

**Legislative Council Session on 2000 Policy Address**  
**Opening Remarks by ICAC Commissioner Alan Lai Nin**  
**19 October 2000**  
**(Synopsis)**

The past year has been a busy and yet challenging year for the ICAC. In the face of persistently high levels of corruption reports, we continued to make use of a proactive strategy to fight graft and yielded positive results.

**Corruption Reports**

The number of corruption reports received by the ICAC had risen from 3,555 in 1998 to 3,561 in 1999. The rising trend showed no sign of abating this year. In the first nine months of this year, we received 3,101 reports, a 21 per cent increase over the same period last year. The number of pursuable reports also grew by 22 per cent to 2,237.

In the government sector, the police saw a 17 per cent rise in the number of corruption reports in the first nine months. The combined number of reports against the two new departments tasked with municipal service duties - the Food and Environmental Hygiene Department and the Leisure and Cultural Services Department - surged 27 per cent when compared with the figure registered for their predecessors (the Urban Services and Regional Services Departments).

Corruption reports concerning the private sector jumped 23 per cent to 1,687 from 1,366. A number of sectors, in particular, building management (up 35 per cent), the construction industry (up 41 per cent) and the finance and insurance industry (up 18 per cent), registered significant increases.

The growing number of corruption reports, coupled with extensive media publicity on some high profile ICAC cases in recent months, might arouse concerns of the public and Members of the Legislative Council. One is prone to ask: has the corruption situation deteriorated? Are there any signs of resurgence of syndicated corruption? Has the community become more tolerant of graft?

## **Corruption Trends**

Such questions are logical and natural. However, mere numbers may not tell the whole picture. We need a more comprehensive assessment of the current corruption scene. To this end, the ICAC will conduct a detailed analysis of all corruption reports received this year, paying special attention, among other data, to the nature of these cases. Pending a fuller analysis, some initial observations are outlined as follows:

- First, a string of corruption cases with public safety implications, especially those short-piling or substandard construction scams, have certainly raised the public's alertness to the evils of corruption. As a result, we received from the public more reports alleging corruption of similar natures.
- Second, the number of reports classified as simple complaints had drastically increased. In the first nine months, more than 800 incoming reports were classified as complaints of this category, taking up over 30 per cent of all pursuable reports received. In 1998 and 1999, about 20 per cent of pursuable reports were considered simple complaints. In fact, there has been a large proportion of simple complaints related to building management. In the first nine months, we received a total of 516 corruption reports against this sector - a 35 per cent rise over the same period last year. Of these reports, 428 were pursuable, with 66 per cent classified as simple complaints.
- Third, although the economy is recovering, the adverse impact of the Asian financial crisis has not been totally cast off. The sharp fall in asset worth following the turmoil had landed many people in heavy debts. In a desperate bid to make ends meet, some were tempted to resort to corrupt means to make 'quick money'. In fact, a number of corruption or fraud cases received this year could be traced back to 1997 and 1998 while the economy was in doldrums. Among those relatively complex complaints, 17% related to offences allegedly took place more than a year ago.

Nonetheless, we will ensure that the ICAC remains a highly effective and efficient agency to combat graft. Despite the increasing workload, we will continue to fight corruption with full force. Above all, the ICAC will never tolerate any revival of syndicated graft in Hong Kong.

In the past year, the community remained solidly behind ICAC's anti-corruption work. While nearly 90% of the corruption reports we received came from the public, the proportion of complainants who identified themselves when reporting graft remained high at 70%. This year's ICAC Annual Survey also showed 83.7% of respondents indicated that they would not tolerate corruption. All these pointed to the fact that an anti-corruption culture is now firmly rooted in our society.

### **Looking forward**

In the coming year, we will continue our three-pronged approach in fighting corruption. Key objectives include:

#### **1. Enhancing efficiency**

To tackle the growing number of reports classified as simple complaints, the Operations Department will formalise the permanent establishment of the Quick Response Team (QRT) tasked to provide quick resolutions to such cases. Investigators deployed to QRT will return to their original postings to take up more complex cases.

Aided by rapid advances in information technology, corrupt activities have grown in complexity and sophistication, presenting great challenges to our investigative work. Apart from strengthening professional training for our officers, the Commission will also enhance liaison with overseas law enforcement agencies and our counterparts on the Mainland in combating cross-border graft cases.

The First ICAC Symposium to be held between November 13 and 15 this year will provide a forum for the Commission and law enforcement agencies worldwide to exchange views on corruption trends and challenges arising from latest developments in information technology.

#### **2. Priority of our work**

In the past year, a number of cases relating to civil servants' integrity and public housing scams unearthed by the ICAC had aroused tremendous public concerns. The Commission is prepared to further step up anti-corruption efforts in these areas, whilst we will also continue our work in promoting ethical practices in the private sector.

## Public Sector

To enhance civil servants' awareness of corruption prevention, the ICAC will join hands with the Civil Service Bureau to set up an electronic information and resources centre to facilitate departmental managers' access to ethics development materials such as rules and regulations on integrity.

Under current law, malfeasance as a criminal offence is not clearly defined. At present the ICAC can only prosecute public servants for "misconduct in public office" offence under the Common Law. Due to a lack of clear guidelines, only a handful of well substantiated cases have resulted in prosecutions so far. To address this issue, we undertake to complete in the coming year a research study on the desirability of making misconduct in public office for gain a statutory offence.

The ICAC has been actively assisting the Housing Department's Anti-Corruption Strategy Committee in mapping out a comprehensive strategy to stem out corruption and prevent construction scams like the Yuen Chau Kok short piling case. We will also assist the Works Bureau in promulgating corruption resistant systems and code of conduct for government consultants and their site staff, and provide them with training services.

## Private Sector

To sharpen our focus on industries more vulnerable to corruption, the ICAC has been adopting a 'task force' approach in its corruption prevention work. Two task forces, respectively for the construction and banking sectors, have been formed. Experienced officers from ICAC's three departments - the Operations, Corruption Prevention and Community Relations Departments - were deployed to these forces to provide comprehensive services to the industries involved.

Apart from stepping up corruption prevention education for practitioners in the construction industry, the ICAC will also encourage all tertiary institutions to incorporate into their programmes corruption prevention sessions for students in construction related professions.

In 2000-2001, we will also launch a comprehensive corruption prevention programme on building management for Owners' Corporations and property management companies. Besides, we will work closely with regulators and practitioners in the banking and insurance industries to enhance ethical practices.

### **3. Reinforcing Anti-Corruption Culture**

The success of anti-corruption work hinges on the support of a community. An anti-corruption culture needs to be continuously reinforced and could hardly sustain without the support of the coming generations. Hence it is of paramount importance that we should do our utmost to inculcate positive values amongst our young citizens.

In the past year, we launched a youth website, "The Teensland", as one of our initiatives for youth education. Through the website, we have established an effective channel to communicate with our young people, and positive messages were put across to them in a way they could identify with. Public response to this initiative has been encouraging. In the coming year, we will launch a youth-oriented and family based programme to further foster an anti-corruption culture in the community.

### **Conclusion**

" To combat corruption without fear or favour " is our stated mission. No matter how sophisticated the criminals may become, the ICAC will continue to vigorously go after the corrupt. To keep abreast of the changing times, we will constantly review our strategy and fine-tune our work priorities.

Our work objectives for the coming year have been set out and we are prepared for the tasks ahead. We are fully confident that in the coming year, the ICAC will continue to discharge its duties effectively by tackling corruption on three fronts – investigation, prevention and community education.

