

**Legislative Council Panel on Security**

**2015 Policy Address**  
**Briefing by the Commissioner,**  
**Independent Commission Against Corruption**

**PURPOSE**

This document introduces the overall corruption scene in 2014 and the Commission's major anti-corruption initiatives in 2015. In the ensuing paragraphs, increases or decreases in figures or percentages are results by comparison with those in 2013.

**CORRUPTION COMPLAINTS**

2. In 2014, the Commission received 2,362 corruption complaints (excluding election-related complaints), which were 11% less than the 2,653 complaints received in 2013. Pursuable complaints also dropped 10% from 1,737 to 1,556. Of all the corruption complaints received, 63% were targeted at the private sector, 30% related to government departments and 7% involved public bodies.

3. The Commission's analysis showed that the probity situation in Hong Kong remains stable or even improved, and the anti-corruption system in Hong Kong remains vigilant and resilient. Despite a drop in the number of complaints received in 2014, 222 persons in 114 cases were prosecuted for various non-election-related offences, representing an increase of 3% in terms of persons and 1% in terms of cases. The person-based conviction rate increased from 78% to 85% and the case-based conviction rate increased from 81% to 87%. The findings in ICAC annual survey 2014 conducted by an independent agency also showed that only 1.5% of the respondents had actually come across corruption in the past 12 months, showing a very low level of corruption in the community.

4. Although less complaints were received in the year, the workload of Operations Department remains heavy as there was new modus operandi to shy away from investigation methods already made known in public arena; corrupt practices becoming more secretive; corrupt transactions becoming more complicated in that financial analyses, computer forensics, tracing of fund flows outside Hong Kong etc. were more required; and more larger companies including listed companies were involved which entailed larger volume of investigation work.

5. As to election-related complaints, the Commission received 51 in 2014 which were mainly related to the 2015 Rural Representative Election, 2013 and 2014 District Council By-election. 37 of these complaints were pursuable. One person was prosecuted for election offences, one was cautioned by a senior ICAC officer and 214 persons received warnings on the advice of the Department of Justice.

## **CORRUPTION SCENE**

### ***The Public Sector***

6. In 2014, 692 corruption complaints against government departments were received, 14% less than the 809 received in 2013. The number of pursuable complaints also dropped 14% (from 442 to 381). Complaints against public bodies decreased 11% from 195 to 174, pursuable ones dropped 20% from 113 to 90.

7. The Hong Kong civil service remains clean. The vast majority of civil servants are able to measure up to the very high standards of integrity and probity expected of them. Certain high-profile investigations or prosecutions involving former or incumbent senior public officials or prominent figures might have attracted wide media coverage and affected people's perceptions of the corruption situation in Hong Kong. As a matter of fact, these are only isolated cases and the overall corruption situation of Hong Kong is still well under control.

8. The recent successful prosecution of a former Chief Secretary and some prominent business people has demonstrated the Commission's determination to uphold Hong Kong's probity. Regardless of the background, status and position of the persons involved, the Commission impartially discharges its law enforcement duties in strict accordance with the law and with perseverance. Concerning the various issues revealed in the case, the Commission will bring them to the attention of the Administration, and stands ready to provide corruption prevention and education advice.

9. The Commission is conscious of the importance of sustained efforts in upholding high standards of integrity and probity within the civil service and the public bodies. Further to the Commission's efforts in promoting a culture of clean governance in the public sector in recent years including issuing revised sample codes of conduct to enhance the

governance of government departments and public bodies, the Commission will continue to proactively monitor any new and developing trends in corrupt conduct in collaboration with the Civil Service Bureau and bureaux/government departments as well as provide corruption prevention advice and education to sustain the alertness of public organisations and their employees against any corruption risks.

### ***The Private Sector***

10. Complaints concerning the private sector dropped 9% from 1,649 to 1,496. Pursuable complaints also went down 8% from 1,182 to 1,085. Building Management (**BM**) (546 complaints), Construction Industry (134 complaints) and Catering and Entertainment Services (107 complaints) sub-sectors attracted the most complaints and together accounted for 53% of the complaints against the private sector. Despite a drop in private sector corruption complaints, the workload of ICAC officers remains heavy due to the increased complexity of corruption cases, especially those concerning listed companies.

11. In the past year, there were a number of prosecutions and / or convictions of senior executives in private companies across various sub-sectors, including finance and insurance, telecommunication services, catering and entertainment services, for bribery and related offences. Of particular concern were those cases involving senior executives of listed companies. One notable case concerned two former senior executives of a listed company and another person who were sentenced to imprisonment ranging from three to five years after being convicted of bribery and fraud in relation to the acquisition of a Mainland plantation project. The Commission will spare no efforts in enhancing the awareness of business people on the probity requirements and ensuring appropriate corruption prevention safeguards are put in place.

12. Notwithstanding a drop in the number of complaints in the BM sub-sector (down 15% from 646 to 546), it still accounted for 36% of the private sector complaints. Apart from investigating those pursuable complaints thoroughly and relentlessly, the Commission also recognised the need to tackle the problem in a holistic manner through enforcement, prevention and education; and also in collaboration with the Home Affairs Department, the Hong Kong Police Force, the Hong Kong Housing Society, the Urban Renewal Authority and related professional bodies to promote corruption prevention measures in building management and maintenance.

