

# AN OVERVIEW OF SINGAPORE'S ANTI-CORRUPTION STRATEGY AND THE ROLE OF THE CPIB IN FIGHTING CORRUPTION

*Vincent Lim\**

## I. INTRODUCTION

Corruption is a serious offence. It is important to fight corruption since it has serious repercussions which can lead to a breakdown in social order, increase the cost of doing business, tarnish the reputation of an entire country and worse, result in the loss of human lives. Singapore is fortunate that corruption is now not a way of life there. However, we recognize it as a fact of life since we cannot eradicate human greed, and that is why we continue to remain vigilant against corruption.

My paper will look into the history of Singapore's fight against corruption, our national strategies to deal with the corruption threat and the role and structure of the Corrupt Practices Investigation Bureau (CPIB).

## II. EARLY STRUGGLES

During the British colonial rule of Singapore, corruption was a way of life. There was a law against corruption called the (Prevention of Corruption Ordinance 1937); however it was not effective at all. The post-war period was no better. Corruption was entrenched in government, businesses and the society because of the rising cost of living.

In October 1951, there was a case of opium robbery worth \$400,000. There was, however, no harsh punishment meted out to the group of robbers consisting of 3 police officers. The British government then realized the need for an independent body to fight corruption effectively. CPIB was thus established in 1952.

However, even with the establishment of CPIB in 1952, nothing much was changed. The situation was still as bad. The turning point only came when the current Singapore Government assumed office in 1959.

The Singapore government resolved early on to fight corruption as a strategic imperative to sustain a healthy state of governance, rule of law and economic and social development. From the early days of self-government, the new political leaders took it upon themselves to set good examples for public officers to follow. They created, by personal example, a climate of honesty and integrity, and made it known to public officers in no uncertain terms that corruption in any form would not be tolerated.

The government's stand against corruption was also made clear in 1960 when the Parliament enacted a revised anti-corruption law, the Prevention of Corruption Act (PCA), to replace the Prevention of Corruption Ordinance. New sections in the PCA made anti-corruption enforcement and prosecution easier. Since then, the Prevention of Corruption Act had undergone various amendments to increase the power of investigation of the CPIB officers, and to enhance the punishment for corruption and plug any loophole to prevent exploitation by criminals.

The policy that the perpetrators should not benefit from corruption was further fortified by the enactment of the Corruption (Confiscation of Benefits) Act in 1989. This Act has been replaced by the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act in 1999. The Act provides the Court with powers to confiscate properties which a person convicted of a corruption offence cannot satisfactorily account for, or when the properties are found to be benefits of corruption offences. The

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\* Senior Deputy Director, Private Sector / Financial Investigations and Policy, Corrupt Practices Investigation Bureau, Singapore.

legislative framework sets the boundaries of conduct and defines the offences which the society frowns upon.

### III. SINGAPORE'S CORRUPTION CONTROL FRAMEWORK

Singapore is now well regarded globally as one of the few countries in the world with a low incidence of corruption. In 2016, Transparency International's Corruption Perceptions Index (TI-CPI) ranked Singapore as the 7<sup>th</sup> least corrupt country in the world and the least corrupt Asian country with a score of 84 out of 100<sup>1</sup>. The Political and Economic Risk Consultancy (PERC) also ranked Singapore as the least corrupt country in Asia in 2016<sup>2</sup>, a position Singapore held since 1995. Over the years, Singapore has established an effective anti-corruption framework which has seen it transform from a country rampant with corruption to one of the least corrupt nations in the world.

#### A. Root Causes of Corruption

Before we touch on any corruption control framework, it is important to identify the root causes of corruption so as to understand why our framework worked for Singapore. According to a study by Dr Leslie Palmier, the key reasons for corruption were: "Low Salaries, Ample Opportunities for Corruption and Ineffective Policing"<sup>3</sup>.

I do not hold the sole wisdom to state these are the main reasons for corruption, but these were issues that Singapore recognized and took measures to address so that corruption can be mitigated. This approach can be best described by Dr Jon S T Quah. In the 60s, the current Singapore government tackled corruption by adopting a two-prong strategy:

- (a) Reducing the opportunities for corruption through strengthening the existing legislation to fight graft, and increasing the penalty for corrupt behaviour;
- (b) Reducing incentives for official abuse by "improving salary and working conditions in the civil service."<sup>4</sup>

#### B. Corruption Control Framework

Singapore's strategy on anti-corruption can be illustrated through diagram A, which consists of four pillars of corruption control, underpinned by strong political will.



