

NEW AND EMERGING FORMS OF CORRUPTION AND EFFECTIVE COUNTERMEASURES: A SINGAPORE PERSPECTIVE

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I. INTRODUCTION

During the Covid-19 pandemic in 2020, Singapore had to grapple with a plunge in services exports which came on the back of border closures imposed by countries globally to prevent the spread of the virus.¹ Despite this, Singapore still ranks top in the world as the best place to conduct business.² Singapore is consistently considered as one of the most globally connected countries in the world.³

With Singapore's reputation as an international financial hub, there remains risk that criminals would seek to commit offences and launder their ill-gotten gains through Singapore. It is thus imperative for Singapore to act swiftly to address new and emerging areas of concern in criminal activities, including corruption. Singapore regularly reviews its system, policies, and legislation to ensure that it remains effective in investigating and prosecuting errant offenders.

In the recent few years, Singapore has not observed any new and emerging *trends* of corruption. However, for the purposes of this Seminar, it is useful for Singapore to share emerging areas of concern for corruption offences it has observed, and the countermeasures taken to address them. This paper aims to provide a broad overview of Singapore's legislative framework before delving into three emerging areas of concerns and some measures taken by our agencies thus far.

II. THE LEGISLATIVE FRAMEWORK IN SINGAPORE

A. Overview

Singapore has taken a zero-tolerance approach towards corruption as our development and success depends strongly on the country being clean and corruption-free. The founding leaders and successive governments have put in place a robust legislative framework.

The primary governing legislation for corruption offences is the Prevention of Corruption Act 1960 ("PCA"). The objective of the PCA is to provide for the more effectual prevention of corruption. It also provides for extra-territorial jurisdiction so that the corrupt actions of Singaporean citizens overseas are treated the same as actions committed in Singapore. Under

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¹ Ministry of Trade and Industry Singapore (25 May 2022), *Impact of the COVID-19 Pandemic on Singapore's Services Export*, available online at: <https://www.mti.gov.sg/Resources/feature-articles/2022/Impact-of-the-COVID-19-Pandemic-on-Singapore-Services-Export>

² Economist Intelligence (27 October 2022), *Singapore retains its lead in business environment rankings*, available online at: <https://www.eiu.com/n/singapore-retains-its-lead-in-business-environment-rankings/>

³ Deutsche Post DHL Group, DHL Global Connectedness Index 2020, available online at: <https://www.dhl.com/content/dam/dhl/global/dhl-spotlight/documents/pdf/spotlight-g04-dhl-gci-2020-country-book.pdf>

the PCA, any person found guilty of receiving a bribe may also be ordered to pay a penalty equal to the amount of the bribe itself. Our anti-corruption agency, the Corrupt Practices Investigation Bureau (“CPIB”), is well resourced and empowered to investigate any persons, including political office holders and public service officers. When individuals commit corruption offences, they will be severely dealt with in accordance with our laws.

Apart from the PCA, the Corruption, Drug Trafficking, and other Serious Crimes (Confiscation of Benefits) Act 1992 (“CDSA”) is a key piece of legislation criminalizing money-laundering. The CDSA criminalizes the laundering of criminal benefits of corruption and other serious offences in and beyond Singapore. Persons convicted of such offences may face a jail term of up to 10 years and a fine of up to S\$500,000. In addition, the CDSA allows for the restraining and confiscation of benefits derived from corruption and serious offences.

Today, Singapore is consistently considered as one of the least corrupt countries globally, ranking fourth out of 180 countries on the latest Transparency International Corruption Perception Index 2021.⁴ Although Singapore has achieved some success eradicating corruption, we recognize and harbour no illusions that we have completely eradicated the problem. It is thus important to continually be alert to emerging areas of concerns and address them in a timely fashion.

We highlight three areas and elaborate below.

III. EMERGING AREAS OF CONCERN AND COUNTERMEASURES

A. Corruption in E-Sports and Involving Young Adults

An emerging area of concern pertains to corruption within the e-sports industry and the involvement of young adults.

