

SUCCESSFUL ANTI-CORRUPTION STRATEGY, EFFECTIVE INVESTIGATION AND THE ROLE OF GOVERNMENT AGENCIES IN COMBATING CORRUPTION

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I. INTRODUCTION

I am honoured to have been invited by Mr Tatsuya Sakuma, the Director of UNAFEI and Professor Shinichiro Iwashita, the Programming Officer of the Course to come to UNAFEI for the 8th time as a Visiting Expert to share with you my 27 years of experience in fighting corruption in Hong Kong, as well as my last 10 years of experience as an anti-corruption specialist in 25 different countries. I have maintained a strong passion for the anti-corruption mission, and thus I am most grateful for the opportunity to participate in this most worthwhile course and share my experience with the participants from so many different countries.

A. Short History and the Achievements of the ICAC

In my international experience, I generally group countries into three levels of corruption. At the first and lowest level, corruption is only restricted to a “few rotten apples”. Even the most corruption-free countries belong to this group, as no country can be totally immune from corruption. At the second level, corruption is relatively common but restricted to individuals. At the most serious level, i.e. the third level, corruption is not only widespread and open and organized by powerful corrupt syndicates, often colluded with organized crime gangs. Hong Kong was definitely one of the most corrupt places on earth in the early 70s and belonged to the third level. Corruption was widespread and regarded as a “way of life”. It existed “from womb to tomb”. Corruption in the public sector, particularly the law enforcement agencies, was well organized and syndicated, hence making a mockery of the criminal justice system. As a taxi-driver, you could even buy a monthly label from the corrupt syndicate and stick it on your taxi, and it would guarantee you against any traffic prosecution during that month! Such was the scale of open corruption in Hong Kong. After the establishment of the Independent Commission Against Corruption, and within five years, all

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the overt and syndicated corruption was eradicated, and now Hong Kong is regarded as one of the most corruption-free societies in the world. The Hong Kong case was regarded as one of the very few successful models of turning a very corrupt place to a clean one. It demonstrates that corruption can be effectively controlled, no matter how serious and widespread the problem is.

In its 37 years of history, ICAC has achieved the following successes:

- Eradicated all the overt and syndicated corruption in the Government. Corruption now exists as a highly secretive crime, and often involves only the satisfied parties. Citizens rarely suffer from extortion from government officials.
- Amongst the first in the world to effectively enforce private sector corruption, providing an excellent business environment for Hong Kong and a level playing field for all investors.
- Ensured that Hong Kong had a clean election in its transition from a British Colony to democracy.
- Pioneered solutions through corruption prevention studies in most corruption prone areas and promulgated best practice guidelines in areas such as public procurement, construction, financial sectors, staff management, etc.
- Changed the public's attitude to no longer tolerating corruption as a way of life; and supported the fight against corruption in not only willingness to report corruption, but to be prepared to identify themselves in the reports. Before ICAC was set up, most corruption reports were anonymous. Now more than 75% of the reports came from non-anonymous sources.
- As an active partner in the international arena in promoting international co-operation. ICAC is the co-founder of the International Anti-Corruption Conference (IACC)

B. What are the Hong Kong ICAC's Success Factors?

As a result of the success of the Hong Kong model in fighting corruption, many countries followed Hong Kong's example in setting up a dedicated anti-corruption agency. However, many of them are not effective, and hence there are queries as to whether the Hong Kong model can be successfully applied to other countries. The point is whether there is a thorough understanding of how the Hong Kong model works. From my experience, it consists of the following eleven indispensable components

1. Three-pronged strategy

There is no single solution in fighting corruption. Hong Kong ICAC adopts a three-pronged approach: deterrence, prevention and education. As a result, the Commission consists of three separate departments: the Operations Department to investigate corruption and to prosecute the offenders; the Corruption Prevention Department to examine the systems and procedures in the public sector, to identify the corruption opportunities and to make recommendations to plug the loopholes; and the Community Relations Department to educate the public against the evil of corruption and to enlist their support and partnership in fighting corruption.

2. Enforcement-led

The three prongs are equally important, but unlike many anti-corruption agencies (ACA), ICAC places priority in resources on enforcement. It devotes over 70% of its resources in the Operations Department. The reason is that any initiatives in corruption prevention and education are doomed to fail in a corrupt country where the corrupt officials are still around and powerful. Any successful fight against corruption must start with effective enforcement on major targets, so as to get rid of the obstacles, and demonstrate to the public the political will and determination to fight corruption at all costs, as well as to demonstrate the effectiveness of the anti-corruption agencies. Without that, the ACA is unlikely to get the public support, which is a key to success. Successful enforcement also assists in identifying problem areas for corruption prevention review and can clear any human obstacle in the review. The successful enforcement stories also provide a basis for public education and act as deterrence for the other corrupt officials.