*Diagram A. Singapore's corruption control framework*

#### 1. Political Will

The political will to eradicate corruption was established by Singapore's founding Prime Minister, Mr Lee

<sup>1</sup> Refer to [www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016](http://www.transparency.org/news/feature/corruption_perceptions_index_2016).

<sup>2</sup> Refer to [www.asiarisk.com/subscribe/exsum1.pdf](http://www.asiarisk.com/subscribe/exsum1.pdf).

<sup>3</sup> Refer to Dr Leslie H Palmier, *The Control of Bureaucratic Corruption: Case Studies in Asia 1985*.

<sup>4</sup> Refer to Dr Jon S T Quah, *Corruption in Asian Countries: Can't It Be Minimized?* December 1999.

Kuan Yew, when the People's Action Party (PAP) was elected into government in 1959. The PAP was determined to build an incorruptible and meritocratic government and took decisive and comprehensive action to stamp out corruption from all levels of Singapore's society including within their own ranks. The party to date has not blocked any investigation by CPIB on PAP leaders and that includes the Minister for National Development, Tan Kia Gan, in 1966; Minister of State, Wee Toon Boon, in 1975; Phey Yew Kok, an MP and trade union leader, in 1979; and Teh Cheang Wan, the Minister for National Development, in 1986.<sup>5</sup>

This determination is further demonstrated when Phey Yew Kok, who absconded in 1980 and was on the run for 35 years overseas, surrendered himself in 2015 at the age of 81. His case was re-opened by the CPIB and he was subsequently prosecuted for 34 charges involving more than \$450,000, almost 5 times the \$100,000 in union funds he was originally charged with misappropriating in 1979. Phey Yew Kok pleaded guilty and was sentenced to 60 months in jail.

As a result of the government's unwavering commitment and leadership, a culture of zero tolerance against corruption became ingrained in the Singaporean psyche and way of life.

## 2. Effective Laws

Singapore relies on two key laws to fight corruption: the *Prevention of Corruption Act* (PCA), and the *Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act* (CDSA). The PCA has a wide scope which applies to persons who give or receive bribes in both the public and private sector. The CDSA, when invoked, confiscates ill-gotten gains from corrupt offenders and this includes not only confiscating benefits from the receiver but also profits that were made by individuals or companies due to bribery to win contracts.

Together, the two laws ensure that corruption remains a high-risk, low-reward activity. Upon the conclusion of investigations by the CPIB, all alleged corruption cases will be handed over to the Attorney-General's Chambers (AGC), the prosecutorial arm of the Singapore Criminal Justice System, to obtain the Public Prosecutor's consent to proceed with Court proceedings.

## 3. Independent Judiciary

In Singapore, an independent judiciary provides insulation from political interference. The Chief Justice is appointed by the President on advice from the Prime Minister and the Council of Presidential Advisers. State Court judges and magistrates are appointed by the President with advice from the Chief Justice. Various provisions of the Constitution also guarantee the independence of the Supreme Court judiciary. Transparent and objective in its administration of the rule of law, the judiciary recognises the seriousness of corruption and adopts a stance of deterrence by meting out stiff fines and imprisonment towards corrupt offenders. This is important as both investigation and prosecution, no matter how effective, must, however, be complemented by subsequent court conviction and the appropriate punishment to deter corruption.

## 4. Responsive Public Service

The Singapore Public Service is guided by a Code of Conduct, which sets out the high standards of behaviour expected of public officers based on principles of integrity, incorruptibility and transparency and this is enshrined in the Government Instruction Manual (IM), as follows:

- a. a public officer cannot borrow money from any person who has official dealings with him;
- b. a public officer's unsecured debts and liabilities cannot at any time be more than three times his monthly salary;
- c. a public officer cannot use any official information to further his private interest;
- d. a public officer is required to declare his assets at his first appointment and also annually;
- e. a public officer cannot engage in trade or business or undertake any part-time employment without approval;
- f. a public officer cannot receive entertainment or presents in any form from members of the public.

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<sup>5</sup> Refer to Prof Jon S.T. Quah, "Curbing Corruption in a One-Party Dominant System: Learning from Singapore's Experience" in Ting Gong and Stephen k. Ma (eds), *Preventing Corruption in Asia: Institutional Design and Policy Capacity*: London: Routledge, 2009. Chapter 9.

