

Transparency International (TI) released its Corruption Perception Index (CPI) rating results on December 1, 2011. Out of 183 countries and regions that were rated, the ROC's score reached 6.1 points for the first time, the highest since the CPA was first announced in 1995, and making it one of the five countries to show the best improvement in score; the ROC also made the biggest progress of any country/region in the Asia-Pacific region, its ranking going up for the three successive years, showing that the government's efforts to build a clean government have achieved real results.

To achieve clean government objectives the AAC's work focuses on three main objectives: lowering the corruption crime rate, increasing the corruption conviction rate and protecting human rights. Lowering the corruption crime rate is being achieved by fighting and preventing corruption to make the anti-corruption legal system more complete and implement it so that corruption is reduced; increasing the corruption conviction rate will be achieved by refining the fight against corruption, promptly carrying out investigations so that people against whom evidence is held can be convicted. Protecting human rights depends on investigative discipline and upholding work ethics when using powers, really avoid accusing the innocent and not letting the guilty escape, to protect human rights.

Also, to smoothly carry out various kinds of anti-corruption work so that work achieves maximum benefits, it is of primary importance to strengthen and make organizational functions more complete. The aforementioned three main objectives and "strengthening organization functions" display the diversity of the AAC's anti-corruption work.

## **1. Auditing businesses of high risks, providing corruption prevention guidance**

To facilitate effective internal control, proactively respond to corruption malpractice risk, the former MOJ Department of Ethics entrusts each ethics unit with assessing and analyzing operations that obstruct excellence, personnel and agency honesty level change and compiling the “Agency ethics situation overall analysis and assessment report” every year. The ethics unit of each competent agency compiles the assessment report of the agency and its subsidiary units and reports it to the former MOJ Department of Ethics in December every year.

After the establishment of the AAC, to promote the prevention mechanism and strengthen corruption risk management, ethics units have continued to be entrusted with the task of carrying out systematic assessment of events that have attached risk of corruption and personnel about whom there are ethics concerns, carry out malpractice risk incident identification and analysis and, by having a malpractice risk databank, effectively controlling risk.

### **A. Strengthen corruption risk assessment management**

Based on the idea of risk management the AAC supervises the management of risk by ethics units through identifying, assessing (including predicting), monitoring and reporting risk, to allow effective measures to reduce risk to be formulated and risk to be handled in a planned way to reduce the occurrence of corruption. Further to this, on August 5, 2011, ethics units were invited to assess and identify their agency’s risky operations and personnel about whom there were ethics concerns; after being reported to their leader they were reported to the AAC and entered into a databank that is updated with malpractice case information in a timely way so that corruption risk is managed effectively.

Up to September 2011, ethics units had, with reference to the Research, Development and Evaluation Commission’s “Risk management and crisis handling work manual” identified and

assessed 1,109 cases of agency corruption risk. Of these, 424 were high risk (38.23%), 407 were medium risk (36.70%) and 278 low risk (25.07%); central government agencies listed 448 cases (40.40%), municipalities under central government, county (city) government listed 661 (59.60%). In terms of type of operations, risk was mainly distributed across major engineering projects, police administration, general procurement, correction, medicine, grants, education, land administration, mortuary services, general engineering projects, building management, fire prevention, the judiciary, large procurements, tax affairs, vehicle inspection, urban planning, gravel management, customs affairs and industrial and commercial registration, matching the risky operations in the “National Clean Government Construction Action Plan.”

Table 2-1-1 Risk incident statistics

Risk Grade Central / Local		High	Medium	Low	Subtotal
Central government agency	No. of cases	195	154	99	448
	%	17.58%	13.89%	8.93%	40.40%
Municipalities under central government, county (city) government	No. of cases	229	253	179	661
	%	20.65%	22.81%	16.14%	59.60%
Total		424	407	278	1109
%		38.23%	36.70%	25.07%	100.00%

The AAC has also given ethics units the task of implementing risk management, suitably selecting and effectively carrying out risk counter measures, such as by using a Standard Operating Procedure or checking, supervising or auditing plan, reducing the corruption occurrence rate; at the same time, the actions of persons about whom there are ethics concerns should be monitored and reported to the agency head, through measures such as job (work) adjustment, advice and correction or guidance controlling corruption risk cases and stopping the ripples of crime from spreading.

## **B. Conduct case-specific audits of high risk operations**

The former MOJ Department of Ethics required that all ethics units audit high risk and procurement operations to assess if they were operating effectively and to find real or identify potential crisis or risk and make suggestions for administrative improvements to the head of the agency so that work content and directions could be adjusted.

After the establishment of the AAC, in addition to holding ethics units responsible for the underway case-specific audits, in coordination with the MOJ's legal affairs reform policy, police, medical, school lunch and afforestation procurement and other operations directly connected to the interests of the people, that were high risk operations or involved high risk personal were subject to overall auditing (inspection); progress was monitored on a weekly basis and the work plan and schedule adjusted according to the situation. In the event that a major deficiency was found, concrete improvement measures were immediately put forward and administrative responsibility pursued for administrative fault and investigation launched in the case of criminality.

Related execution overviews and results as November 30 are as follows:

### **(1) Police administration**

#### **i. Execution overview**

The Ministry of Interior Ethics Office carried out “Case-specific audits of businesses vulnerable to corruption and malfeasance” with respect to operations that are prone to malpractice (such as sex business, gambling type electronic games, underground casino, drugs, illegal gravel extraction, violent debt collecting, leak of personal information, stolen property, environmental protection and traffic operations). The police agency chose one case-specific inspection item and by analysis of reports from the public, sex businesses, ethics situation, ethics interview opinions and carrying out cross-comparison and analysis, hot areas and hot spots were identified and, where there was indication of corruption in the form of complicity between civil servants and business, checking for concrete evidence of wrong doing was carried and investigation launched it is was found.

#### **ii. Execution results**

1905 inspections have been completed, banning action taken in 181

cases and 43 people issued with administrative penalties, including cases of police visiting inappropriate premises, failure to seriously check gambling type electronic game cases or take care of/use public property properly. 10 people were referred to the judicial authorities for investigation, on suspicion of turning a blind eye to gambling electronic games, leaking personal information or protecting sex businesses. Other cases of illegality or misconduct are being actively checked.

### **iii. Prevention**

In light of the fact that there have been many cases of malpractice arising from police investigation of gambling electronic games, the AAC compiled and posted the Directive No. 2 “Prevention malpractice during the investigation of gambling type electronic games” on its website. Through reviewing and analyzing actual cases and putting forward suggestions for improvement, police discipline will be effectively rectified.

## **(2) Medicine- medical administration**

### **i. Execution overview**

The Department of Health, Executive Yuan carried out “the National Insurance Scheme New Drug Price and Price Adjustment Operation case-specific audit” to acquire an understanding of whether new drug price and drug price adjustment was in line with “the National Insurance Act and drug price basic standard”. “Case-specific inspection to prevent the fraudulent claiming of national insurance payments by county and city government affiliated clinics” to maintain the fairness of the outpatient number system and prevent the use of inappropriate methods to increase the number of outpatient service days and prevent fraudulent claiming of diagnosis fees was carried out. Also, to prevent criminal groups from issuing false diagnosis certificates in collusion with medical staff the “hospital false diagnosis certificate case-specific inspection” was carried out.

### **ii. Results**

10 “National Insurance Scheme New Drug Approved Price and Price Adjustment Operation Case-specific Audit” cases were completed, with no misconduct found. However, reform suggestions such as “Approved price decimal point handling method” “Drug high and low specified quantity drug payment price adjustment principle” and the building of a recusal system were put forward

“Case-specific inspection to prevent fraudulent claiming of national

insurance payments by county and city government affiliated clinics” checked 452,162 national health insurance medical treatment fee reports. In terms of “○ hospital false diagnosis certificate case-specific inspection”, of 243 cases 24 that met the criteria for abnormality were chosen to be audited. The results of the two inspections was that cases of doctors not seeing patients but falsely swiping health insurance cards claiming national health insurance payments and issuing false diagnosis certificate for self-benefit or the benefit of others were found and were transferred to judicial authorities for investigation.

### **iii. Prevention**

Suggestions for reform arising from the National Health Insurance Scheme New Drug Approved Price and Price Adjustment Operation Case-specific Audit” have been passed to the responsible agency by the Ethics Office of the National Health Insurance Bureau. The results of the “fraudulent claiming of national health insurance payments by county/city government affiliated clinics” and “false diagnosis certificates” inspections have been passed to the agency’s anti-corruption report meeting by the related ethics office to prevent the occurrence of similar incidents.

## **(3) Medicine-procurement**

### **i. Execution overview**

With respect to health and medical unit equipment procurement, the AAC carried out “Medical equipment procurement case-specific inspection” proactively looking to unearth misconduct and illegality.