3. Professional Staff

Fighting corruption is a very difficult task, because you are confronted with people who are probably very intelligent, knowledgeable and powerful. Thus the corruption fighters must be very professional in their jobs. ICAC ensures that their staff are professionals in their diverse responsibilities — the Operations Department has professional investigators, intelligence experts, technical experts, accountants and lawyers

on staff. The Corruption Prevention Department has management experts, and the Community Relations Department pools together education, ethics and public relations experts. Apart from professionalism, all ICAC staff are expected to uphold a high level of integrity and to possess a passion and sense of mission in carrying out their duties. ICAC strives to be highly professional in their investigation. ICAC is one of the first agencies in the world to introduce the interview of all suspects under video; they have a dedicated surveillance team with over 120 specially trained agents who took surveillance as their life-long career. They also have a number of specialized units such as witness protection, the undercover unit, computer forensics and financial investigation.

4. Effective Deterrence Strategy

ICAC's strategy to ensure effective enforcement consists of the following components:

- An effective public complaint system to encourage reporting of corruption by members of the public and referrals from other institutions. ICAC has a report centre manned on a 24-hour basis, and there is a highly publicized telephone hotline to facilitate public reporting.
- Effective confidentiality system and protection of whistleblowers and witnesses.
- A quick response system to deal with complaints that require prompt action. At any time, there is an investigation team standing by, ready to be called into action.
- ICAC adopts a zero tolerance policy. So long as there is reasonable suspicion, each report of corruption, irrespective of whether it is serious or relatively minor in nature, will be properly investigated.
- There is a review system for the purpose of checks and balances to ensure all investigations are professionally and promptly investigated, free from political interference.
- Any successful enforcement will be publicized in the media to demonstrate effectiveness and to deter the corrupt.

5. Effective Prevention Strategy

The corruption prevention strategy aims at reducing the corruption opportunities in government departments and public institutions. The general principle is to ensure efficiency, transparency and accountability in all government businesses. The priority areas are public procurement, public works, licensing, public services delivery, law enforcement and revenue collection. Comprehensive corruption prevention strategy should include enhancement in the following management systems:

- Performance Management
- Procurement Management
- Financial Management
- Human Resources Management
- Complaint Management

Examples of some of the corruption prevention practices are:

- Identify risk in vulnerable areas and risk management
- Streamline work procedure manual
- Enhance staff supervision through surprise check system
- Enhance internal audit
- Maintain proper documentation for accountability
- Information security policy
- Job rotation policy
- Performance indicators/performance pledges (service guarantee)
- E-government and e-procurement
- Exercise transparency & fairness in staff recruitment, appraisal & promotion

6. Effective Education Strategy

ICAC has a very wide range of public education strategies in order to enlist the support of the entire

community in a partnership to fight corruption. It includes:

- Media publicity to ensure effective enforcement cases are well publicized through press releases, press conferences and media interviews, as well as the making of a TV drama series based on successful cases.
- Media education — use of mass media commercials to encourage the public to report corruption; promote public awareness to the evil of corruption and the need for a fair and just society, and as deterrence to the corrupt.
- School ethics education programmes, starting from kindergarten up to the universities.
- Establish the ICAC Club to encourage the public to join members who wish to perform voluntary work for ICAC in community education.
- Promote a code of ethics in government and business.
- Corruption prevention talks and ethics development seminars to public servants and business sectors.
- Publish corruption prevention best practices and guidelines.
- In partnership with the business sector, set up an Ethics Development Centre as a resource centre for the promotion of business codes of ethics.
- Organize exhibitions, fun fairs, television variety shows to spread the message of clean society.
- Wide use of websites for publicity and reference, youth education and ethics development.

7. Effective Legal Framework and Anti-Corruption Law

Hong Kong has comprehensive legislation to deal with corruption. In terms of offences, apart from the normal bribery offences, it created three unique offences:

- a. offence for any civil servant to accept gifts, loans, discounts and passage over a certain limit, even if there are no directly related corrupt dealings, unless specific permission from senior official is given;
- b. offence for any civil servant to be in possession of assets disproportionate to his official income; or living above means;
- c. offence for conflict of interest. Any public officials abusing their authority for private gains, whether for himself or other persons. It includes a statutory requirement to report potential conflicts of interest.