Recently, Singapore hosted an annual multi-million-dollar world championship e-sports tournament “*Dota 2: The International 11*”, which was one of the world’s biggest e-sports competitions.⁵ It took place across 23 days in October 2022. Competitors came from all over the world, from Western Europe to Southeast Asia and to South America.⁶ Since its inception in 2011, the tournament had attracted large cash prizes. This year, the total prize pool stood at over USD 18 million.⁷

Singapore has consistently taken a zero-tolerance approach towards corruption. That extends to match-fixing of any form. Match-fixing is defined as dishonestly determining the

⁴ Corrupt Practices Investigation Bureau (5 May 2022), *Corruption Situation in Singapore Firmly Under Control*, available online at: <https://www.cpi.gov.sg/press-room/press-releases/050522-corruption>

⁵ Kurt Lozano (3 September 2022), *Dota 2’s The International 11 in Singapore: Everything you need to know*, available online at: <https://sg.news.yahoo.com/dota-2-s-the-international-11-singapore-everything-you-need-to-know-035008119.html/>.

⁶ Ibid.

⁷ Cale Michael (2 November 2022), *How much is Dota 2’s The International 2022’s prize pool?*, available online at: <https://dotesports.com/dota-2/news/how-much-is-dota-2s-the-international-2022s-prize-pool-t11-prize-pool-tracker>

outcome of a match before it is played.⁸ This can either be a consequence of players betting on themselves or players being pressured by syndicates to lose on purpose.⁹

In past years, persons found guilty of match-fixing for football games had been sentenced to lengthy custodial sentences. For example, in September 2015, Singaporean Rajendran S/O K Kurusamy was sentenced to 48 months' imprisonment for offences related to football match-fixing activities at the 28th Southeast Asia Games. He was found guilty of engaging in a conspiracy with other persons to give bribes to players of a football team and a director of a football association to induce that team to lose a football match.

As e-sports tournaments attract record-breaking viewership numbers and staggering cash prize pools,¹⁰ there is no doubt that unscrupulous individuals may be tempted to get involved in match-fixing of such e-sports games, which is a young but rapidly growing industry. Match-fixing undermines the reason people watch competitive games in the first place¹¹ and has the potential of tarnishing the image of Singapore, if left unchecked.¹²

Many players in prominent e-sports teams are young adults and might not be knowledgeable about the risks or implications posed by match-fixing and corruption.¹³

Recently, in August 2022, two young men (aged 20 and 24) were charged in the State Courts for being allegedly involved in e-sports match-fixing.¹⁴ One of the men had allegedly given gratification to the other in the form of winnings from bets placed through an illegal online gambling site. The gratification was to induce the latter to fix an online e-sports match for the first-person shooter video game "Valorant" between two teams in the Epulze Royal Southeast Asia Cup Tournament. The case is ongoing in the courts.

This case presents an emerging area of concern, both with corruption in the e-sports industry as well as the involvement of young adults in such offences. E-sports regulators have stated they are constantly on the lookout for irregular player patterns and are continuously looking for new ways to detect cheating attempts.¹⁵ CPIB also recently issued a press release warning against match-fixing of any form.¹⁶

However, beyond taking stern and swift action, Singapore enforcement agencies recognize the need to take proactive steps to educate and engage young adults.

CPIB has observed that there was a lack of awareness of corruption among young adults. A survey polling 1,000 youth showed that about 72 per cent were not aware of the existence of

⁸ Esports Insider (18 January 2022), *Abios: Combatting match-fixing and cheating in esports is crucial*, available online at: <https://esportsinsider.com/2022/01/abios-combatting-match-fixing-and-cheating-in-esports-is-crucial?amp>

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² *Kannan s/o Kunjiraman and another v Public Prosecutor* [1995] 3 SLR(R) 294 at [24].

¹³ *Supra* note 8.

¹⁴ Samuel Devaraj (5 August 2022), *Two men charged over match-fixing in e-sports tournament*, The Straits Times.