### **ii. Results**

Five cases involving five people were passed to judicial authorities for investigation, with suspects including hospital director and department head, and the total amount involved in the cases NT\$162.22 million. Other cases of illegality or misconduct are being actively dealt with.

### **iii. Prevention**

Because medical procurement corruption has a wide ranging effect, not only wasting a large amount of national health insurance resources, also damaging hard-won trust between hospitals and patients, consequently the AAC formulated Anti-corruption directive 3, ‘Preventing medical procurement corruption’ with respect to past collective medical equipment



corruption at national hospitals and posted it on its website. By reviewing actual cases, putting forward suggestions for reform and strengthening self-discipline and internal control of organizations in the medical community, the professional ethics and values of health professionals can be protected.

#### **(4) Customs affairs**

##### **i. Execution overview**

The various customs bureaus of the Directorate general of Customs carried out the “Smuggled goods, destruction of expired goods and bonding operation” case-specific investigation with respect to smuggled goods, destruction of expired goods and bonding operations. The subject of smuggled goods and expired goods inspection included self-owned or rented warehouses, bonded warehouses and commercial warehouses. The subject of bonding operations inspection included bonded factories, warehouses, duty free shops, free trade areas and distribution centers.

##### **ii. Results**

35 inspections were carried out, with two people in two cases given an administrative penalty ( one case of failure to fulfill duty to carry out monitoring work when on duty in a warehouse and one of a bonding official using their power to introduce a supplier to contract to provide services) and operational reform suggestions were also put forward, such as building a “smuggled goods warehouse inspection system”, checking smuggled good warehouse safety measures and the protection of official confidential information and other matters, carrying out training for bonded factory personnel and holding anti-corruption seminars.

##### **iii. Prevention**

In light of the succession of customs corruption cases that have occurred, the AAC has established a Special Case Supervision and Inspection Team to carry out expanded inspection work and, in early September, the Directorate general of customs and Keelung, Taipei, Taichung and Kaohsiung customs bureaus held an inspection summing up meeting at which reform suggestions and concrete actions were put forward

#### **(5) Forest administration management**

##### **i. Execution overview**

The AAC is carrying out the “Forestry agency forest administration management operations case-specific inspection” with regards to Forest Bureau forestation procurement, extension or change of land rental contract,

forestation incentives and forestation rule breaches.

## ii. Results

It is estimated that 9,155 inspections will take place and 1,150 have already been completed; two cases have been investigated by the AAC (suspected bid-rigging and making false entry); other suspected cases of illegality or misconduct are being actively handled.

Also, the ethics units of various competent agencies carried out 94 operational audit cases in 2011; 26 cases of suspected corruption were sent for investigation, while administrative responsibility of 39 people was pursued in 21 cases, with six people given a demerit, 26 warned, two suspended, one sent to the Examination Yuan for examination and two referred to the Commission on the Disciplinary Sanctions of Functionaries. Six cases with outstanding results were:

### (1) ○ City ethics department implements the “2011 road asphalt laying project” case-specific audit.

#### i. Execution overview

To understand the AC road laying quality of ○ city government and whether pipe units filled in holes after digging up roads, ○ city government ethics office in unison with the ○ district prosecutors’ office “Uneven road investigation Special Project”, carried out this case-specific auditing work. The subject of auditing was the asphalt laying projects already-accepted by the district offices of ○ city from the second half of 2010 to June 2011, 63 in total. Of the road digging up applications received from pipe units by ○ city district offices in the second half of 2010, 82 were subject to on-site inspection and 52 random core drill sampling cases.

This auditing case found seven main types of deficiency and one case of suspected corruption that was sent to be investigated; 37 suggested prevention measures and reforms were reported to the city government’s first Integrity Report Meeting, and the ○ city government ethics office will monitor the results of ongoing execution.

#### ii. Major deficiency discovered and type of malpractice

- (1) AC thickness did not meet contract requirements: 63 road laying projects were subject to core drill sampling and 29 pile points in 18 projects were found to have AC thickness less than stipulated in the



contract.

- (2) Inadequate filling of holes after digging: 82 onsite inspections were carried out and core drill sampling were carried out in 52 cases. Some test specimens had not formed and clay appeared in drill holes, leading to suspicion that a CLSM bottom layer had not been laid; there were 10 suspected cases of inadequate filling of holes after digging.
- (3) There were six AC road project common deficiencies; there were four AC road digging application and hole filling regulation and execution deficiencies.

### iii. Suggestions

- (1) Stipulate that holes must be filled in using CLSM: To prevent pipe laying units using poor quality filling material or even waste earth with the result that the lower layer is not solid and the road surface uneven. To address this problem, the “○ city road digging management autonomous regulations” draft stipulates that the use of high performance, low-hardness CLSM filling material to raise construction quality is required.
- (2) Set penalties for non-compliance by pipe companies: The regulations stipulate that related information be passed to the competent agency by the pipe company when construction work is finished, however, if pipe companies do not comply there are no penalties that the road competent agency can impose and also, when state compensation is claimed, related authority and responsibilities are unclear. Thus, to bring into play a road competent agency construction quality inspection function, it is suggested that penalties be set when related information is not passed to the competent agency by the pipe company when construction work is finished.
- (3) Control digging period, hold a pipe coordination meeting: One of the key points of digging for pipe laying is reducing the length of time digging affects road use. If holes aren't filled in promptly the impact on traffic is substantial. Thus, to avoid long-term digging on city roads, a coordination system should be established between the units

that apply to dig up roads and pipe coordination meetings regularly held to make sure that the road digging time limit is unified. Inspectors should be sent unannounced to work sites to inspect work quality, safety measures and traffic control measures.

**iv. Execution benefits and handling situation**

- (1) Investigation of corruption: In June 2011 ○ city government ethics office transferred suspected cases of improper filling of holes to ○ district prosecutors' office.
- (2) ○ district prosecutors' office joined with the ethics office of ○ city government on July 25 in carrying out the second wave of the "Uneven road" case-specific inspection, "Road construction projects that have not be accepted" and results were the same as the first, showing improper filling of holes, use of inferior materials and corner-cutting in work by pipe companies, and failure of road competent agencies to supervise.
- (3) Core drill samples were taken from 63 road construction projects, and, in 18 cases sample thickness was less than stipulated in the contract; And there were also 10 cases in which core drill sampling after filling showed potential danger or risk.
- (4) Core drill sampling results showed that AC thickness was substandard in 12.22% of cases, a slight improvement on 2010's 14.38%; in 86.21% of substandard cases the AC thickness was 4.1cm~5cm, a major improvement on 2010's 53.66%; AC thickness was between 1.5cm~4cm in 13.79% of substandard cases, a big improvement on the 46.34% of 2010, the results overall showing clear improvement in AC thickness in the road construction projects carried out by ○ city district offices, bringing into full play the benefits of inspections and raising road construction quality.

**v. Follow-up**

- (1) On June 20<sup>th</sup>, 2011 AC road and digging application audit results were reported to the ○ city government integrity report meeting
- (2) On September 13<sup>th</sup>, 2011 a road work quality anti-corruption seminar invited experts to give presentations and engage in discussions. In

the seminar seven decisions were reached including that the road repair charge will no longer be collected and the pipe units will now be responsible for filling holes after they are dug to lay or repair pipes.

- (3) From August to November, 2011, the “○ city AC road quality anti-corruption study” was carried out, surveying citizens to find out their level of satisfaction vis a vis road quality and allowing suggestions for improvement to be formulated, raising the road service quality of ○ city government.

**(2) Ethics Office of the Ministry of Finance ○ Area Tax Administration carries out “Withholding work for tax collecting agents and private businesses” case-specific audits**

**i. Execution overview**

To obtain an understanding of whether the withholding undertakers of various government agencies under the jurisdiction of the Ministry of Finance’s ○ Area Tax Administration carry out withholding work in accordance with Clause 92 of the Income Tax Law, the ethics office of the tax administration carried out case-specific inspection after receiving approval of the leader on April 6<sup>th</sup>. The period of inspection was June 1<sup>st</sup> to August 31<sup>st</sup>, 2011. 138 inspections were carried out of withholding units including various levels of government agency, schools and private/public sector organizations that had unilaterally changed reported tax withheld after inspection visit or guidance letter from January to August 2011. 24 onsite inspections were carried out and 114 were carried out in writing.

These inspections found two cases of illegality and 49 breaches of Clause 114 of the Income Tax Act, adding NT\$879,482 to the treasury’s coffers. Nine concrete malpractice prevention or reform measures were also put forward and the results of implementation will be followed up.

**ii. Major deficiency discovered and type of malpractice**

- (1) A collecting institution employee did not pass NT\$189,869 of tax withheld to the treasury, in breach of the crime of misappropriation of public property in the Anti-Corruption Act.