On investigative power, apart from the normal police power of search, arrest and detention, ICAC has the power to check bank accounts, require witnesses to answer questions on oath, restrain properties suspected to be derived from corruption, and hold the suspects' travel documents to prevent them from fleeing the jurisdiction. If justified and in serious cases, they can apply proactive investigation techniques such as telecommunication intercept, surveillance, undercover operations, etc. Not only are they empowered to investigate corruption offences, both in the Government and private sectors, they can investigate all crimes which are connected with corruption.

The ICAC cases are prosecuted by a selected group of public prosecutors to ensure both quality and integrity. The Judiciary of Hong Kong strongly supports fighting corruption, which ensures that the ICAC cases are handled in courts by highly professional judges with fairness. The conviction rate for ICAC cases is very high, around 80%

8. Review Mechanism

With the provision of wide investigative power, there is an elaborate system of checks and balances to prevent abuse of such wide power. One unique feature is the Operations Review Committee. It is a high powered committee, with the majority of its members coming from the private sector, representing the citizens from all sectors to act as a watchdog on ICAC. The committee reviews each and every report of corruption and investigation, to ensure all complaints are properly dealt with and there is no "whitewashing". It publishes an annual report, to be tabled before the Legislature for debate, thus ensuring public transparency and accountability. In addition, there is an independent Complaint Committee where members of the public can lodge any complaint against the ICAC and/or its officers and there will be an

independent investigation. It also publishes an annual report to be tabled before the Legislature for debate.

9. Equal Emphasis on Public & Private Sector Corruption

Hong Kong is amongst one of the earliest jurisdiction to criminalize private sector corruption. ICAC places equal emphasis on public and public section corruption. The rationale is that there should not be a double standard in the society. Private sector employees vastly outnumber the public sector employees, and unless they maintain the similar ethical standard, the society can never achieve corruption free status. Indeed private sector corruption can cause as much damage to the society, if not more so than public sector corruption. Serious corruption in financial institutions can cause market instability; corruption in the construction sector can result in dangerous structures. Effective enforcement on private sector corruption can be seen as a safeguard for foreign investment and ensures Hong Kong maintains a level playing field in its business environment, and thus a competitive advantage in attracting foreign investment.

10. Partnership Approach

You cannot rely on one single agency to fight corruption. Everyone in the community and every institution has a role to play. ICAC adopts a partnership approach to mobilize all sectors to fight corruption together. The key strategic partners of ICAC are the government agencies. The head of a government agency should appreciate that it is the agency's solemn responsibility to clean its own house. Every government agency should have a tailor-made anti-corruption strategy, translated into an anti-corruption action plan and should have a high power management committee to monitor the progress of the action plan, which should be subject to annual review and revision.

Other important partners of ICAC include:

- i. Civil Service Commission
- ii. Business community
- iii. Professional bodies
- iv. Civil Societies & community organizations
- v. Educational institutions
- vi. Mass media
- vii. International networking

11. Top Political Will, Independence and Adequate Resources

The most important factor in fighting corruption is "political will". In Hong Kong, there is clearly a top political will to eradicate corruption, which enables ICAC to be a truly independent agency. ICAC is directly responsible to the very top, the Chief Executive of Hong Kong. This ensures that ICAC is free from any interference in conducting their investigation. The strong political support was translated into financial support. ICAC is probably one of the most well-resourced anti-corruption agencies in the world! In 2008, its annual budget amounted to US\$90M, about US\$15 per capita.

C. Comparison with Other ACAs

Some critics argue that the Hong Kong model can only work in Hong Kong because of the unique Hong Kong situation and cannot be applied to other countries. They usually give the following reasons:

1. Hong Kong is a small city whilst most corrupt countries have a large geographical area. This argument cannot stand. Hong Kong is a large city of over 7 million people. If any corrupt countries can apply the Hong Kong model as a pilot scheme just on its capital city, and achieve equal success, it would have a tremendous impact on the whole country. If there is a central and powerful national anti-corruption agency, it can develop adequate sub-offices throughout the country (with centralized control, not subject to local government interference), there is no reason why the successful model cannot be applied throughout the country. The FBI in the US and the RCMP in Canada are national police agencies. Through the branches established all over the country, they are successful in law enforcement. Corruption enforcement should not be different.
2. The country is unable to afford the resources like the Hong Kong ICAC. It is true that the HK ICAC has a large budget. But it merely accounts for 0.38% of the national budget. In most corrupt

countries where the ACA are not seen to be effective, their budgets invariably are below 0.01% of the national budget, which speaks to the political will of these countries! If the corrupt country can raise its anti-corruption budget to 1% of the national budget, which clearly is justified, the budget should be more than adequate for any national anti-corruption agency.

