australian National University

adam.graycar@anu.edu.au
http://tric.anu.edu.au
• people acting alone, and the rewards were small
• people working together, and the stakes were higher
• culture of corruption running right through organisations
• grand corruption, the whole state was manipulated
two key points

• All corruption is not the same - the blanket term corruption covers many types of behaviours in many different contexts

• Some places are more corrupt than other.
• Corrupt Societies
• Corrupt Organisations
• Corrupt Individuals

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• Corrupt events

Different controls
Corruption in:

- **Making public policy** - distorting policy directions
- **Implementing public policy** - distorting policy outcomes
• **TASP**  *(Graycar)*

• **Type**

• **Activities**

• **Sectors**

• **Places**

adam.graycar@anu.edu.au  http://tric.anu.edu.au/
Types

- Bribery
- Extortion
- Misappropriation
- Self-dealing
- Patronage
- Abuse of discretion
- Creating or exploiting conflict of interest
- Nepotism, clientelism and favoritism

etc etc
Activities

• Appointing personnel
• Buying things (Procurement)
• Delivering programs or services
• Managing disasters
• Making things (Construction / manufacturing)
• Controlling activities (Licensing / regulation/ issuing of permits)
• Administering (justice for example)

etc
## Sectors
- Construction
- Health
- Tax administration
- Energy
- Environment & water
- Customs & Immigration
- Legal system *etc*

## Places
- Countries
- Regions
- Localities
- Corporations
- Work places

*etc*
Behaviour demonstrates

- criminality
- sloppy adherence to process
- dumb decision making
- poor service
context

• Structural (embedded and/or tolerated)
• Situational (opportunistic)
• Willing (collusion)
• Unwilling (extortion)
Will the behaviour

• Benefit an individual or organisation
  – Need/ Greed

• Exhibit patronage
  – Nepotism / Cronyism / Love / Friendship

• Promote ideology, change values, re-allocate resources
What is being corrupted?

- process
- culture
- event
Opportunities

- motivated offender,
- a target
- absence of a capable guardian.
INTERNATIONAL ARCHITECTURE

TREATIES

- United Nations Convention against Corruption (UNCAC)
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- Council of Europe's Criminal Law Convention on Corruption + additional Protocol
- Council of Europe's Civil Law Convention on Corruption
- G20 Anti-Corruption Working Group
• OFFICIAL BODIES
  • World Bank
  • Asian Development Bank* (ADB)

• CIVIL SOCIETY
  • Transparency International
  • U4 Anti-Corruption Resource Centre
  • Global Witness
OTHER ITEMS OF INTEREST

• 1996 Inter-American Convention against Corruption of the Organization of American States

• African Union Convention 2003 (the 2003 African Union Convention on Preventing and Combating Corruption)

• GRECO (the 1999 Criminal Law Convention on Corruption and the 1999 Civil Law Convention on Corruption of the Council of Europe)

• Asia Pacific Group on Money Laundering (1997)

• Financial Action Task Force (FATF, 1989)

• ADB-OECD Anti-Corruption Initiative (1999)
International Anti-Corruption Architecture

- UN Convention against Corruption (UNCAC 2005)
- OECD Anti Bribery Convention (1997)
  - Asia Pacific Group on Money Laundering (1997)
Distribution of Media Reports (n=4919)
Incidents by IBAC offences (n=145)
Key Findings From the National Survey

• 43% believe that corruption has increased in the past three years;

• There is exceptionally little personal experience of bribery by government officials;

• If corruption is suspected or observed, half of the respondents would not know where to report it;
• Institutions that people believe are least affected by corruption are the armed forces, police and the public service;

• Institutions that people believe are most affected by corruption are trade unions, the media and political parties
Most frequently identified **opportunities** for corruption within Department/Agency

- conflict of interest
- misuse of information
- abuse of discretion
- hiring friends or family for public service jobs
most common potential corruption risks

• appointing personnel
• buying goods and services
• partnerships with private sector

Corruption risks generally rated low
Behaviours most commonly suspected and observed