- (2) The private business tax withholding agent, the person in charge of ○○ Food Enterprise Co. was suspected of misappropriating NT\$83,400 of withheld rental income tax.
- (3) The withholding and payment information of the MOF Financial Data Center was abnormal but the unit's data was not outputted, showing that the checking program of the Center's withholding and payment information abnormality checking work is still incomplete.
- (4) In the inspection process it was found that the withholding checking work of various tax offices did not fully comply with related regulations.
- (5) The withholding undertakers of some units had insufficient professional knowledge, showing that promotion of withholding regulations and tax payment guidance needs to be strengthened.

### iii. Suggestion

- (1) Examine the feasibility of not posting withholding/exemption certificates to taxpayers
- (2) Examine the feasibility of changing the penalty methods in Clause 111 of the Income Tax Law with reference to the methods in the second paragraph of Clause 114 of the same law.
- (3) Examine the revision of "withholding checking work" regulation in Section 15, Chapter 2, Part 4 of the tax affairs operations handbook of ○ Area Tax Administration.
- (4) In response to requirement for military personnel and teachers to pay tax once again from January 1<sup>st</sup>, 2012, promotion of withholding regulations and withholding and payment guidance work with regards to government agencies should be strengthened.
- (5) Strengthen promotion of withholding regulations and service.
- (6) Strengthen the professional skill of personnel who check withholding to raise the effective of checking.
- (7) Actively promote online reporting and barcode tax payment.
- (8) Suggest to the Financial Data Center that the checking program of the checking of abnormal withholding/filing data continues to be refined.
- (9) Ensure that handing follows the first part of Clause 111 of the Income

Tax Act. If regulations are out of date, formulate and put forward revisions.

#### **iv. Execution benefits and handling situation**

##### **(1) Corruption cases discovered and sent for investigation:**

A. An employee of the collecting agent, ○ Farmers' Association of ○ County collected money but did not pass it to the treasury. The case was a breach of the crime of misappropriation of government property under Clause 4 of the Anti-Corruption Act and was reported to the Ethics Office of the Ministry of Finance on July 22<sup>nd</sup> and then passed to the AAC for investigation.

B. The withholding agent for a private company was referred to ○ District Court prosecutors' office on June 9<sup>th</sup> on suspicion of breaching Clause 42 of the Tax Collection Act by misappropriating withheld tax.

##### **(2) Prevention of tax evasion, adding to the Treasury's coffers:**

49 breaches of the Income Tax Act were found, resulting in the payment of NT\$637,119 (original tax payable plus fine and overdue payment) to the treasury; also, pursuit of collected taxes by agents and late interest brought in a total of NT\$242,363, the whole case injecting 879,482 into the state's coffers, an outstanding performance.

##### **(3) Resource sharing:**

Coordination between the ○ Area National Tax Administration and the ethics unit of the Financial Data Center encouraged the Center encouraged to rapidly revise its Checking program and expand the scope of file conversion to five national tax administration areas because the cases and results of efforts of this national tax administration area extend to the areas of jurisdiction of the other four national tax administration area, to share resources and achieve the ultimate objective of stopping tax evasion and illegal behavior.

#### **v. Follow up**

(1) On October 5<sup>th</sup>, 2011, the reform and malpractice prevention suggestions of this special case inspection report were passed to



related operational units for their reference and implementation results will be monitored.

- (2) It is estimated that a special case report will be presented to the Integrity Report Meeting in the first half of 2012.

**(3) Ethics office of ○ city government environment protection bureau carries out “environmental protection vehicle maintenance operations: special case auditing**

**i. Execution overview**

○ city government Environmental Protection Bureau has over 2000 environmental protection vehicle, originally managed and used by the cleaning teams of the various township offices. After city and county were merged and became a single city on December 25<sup>th</sup> 2010, the cleaning teams came under the management of the Bureau. However, the shortcomings of the management system have led to a series of negative news stories and it is estimated that the repair and maintenance bill in 2011 will reach over NT\$200 million. To acquire an understanding of the repair misconduct situation, the Bureau's Ethics Office established a special case team that operated March-June, 2011, with teacher ○ of ○ Vocational High School's Vehicle Department, who holds a Class A vehicle repair license, leading team members to the cleaning teams of various district to carry out 58 written and on-the-spot inspections. Shortcomings in vehicle repair operations were identified and suggestions for improvement passed to the bureau director, Mr. Chen; the results of implementation of improvements measures are being monitored. An anti-corruption seminar was also held to which vehicle repair service providers and cleaning teams were invited, 58 inspections were carried out and a survey commissioned. This operation inspection was given importance by the bureau director who said: The “Points for attention regarding Cleaning vehicle repair and maintenance” and repair standard operating procedure formulated by the Ethics Office has helped speed up the work process, saves money and spurs service providers to raise the quality of maintenance.

**ii. Common shortcomings found by auditing**

- (1) The vehicle history registration cards did not clearly state unit price and quantity only recording the total cost of repair, leaving part unit price and number of repairs unclear.
- (2) Parts with warranty were not examined and controlled, with the result that when repeated repairs were needed service providers did not need to bear warranty responsibility.
- (3) Some vehicle history registration cards did not state reason for repair and mileage indicate the part that was replaced, with the result that was easy to mistakenly think that the same repairs have been carried out repeatedly (tires, cylinder, air conditioner etc..)
- (4) The vehicle history registration cards of some cleaning teams were hand-written. It has been suggested that electronic files be kept for easier of management.
- (5) Some cleaning teams stored waste items at the premises of the repair service provider instead of carrying them back to the depot so it was difficult to prove that parts have actually be replaced, and some waste items have scrap value and it has been suggested that these items are sold and the proceeds paid into state coffers.
- (6) Some cleaning teams did not record mileage when vehicle are repaired or maintained to serve as the basis for the next service and also did not record the reason vehicles are sent for repair.
- (7) Some cleaning teams used sealed garbage truck hydraulic systems to crush large furniture items causing cylinders to burst, increasing repair costs.
- (8) Some cleaning teams did not purchased grease injectors or battery chargers, making maintenance costs relatively high.
- (9) Reasons for repairs weren't clearly stated, with often just "broke down during operation", "Suffered damage and "broke down during operation" or "corrosion" of operation" rather than the actual reason the vehicle was sent for repairs so a situation in which stated reason for repair and actual repair don't match existed, such as the reason for repair was "broke down during operation" but air-conditioner repairs

were actually carried out.

- ( 10 ) Air conditioners were often repaired and parts replaced too frequently. All repair service providers carried out air leak tests that easily damage air conditioning systems.
- ( 11 ) Vehicle repairs were labor procurements but some teams handled it as property procurement.
- ( 12 ) Some cleaning teams used recycled tires or poor quality Made in China tires and accidents can thus be easily caused. It has been suggested that contracts should stipulate that, when tires are replaced, the new tires should be less than one year old and must be original manufacturer made or Michelin, Bridgestone, Goodyear, Yokohama and inferior China made tires must not be used to reduce safety risk when the vehicles are moving.
- ( 13 ) Some cleaning teams did not have specially appointed staff to check quotes for repairs from repair service providers, allowing the providers to decide the repair items.
- ( 14 ) Reserve or idle trucks were not managed or regularly started by an appointed member of staff with the result that batteries and other parts suffered damage and a large sum of money had to be spent on repairs when these vehicles are used.
- ( 15 ) Motor oil wasn't added in accordance with vehicle capacity and a different amount was added each time, with the different very large; there was excessive maintenance in every district, for example in the form of changing the diesel core every time no matter what the size of the repair is.
- ( 16 ) The price of the reversing monitor in the 2011 was as much as 50% different in the respective districts and specifications also differed, such as having a lens but no main machine or vice versa. It has been suggested that specifications are unified in 2012 to make use and management easier.
- ( 17 ) Some cleaning teams have modified their kitchen waste bin stand but haven't taken safety into consideration, creating risk of injury to team members during work or traffic accident.

### iii. Suggestions

#### (1) Repair management practice reform suggestions

- A、Each district's cleaning team should make good use of existing resources for simple repairs and maintenance.
- B、Each area should appoint an employee to check service provider quote details.
- C、The payment term and price of the repair service provider to each area's cleaning team should be standardized.
- D、Managers of each cleaning team area's should strengthen horizontal communication and learning from each other.
- E、Old or idle vehicles should be decommissioned. If they can be used they should be allocated to areas that need them by the environmental hygiene management section.
- F、The environmental hygiene management section should be invited to establish an incentive system that rewards drivers, repair personnel and vehicle managers for excellent work performance.
- G、The electronic storage of vehicle repair information should be strengthened by each area's cleaning team.

#### (2) Procurement operations reform suggestions

- A、Discuss the formulation of a new item price negotiating process.
- B、Hold a 2012 Environmental protection vehicle repair procurement discussion meeting.
- C、Take into account special requirements when new vehicles are purchased.
- D、Repair procurement in each district uses a unified contract.