3. The country has a unique cultural tradition of gift giving and nepotism. Hong Kong had the same corruption-friendly culture in the past, if not more prevalent. The Chinese tradition of giving “Laisee” or “red packet” containing money to all children and business associates in the Chinese New Year was an open way of giving/receiving bribes in the past. The Hong Kong experience is that through effective public education campaigns and law enforcement, this cultural problem can be solved.

Hence the problem is not that the Hong Kong model is not applicable. It is more the case of the lack of political will to fully adopt the Hong Kong model.

II. INVESTIGATION OF CORRUPTION OFFENCES

A. Introduction

The Hong Kong Independent Commission Against Corruption (ICAC) is popularly regarded as a successful model in fighting corruption, turning a very corrupt city under colonial government into one of the relatively corruption-free places in the world. One of the success factors is its three-pronged strategy — fighting corruption through deterrence, prevention and education. All three are important but in my view, deterrence is the most important. That is the reason why ICAC devoted over 70% of its resources into its Operations Department, which is responsible for investigating corruption. Nearly all of the major corruption cases I have dealt with were committed by people in high authority. For them, they have certainly been educated about the evil of corruption, and they may also be subject to certain degrees of corruption prevention control. But what inspired them to commit corruption? The answer is simply greed, as they would weigh the fortune they could get from corruption against the chance of being discovered. If they think that it is a low-risk, high-return opportunity, they will likely succumb to the temptation. So how can we deter them from being corrupt? The only way is to make them realize that there is a high risk of being caught. Hence the Mission of the ICAC Operations Department is — *to make corruption a **high-risk crime***. To do that, you need a professional and dedicated investigative force.

B. Difficulties of Investigating Corruption

Corruption is regarded as one of the most difficult crimes to investigate. There is often no scene of the crime, no fingerprints, no eye-witnesses to follow up. It is by nature a very secretive crime and can involve just two satisfied parties, so there is no incentive to divulge the truth. Even if there are witnesses, they are often parties to the corruption themselves, hence tainted with doubtful credibility when they become prosecution witnesses in court. The offenders can be equally as professional as the investigators and know how to cover up their trails of crime. The offenders can also be very powerful and ruthless in enforcing a code of silence amongst related persons through intimidation and violence to abort any investigation. In this modern age, the sophisticated corrupt offenders will make full advantage of the loopholes across jurisdictions and acquire the assistance of other professionals, such as lawyers, accountants and computer experts in their clandestine operations and to help them launder their corrupt proceeds.

C. Corruption and Organized Crime

Corruption rarely exists alone. It is often a tool to facilitate organized crimes. Over the years, ICAC has investigated a wide range of organized crimes facilitated by corruption. Law enforcement officers have been arrested and convicted for corruptly assisting drug traffickers and smugglers of various kinds; bank managers for covering up money laundering for the organized crime syndicates; hotel and retail staff for perpetuating credit card fraud. In these cases, we need to investigate not only corruption, but some very sophisticated organized crime syndicates as well.

D. Prerequisites for an Effective Investigation

Hence, there is an essential need for professionalism in corruption investigations. There are several prerequisites to an effective corruption investigation:

