

Legislative Council Panel on Security

**2005 Policy Address
Briefing by the Commissioner,
Independent Commission Against Corruption**

Purpose

This note outlines the overall corruption situation in the past year and the Commission's major initiatives for 2005.

Corruption Reports

2. In 2004, the Commission received 3,746 corruption reports, representing a decrease of 13% from 4,310 reports in 2003. The number of reports capable of investigation decreased from 3,265 in 2003 to 2,856. In addition, 594 election-related reports were received. While 65 of the 594 reports alleged bribery, the remaining 529 reports were related to suspected breaches of the Elections (Corrupt and Illegal Conduct) Ordinance, such as providing refreshments and entertainment at elections, publishing false or misleading information about the candidate.

3. Of the 3,746 reports received, complaints concerning private sector corruption continued to take up a higher share of 58%, with reports relating to government departments and public bodies constituting 34% and 8% respectively.

4. In 2004, a total of 417 persons were prosecuted in 222 cases. The conviction rate for completed prosecution cases stood at 83%.

Corruption Scene

5. There was a noticeable reduction in the number of corruption reports received in 2004. The continued improvement in the economy could have been a contributing factor leading to an improvement in the corruption scene. Our analysis and intelligence reveal that corruption remains under control. We have a clean civil service and there are no signs of a resurgence of syndicated corruption within the Government.

6. Reports concerning government departments fell by 17% (from 1,541 to 1,286). There was a noticeable drop of 18% (from 532 to 435) in the reports against the Police, while reports made against other disciplined services

also recorded a reduction.

7. Despite the downward corruption trend in the government sector, we are still concerned with incidences of misuse of authority and activities that are either illegal or conducive to corruption. Areas of concern include the abuse of office in the procurement of goods and services, neglect of duty, association between law enforcement officers and undesirable characters, and indebtedness through gambling and excessive spending. We have worked in close partnership with heads of government departments and the Civil Service Bureau towards addressing these issues.

8. Reports against the public bodies recorded a 4% decrease (from 297 to 284). On the other hand, reports relating to the District Councils (DC) registered an increase of 23% with most of the reports concerned with DC members allegedly involved in misappropriation of public funds and abuse of authority.

9. Reports received in respect of private sector corruption complaints also registered a 12% reduction (from 2,472 to 2,176). Building management, finance and insurance, construction, transport and related services, catering and entertainment sectors received more corruption complaint reports. Reports concerning building management accounted for 41% of the total, the majority of which were related to the award of maintenance contracts and management of owners corporations funds. Reports against the finance and insurance sector were largely related to the improper approval of loans and letters of credit, fraudulent insurance claims, unauthorised disposal of shares and transfer of funds, and abuse in the award of contracts.

10. Overall, corruption remains under control in the territory. In the past year, the community remained firmly behind ICAC's anti-corruption work. The proportion of complainants who identified themselves when reporting graft remained high at 71%.

Policy Objective and Targets

11. The Commission's policy objective is to pursue the corrupt through effective detection, investigation and prosecution, eliminate opportunities for corruption by introducing corruption resistant practices, educate the public on the evils of corruption and foster their support in fighting corruption. Our targets this year in pursuing this policy objective remain the same as those set out below –

- to investigate all pursuable corruption complaints

- to seek out unreported corruption
- to make corruption a high risk crime
- to reduce corruption opportunities in public sector practices and procedures
- to enhance private sector corruption prevention measures
- to promote intolerance of corruption in the community
- to maintain community confidence in and support for the ICAC

Initiatives for 2005

12. In the coming year, we will continue our three-pronged approach in fighting corruption. On the operations front, our key initiatives will include –

- (a) reviewing operational procedures on the provision of armed support for high risk operations and witness protection programmes and enhancing training for investigators undertaking such duties;
- (b) enhancing liaison and co-operation with Mainland and overseas anti-corruption law enforcement agencies. In this connection, an ICAC anti-corruption international symposium is being planned to be held in early 2006;
- (c) enhancing professional effectiveness of investigators through intensified training; and
- (d) implementing in stages a comprehensive information technology strategy covering enhancements to business processes, systems integration, information-sharing capacity, support for front-line investigations, communications in field operations and computer forensics capability.

13. On the corruption prevention front, we will implement the following initiatives –

- (a) in partnership with the Government Logistics Department, review the role and responsibilities of its supplies grade staff posted to government departments, with a view to establishing an effective monitoring mechanism on departmental direct purchase activities;

- (b) in conjunction with the Environment, Transport and Works Bureau, strengthen the existing guidelines on staff integrity and conflict of interest for staff of the works departments, and conduct training workshops for these officers to enhance their corruption prevention awareness;
- (c) conduct detailed reviews of procedures of the Urban Renewal Authority and the Hong Kong Housing Society in the implementation of urban development projects, with a view to enhancing corruption prevention measures in the related procedures;
- (d) as a follow-up to efforts made in 2004-05, proactively approach non-government organisations in receipt of substantial government subventions to offer advice on corruption prevention matters relating to their operation; and
- (e) promulgate a Best Practice Module to assist hotel operators to strengthen their internal control systems in areas such as procurement, stores management, and staff administration.

14. On the community education front, our major initiatives will include –

- (a) working with the Civil Service Bureau to continue implementing the Civil Service Integrity Entrenchment Programme, including jointly organising in June 2005 a forum on ethical leadership for leaders in both the public and private sectors locally and overseas, and organising training and theme-based workshops for departments targeting at their specific circumstances;
- (b) continuing the two-year Business Ethics Promotion Programme to foster the commitment of the senior management of listed companies in practising good corporate governance;
- (c) promoting the “Corruption Prevention Kit for Cross-Boundary Business Organisations” to trade associations through workshops and seminars for cross-boundary businessmen;
- (d) assisting owners corporations in drawing up codes of conduct and adopting best practices in preventing corruption in building management;
- (e) promoting positive values for youth in partnership with schools and youth organisations, and involving young people in the development of moral education products; and

- (f) launching radio programmes and a special corner on the web-based ICAC Channel to explain the work of the ICAC and enhance its transparency.

Conclusion

15. We are committed to combatting corruption without fear or favour. In the coming year, we will continue to enforce the anti-corruption laws vigorously and impartially, and thereby ensuring that corruption remains a high risk crime. We will offer timely corruption prevention advice to both public and private sector organisations in response to new development. We will also continue to foster and sustain a culture of probity in our community in partnership with various community organisations.

Independent Commission Against Corruption
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