#### (3) Ethics operations s reform suggestions.

- A、Imitatively carry out caring service investigation, visiting service providers on an irregular basis and talking with vehicle managers, drivers, repair operation undertakers and related personnel.
- B、Continue to carry out vehicle repair case investigation.
- C、Ask the environmental hygiene management section to invite service providers to attend a district seminar.
- D、Vehicle management personnel who perform poorly or about whom

there are ethics concerns should be replaced.

E、Strengthen promotion of channels for reporting illegality to increase the public's willingness to inform on wrongdoing.

F、Strictly investigate illegality, actively prevent rumors developing and deny rumors.

#### **iv. Execution benefit and handling situation**

##### **(1) Unearthing and investigating illegality**

Investigation found abnormality with regards to ○○ cleaning team cleaning truck tire repair and the case was passed to the ○ City branch of the Bureau of Investigation MOJ.

##### **(2) Saving public money**

Prior to the investigation, from January 2009 to February 2011 (26 months) the average monthly repair bill was NT\$11.14 million; after the investigation, from June to October 2011 the average monthly repair bill was NT\$10.07 million, a saving of NT\$1.34 million per month.

##### **(3) Set repair work process**

During the period of the special case investigation, the Ethics Office of ○ City Environmental Protection Bureau found that there were differences in the repair work processes of the cleaning team's cleaning vehicles in each district with the result that, because it was not clear how to request repair or how suppliers should request for payment, vehicle repair had either stopped altogether or been delayed, obviously having a major impact on operations. Affirming the results of the inspection the bureau director set the "Points for attention concerning the repair and maintenance of cleaning trucks and repair standard operating procedure," and operational units followed suit by setting the "New item price negotiation work process" and "Payment request and acceptance work process" to establish various cleaning truck repair systems.

##### **(4) Confirming that tires are of the same grade as the old ones when tires replaced**

Investigation found that some service providers used tires that were Made in China when cleaning truck tires were replaced, affecting vehicle safety when in motion and, consequently, service providers were asked to



follow the contract's stipulations when supplying tires, however, providers stated that it was unclear as to what "same grade" actually meant.

In October 2011 the "Cleaning vehicle and equipment tire same grade product examination meeting" was held; and Teacher ○ of ○ Vocational High School and Teacher ○ of ○ University of Science & Technology were invited to attend to respond to the unreasonable demands of service providers and also confirmed that "same grade" tires "should meet the CNS standards of the Bureau of Standards, Metrology and Inspection, MOEA and should have a Certificate of the Registration of Product Certification issued by the Bureau of Standards, Metrology and Inspection to effectively protect vehicle safety when in motion.

#### **v. Follow up**

With respect to repair shortcomings, each cleaning team and operational unit was asked to carry out improvements and compile the results. On December 6<sup>th</sup>, 2011, the Ethics Office of ○ City Environmental Protection bureau presented the "Anti-corruption research results and review" special case report to the Integrity Report Meeting and monitoring of implementation is continuing. In 2012, vehicle repair case inspection continues to be carried out, with special case investigation of cleaning teams that have a relatively high repair bill carried out, identifying the reason, putting forward suggestions; monitoring vehicle repair will continue with the aim of achieving overall improvement in repair quality and saving public money.

### **(4) The ethics department of ○ city government and its subsidiary ethics units carries out the "2010 district (township) office procurement case" special case investigation special case auditing**

#### **i. Execution overview**

In response to the merger of ○ on December 25<sup>th</sup> and the creation of a municipality under the central government, to acquire an understanding of procurement processes of district (township) offices and the extent to which laws and regulations are being followed and to unify district office procurement work (including the approval process, bid opening and

contract awarding process, acceptance and contract fulfillment management) the City Department of Ethics formulated a special case investigation plan and requested the ethics offices of the various district offices to carry out special case investigation of 2010 procurement cases; and 146 cases were investigated. This investigation found five types (26 items) of procurement misconduct and two cases of suspected procurement illegality; concrete misconduct prevention and reform measures were passed to the agency's anti-corruption report meeting and implementation results will be monitored.

## **ii. Major deficiencies discovered and type of malpractice**

- (1) In commissioned planning, design, supervision or project management technical service cases, direct change of team examination work, failure to implement grade 3 quality management and the construction-completion process or follow related regulations were found, and some supervisory reports were also produced carelessly, showing that the agency had not fulfilled its examination and supervision responsibilities.
- (2) Procurement preparation stage: Several shortcomings in the approval process were found, such as not having approval date, posting a tender notice online without agency approval, "changing or adding to the tender documents before the end of the bidding period", "directly adopting a restricted bid method", "copying the specification data of specific suppliers", "Inviting bids without good reason and before a building permit was obtained"; and the contract execution management of externally-commissioned labor procurement cases has room for improvement.
- (3) Procurement case bid opening, examination and contract award stage: "When the evaluation committee was evaluating bids the evaluation regulations in the bid documents were changed arbitrarily" and "Price negotiation cases did not refer to supplier quotes", "The bidding suppliers in procurement cases over the threshold for public announcement were not informed in writing of the winning bid as stipulated in the regulations" and other situations were found, and also several flaws in the work processes, such as a failure to examine bids item by item as stipulated in the bid documents and failure to notice bid rigging, were found.
- (4) Contract execution management stage: Some of the agency's undertakers turned a blind eye to contract transfer and "Failure to

notify suppliers to provide original qualification documents (only copies provided) for inspection within a set period”, “Failure to investigate and clarify responsibility according to the regulations” and “failure to carry out contract change work according to the regulations” situations also existed.

- (5) Acceptance and payment request stage: It was found that some agencies found that the as-built drawings did not comply with the contract at the acceptance stage and the drawings were changed without reviewing the supplier’s responsibility, there was altering of as-built drawings, and there were also “The supplier did not carry out the matters it should have after completion of construction”, “the acceptance process did not comply with the requirements in the contract”, “Supervision and quality control were not carried out”, and “false completion confirmation”, and other situations .

### iii. Suggestions

- (1) Before setting a budget or price the “Public construction price databank” should be referred to; when a restricted bidding method is used “types of implementation errors in Paragraph Clause 22 of the Government Procurement Act should be referred to first for self-review; major changes to the bidding documents should be in accordance with tendering time limit standards.
- (2) At the examination stage, “Operating Outline for the Additional Supply of Bidding Information for Public Construction Tendering Documents” cases should be followed: In the case of follow up that procurement that suppliers are commissioned to manage on a special case basis, the existence of restrictions on suppliers such as being barred from bidding, being awarded a contract or acting as a sub-contractor or associate bidder should be checked.
- (3) Agencies should establish construction project supervision mechanisms, implement contract execution management and strictly guard against contract transfer or sub-contacting in breach of regulations, and also pay attention to the necessity, legality and suitability of contract revisions, implement this self-inspection inspection points of each area of construction work, supervision inspection stop points ( hold point) and safety and hygiene checking points.
- (4) Actively compile contract execution documents and carry out settlement work to avoid delaying acceptance work: When as-built drawings do not comply with contract requirements the responsibility of the constructor and supervising unit should be reviewed.

#### **iv. Execution benefit and handling situation**

This investigation case found two cases of suspected illegality related to procurement in breach of Clause 34 of the Government Procurement Act and 38 of the Government Procurement Act Enforcement Rules and Clause 88 of the Act, respectively and involved bid rigging. In June 2011 one case was passed to ○ prosecutors' office in June, 2011; another case was clarified and no further action taken.

#### **v. Follow up**

The problems associated with the investigation subjects were analyzed and the district offices of ○ City passed the inspection results and concrete suggestions for improvement to the Mr. Chen, head of the agency, and implementation results will be monitored by the Anti-corruption Report Meeting; ○ City Ethics Office also reported the main deficiencies found during this investigation and improvement suggestion to the Bureau of Civil Affairs and the various district offices for reference to maximize the benefits of investigation.

### **( 5 ) Ethics department of the Directorate-general of Highways, MOTC carries out “Road foundation and surface laying” special case auditing**

#### **i. Execution overview**

To ensure that the work of the construction units under the Directorate-general of Highways is of good quality, build a complete procurement process and prevent corruption, the ethics units of the Directorate-general of Highways teamed up with operational units to form a special investigation team, with the ethics unit playing a secretariat role, carrying out a planned and stage-by-stage inspection of the road marking, bituminous concrete and concrete structure, crushed rock gradation of construction projects of the Directorate-general of Highways' various construction units, putting forward concrete and effective measure for improvement or prevent corruption. The special case was carried out in stages over four years, inspecting 86 construction of the

Directorate-general of Highways' maintenance offices and new construction offices. As well as actively playing the role an ethics unit should have of promoting improvement and preventing misconduct, related data and implementation results were also collected and a results review album compiled, with contents including simple construction materials and engineering method differentiation method for the reference of related construction agencies and academic institutions, ensuring that the objectives of "guiding management direction", "strengthening execution concepts" and "promoting quality improvements" were reached.