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- a. Independent — corruption investigations can be politically sensitive and embarrassing to the Government. The investigation can only be effective if it is truly independent and free from undue interference. This depends very much on whether there is a top political will to fight corruption in the country, and whether the head of the anti-corruption agency has the moral courage to stand against any interference.
- b. Adequate investigative power — Because corruption is so difficult to investigate, you need adequate investigative power. The HK ICAC enjoys wide investigative power. Apart from the normal police power of search, arrest and detention, it has power to check bank accounts, intercept telephone communications, require suspects to declare their assets, require witnesses to answer questions on oath, restrain properties suspected to be derived from corruption, and hold the suspects' travel documents to prevent them from fleeing the jurisdiction. Not only is the ICAC empowered to investigate corruption offences, both in the Government and private sectors, they can investigate all crimes which are connected with corruption. I must hasten to add that there is an elaborate system of checks and balances to prevent abuse of such wide power.
- c. Adequate resources — investigating corruption can be very time-consuming and resource intensive, particularly if the cases cross jurisdictions. In 2007, the HK ICAC's annual budget amounted to US\$90M, about US\$15 per capita. You may wish to multiply this figure with your own country's population and work out the anti-corruption budget that needs to be given to be the equivalent of ours! However, looking at our budget from another angle — it represents only 0.3% of our entire Government budget or 0.05% of our Gross Domestic Product (GDP). I think you will agree that such a small "premium" is a most worthwhile investment for a clean society.
- d. Confidentiality — it is crucial that all corruption investigations should be conducted covertly and confidentially, at least before an arrest is made, so as to reduce the opportunities for compromise or interference. On the other hand, many targets under investigation may prove to be innocent, and it is only fair to preserve their reputation before there is clear evidence of their corrupt deeds. Hence in Hong Kong, we have a law prohibiting any one, including the media, from disclosing any details of ICAC investigation until overt action such as arrests and searches have been taken. The media once described this as a "press gag law" but they now come to accept it as the right balance between press freedom and effective law enforcement.
- e. International mutual assistance — many corruption cases are now cross-jurisdictional and it is important that you can obtain international assistance in the areas such as locating witnesses and suspects, money trails, surveillance, exchange of intelligence, arrest, search and extradition, and even joint investigation and operation.
- f. Professionalism — all the investigators must be properly trained and professional in their investigations. The HK ICAC strives to be one of the most professional law enforcement agencies in the world. ICAC is one of the first agencies in the world to introduce the interview of all suspects under video, because professional interview techniques and the need to protect the integrity of the interview evidence are crucial in any successful corruption prosecution. The investigators must be persons of high integrity. They must adhere strictly to the rule of confidentiality, act fairly and justly in the discharge of their duties, respect the rights of others, including the suspects and should never abuse their power. As corruption is so difficult to investigate, they need to be vigilant, innovative and prepared to spend long hours to complete their investigation. ICAC officers are often proud of their sense of mission, and this is the single most important ingredient of success of ICAC.
- g. An effective complaint system — No anti-corruption agency is in a position to discover all corrupt dealings in the society by itself. They rely heavily on an effective complaint system. The system must be able to encourage quality complaints from members of the public or institutions, and at the same time, deter frivolous or malicious complaints. It should provide assurance to the complainants on the confidentiality of their reports and if necessary, offer them protection. Since the strategy is to welcome complaints, customer service should be offered, making it convenient to report corruption. A 24-hour reporting hotline should be established, and there should be a quick response system to deal with any complaints that require prompt action. All complaints, as long as there is substance in them, should be investigated, irrespective of how minor the corruption allegation. What appears to be minor in the eyes of the authority may be very serious in the eyes of the general public!

E. Understanding the Process of Corruption

It should be helpful to the investigators to understand the normal process of corruption, through which the investigators would be able to know where to obtain evidence to prove the corruption act. Generally a corrupt transaction may include the following steps:

1. Softening up process — it is quite unlikely that a government servant would be corrupt from his first day in office. It is also unlikely that any potential bribe-offerer would approach any government servant to offer bribes without building up a good relationship with him first. Thus there is always a “softening up process” when the briber-offerer would build up a social relationship with the government servant, for example, inviting him to dinner and karaoke, etc. Thus the investigator should also attempt to discover evidence to prove that the government servant had accepted entertainment prior to the actual corrupt transaction.
2. Soliciting/offering of bribe — when the time is ripe, the bribe-offerer would propose to seek a favour from the government servant and in return offer a bribe to him. The investigator should attempt to prove when and where this had taken place.
3. Source of bribe — when there is agreement for the bribe, the bribe-offerer would have to withdraw money for the payment. The investigator should attempt to locate the source of funds and whether there was any third person who assisted in handling the bribe payment.
4. Payment of bribe — The bribe would then be paid. The investigator should attempt to find out where, when and how the payment was effected.
5. Disposal of bribe — On receipt of the bribe, the receiver would have to dispose the cash. The investigator should try to locate how the bribe was disposed, either by spending or depositing into a bank account.
6. Act of abuse of power – To prove a corruption offence, you need to prove the corrupt act or the abuse of position, in return for the bribe. The investigator needs to identify the documents or other means proving this abuse of authority.

The task of the investigator is to collect sufficient evidence to prove the above process. He needs to prove “when”, “where”, “who”, “what”, “how” and “why” on every incidence, if possible.