The commitment of Government similarly resulted in the establishment of administrative measures to reduce the chances of public officers getting involved in corruption and wrongdoing. These measures include:

- a. streamlining cumbersome administrative procedures and slashing red tape to provide an efficient and transparent civil service so that no one needs recourse to corrupting civil servants to get things done;
- b. reviewing public officers' salary regularly to ensure that they are paid adequately and comparable to that of the private sector;
- c. reminding Government contractors at the time when contracts are signed that bribing public officers administering the contract may render their contracts to be terminated. A clause to this effect forms part of the standard contract conditions.

A case in point is when the Singapore government implemented e-services to enhance the accessibility and convenience of government services. Now thousands of government services can be transacted via the internet in the comfort of the homes. A national ICT masterplan was put in place since the 1980s, updated over the years to enable government to exploit technology to benefit the country and to spur economic growth. An example is GeBIZ, the government's online procurement portal. Today, all government procurement is done through the internet. The procurement specifications are posted on the Internet for all to see, including international businesses which wish to take part. Transparency and efficiency are enhanced, and opportunities for abuse and corruption are in a way reduced.

The systems and processes put in place by government to promote excellence in government services do have an impact upon the culture of anti-corruption. By making systems efficient and transparent, the public is more aware of what can be done and what is acceptable. The greater knowledge translates into greater vigilance and ability to report when there is corruption encountered by the public.

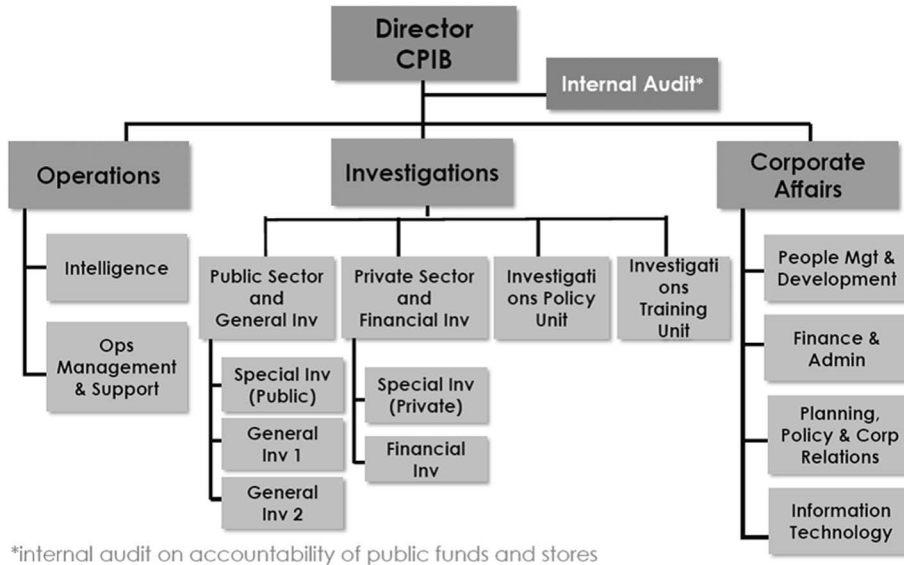
#### 5. Effective Enforcement

The Corrupt Practices Investigation Bureau (CPIB) is the only agency authorised to investigate corruption offences under the Prevention of Corruption Act (Chapter 241) and other related offences. It is a government agency under the Prime Minister's Office, operating with functional independence and is helmed by a director who reports to the Prime Minister. The CPIB acts swiftly and vigorously to enforce the tough anti-corruption laws impartially for both public and private sector corruption. During the investigation process, the CPIB will work with various government agencies and private organisations to gather evidence and obtain information.

### **IV. STRUCTURE AND ROLE OF THE CORRUPT PRACTICES INVESTIGATION BUREAU**

The organization chart of our Bureau is illustrated in Diagram B. Assisting the Director are the 3 departments which consists of the Operations Department that houses the Intelligence Division and the Operations Management & Support Division. The Corporate Affairs Department houses all the other staff support divisions like the Finance & Administrative Division, the Planning, Policy & Corporate Relations Division, the Information Technology Division as well as the People Management & Development Division. Our core business lies in the Investigation Department where it is further segregated into Public and Private Special Investigation Branches, General Investigation Branches and a Financial Investigation Branch.

## CPIB Organisational Structure



*Diagram B*

The current CPIB staff strength stands at 220, where about 60% lies in the Investigation and Operations Department.