## **ii. Major deficiencies discovered and type of malpractice**

### **(1) The special inspection found 121 deficiencies of seven types:**

- A Standards ambiguity: The various materials, work inspection frequency and work requirements of current "construction guide" (technical specification) did not take the construction amount (such as large procurement, inspection amount, announcement amount or the difference in the nature of construction projects (new construction, widening construction, emergency repair construction) into account; the reasonableness and practical feasibility of applying one regulation to all conduction projects big and small should be discussed.
- B、Planning design: Recycled bituminous concrete construction did not state in the bidding document that "Work guidelines for the reuse of recycled bituminous concrete" had to be followed.
- C、Budget: Digging (stripping) material surplus value was not listed as a depreciation item in the budget.
- D、Construction supervision: Related technical regulations and work guidelines were complex and stored in different places, leading to omissions were construction periods were relatively short and making correction difficult.
- E、Quality control: The reliability of some externally commissioned test reports was questionable. Construction units should check test reports to make sure they are complete and the data is reasonable.
- F Cost estimate: The price calculation method of different construction



offices for the same construction item was different.

- I、Other: One person supervising one project (or even multiple projects as well as doing other work) can, at peak times for construction, easily result in a heavy workload, excessive overtime and inability to take time off.
- (2) On-site sampling report: 177 tests of markings, bituminous concrete and crushed-rock gradation were carried out and 36 substandard cases were found.

### iii. Suggestions

- (1) Standards: The DG of Highways' operational divisions and various construction offices carry out a "construction guide inspection items, time, frequency" survey and together discuss general requirements regarding foundation piles and bituminous concrete, bituminous concrete materials, and construction work inspection, crushed rock gradation, structural-use concrete and non-contract concrete or mortar in the manual.
- (2) System: "The Work guidelines for the reuse of recycled bituminous concrete" should be revised and the clause 5, article 27 of the main text of the contract agreement revised, and use these work guidelines in the contract.
- (3) Management: Develop a "Construction project objective management system and attach it to the information zone on the DG of Highways' website as a channel for the agency's units and contractors; also, to raise construction quality inspection work level, the various construction offices were requested to post an electronic sample categorized supervision plan on the agency's website for the reference of supervising units. It is suggested that when carrying out construction material and construction work testing the use of the same external certification unit should be avoided and, when necessary, construction offices can carry out an appraisal of external certification units.
- (4) Education and training: Two "Concrete construction work and quality management training" courses were held attended by 100 people,

two “Road foundation construction management, maintenance and supervision practical training” courses (two days plus work site observation) were held attended by 100 people, addressing process, physical and contract execution aspects.

**iv. Execution benefit and handling situation**

- (1) Execution benefits: Assisted with the recovery of NT\$1 million in bituminous concrete digging (stripping) removed material surplus value.
- (2) Deficiency handling situation: Inspection was carried out according to the principle of “Advanced prevention” to proactively find problems and “rectify in a timely way”; providing supervisory personnel and construction management personnel with the directions for “effective control.” Through a review meeting, a consensus regarding execution and management was reached, related standards discussed and related training and education carried out to continue to raise the level of road construction quality. With regards to parts shown to be substandard by on-site sampling, a price reduction method or replacement were adopted.

**v. Follow up**

- (1) Special case inspection deficiencies were reported to the agency leader and, after approval, the inspected construction office was invited to carry out a review and report the result to the DG of Highways’ operational divisions; the improvement situation was monitored by the operational management unit. When the improvement of deficiencies was approved the construction office and ethics office were informed.
- (2) After each stage of special case inspection was completed a meeting was held to review results and, if necessary, the items to be inspected at the next stage, inspection method and scope are set.

(6) ○ **county government ethics department and subsidiary ethics units carry out the “2011 funeral services use management and charge situation” special case auditing**

### **i. Execution overview**

In recent years there have been successions of reports of corrupt practices by funeral services providers and cemetery caretakers that have damaged the government's image. Some of the county government's ethics units also have related intelligence and after it was reported to the county Ethics Office, investigation revealed suspected cases of corruption or administrative misconduct.

From the second half of 2010 to April 2011, the Ethics Office carried out the "2011 funeral service use management and charging situation" special case investigation.

This inspection case found six types of malpractice, one case of illegality and three of administrative misconduct; suggestions for prevention and reform with regard to malpractice and shortcomings were put forward and implementation results monitored and reported to the anti-corruption report meeting.

### **ii. Major deficiencies discovered and type of malpractice**

#### **(1) Loose payment process with poor management :**

The only payment approval stamp was the undertaker's and there was no stamp of approval from the supervisor and the stamps of the finance department, and budget accounting department were even lacking; use fee was handled by the undertaker before being paid to the treasury, easily giving rise to malpractice.

#### **(2) Application material for inspection incomplete**

Applications did not have an attached cancellation of household registration certificate so it could not be confirmed that the deceased was actually a township resident so fee standards could not be set; there were also different fees for people who were township residents and those that had not been, creating opportunities for profit seeking; also, undertakers used the wrong names of the deceased (the registration book and application book names were different) so the user's actual use situation could not be checked.

**(3) Omission of related reports and failure to receive approval of supervisor :**

When family members applied for removal a file was not created and approval of supervisors not gained, leading to concerns that caretakers had engaged in corrupt practice by selling the space in the burial pagoda for personal gain.

(4) Work inspection plan not set and a rotation system not implemented:

Cemeteries are mainly a distance away from the township office. Work inspection plans that would be the basis on which regular or irregular work inspections are carried out were not made. Caretakers also stay in their jobs for a long period, giving rise to concerns that they will engage in corrupt practices for personal gain.

**iii. Suggestions**

- (1) The payment form should be stamped by the finance department, and budget accounting department ; Revenue paid directly to a bank should be examined according to Clause 174 of the “Unified regulations for general civil service unit accounting systems”.
- (2) Revise the payment form and applications form contents, add charge standard items and amount payable or exempt, free of charge etc., to facilitate checking of whether charges or exemptions are in accordance with the funeral service self-government rules of each township; and, in accordance, with the principle of stratification of responsibility, approval of the manager must be obtained to meet legal procedural requirements.
- (3) Introduce a computerized work system to increase work efficiency and carry out checking regularly or irregularly.

**iv. Execution benefits and handling situation**

- (1) Unearthing of illegality and sending case for investigation
  - cemetery’s caretaker was suspected of taking a bribe, allowing the deceased to enter the burial pagoda free of charge, and of misappropriating public funds; the case was passed to O District Prosecutors’ Office in August 2011 for investigation.
- (2) Saving public funds

Investigation showed that some the undertakers of township offices had not charged members of the public the stipulated amount of

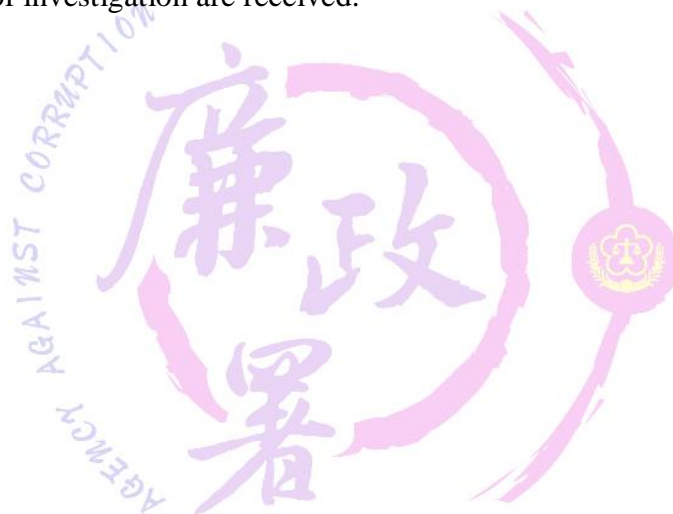
management fees when they applied for funeral service found and around NT\$800,000 of public money was repaid.

(3) Administrative responsibility

Four people were warned for administrative misconduct.

**v. Follow up**

○ County Government compiled the results of investigation by the various township offices and wrote an inspection report; after suggestions for improvement were reported to the agency head, the district offices were invited to follow these suggestions; they were reported to the anti-corruption report meeting on November 29<sup>th</sup>, 2011 and implementation results will continue to be monitored to ensure that the benefits of investigation are received.





### C. Corruption prevention directives

With respect to agencies in which corruption occurs, the AAC requires that ethics units carry out an in depth investigation of the reasons, analysis the types of misconduct and puts forward concrete improvements measures and, at the same time, formulates prevention directives, that are posted online, for the most common types of corruption case to serve as teaching material. The directives include legislative regulations, case summary, case analysis and tips, so that members of the public and civil servants acquire an understanding of how corruption cases happen, incident details and applicable laws to have a deterrent effect and achieve a general prevention objection.

