

**Legislative Council Panel on Security**

**2006 Policy Address  
Briefing by the Commissioner,  
Independent Commission Against Corruption**

**Purpose**

This note outlines the overall corruption situation in the first nine months of 2005 and the Commission's major initiatives for 2006.

**Corruption Reports**

2. In the first nine months of 2005, the Commission received 2,680 corruption reports, representing a decrease of 6% from 2,836 reports received for the same period in 2004. The number of reports capable of investigation decreased by 2% from 2,157 in 2004 to 2,115. In addition, 73 election-related reports were received. While 7 of the 73 reports alleged bribery, the remaining 66 reports were related to breaches of the Elections (Corrupt and Illegal Conduct) Ordinance, such as providing refreshments and entertainment at elections and publishing false or misleading information about the candidate.

3. Of the 2,680 reports received, complaints concerning private sector corruption continued to take up a higher share of 60%, with reports relating to government departments and public bodies constituting 32% and 8% respectively.

**Corruption Scene**

4. Consistent with the decline in the corruption reports, complaints against government departments, the private sector and public bodies recorded decreases of 12%, 1% and 8% respectively. Our analysis and intelligence indicate that corruption is under control and that the civil service remains clean.

5. Despite the downward corruption trend in the government

sector, we remain concerned over incidences of misuse of authority and activities that are either illegal or conducive to corruption. Major areas of concern include the misuse of office and impropriety in the procurement of goods and services, unauthorised disclosure of confidential information, association between law enforcement officers and undesirable characters and acceptance of entertainment from persons having official dealings. The situation is being closely monitored and proactively addressed through close partnership with government departments and the Civil Service Bureau.

6. In the first nine months of 2005, we recommended to Heads of Departments and CSB cases involving 148 government servants for consideration of disciplinary or administrative action, an increase of 30% from the 114 recorded during the same period in 2004.

7. In the private sector, the more corruption-prone areas in terms of number of corruption reports received were building management, construction, finance and insurance, catering and entertainment services, and transport and related services. Reports concerning building management rose by 6% (from 663 to 705) and accounted for 44% of the total. The majority of these complaints were related to the operation of Owners' Corporations (OC) over the award of contracts and management of OC funds. Reports concerning the construction sector fell by 11% (from 122 to 108) and they were mainly related to the improper award of contracts, substandard works and materials, and lax supervision. In the area of finance and insurance, the number of reports dropped by 24% (from 134 to 102). Reports in this area were largely related to the improper approval of loans and letters of credit, fraudulent insurance claims, improper investment and transfer of funds.

8. During the period, there was an increase in reports received relating to telecommunication services (from 29 to 61) and real estate and property transactions (from 46 to 48). The majority of the reports concerning the telecommunication services sector were relating to divulging personal particulars of service users. Reports relating to real estate and property transactions were mainly about requests for unauthorised commissions and diverting business to other companies.

9. While corruption reports against the public bodies fell by 8%, reports concerning District Councils registered a slight increase of 3%. The majority of these reports were related to District Council members

allegedly involved in misappropriation of public funds and abuse of authority.

10. In general, the ICAC's efforts in combatting corruption remain effective. The community continued to lend strong support to anti-corruption work. The proportion of complainants who identified themselves when reporting corruption remained high at 72%.

### **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 2006**

12. In the coming year, we will continue with our three-pronged approach in our fight against corruption. On the operations front, our major initiatives will include –

- (a) strengthening training to enhance officers' operational

effectiveness, particularly in the areas of covert surveillance, arrest, search, use of firearms and witness protection;

- (b) strengthening the Financial Investigation Unit in the light of increasing complexity of the cases involved and the globalisation of financial activities; and
- (c) enhancing experience and knowledge sharing on anti-corruption work as well as liaison and co-operation with Mainland and overseas anti-corruption agencies. In this connection, an ICAC Anti-Corruption International Symposium is being organised to be held in May 2006.

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

- (a) assist the Home Affairs Department to strengthen the practices and procedures for funding District Council (DC) activities and organise a series of seminars for DC members and their assistants to raise corruption prevention awareness;
- (b) provide advice to government bureaux and departments involved in Public Private Partnership projects to put in place a mechanism to effectively manage conflict of interest in the selection of private partners and to properly administer the projects;
- (c) review the procedures adopted by LINK Management Ltd for the leasing, management and maintenance of commercial properties in public housing estates upon the listing of the related Real Estate Investment Trust to ensure that they are corruption resistant;
- (d) assist the Construction Workers Registration Authority in devising an objective, transparent and secure system for the registration of construction workers; and
- (e) promulgate a Best Practice Module for travel agencies to assist them in strengthening controls in their operational systems, including the organisation of tours, hotel and passage bookings and staff administration.

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

- (a) conducting a two-year professional ethics programme to alert real estate agents to the importance of upholding professional ethics and enhance their knowledge on anti-corruption legislation and related regulations;
- (b) launching, in collaboration with Civil Service Bureau and Environment, Transport and Works Bureau, an enhanced integrity management programme for the works group of departments, as part of our efforts to entrench a culture of probity in the civil service;
- (c) launching a large-scale ethical leadership training programme, including a Youth Summit, to empower university students to be ethical leaders for tomorrow; and
- (d) promoting moral education to young people through the production of a teaching package on liberal studies for secondary students, and the launch of a children website/web corner.

## **Conclusion**

15. We are committed to fighting corruption through effective law enforcement, education and prevention to help keep Hong Kong fair, just, stable and prosperous. With the support of the community, we will continue to uphold the best tradition of the ICAC – to tackle corruption without fear or favour.