¹⁵ *Supra* note 8.

¹⁶ Corrupt Practices Investigation Bureau (5 August 2022), *Two esports players charged for alleged corruption and gambling offences*, Press Release, available online at: <https://www.cpiib.gov.sg/press-room/press-releases/05082022-two-esports>.

the CPIB.¹⁷ The CPIB published an electronic book titled “Corruption Casebook – Stories From Under The Table”, available for download on its website.¹⁸ The book is catered towards youth. It showcases 16 curated cases involving different forms of bribes across areas such as national security and public health, as well as the consequences that may follow from corruption. For example, bribes paid towards inspectors to be lenient when checking for mosquito breeding sites can be especially insidious in a year which has seen the dengue death toll hit a record high of 29 amid Singapore’s largest break in 2020.¹⁹

In its outreach efforts, the CPIB rolled out an Anti-Corruption Badge Programme with the National Police Cadet Corps.²⁰ Through the programme, the CPIB has already reached out to more than 400 secondary students across 36 schools. A notable case which was shared with the students was that of the forklift operators at a container depot who took \$1 bribes from truck drivers. The case made headlines because of what appeared to be an insignificant bribe. However, when the students discovered that the bribes went on for several years and began to add the sums up, they realized that even the smallest of bribes could snowball if corruption went undetected.

CPIB also collaborated with students to co-create corruption prevention solutions. For example, the CPIB had collaborated with lecturers and students of Nanyang Polytechnic to create a web game, *Corruzione*, which tapped on the students’ expertise in gamification technology and digital media.²¹ This rides on a gaming environment to enhance learning and to raise awareness of corruption issues in a fun way to the youth.

B. Corruption and Covid-19

The past three years have seen all countries around the globe grapple with the Covid-19 pandemic and the economic struggles that ensued. A Resolution adopted by the Conference of the States Parties to UNCAC had recognized that corruption is one of the factors that jeopardizes concerted multilateral efforts to overcome the Covid-19 pandemic.²²

At the height of the Covid-19 pandemic, Singapore adopted differentiated measures for persons who were vaccinated and those who were not. The unvaccinated persons would be subjected to more strict rules and frequent testing.²³ These in turn encouraged most of the population to be vaccinated and proved to be a key strategy in allowing the country to eventually open up to the rest of the world. As of October 2022, 92 per cent of the population had completed the recommended vaccination regimen against Covid-19.²⁴

¹⁷ Jean Tan (28 December 2020), *CPIB launches e-book to educate teenagers on corruption and its pitfalls*, available online at: <https://www.straitstimes.com/singapore/courts-crime/cpib-launches-e-book-to-educate-teenagers-on-corruption-and-its-pitfalls/>

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ David Sun (8 May 2020), *CPIB engages NPCC cadets in new anti-corruption badge programme*, available online at: https://www.cpib.gov.sg/files/news/2020.05.08.TNP_CPIB%20engages%20NPCC%20cadets%20in%20new%20anti-corruption%20badge%20programme.pdf

²¹ *Supra* note 4.

²² Resolution 9/1 Sharm el-Sheikh Declaration on Strengthening International Cooperation in the Prevention of and Fight against Corruption during Times of Emergencies and Crisis Response and Recovery.

²³ Abigail Ng (16 July 2021), *Singapore announces separate Covid rules for people who are vaccinated*, available online at: <https://www.cnn.com/2021/07/16/covid-singapore-to-introduce-different-rules-for-vaccinated-people.html>.

²⁴ Statista, *COVID-19 vaccination rate Singapore 2022*, available online at: <https://www.statista.com/statistics/1223524/singapore-covid-19-vaccines-administered/>.

Singapore has been fortunate that it has not observed any *trend* of corruption impinging on its efforts to contain the pandemic, although there were instances of persons attempting to bribe public officers in the course of their duties.