The AAC formulated three anti-corruption directives that were posted on its website in 2011; they were Directive No.1 “Accepting Bribes, but without Betraying One's Official Responsibilities” (Fig.2-1-1), Directive No. 2 “Prevention of corruption in the investigation of gambling video games and No. 3 “Prevention of corruption in medical procurement” respectively and went on to produce English and summary versions and also prevention directives for various types of corruption.





## 防貪指引第1號 – 「不違背職務行賄罪」

### 立法規定

立法院於100年6月7日三讀通過增訂貪污治罪條例（下稱本條例）第11條第2項「不違背職務行賄罪」，並於6月29日公布施行、7月1日正式生效。條文明訂「對於公務員關於不違背職務之行為，行求、期約或交付賄賂或其他不正利益者，處三年以下有期徒刑、拘役或科或併科新臺幣五十萬元以下罰金」。新法之規定，將可杜絕過去「收錢有罪，送錢沒事」之不良社會現象。

### 案情摘要

○○市政府職司殯葬管理業務之人員林○○等人，係依法服務於政府機關且有法定職務權限之公務員，於○○年至○○年間，藉辦理火化遺體業務之機會，利用喪家急於火化亡者大體、骨灰安放納骨塔，或希望火化場人員得以妥善處理亡者遺骸之心理，向殯葬業者或喪家收取「紅包」，金額累計達新臺幣3千萬餘元，案經檢察官偵辦後，依貪污罪嫌起訴。

### 案例分析

- 一、本案公務員林○○等人對於職務上遺體火化之行為，向殯葬業者或喪家收取「紅包」，依法應受法律制裁無疑。
- 二、另殯葬業者或喪家雖非公務員，若為使火葬場公務員就喪葬事宜加以「關照」而送「紅包」，依其行為時點，可分為下列二種情況，論究其責：

1、行為時間點在100年7月1日之前者，因本條例第11條第2項「不違背職務行賄罪」尚未正式生效，基於法律不溯及既往之精神，自不會成立不違背職務行賄罪。

2、行為時間點在100年7月1日之後者，因本條例第11條第2項「不違背職務行賄罪」已正式施行生效，如符合下列要件，即有觸法之虞：

（1）對於公務員不違背職務之行為，行求、期約或交付財物或其他不正利益；以本例而言，如殯葬業者或喪家為使喪葬事宜能順利進行，希望火葬場公務員能在職務範圍內加以「關照」，而表示要給「紅包」，或雙方有合意或已實際交付「紅包」，在客觀行為上即已該當「不違背職務行賄罪」之構成要件。

（2）行為人在主觀上有行賄的故意；假若火葬場公務員濫用職權，而強行索賄，殯葬業者或喪家因害怕其權勢而同意或交付「紅包」的話，則因其乏行賄的故意，故不會構成犯罪。因此，民眾只要守法，則毋須擔心觸犯相關法令。

三、此外，民眾如不慎違反「不違背職務行賄罪」之規定，只要勇於自首或在偵審中自白，均有免除或減輕其刑之自新機會。

### 本署叮嚀事項

公務部門致力處理各項公務、提升行政效率、簡化與透明行政程序，係屬對人民之承諾。因此，本署呼籲民眾於洽辦公務時，依相關行政作業程序申請即可，「不必送」也「不能送」紅包或其他不正利益給公務員，以免反而觸法網，得不償失。

Fig 2-1-1 Anti-corruption directive 1 “Accepting Bribes, but without Betraying One's Official Responsibilities”

#### **D. Compiling of anti-corruption practical handbooks**

To give guidance to agency personnel and specialized groups so that they operate according to the law, the AAC commissioned related responsible agencies to produce four anti-corruption practical handbooks in 2011: Campus honesty management, medical professional honesty, engineering ethics and agency head (private secretary) conflict of interest.

The campus honesty handbook contained real cases of deviant behavior by educational personnel in recent years covering anti-corruption ethics, conflict of interest, procurement tender and financial management, and provided behavioral guidance and preventive measure suggestions to allow educational personnel to make the right decisions with regards to corruption.

The medical professional honesty handbook featured real cases of deviant behavior by medical professionals in Taiwan in recent years and presented a number of questions to ponder, providing medical professionals with a set of practical guides to encourage them to uphold professional ethics and maintain the dignity and image of the medical profession.

The agency head (private secretary) handbook used a FAQ method to display civil servant professional ethics code, civil servant asset reporting, conflict of interest recusal, lobbying, administrative neutrality, protecting of official secrets and agency security response, collecting together points for attention and providing analysis of related cases.

The “Road construction anti-corruption practical handbook” introduced the clauses in the Anti-Corruption Act and the Criminal Law construction ethics code, analyzing the often-seen types of corruption and actual cases of corruption, explaining the common methods used to commit crimes, criminal liability and ethical responsibility, providing legality, group consensus, professional value and sunshine inspection methods; and, with respect to procurement personnel, contractor quality control personnel and supervisory personnel, designing three self-inspection tables, with the aim of through self-inspection, guiding related construction personnel so that the law is implemented and professional ethics and the professional discipline code respected.

## E. Compiling anti-corruption heartwarming warm stories

The results of clean government construction work should be visible in daily life and the people able to feel that efforts are being made in this respect by the government, consequently the AAC formulated lively and humorous heart-warming stories that the public can relate to and these were posted on its website to declare to the public that the AAC “serves the people” “and cares at a local level.”

Four such warm anti-corruption stories were formulated in 2011: “The landlady’s lion roar power”, the story of a civil servant who protects a gambling video game parlor,” “Harry Potter’s disappearing examination committee member,” about a member of a building permit examination committee who solicits bribes, “Granddad old tree’s happy smile” about illegally employing workers, and “Those years in which we waited for a bus that didn’t come together,” about a bus driver who fraudulently claims overtime pay. Each story was vivid and easy to relate to. The Granddad old tree’s happy smile” and “Those years in which we waited for a bus that didn’t come together” were also in comic strip form to increase the impact of the story by using pictures and achieve a better public education effect.

### 2.





## 2. Implementing the sunshine laws, strengthening transparency and accountability

To make declaration of property easier for public servants, the former Ethics Department of the MOJ completed an online declaration system to raise declaration effectiveness and gradually achieve the objectives of not using paper, strengthening the actual examination mechanism and increasing the number of cases examined.

In addition, the AAC collects related legal system information and literature, analyzes cases, assesses benefits and possible problems that may arise and is reviewing whether to revise the Act on Property-Declaration by Public Servant and Act on Recusal of Public Servants Due to Conflicts of Interest. The implementation of “Accepting Bribes, but without Betraying One's Official Responsibilities” in combination with encouraging offenders to hand themselves in and confess and strengthening of promotion of the “Ethical code for Civil Servants,” is aimed at building a complete anti-corruption legal system and keeping up with international anti-corruption trends.

### A. Implement a public functionary asset reporting legal system

#### (1) Actual auditing of reported assets

In 2010 ethics units received 53,724 declarations of assets from civil servants. On January 21<sup>st</sup> the former Ethics Department of the MOJ informed ethics units that actual examination should be carried out of 14% randomly selected declarations and that 2% of this percentage should be subject to a comparison examination of previous and following annual asset declarations. 7884 examinations of openly and randomly selected declarations were carried out and 1418 subject to previous and following year asset declaration comparisons.

Number of people declaring assets	Number of declarations openly and randomly selected for examination	Percentage randomly selected	Number of declarations subject to previous and following year comparison	Percentage previous and following year comparison
53724	7884	14.68%	1418	18%

In 2011 the MOJ examined 366 cases of overdue or false asset declarations by civil servants and penalties that totaled NT\$10.1 million were imposed in 152 cases.



Number of cases subject to a fine			Total fines (NT\$10,000)		
total	Overdue declaration	Deliberate false declaration	total	Overdue declaration	Deliberate false declaration
152	7	145	1199.6	151.9	1047.7

## (2) Promoting a national public functionary asset reporting online reporting system

To provide people obliged to report assets with a choice of reporting channel and reduce waste in terms of time and manpower of financial reporting checking work and to eliminate paper use where possible to help save energy and reduce carbon emissions, in 2009 the “National public functionary asset reporting online system” was established by the former MOJ Department of Ethics. After promotion, the results are already obvious; taking 2010 as an example, apart from the ethics offices of Taipei City and New Taipei City which self-developed an asset reporting online system and asked that all reporting used the system, 13,696 people reported their assets using this system, giving an on-line rate of 33.68%; also, 8867 reported their assets on paper but used this system to upload for confirmation, giving an on-line rate of 21.81%; the two rates combined total 55.49%.