However this should not be the end of the investigation. It is rare that corruption is a single event. A corrupt government servant would likely take bribes on more than one occasion; a bribe-offerer would likely offer bribes on more than one occasion and to more than one corrupt official. Hence it is important that the investigator should seek to look into the bottom of the case, to unearth all the corrupt offenders connected with the case.

F. Methods to Investigate Corruption

Investigating corruption can broadly be divided into two categories:

1. Investigating past corruption offences
2. Investigating current corruption offences

1. Investigating Past Offences

The investigation normally commences with a report of corruption and the normal criminal investigation technique should apply. Much will depend on the information provided by the informant and from there, the case should be developed to obtain direct, corroborative and circumstantial evidence. The success of such investigations relies on the meticulous approach taken by the investigators to ensure that “no stone is left unturned”. Areas of investigation can include detailed checking of the related bank accounts and company ledgers, obtaining information from various witnesses and sources to corroborate any meetings or corrupt transaction, etc. At the initial stage, the investigation should be covert and kept confidential. If there is no evidence discovered in this stage, the investigation should normally be curtailed and the suspects should not be interviewed. This would protect the suspects, who are often public servants, from undue harassment. When there is a reasonable suspicion or evidence discovered in the covert stage, the investigation can enter its overt stage. Action can then be taken to interview the suspects to seek their explanation and if appropriate, the suspects' home and office can be searched for further evidence. Normally further follow-up

investigation is necessary to check the suspects explanation or to go through the money trails as a result of evidence found during searches. The investigation is usually time-consuming.

2. Investigating Current Corruption Offences

Such investigation will enable a greater scope for ingenuity. Apart from the conventional methods mentioned above, a proactive strategy should always be preferred, with a view to catch the corrupt red-handed. In appropriate cases, with proper authorities obtained, surveillance and telephone intercepts can be mounted on the suspects and suspicious meetings monitored. A co-operative party can be deployed to set up a meeting with a view to entrap the suspects. Undercover operation can also be considered to infiltrate into a corruption syndicate. The pre-requisites to all these proactive investigation methods are professional training, adequate operational support and a comprehensive supervisory system to ensure that they are effective and in compliance with the rules of evidence.

As mentioned above, corruption is always linked and can be syndicated. Every effort should be explored to ascertain if the individual offender is prepared to implicate other accomplices or the mastermind. In Hong Kong, there is a judicial directive to allow a reduction of 2/3 of the sentence of those corrupt offenders who are prepared to provide full information to ICAC and to give evidence against the accomplices in court. ICAC provides special facilities to enable such "resident informants" to be detained in ICAC premises for the purpose of debriefing and protection. This "resident informant" system has proved to be very effective in dealing with syndicated or high-level corruption.

G. Investigation Techniques

To be competent in corruption investigations, an investigator should be professional in many investigation techniques and skills. The following are the essential ones:

- Ability to identify and trace persons, companies and properties
- Interview technique
- Document examination
- Financial Investigation
- Conducting a search & arrest operation
- Surveillance and observation
- Acting as undercover agent
- Handling informers
- Conducting an entrapment operation

H. Professional Investigative Support

In order to ensure a high degree of professionalism, many of the investigation techniques can be undertaken by a dedicated unit, such as the following:

- o **Intelligence Section**
as a central point to collect, collate, analyze and disseminate all intelligence and investigation data, otherwise there may be a major breakdown in communication and operations.
- o **Surveillance Section**
a very important source of evidence and intelligence. Hong Kong ICAC has a dedicated surveillance unit of over 120 surveillance agents, and they have made significant contributions to the success of a number of major cases.
- o **Technical Services Section**
provide essential technical support to surveillance and operations.
- o **Information Technology Section**
it is important that all investigation data should be managed by computer for easy retrieval and proper analysis. In this regard, computers can be an extremely useful aid to investigations. On the other hand, computers are also a threat. In this modern age, most personal and company data are stored in computers. The anti-corruption agency must possess the ability to break into these computers seized during searches to examine their stored data. Computer forensics is regarded as vital for all law enforcement agencies worldwide these days.

I. Financial Investigation Section

The corruption investigations these days often involve sophisticated money trails of proceeds of corruption, which can go through a web of off-shore companies and bank accounts, funds, etc. It is necessary to employ professionally qualified investigative accountants to assist in such investigations and in presenting such evidence in an acceptable format in court.

o Witness Protection Section

ICAC has experienced cases where crucial witnesses were compromised, with one even murdered, before giving evidence. There should be a comprehensive system to protect crucial witnesses, including 24-hour protection, safe housing, new identity and overseas relocation. Some of these measures require legislative backing.