In May 2020, the CPIB received information that a foreign worker in Singapore had attempted to bribe a Police officer after he was detained for committing an offence under the Covid-19 (Temporary Measures) Act 2020.²⁵ He did not wear his mask properly. Despite a warning, he persisted in not complying with directions. When he was eventually questioned by a Police officer, he offered a S\$50 bribe to the said officer to let him go. The officer rejected the offer and reported it to the CPIB. The offender was convicted and sentenced to four weeks' imprisonment.

In January 2022, a male Singaporean was charged in Court for allegedly attempting to bribe a vaccination nurse at Healthway Medical Group in October 2021.²⁶ He allegedly offered the nurse a bribe of S\$50 and asked her to reflect in the healthcare system that he had received his second dose of the vaccination when it was not administered. The nurse rejected his offer and reported the matter to the Duty Health Services Manager. Although the bribe amount in this case was small, his actions can potentially undermine the Government's efforts against the pandemic. The case is ongoing in the courts.

However, the above cases appear to be isolated incidents, rather than a trend.

This is not surprising as Singapore has painstakingly established a robust and comprehensive anti-corruption framework over the years. The Government has maintained a zero-tolerance approach towards corruption and the CPIB have acted swiftly and effectively. A fair and independent judiciary has built up public confidence and inspired trust in the rule of law. The effective enforcement of laws and the consequence of the imposition of harsh penalties have allowed Singapore to stamp out corruption through deterring would-be offenders.

A domestic survey polling Singaporeans in 2020 showed that 94 per cent of the respondents felt that the corruption control efforts in Singapore were effective.²⁷ The level of public trust in the CPIB and its work was high, with 80 per cent of respondents trusting the CPIB as an effective agency in the fight against corruption.²⁸

In addition, the CPIB had put in place a strong system for anonymous reporting of corruption, including visits to the CPIB, calls or emails. The PCA protects the identity of whistle-blowers from being revealed in court.²⁹ This has proven effective in allowing CPIB to identify and investigate cases, which it may not otherwise be alerted to. Of the cases registered for investigation in 2021, close to one-fifth of them were from anonymous sources.³⁰

²⁵ Corrupt Practices Investigation Bureau (22 April 2021), *Corruption Situation in Singapore*, available online at: <https://www.cpiib.gov.sg/press-room/press-releases/corruption-situation-singapore/>.

²⁶ *Supra* note 4.

²⁷ *Supra* note 25.

²⁸ *Ibid.*

²⁹ Section 36 of the PCA.

³⁰ *Supra* note 4.

C. Corruption and Cryptocurrency

Cryptocurrency and blockchain technology received popular attention in the recent few years. The IMF has estimated cryptocurrencies' market capitalization to be at a staggering USD 2.5 trillion, reflecting its significant economic value.³¹

With the recent crashes in cryptocurrencies such as Terra and Luna as well as the collapse of the crypto exchange FTX, many investors saw their investments vanish in a matter of days.³² Regulators in many parts of the world also expressed concerns over the potential of cryptocurrencies being exploited for fraudulent activities and money-laundering. Criminals may move illicit funds through thousands of wallets before depositing the funds and cashing out the funds at a crypto exchange.³³ Unlike bank accounts, thousands of wallets may be opened without proof of identity within seconds.³⁴

While there are no reported cases concerning crypto assets linked to corruption presently, Singapore's enforcement and regulatory authorities recognize the importance of getting ahead of criminal syndicates and equipping its officers with the technical knowledge of cryptocurrency transactions. For example, CPIB regularly conducts trainings for its officers to help them understand the evolving nature of assets and how to seize and manage such crypto assets. Its Computer Forensic Branch conducts in-house simulations of transaction flows of crypto assets to allow officers to gain a better understanding of a particular asset's mechanisms.