Reporting method (persons)		Reporting method ( % )	
Online reporting	Back office paper upload	Online reporting	Back office paper upload
13696	8867	33.68%	21.81%
22563		55.49%	

To bring out the maximum benefits of this system and raise the online rate of people obliged to report their assets, on August 16<sup>th</sup>, 2011 the AAC set the “Public functionary online asset reporting on-line rate increase promotion and incentive plan”; The implementation strategy is: 1. Strengthen education and training relating to the plan and promotion of the plan, to reduce the concerns of users and increase their willingness to report on-line; 2. Set annual on-line rate targets and increase incentives for implementing personnel to achieve the targets. Three training meetings were held on September 5<sup>th</sup> and 9<sup>th</sup> respectively, during which 100 ethics office personnel served as seed trainers, helping train participants and giving advice. The aim is through training, education and promotion, to

achieve a 100% online target rate.

### (3) Formulate a public functionary asset reporting law

With the revision of Article 15 of the Organic Act For Office Of The President “Presidential advisers and national policy advisers will be appointed by the president and the positions will not be salaried” presidential adviser and national policy adviser positions are now positions without salaries and the people in these positions are no longer required to report their assets. Also, the Judges Law was promulgated on July 6<sup>th</sup>, 2011 and will be implemented one year after being promulgated. Article 71 of the law clearly states: “The position of judge will not have grades and all pay, Position Additional Pay and Regional Additional Pay will be paid monthly”; Article 89 states “The regulations relating to judges in chapter 5 and nine of Article 71 apply to prosecutors where appropriate; regulations therein that relate to the Judicial Yuan, the Judicial Personnel Study Institute and judicial organs shall apply to the Ministry of Justice, the Training Institute for Judges and Prosecutors and prosecutorial organs where appropriate” rendering the requirement that judges and prosecutors above the 12th grade level report their assets to the Inspection Yuan void. Thus, the AAC formulated the draft amendment to Article 2 and 4 of the Public Functionaries Asset Disclosure Law in September 2011.

## **B. Promote civil servant anti-corruption ethical standards**

In 2011 ethics units held a total of 4058 public servant ethical standards promotion meeting, attended by 451,877 people; ethics units received 26,461 reports of receipt of gifts, 9896 reports of acceptance of hospitality, 14,783 reports of entreaty to lobby and a total of 39,055 other ethical incident reports, showing that the rules are understood and accepted by public servants and that promotion work has been effective. To strengthen the public's acceptance of and support for public servant clean government ethical standards and make the public attach more importance to the subject of clean government, the AAC commissioned the making of four short films on the topic of public servant clean government ethics (with the themes lobbying, social gathering, inappropriate place and gift giving respectively, with Mandarin, Taiwanese and Hakka dubbing). In addition to posting online for the viewing and use of various circles, they have also been broadcast by the media, raising the level of understanding of the clean government ethical standards.

## **C. Formulate a public functionary conflict of interest recusal law**

Since coming into effect in July 2000, the Act on Recusal of Public Servants Due to Conflicts of Interest has been criticized for applying too widely, not clearly defining related party, inappropriately limiting the work right of related parties of public servants, having penalties that are too strict, for being disproportionate and for the reading of related information lacking legal authorization. A draft amendment of the Act was formulated by the MOJ, passed to the Executive Yuan and was then passed to the Legislative Yuan for deliberation on May 27<sup>th</sup>, 2009, however there is objection in various quarters regarding the direction of the Act's revisions and the content and the MOJ agreed to withdraw the draft and carry out further discussions. On September 8<sup>th</sup>, 2011 the AAC notified the MOJ that it agreed to establish a law revision case team that will invite scholars and experts and representatives from the Investigation Yuan and the Judicial Yuan to participate in the formulation of the draft amendment, the aim being to reach a consensus and complete the revision of the Act.

### **3. Strengthen organization strength, realize a reporting function**

In the interests of promoting clean, honest, and transparent governance, on June 26<sup>th</sup>, 2008 the Executive Yuan enacted the Central Clean Governance Guidelines. On August 1<sup>st</sup> of the same year, the Central Clean Government Committee was established, with the Executive Yuan President as Convener, and the Vice-President as Deputy Convener. Secretarial affairs were assigned to the Ministry of Justice, and the Minister of Justice appointed Executive Director, in a demonstration of the government's determination in eradicating malpractice and corruption.

The Ministry of Justice drew up a plan of action to spur the development of "clean government proceedings", and on February 3<sup>rd</sup>, 2009 requested local governmental authorities to establish clean government proceedings before the end of March of the same year. On September 21<sup>st</sup>, 2010, the Ministry requested government bodies to host meetings and strengthen activities promoting clean government measures. On May 4<sup>th</sup>, 2011 the Key Elements of Central Organs and Local Government Clean Government Proceedings was enacted to establish common criteria and standards. All government bodies were encouraged to appoint experts, scholars, and members of the impartial public to serve as Clean Government Commission members.

On September 23<sup>rd</sup>, 2011, the Clean Government Commission requested all government bodies submit regular quarterly reports on Clean Government status and progress and establish a clean government website to increase public information and transparency.

#### **A. Central Clean Government Committee**

The Central Clean Government Committee has convened 8 times since its establishment in August 2008. On May 27<sup>th</sup> and October 25<sup>th</sup> 2011, the 7<sup>th</sup> and 8<sup>th</sup> committees convened. The major points of discussion were as follows:

##### **(1) 7th committee meeting**

The Department of Health, Public Construction Commission (PCC), and

Department of Education separately proposed Department of Health-Owned Hospital Medical Procurement Review and Policy, Enhance Quality of Road Works, and Eradicate Corruption Starting with Moral Education reports.

Member Chen Zhang-wen thoroughly researched and expressed certainty in organizing the Ministry of Justice. Chen also recommended sharing experiences of implementing anti-corruption measures with the Mainland.

Member Peng Jin-peng suggested the PCC construct roads in accordance with different SOP levels. He also suggested using computer testing when inspecting, supplemented by the manufacturer classification system.

Member Cai Xiu-juan believes besides emphasizing general moral education, anti-corruption education efforts need to include institutional measures, such as the addition of legal responsibility courses in national middle schools, high schools, and university, bringing a more specific approach to clean government education.

Premier Wu instructed:

1. Establish ROC-PRC anti-corruption cooperative framework. This will indeed be difficult, and consideration of the bilateral cooperative relationship is needed before enacting.
2. Request Department of Health to review and improve its hospital personal systems, strengthen internal and external supervision systems, review business and pharmaceutical outsourcing and procurement of medical supplies, establish optimized supervision management structure, review accountability mechanisms, and lead other public hospitals and industry groups to organize in a similar manner.
3. Request Department of Health to strengthen advocacy of Clean Government Code of Ethics, for medical service professionals to foster clearer public service ethics provisions, and for all medical personnel to uphold their duties in interacting with stakeholders.
4. Request PCC to implement Promote Smooth Roads Project, Ensure Quality of Road Work Projects and Improvement Program and



other measures, and establish inter-department cooperation mechanism. Improve road work quality in both systemic and implementation aspects.

5. Students shouldn't be the sole target group of the moral education campaign, it is important to include both teachers and administrators as well. Request Ministry of Education to strengthen all levels of anti-corruption functions, and implement strong school expenditure audit and internal control at all levels to strengthen general Clean Government and anti-corruption measures.



The Central Clean Government  
Committee meeting at the  
Executive Yuan



Premier Wu Dun-yi was the  
convener; Minister of Justice  
Tseng Yong-fu was a member and  
executive director

## (2) 8<sup>th</sup> committee meeting

Ministry of Finance, Agriculture Committee, Ministry of the Interior, and the Ministry of Justice in succession proposed “General Customs Clearance and Scandal Review Policy”, “Forestry Commission Afforestation Scandal Review Policy”, “Police Officer Specific Suspect Engagement Provisions” to handle case reviews, and the Justice Department Clean Government Commission Future Vision and Priorities reports.

Member Chen Zhang-wen, Member Peng Jin-peng, and Member Cai Xiu-juan expressed certitude that the Clean Government Commission can propose a clear vision and gradually implement within a short time frame.

Member Chen Zhang-wen recommended that in light of citizens requesting public information, to increase the system of checks and balances and to avoid abuse, government agencies that have rejected or partially rejected cases should be sent to the Ministry of Justice or the Clean Government Commission for analysis.

Member Cai Xiu-juan expressed certitude the Clean Government Commission can converge with international standards. It should take initiative to maintain openness of Central Clean Government Committee and publish reports on the internet.

Member Peng Jin-peng recommended that for government bodies viewed as least transparent by the public, a new working vantage point and innovative solutions should be adopted.

Chairman Wu instructed:

1. Request the Ministry of Justice, Clean Government Commission to implement all major tasks raised in the various reports and report implementation results at the next committee meeting, as well as propose systematic and macro policy suggestions. At appropriate

time, review and revise Public Officer Conflict of Interest Law, Public Officer Assets Declaration, Public Officer Clean Government Code of Ethics, and National Program for Clean Government Action, as well as other transparency acts to gradually implement.