### A. Role of the CPIB

As stated earlier, the CPIB is a government agency under the Prime Minister’s Officer but operates with functional independence. Nonetheless, the Singapore government in 1991 further strengthened this independence, during the amendment of the Constitution of Singapore to establish the Elected President, whereby Article 22G empowers the CPIB’s Director to investigate ministers and senior bureaucrats without the Prime Minister’s consent if he obtains the consent of the Elected President. That means that the CPIB can investigate the Prime Minister if it obtains the Elected President’s permission to do so.<sup>6</sup>

CPIB is the sole agency responsible for combating corruption in Singapore in both the public and private sectors. The Bureau is also empowered to investigate any seizable offences which may be disclosed in the course of their investigation into corruption. As such, CPIB officers are also deemed to be officers not below the rank of inspector of police.

#### 1. Public Sector

One of the core values of the Singapore Public Service is integrity. Therefore, the CPIB places a certain emphasis on the public sector in its efforts to eradicate corruption. Particular attention is paid to officers who, by nature of their jobs, are more susceptible to the crime. Although public sector employees formed the minority of individuals prosecuted for corruption in Singapore, the Bureau does not rest on its laurels in educating this group on the ills of corruption through regular talks/workshops/conferences and other prevention initiatives. Each government agency in Singapore has a point of contact in the CPIB of which advice and consultation could be easily sought and given. Through the Singapore Government’s and the Bureau’s relentless efforts, the number of prosecuted public employees remained low at an average of less than 10% for the last three years.

Alongside statutory measures dealing with corrupt offenders in the public sector, when CPIB comes across cases which reveal corruption-prone areas or loopholes in the government departments, the Bureau will, based on its findings, review the department concerned, point out weaknesses and recommend changes

<sup>6</sup> Ibid.

in their procedures.

## 2. Private Sector

Singapore's effort to curb corruption is not solely confined to its public sector. Since 1970s CPIB have been taking action against corruption in the private sector as well. In this regard, Singapore is a pioneer. Action taken goes beyond simply prosecuting members of public involved in bribing public officers but also a member of the public bribing another member of the public in relation to one's principal affairs. This is commonly referred to as "commercial bribery" in layman's term.

In the modern economy, corruption in both the public and private sectors is increasingly dynamic and is inter-coupled, i.e. failure to effectively control corruption in one sector will result in an increase in the overall corruption situation. The public and private sector divide is not a very clear thing in the world of corruption. In today's interconnected world, one cannot afford to ignore either area.

The sum of public and private sector corruption will contribute to the general anti-corruption climate in an economy, and maintaining and taking action against the two hand in hand is crucial. Failure to do so will have an adverse impact on economic growth, efficient leadership in both the public and private sector domains and, in the long term, the quality of life will deteriorate. In fact, the World Bank lists corruption control as one of the 6 key fundamentals of good governance and their studies show that countries that have corruption under control are more developed and ahead of the rest.<sup>7</sup>

In Singapore, corruption control goes beyond ensuring having competent and incorruptible public officers. An effective corruption control regime will first create an incorruptible and competent public service. This is the very bedrock of any development in a country. Only when this is in place, will the rule of law prevail and the society function in a manner that the law intends it to be. A predictable and stable environment will in turn attract investment and contribute to sustainable economic development. In the long run, it creates a level playing field for all, whether for a Singapore citizen or a business entity with an interest in investing in Singapore. This can best be summed up in the speech by Mr Lee Kuan Yew which he made in 1979 and which is still very relevant in today's context.

Only when we uphold the integrity of the administration can the economy work in a way which enables Singaporeans to clearly see the nexus between hard work and high rewards. Only then will people, foreigners and Singaporeans, invest in Singapore; only then will Singaporeans work to improve themselves and their children through better education and further training, instead of hoping for windfalls through powerful friends and relatives or greasing contacts in the right places.

## 3. Public Support

Public support, so vital in any anti-corruption programme, is best won through successful action against the corrupt, regardless of colour, creed or status and executed without fear or favour, firmly and fairly. Public support cannot be taken for granted. The Bureau makes itself readily accessible to the public. Anyone with a complaint of corruption has many easy means to lodge the complaint. They can go through the Internet ([www.cpi.gov.sg](http://www.cpi.gov.sg)), through walk in to the Bureau, through phone calls, through letters and faxes. As we are accessible, we even find the public coming to us with problems which are not corruption matters, but matters more appropriately handled by other government departments such as the Police, Immigration or Ministry of Manpower. Our Bureau will not turn away these complainants but will take down the information and pass on to the relevant department. This is in line with the spirit of the government's "No Wrong Door" policy. This approach helps to keep the public's faith in the Bureau and in the government. In order to ascertain that we continue to be effective and trusted, public perception surveys are done regularly by the Bureau to gauge public sentiments.