Authorities also have in their arsenal investigative powers drawn from the Criminal Procedure Code 2010 ("CPC"). Investigators can utilize production orders to banks, financial institutions, and even crypto exchanges to obtain information for investigations. A failure to comply with such orders can constitute a criminal offence. Singapore has also recently amended Section 39 of the CPC. It now empowers investigators to access computers, even those located outside of Singapore under certain circumstances.³⁵ This allows investigators to be able to compel suspects to transfer cryptocurrency to wallets held by the law enforcement agency while investigations are ongoing. This prevents dissipation of such assets, which could easily be transferred out within seconds.

Prosecutors in the Attorney-General's Chambers ("AGC") also undergo regular trainings and attend conferences to keep abreast of developments in technology. Within AGC, a Commercial and Technological Crimes Cluster is formed, where the prosecutors therein specialize and handle more complex technological crimes. Across the Government, a Technology Law Cluster is also formed in February 2019 to allow for a community of practitioners across all public agencies to learn and share with each other their experiences and expertise in technology law.

Further, Singapore courts have also become more attuned to issues concerning blockchain technology. A recent blockchain innovation which has gained traction is the non-fungible token

³¹ Thomson Reuters, *Cryptos on the rise 2022*, available online at:

<https://www.thomasreuters.com/en/reports/cryptos-on-the-rise-2022.html>

³² Alex Gailey & Ryan Haar, *The Future of Cryptocurrency: 8 Experts Share Predictions for the Second Half of 2022*, available online at: <https://time.com/nextadvisor/investing/cryptocurrency/future-of-cryptocurrency/>

³³ Katherine A. Lemire (26 September 2022), *Cryptocurrency and anti-money laundering enforcement*, available online at: <https://www.reuters.com/legal/transactional/cryptocurrency-anti-money-laundering-enforcement-2022-09-26/>

³⁴ *Ibid.*

³⁵ For example, if the computer's owner consents, or if the investigator has managed to seize documents containing the login credentials to the account.

or NFT, which often refers to unique digital collectibles. Given the rapid pace at which technology develops, legal issues arising out of the application and deployment of such technologies will become more common.

In recent court decisions in *CLM v CLN* [2022] SGHC 46 and *Janesh s/o Rajkumar v Unknown person (CHEFPIERRE)* [2022] SGHC 264 (“*Janesh*”), the Singapore High Court has had the opportunity to decide whether stolen cryptocurrency assets were capable of giving rise to proprietary rights (i.e., be considered as property), which could be protected by a proprietary injunction. In both cases, the Court granted an injunction as sought by the claimant and provided a provisional view that cryptocurrency assets were capable of giving rise to proprietary rights. In the *Janesh* case, the asset in question was a Bored Ape NFT, which was a “very unique” artwork and the only one in existence. The Court considered that what is truly unique and irreplaceable was the string of code that represents the Bored Ape NFT on the blockchain.

Recently, the definition of “property” has been amended in the Penal Code 1871 to expressly include virtual currency.³⁶ It is perhaps not too far in the distant future that the prosecution and law enforcement agencies must tussle with the various legal issues that accompany these virtual assets.

Indeed, the Financial Action Task Force (FATF) has stated in a recent update that differences in NFT definitions and functions across jurisdictions can present challenges in determining how to apply anti-money-laundering and counter-terrorism financing (AML/CFT) in practice.³⁷ Agencies must thus closely monitor this issue and implement any changes through new or amended legislation, if necessary.

IV. CONCLUSION

Modern corruption often takes shape in different forms. Corrupt offenders and syndicates are evolving and adapting their *modus operandi* to evade detection. Singapore’s experience is that it is necessary for enforcement and regulatory authorities to continually upskill their officers to be familiar with evolving modes of criminality. The fact that more youth are becoming emboldened to conduct illicit activities must also be addressed in an early and incisive manner. In that regard, agencies have expanded their pool of strategic partners to leverage their networks and expertise to strengthen prevention and outreach initiatives. Singapore remains resolutely committed to the ongoing fight against corruption.

³⁶ Section 22 of the Penal Code 1871.

³⁷ Financial Action Task Force, *Targeted Update on Implementation of the FATF Standards on Virtual Assets and Virtual Asset Service Providers*, June 2022 at page 20.