

Legislative Council Panel on Security

**2016 Policy Address
Briefing by Commissioner
Independent Commission Against Corruption**

PURPOSE

The 2015 corruption scene in Hong Kong and the major ICAC anti-corruption initiatives in 2016 are presented in this paper.

CORRUPTION SCENE 2015

2. In 2015, the Commission received 2,798 corruption complaints (excluding election-related complaints), which is 18% more than the 2014 figure. The increase was probably due to the enhancement of people's trust in the ICAC and the intensified "report corruption" propaganda. Pursuable complaints rose by 25% from 1,561 to 1,950. Of all the corruption complaints received, 65% were targeted at the private sector, 28% related to government departments and 7% involved public bodies.

3. Despite the rise in corruption complaints, the corruption situation in Hong Kong was well under control. Public support was strong with 71% of the complainants identifying themselves when reporting corruption, slightly up from 69% in 2014. The ICAC Annual Survey 2015 showed that only 1.3% of the respondents had come across corruption in the past 12 months, 0.2 percentage point lower than the previous year, showing a very low level of corruption in the community. The same survey also showed that the public continued to display a virtually zero tolerance of corruption.

4. The international communities also regarded Hong Kong as highly corruption-free. The corruption indicator scores of Hong Kong improved over the previous year in both the Fraser Institute 2015 Economic Freedom of the World and the World Economic Forum 2015-2016 Global Competitiveness Report, which ranked Hong Kong the freest economy and the 7th most competitive economy respectively.

5. In 2015, 213 persons in 99 cases were convicted for various non-election offences, representing a 24% increase in terms of number of persons and a 2% increase in terms of number of cases compared to the respective figures in 2014.

6. 2015 saw keen electioneering in the Rural Representative Election and the District Council Election held respectively in January and November. There were 154 pursuable complaints related to the Rural Representative Election and 399 to the District Council Election. The number of vote-rigging allegations in the recent District Council Election dropped significantly compared to the previous one. In the year, six persons were prosecuted for election offences, one person was cautioned by a senior ICAC officer and 43 persons received warnings. The Commission had deployed substantial resources in handling election-related complaints in order to uphold the integrity of public elections to ensure they were clean and fair.

The Public Sector

7. In 2015, 767 corruption complaints against government departments were received, an increase of 11% over 2014. There was a rise of 20% in the number of pursuable complaints from 381 to 459. Complaints against public bodies increased by 15% from 174 to 200, with a corresponding increase of 11% from 93 to 103 in pursuable ones. The year also saw the prosecution of a former Chief Executive of the Hong Kong Special Administrative Region for offences of misconduct in public office. The case is pending trial at the Court of First Instance.

The Private Sector

8. Complaints concerning the private sector increased by 22% from 1,496 to 1,831. Pursuable complaints also went up by 28% from 1,087 to 1,388. The building management (BM) (716 complaints), construction industry (198 complaints) and finance and insurance (132 complaints) sub-sectors attracted most complaints and they together accounted for 57% of the complaints against the private sector.

9. Alive to public concern about the BM sub-sector, particularly in respect of suspected corrupt activities in the tendering and award of building renovation works and in contract management, the Commission had adopted a holistic and strategic approach to tackle the problem entailing law enforcement, education and prevention. In addition to a dedicated group responsible for investigating cases of corruption in the BM sub-sector, a special task force was set up in April 2015 to investigate several inter-related complaints alleging corruption in the tendering process of renovation projects of two residential estates, resulting in the prosecution of the middle-man of a tender-rigging syndicate for corruption offences.

MAJOR INITIATIVES 2016

The Public Sector

10. The Hong Kong civil service continues to remain clean and the vast majority of civil servants are able to measure up to the very high standard of integrity and probity expected of them. The Commission will continue to impartially discharge its law enforcement duties in strict accordance with the law, irrespective of the status or background of the persons alleged or institutions involved. Being conscious of the importance of sustained efforts in upholding a clean civil service, the Commission will continue to collaborate with the Civil Service Bureau and bureaux/departments in identifying new trends in corrupt conduct and robustly tackle public sector corruption. Also, the Commission will enhance the integrity training for government officials to heighten their vigilance on corruption pitfalls and awareness of the offence of misconduct in public office.

11. For the efficient and better use of resources, there is increasing collaboration between the Department of Health and the Hospital Authority in providing services for the public through the public-private partnership (PPP) approach. To ensure sufficient safeguards against abuse in the provision of medical services through such approach, the Commission will develop and promulgate a corruption prevention guide on the outsourcing of public medical services in PPP projects, covering among others the administrative procedures in the appointment and performance monitoring of private healthcare service providers for the projects.