- hiring family and friends,
- conflict of interest,
- abuse of discretion and
- abuse of information
<table>
<thead>
<tr>
<th>Corruption in Department/Agency</th>
<th>Opportunity %</th>
<th>Suspected %</th>
<th>Observed %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base: Total sample</td>
<td>839</td>
<td>839</td>
<td>839</td>
</tr>
<tr>
<td>Bribery</td>
<td>32</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Abuse of discretion</td>
<td>58</td>
<td>28</td>
<td>15</td>
</tr>
<tr>
<td>Misuse of info or material</td>
<td>68</td>
<td>32</td>
<td>15</td>
</tr>
<tr>
<td>Conflict of interest</td>
<td>72</td>
<td>38</td>
<td>20</td>
</tr>
<tr>
<td>Hiring friends or family for public service jobs</td>
<td>53</td>
<td>38</td>
<td>25</td>
</tr>
<tr>
<td>Perverting the course of justice</td>
<td>16</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Hiring one’s own or family company to provide services</td>
<td>33</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Prefer not to say</td>
<td>0</td>
<td>1</td>
<td>4.26</td>
</tr>
</tbody>
</table>
Department/Agency Handles Corruption Risks Well

Base: Identified Corruption Risks

<table>
<thead>
<tr>
<th>Agreement</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>47</td>
</tr>
<tr>
<td>Neither agree or disagree</td>
<td>21</td>
</tr>
<tr>
<td>Disagree</td>
<td>14</td>
</tr>
<tr>
<td>Don't know</td>
<td>13</td>
</tr>
</tbody>
</table>
CCC allegations 2011-12  N= 5,912

**Corruption**
Corrupt conduct – 2%

**Maybe corruption**
Breach of code of conduct/policy/procedures – 11%
Conflict of interest or improper association – 5%
Breach of confidentiality/misuse of information/improper disclosure – 3%
Fraud/falsification/fabrication – 3%
Abuse of power – 2%
Stealing/theft – 2%

**Not corruption**
Neglect of duty or failure to act – 35%
Assault – physical/excessive use of force – 10%
Inappropriate behaviour – 7%
Drugs-related misconduct – 5%
Unprofessional conduct, demeanour/attitude language – 5%
Bullying/intimidation/harassment – 4%
Other – 5%
CMC allegations 2011-12   N= 12,559

Corruption
Corruption and favouritism – 8%

Maybe corruption
Police misconduct related to investigations, arrests or proceedings – 8%
Control of information – 7%
Misappropriation – 6%
Use of government resources – 4%

Not corruption
Official conduct – 18%
Assault/excessive force – 17%
Victimisation/harassment – 7%
Demeanour/attitude – 6%

Unknown
Workplace function most frequently complained about in the matters received by ICAC in 2011-12, N=2,978

- Human resources and staff administration: 19%
- Reporting, investigation, sentencing and enforcement: 17%
- Development applications and land rezoning: 12%
- Procurement, disposal, and partnerships: 10%
- Allocation of funds, materials and services: 9%
- Miscellaneous functions: 8%
- Policy development and information processing: 8%
- Other processing electronic and cash payments, issuing licenses or qualifications, electoral and political activities: 17%
- Undefined: 17%

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ICAC – Responses to Complaints Received
2011-12
N=2,978

- Full investigation – 0.7%
- Preliminary investigation – 2%
- Referred to Assessments Section for further enquiry – 14%
- Closed but referred externally – 9%
- Closed without action or referral – 75%
Combating Corruption

• Understand the opportunity structure

• Identify and implement controls
Possible controls

Making public policy

- Integrity pillars
- Social capital
- Rule of law
- Criminal penalties

Implementing policy

- Better processes
- Leadership/ culture
- Whistle blowing
- Criminal penalties
- Crime prevention techniques

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Responses
Tangible Controls

- Criminalization, investigation, prosecution, sanctions
- Anti-corruption agencies
- Structural reform
- Education, integrity building mobilization of the public
- situational countermeasures
Situational Measures

• Increase the effort to behave corruptly
• Increase the risks of corrupt behavior
• Reduce the rewards of corrupt behavior
• Remove excuses for corrupt behavior
Thank you

Any questions?

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