13. Efforts to enlist public support in combating corruption continue to be effective. 69% of complainants identified themselves when reporting corruption.

## **MAJOR INITIATIVES IN 2015**

14. For the public sector, the Commission will provide corruption prevention advice for government bureaux and departments in the administration of elections, maintain the integrity of voter registration for the Legislative Council Functional Constituencies (FCs), and continue to assist the organisations under the various FCs, the members of which are eligible for registration as voters in the respective FCs, in enhancing internal controls and the transparency of their membership administration systems.

15. In 2015, the Commission will also launch a three-year "Support Clean Elections" programme comprising comprehensive education and publicity activities to uphold integrity and fairness in the Rural Representative Election and District Council Election in 2015, the Legislative Council Election in 2016 and the Chief Executive Election in 2017. Anticipating keen electioneering in these elections, the Commission will deploy appropriate resources in handling election-related complaints in order to uphold the integrity of elections, ensuring that they are clean and fair.

16. For the private sector, to commemorate the 20<sup>th</sup> Anniversary of the Commission's Hong Kong Ethics Development Centre, the Commission will organize a series of educational and publicity activities to sustain its long-term partnership with the business sector in promoting business ethics.

17. To further enhance the business sector's awareness of the provisions under the Prevention of Bribery Ordinance in dealing with public officers, the Commission will develop and promulgate a corruption prevention guide on the probity requirements and corruption prevention safeguards for use and adaptation by the business sector.

18. As a pilot scheme for building integrity and corruption prevention knowledge in the Qualifications Framework, the Commission will develop a Unit of Competence on integrity and corruption prevention for the retail industry, and provide a library of training resources for use by the training institutions concerned.

19. Other than the public and private sectors, as non-governmental organisations (NGOs) in the welfare sector receive substantial amount of subvention from the Government, the Commission will collaborate with the Hong Kong Council of Social Service to assist these NGOs to enhance their corporate governance and internal controls to prevent the abuse of public funds and other malpractice.

20. The Commission will also provide corruption prevention education to ethnic minorities and enlist their support in fighting corruption through partnership with relevant government departments and NGOs.

21. Between 11 and 13 May 2015, the Commission will host an international conference --- the 6<sup>th</sup> ICAC Symposium in Hong Kong. The theme “*A Future without Corruption – One Vision, Multiple Strategies*” highlights the importance of adopting multiple strategies in tackling corruption in the fast changing world. Experts in anti-corruption and related fields will exchange views on the latest initiatives, know-how and strategies with participants from different jurisdictions. To strengthen international law enforcement co-operation, on 14 and 15 May 2015, in tandem with the Symposium, the Commission will also host the third annual meeting of the Economic Crime Agencies Network, a formal network of law enforcement agencies from various jurisdictions whose primary task is to investigate and prosecute economic crimes including bribery, corruption and fraud.

22. The Commission will continue to enhance its human resources development initiatives through professional training on all fronts to strengthen the capabilities of its officers. Besides, the Commission will continue to develop and launch in phases the new generation Operations Department Information System in support of investigation management.

23. Levering on the interactive new media platforms, the first-ever social media detective game will be launched with a view to educating young people, in particular secondary students, the evils of corruption and the anti-corruption work in Hong Kong. The Commission will explore the feasibility of utilising popular new media to deliver more integrity education to the public, especially the younger generations.

24. An activity package based on the new Gee-dor-dor cartoon movie will also be produced as an aid to the teaching of moral education in kindergartens and primary schools. In support of the government's initiative of enhancing students' self-learning ability through information

technology, the Commission will produce an electronic book together with the launching of an E-Reading Scheme on positive values for primary students.

## **ICAC GOVERNANCE**

25. In 2014, the Commission had implemented all the recommendations made by the Legislative Council Public Accounts Committee and the Independent Review Committee. The ICAC has further enhanced its system controls in response to the recommendations made in the report of the Select Committee of the Legislative Council released in July 2014. The Commission has comprehensively reviewed and reinforced the Commission Standing Orders to ensure that the procedures on the use of public funds and reimbursement of expenses adhered strictly to the Government rules and regulations. The newly-established Internal Audit Unit had already submitted three audit reports to the Advisory Committee on Corruption which endorsed all the recommendations for strengthening internal checks. The Advisory Committee on Corruption has also further stepped up its role in monitoring the work of the Commission, as suggested by the Select Committee which included scrutinising the estimated expenditure on duty visits and gifts to be undertaken by the Commission in the following year as well as the corresponding actual expenditures of the current year.

## **CONCLUSION**

26. Facing new challenges and sophistication in corruption modes in both private and public sectors, the Commission will remain vigilant and will continue to tackle corruption without fear or favour through effective law enforcement, education and prevention. All Commission staff is in solidarity to uphold a high standard of integrity and to sustain a culture of probity in Hong Kong.