12. In collaboration with the Home Affairs Department, the Commission will organise a series of integrity management briefing sessions for the new term of District Council Members and their assistants to raise their corruption prevention awareness while discharging their official duties.

The Private Sector

13. To maintain the momentum gained in curbing corruption in the tendering and management of building renovation contracts in the building management subsector, the Commission will press ahead to ensure that corruption in building renovation works remains a high risk crime. Appropriate and timely enforcement actions will be taken to stop possible tender-rigging activities. Flat owners and relevant stakeholders will be reminded from time to time of the risks concerned.

14. The Commission has always been alert to opportunities for corruption in the commercial environment of Hong Kong, especially when listed companies are involved. The most common corruption complaints in the finance subsector included corruption-facilitated pre-listing and/or post-listing fraud, publishing false statements, share price manipulation, and placement and allotment of shares conducted by unscrupulous members of listed companies. Recognizing the need to uphold investors' confidence in Hong Kong, the Commission will spare no effort on both enforcement and preventive fronts so as to maintain the credibility and reputation of Hong Kong as an international financial centre and a place with level playing field.

15. Enforcement actions will be coupled with the enhancement of ethical governance in the business sector through an ethics promotion programme comprising the production of a practical guide and training package for directors and senior management of listed companies as well as related professionals.

16. To assist business sector personnel to uphold integrity in their dealings with public servants, the Commission will promote, through government departments and public bodies, the "*Integrity and Corruption Prevention Guide on Managing Relationship with Public Servants*". Tailored advisory and training services will be provided for companies on the implementation of the safeguards recommended in the guide.

17. With 2015 marking the 30th anniversary of the Commission's Advisory Services Group (ASG), the Commission took the opportunity to rebrand the ASG as Corruption Prevention Advisory Service (CPAS) with a view to enhancing its services and raising the private sector's corruption prevention awareness. In 2016, the Commission will further expand its services for the private sector, including the production and launching of a CPAS web portal to increase the private sector's knowledge of corruption prevention through a cyber-learning resource centre, newsletters and tips.

18. In light of the expanded subsidy in kindergarten education, the Commission will develop and promulgate sample codes of conduct respectively for kindergarten board members and staff. It will also provide bespoke corruption prevention services for individual kindergartens with a view to assisting them in achieving a high standard of integrity.

19. For the upcoming 2016 Summer Olympic Games, the Commission will partner with the Leisure and Cultural Services

Department to assist individual National Sports Associations (NSAs), upon their request, in enhancing their systems for athlete selection as well as the process of compiling their lists of athletes to represent Hong Kong at the Olympic Games. Integrity management briefing sessions will also be organised for committee members of NSAs to raise their corruption prevention awareness in relation to athlete selection.

Election

20. In view of the upcoming Legislative Council By-election and the 2016 Legislative Council Election, election-related complaints are expected to be on the rise again. The Commission will continue to be vigilant and deploy appropriate resources in handling election-related complaints in order to uphold the integrity and fairness of public elections.

21. The three-year “Support Clean Elections” programme started in 2015 will carry on for the Legislative Council Election and Election Committee Subsector Election in 2016 as well as the Chief Executive Election in 2017. The programme is to promote a clean election culture and to educate candidates, election helpers and voters to abide by the law in participating in different public election activities.

Youth

22. A youth chapter under the ICAC Club will be set up to engage more young people in the anti-corruption cause through participating in ICAC activities or providing voluntary service to support such activities.

23. To make full use of the new media, the Commission will organise an integrated online-offline programme to engage young people in developing multimedia productions to help promoting probity messages.

24. To mark the 25th anniversary of the ICAC Moral Education Periodical, the Commission will work together with its collaborative partners to produce a publication on positive values so as to reinforce the importance of moral education to teachers, students and the general public.

Reaching Out

25. In upholding probity as a core value of Hong Kong, the Commission will launch a territory-wide programme entitled “All for Integrity” to enhance the probity culture by engaging citizens from different walks of life through a host of community involvement programmes in 18 districts including a slogan and icon design competition, district activities in collaboration with District Councils, comprising

exhibitions and online-offline activities.

Human Resources

26. To cope with the increasingly sophisticated, secretive and intricate nature of corruption, the Commission will continue to deploy investigative resources in a strategic and coordinated manner, and to enhance the professional and operational capabilities of its staff through structured training at different stages of their career and exchanges of experiences with local and overseas counterparts. On information technology capabilities, the new generation Operations Department Information System will be launched with which case management support will be enhanced significantly.

**Independent Commission Against Corruption
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