## 4. Prevention, Outreach and International Engagements

The CPIB provides corruption education and prevention programmes to various local and foreign audiences including students, public sector officers, private sector organizations and foreign visitors. In 2016, the Bureau hosted 44 visits. The 783 foreign delegates had hailed from different parts of the world comprising

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<sup>7</sup> Refer to Daniel Kaufmann, *Myths and Realities of Governance and Corruption*, 2005.

the Kingdom of Cambodia, Republic of Tatarstan, Republic of Madagascar, Ukraine, State of Qatar and the Republic of the Union of Myanmar etc. Keeping in mind that the bulk of corruption cases in Singapore continue to come from the private sector, the CPIB will continue to focus our engagements on the industry players and business communities to educate private sector employees.

The CPIB also actively engages the industry and business communities. One of such initiatives is the ISO37001 on Anti-Bribery Management Systems which was launched by CPIB and Spring Singapore on 15 October 2016. This is a new standard to help businesses and companies implement an anti-bribery compliance programme. In addition, a new guidebook, *PACT: A Practical Anti-Corruption Guide for Businesses in Singapore* has also been developed to help local business owners reduce the risk of corruption in their companies. As part of CPIB's ongoing anti-corruption efforts, a Corruption Reporting & Heritage Centre (CRHC) was also set up and officially opened by Prime Minister Lee Hsien Loong on 6 June 2017. The CRHC serves as a convenient and accessible space for members of the public to lodge corruption complaints and to learn about corruption matters. As part of its continuing efforts to provide greater transparency and promote a culture of zero tolerance against corruption, CPIB has been releasing detailed corruption statistics on Singapore annually since 2015. The latest corruption statistics, which shows trends spanning 2012 to 2016, can be accessed online – <https://www.cpi.gov.sg/press-room/press-releases/corruption-singapore-low-levels>.

The CPIB plays an active role in the international community's fight against corruption and regularly represents Singapore at various international anti-corruption platforms. These include the United Nations Convention Against Corruption (UNCAC)<sup>8</sup>, the Asian Development Bank (ADB)-Organisation for Economic Cooperation and Development (OECD) Anti-Corruption Initiative for Asia and the Pacific, the South East Asia — Parties Against Corruption (SEA-PAC) meetings between parties of a regional Memorandum of Understanding (MOU), the Asia-Pacific Economic Cooperation (APEC) Anti-Corruption and Transparency (ACT) Experts' Working Group, and the G20 Anti-Corruption Working Group. CPIB is also one of the pioneer participants of the International Anti-Corruption Coordination Centre (IACCC) that was launched in July 2017 to improve fast-time intelligence sharing and assist countries in tackling allegations of grand corruption. In 2016, the CPIB hosted 801 foreign delegates from different parts of the world who were interested to learn about Singapore's experience in combating corruption.

## V. CONCLUSIONS

Political will is the bedrock that a country must start with for a successful anti-corruption programme. It's only when the country establishes this foundation that the systems and institutions they have built to tackle corruption can succeed.

Equally important is growing the economy of the country so that the people's standard of living, including the public servants, can be improved and when this is coupled with an effective enforcement strategy, it will in turn increase the opportunity cost for anyone contemplating to indulge in bribery. The importance of economic growth also brings me to reiterate the need for corruption to be dealt with not only within the public sector but also the private sector so that investors will be attracted to your county knowing that they can compete in an environment of a level playing field based solely on the price and quality of the products or services they provide.

As such, it is clear that there are multiple factors in a successful anti-corruption strategy, which requires a comprehensive approach. One cannot deal with the scourge of corruption with isolated initiatives, no partnership and without understanding the nature of corruption. An integrated national plan incorporating the whole government and the private sector is necessary to increase the chances of success in fighting corruption.

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<sup>8</sup> A major milestone was the completion of the review of Singapore's implementation of UNCAC Chapters III (Criminalisation and Law Enforcement) and IV (International Cooperation) in 2015. The executive summary and full country report has since been published on the UNODC website (refer to [https://unodc.org/documents/treaties/UNCAC/CountryVisitFinalreports/2016\\_07\\_06\\_Singapore\\_Final\\_Country\\_Report.pdf](https://unodc.org/documents/treaties/UNCAC/CountryVisitFinalreports/2016_07_06_Singapore_Final_Country_Report.pdf)).