J. Conclusion and Observation

In conclusion, the success factors for an effective corruption investigation include:

- An effective complaint system to attract quality corruption reports
- An intelligence system to supplement the complaint system and to provide intelligence support to investigations
- Professional & dedicated investigators who need to be particularly effective in interviewing techniques and financial investigation
- More use of proactive investigation methods, such as entrapment and undercover operations
- Ensure strict confidentiality of corruption investigation, with a good system of protection of whistle-blowers and key witnesses
- International co-operation

III. ROLE OF GOVERNMENT MINISTRIES

With the increasing global concern on corruption, especially triggered by the 2007-08 global financial crisis, all institutions nowadays, public or private, should be conscious of the need to take an active role in combating in-house corruption and fraud. I had assisted the President of the Philippines and the Prime Minister of Mongolia to conduct Anti-corruption Summits for their heads of ministries. Despite early reservations from the participants, they subsequently came to have a better understanding of their responsibilities to clean their own houses, and they agreed that there were indeed many things which they could or should do within the ministries. In the Philippines, together with the Philippines Development Academy, a model of the Ministry's Action Plan was designed. It has four parts, namely:

1. Ethical Leadership
2. Staff Integrity
3. System Integrity
4. Monitoring & Deterrence

In Mongolia, this concept of an annual institutional integrity action plan was successfully extended not only to all government agencies, but also to provincial governments as well as state owned enterprises. Every institution should develop their own anti-corruption action plan based on their unique circumstances. There is a lot of potential in developing this initiative. In these days where financial institutions, even in most developed countries, seem to be losing control and failing to appreciate the importance of business ethics and staff integrity, governments can require all financial institutions, and indeed all publicly listed companies to have a mandatory institutional integrity system, including the publication of ethics policies and annual action plans, and the establishment of an institutional integrity manager.

An effective action plan should be based on the three-pronged approach of education, prevention and enforcement, with particular emphasis on ethical leadership. Hence the plan should be divided into four parts. A specimen action plan is shown below:

1. Ethical Leadership
 - a. Agency Heads should publicly pledge their commitment to combat corruption by issuing public statements on zero tolerance, values and ethics

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- b. Agency Heads should allocate a fixed percentage of the agency's budget for anti-corruption activities
 - c. Set up a declaration system for conflicts of interest, including relatives of senior management involved in business in the same sector
 - d. Establish a top level Steering Committee on Anti-corruption Action Plan to map out, coordinate and to monitor the agreed action
 - e. Establish a post of "Institutional Integrity Manager" to assist the Steering Committee to coordinate all aspects of the Action Plan
2. Staff Integrity
- a. Every Agency should adopt an agency-specific Staff Code of Ethics including clear guidelines for gifts, loans, entertainment and conflicts of interest
 - b. Staff recruitment will adopt the principles that ensure transparency, openness and fairness, and should include a staff integrity checking process
 - c. Agencies will conduct staff ethics training and development activities, such as seminars, workshops, slogan competitions and promoting healthy lifestyles
 - d. Integrity will be included in the job description of staff contracts and in staff appraisal
3. System Integrity
- a. Agencies will set up a risk management unit to assess corruption and fraud vulnerability in the organization, to review systems & procedures, making them more efficient, transparent & accountable
 - b. Agencies will examine possibilities to introduce or enhance e-government & e-procurement
 - c. Agencies will conduct public service feedback surveys on an ongoing basis
 - d. An anti-corruption clause will be included in all contracts of agencies
 - e. Contractors will be blacklisted, and their names will be published and will be open to the public
 - f. Job rotation systems will be implemented
4. Monitoring & Deterrence
- a. Issue a mandate that employees should report corruption, suspected corruption, & attempted corruption
 - b. Set up a confidential hotline for receiving complaints from both public and in-house
 - c. Formulate policies and procedures to protect the confidentiality of whistle-blowers
 - d. Set up internal audit & surprise check system
 - e. Set up an internal investigation section to investigate complaints

A. The Role of the Institutional Integrity Manager

For the institutional plan to be successful, it should be coordinated by a professional Institutional Integrity Manager. The manager's roles are:

- Provide professional advice to the Steering Committee
- As facilitator in the strategic planning workshop to formulate annual action plan
- Coordinate & monitor the implementation of the Action Plan
- Progress report to Steering Committee
- Provide in house training
- Review annually
- Partnership with anti-corruption agencies & others

B. Training of Institutional Integrity Manager

The Institutional Integrity Manager should be a professional post. In the Hong Kong University, we offer a tailor-made course called Senior Executive Certificate in Institutional Integrity Management, which can be a useful reference to other countries or training institutions wanting to provide such professional training for Institutional Integrity Managers. This programme aims to equip participants with both professional knowledge and skills as required for strengthening the institutional integrity profile of their organizations (either public or private) and hence enhance their capabilities to safeguard their organizations against corruption. It will prepare them to perform the role of Institutional Integrity Manager. Upon successful completion of the programme, students will be able to:

- (1) design and set up an integrity committee within his/her own institutional environment;
- (2) formulate and manage institutional ethics policies and tailor-made staff code of ethics;
- (3) formulate, manage and review annual institutional integrity action plans;
- (4) conduct random integrity checking on staff and on all new appointees;
- (5) integrate education and training efforts in anti-corruption management;
- (6) demonstrate ability and competency in proactive investigation knowledge & techniques in combating in-house corruption and fraud.

C. Programme Structure and Delivery

This Senior Executive Certificate in Institutional Integrity Management programme is structured as a 9-day, full-time, intensive residential study in Hong Kong. The medium of instruction is English. It consists of three integrated modules.

Modules:

- (1) Institutional Framework for Controlling Corruption & Fraud
- (2) Corruption and Fraud Prevention, Code of Conduct and Education;
- (3) Detection and Investigation of Corrupt Practices and Fraud

D. Governing & Accreditation Board for Certified Institutional Integrity Officer (CIIO)

To ensure the professional standard of the Institutional Integrity Officer, it will be desirable to set up a governing & accreditation board to certify qualified officers who have successfully completed recognized training on the subject. This board can be a national board, or ideally, an international board. It is recommended that UNAFEI consider creating such a board for all of its member countries. The responsibilities of the board are:

- Define the role of CIIO
- Accreditation of qualified officers
- Registration & de-registration of CIIO
- Standardize content of training courses
- Approve training institutions to conduct CIIO courses

E. Conclusion

Combating corruption requires a comprehensive approach, and no single initiative can succeed in isolation. Hence, in order to ensure the successful implementation of a code of ethics and its enforcement, it should be an integral part of the overall institutional integrity plan. The key success factor of the implementation is the top leader's strong will to clean its own house. This institutional integrity system should be introduced to all government agencies and private institutions, especially those which can have a strong negative impact on the society if they fail to live up to the expected standard of ethics and integrity, such as the financial institutions and publicly listed corporations.

IV. ADOPTING INTERNATIONAL BEST PRACTICES

Some international best practices in combating corruption can be adopted. The best guideline is the UN Convention Against Corruption. Having travelled to different countries as an international anti-corruption consultant, I have collected some examples of the international best practices, such as:

- In South Korea, the public sector, the business sector and the civil societies joined hands in forming a coalition called Korea-PACT. Over 800 organizations signed the PACT and undertook to implement the agreed action plan. The progress is reviewed annually by an international evaluation team.
- In the Philippines, an expert team is going through the government ministries one by one to carry out a comprehensive integrity audit check and to make recommendations on what measures the government ministry should implement to combat internal corruption problems.
- New Zealand requires all heads of government agencies to submit annual anti-corruption action plans.
- In the Philippines, all public procurement in government ministries should be conducted through a “Bids and Award Committee”, and an independent observer should be appointed to be one of its members to represent the public to monitor the decision-making progress.
- In Canada, all public officers have a legal obligation to report corruption.
- In Pakistan, the Philippines and Indonesia, special anti-corruption courts were formed to hear corruption trials.
- In Nigeria, government officials and politicians are not allowed to have overseas bank accounts.
- In Singapore, Civil Servants cannot accumulate personal debts of more than three-months’ salary.
- Malaysia set up its own Malaysian National Integrity Index to monitor the integrity progress in the country.

V. CONCLUSION

There is no single solution in fighting corruption. Every country has to examine its unique circumstances and come up with a comprehensive strategy, but any strategy must embrace the three-pronged approach — deterrence, prevention and education. Ideally there should be a dedicated and independent anti-corruption agency tasked to co-ordinate and implement such strategy, and to mobilize support from the community.

The Hong Kong experience offers hope to countries with serious corruption problems that appear to be insurmountable. Hong Kong’s experience proved that given a top political will, a dedicated anti-corruption agency and a correct strategy, even the most corrupt place like Hong Kong can be transformed into a clean society within a rather short period of time.