2. Members of the Central Clean Government Committee should disclose and publish relevant information online.
3. Request Ministry of Education to implement moral education advocacy, improve internal control mechanisms at all levels. Request all levels of administrators to value internal control.
4. Custom clearance scandal involved officials up to the deputy director. All organization heads pay close attention to employees, those with inside knowledge, and employee assessments.
5. Request Ministry of Finance to conduct a thorough review of systematic negligence, implement relevant innovations, uphold commitment to reform and fearlessly face scandals, diligently find where problems they lie, and boost the morale of Customs employees.
6. Forestry commission outlying islands re-forestation corruption scandal involved former and current Director Secretary, Director, Team leader and level managers. Request Agricultural Committee to implement all types of review improvement work, strengthen internal audit and proper risk management.
7. The Police Administration order Police Officer Specific Suspect Engagement Provisions, has had a positive role in police discipline and morale. Request the Ministry of Interior and the Police Administration continue to implement and comply.



MOJ AAC director Chou Chi-rong presented the “Future vision and key work of the AAC” report to the committee’s 8<sup>th</sup> meeting.

## 2. Central agency, municipality under central government and county (city) government anti-corruption report meeting

The following table provides statistics of 2011 Central agency, municipality under central government and county (city) government anti-corruption report meeting:

	No. of Meetings	Special reports			Passed proposals			Incidental motions		
		Government submissions	Business submissions	External member submissions	Government submissions	Business submissions	External member submissions	Government submissions	Business submissions	External member submissions
Central government agencies	579	299	419	4	885	164	4	66	50	6
administered municipalities and counties/cities	577	497	528	4	1,359	275	9	53	48	15
Total	1,156	796	947	8	2,244	439	13	119	98	21

### (1) Anti-corruption report meetings of various levels of central government agency

All levels of the Central Government convened 579 times in 2011 to discuss Clean Government initiatives, raised 722 proposals, and discussed a total of 1,053 proposals. These include the Department of the Interior proposal Police Commission Clean Government Implementation Draft Plan in order to ensure honest discipline and enhance its clean image. The Department of Economics proposed Strengthen River and Streams Reservoir Dredging Programs Audit and shared audit results for the

reference of different units. The Transportation Department proposed Important Provisions of the Civil Service Code of Ethics in the Clean Government Commission in Planning, Designing and Supervising Technical Services Contracts, encouraging industry to implement an honest ethical code, and form a number of reform measures through Clean Government Commission.

## **(2) Municipality under the central government and county/city anti-corruption report meeting**

Municipality and County governments convened 577 times in 2011 to discuss Clean Government initiatives, raised 1,029 proposals, and discussed a total of 1,643 proposals. These included Tainan Municipal Government proposal of AC Road Project Quality and Road Digging Application Business Audit special report; during audit process, illegal processes and missing funds were discovered and exposed. Taipei Municipal Government proposed Civil Affairs Bureau-owned Funeral, Funeral Management Service and New Culture Forum. Yunlin county government proposed Local Government Funeral Business Projects Audit Reports, in order to research and analyze business risk, propose a number of implementations, and effectively enhance administrative efficiencies.

## **4. Enlisting clean government volunteers, wide utilization of social resources**

To encourage citizens to join in Clean Government service work, the Clean Government Commission ordered Ministry of Justice Clean Government Commission Promote Clean Government Volunteers, and invite relevant government bodies to organize and promote government ethics principals. Clean Government Volunteers will help advocate anti-corruption messages and promote Clean Government policies for maximum societal benefit.

This year, the Council of Agriculture and the following governments have established the Clean Government volunteer team: Taipei Municipality,



Taizhong Municipality, Tainan Municipality, Gaowei Municipality, Taoyan County, Xinzhu County, Zhuanghua County, Nantou County, Yunlin County, Jiayi County, Pingdong County, Taidong County, Hualian County, Jinmen county, Xinzhu Municipality, and Jiayi Municipality.

Among them, in 2011 Taipei Municipality Clean Government Volunteer Team cooperated with the Taipei Municipal Government and related bodies to host 27 Clean Government public awareness activities with 51 volunteers. They also assisted in monitoring quality of public construction works, with 643 volunteers joining.

Municipal government bodies compliant with relevant provisions of the Government Open Information Act offered 215 Clean Government volunteers; this year Taoyuan county government Clean Government volunteer team assisted in organizing 8 Clean Government public awareness activities, and independently arranged an anti-corruption drama performance to further advocate Clean Government principals.

In order to promote Clean Government and encourage citizen participation, this commission will integrate various government bodies and conduct ongoing recruitment of Clean Government volunteer teams.



A performance by Taoyuan County anti-corruption volunteers

Further, this commission will continue to recruit Clean Government

volunteers, managers, operations consulting, and provide assistance and support. In addition, we will facilitate the successful establishment of various Clean Government volunteer teams, provide guidance for operations, and assist government bodies in proper use and arrangements of the Clean Government volunteer teams. This is to become a helpful force in promoting Clean Government and provide maximum benefit to all anti-corruption measures.



Tainan City Government Clean Government volunteer team



Tainan City Government Clean Government volunteer team swearing-in ceremony



The AAC's director participated in Centenary Clean Government in Taoyuan Carnival

## **5. Holding of a series of activities, encouraging public participation**

To establish anti-corruption cooperative partnerships, strengthen public anti-corruption awareness, deepen industry ethics, and effectively decrease corruption related crimes, the Clean Government Commission ranks at the same level as other government ethics agencies, and will integrate public and private sectors to organize a series of activities, and encourage all sectors of society to join our cause.

### **A. Broadened anti-corruption activity series**

To effectively deepen Clean Government awareness in society, this commission has fully considered a full range of options, included various government bodies, educational institutions, non-profits, enterprises, and media to plan and implement a comprehensive series of anti-corruption activities and discussion forums; on August 12<sup>th</sup>, 2011 this commission collaborated with Zhuanghua County Government, on August 13<sup>th</sup> with Taoyuan County Government, on August 15<sup>th</sup> with Tainan Municipal Government, on August 23<sup>rd</sup> with Land Bank, and on September 16<sup>th</sup>

Tainan District Prosecutor's Office. Through diverse and abundant activities, the anti-corruption message can be communicated to the public.

To expand two-way Clean Government exchanges with different contingents of society, on September 14<sup>th</sup> this commission hosted volunteers from the Taoyuan County government, government ethics cartoon poster winners, and winners of the Taipei oral story competition, a total of over 50 people. Through this activity, we successfully marketed the Clean Government Commission as innovative, and awareness of Clean Government took root in the heart of participants.



## (2) Corporate Integrity Summit"

The AAC organized the "Corporate Integrity Summit" as part of a series of events to mark International Anti-Corruption Day on December 9<sup>th</sup>. The summit was held on November 29<sup>th</sup> at the Ministry of Finance Training Institute. Over 200 people were invited, including managers from state-run organizations and private SMEs, investors, and representatives from industry, government and academia. On the agenda were



presentations by leading companies, sharing their best practices; and a round table on integrating corporate governance, clean business, corporate social responsibility and sustainable development, and turning them into tools for improving competitiveness.

Vice-Minister Chen Ming-tang of the Ministry of Justice spoke at the summit, saying that "anti-corruption" applies not just to government organizations. Integrity is a habit which every person and organization should cultivate in the entire social system. The mission of the AAC is to build consciousness of corruption issues among all Taiwanese people. The aim of this Corporate Integrity Summit was to promote an environment of integrity in businesses which inspires individual employees, who in turn carry that concept of integrity into all their public activities. Chang Sheng-ford, deputy minister of finance, suggested that business honesty and clean government are two sides of the same coin: with honest businesses, the country can make real progress towards clean government. Lin Sheng-chung, vice minister of economic affairs, said that the business operation and CSR are important. If a company lacks commitment to CSR, it will have a negative impact on both public sentiment and social progress.

Lin Chang-sheng, CEO of Uni-President, spoke as a representative of a model honest company. He said that since the founding of Uni-President, integrity and hard work had been the yardsticks against which all personnel are measured. He said that in 1988, Uni-President faced a scandal because poison was found in its soymilk drink. They immediately recalled all products, and won back consumers' trust. This is the benefit that honest business practices bring.

Lu Xue-jin, chairman of Chunghwa Telecom, stressed the importance of honest business. Minimizing corruption is a way of maximizing productivity. So a comprehensive governance structure must involve senior management imposing strict controls and high standards on themselves. Avoidance of improper behaviour starts at the top. Only when the senior management set a good example can a company operate sustainably.





The AAC held the “Corporate Integrity Summit” on November 2011 which was well-attended by representatives from industry, government and academia and was a highly beneficial opportunity for face-to-face exchange

Professor Chen Chun-Shan, director of the Institute of Intellectual Property Rights, Taipei University of Technology. For this discussion of corporate integrity, the day's speakers were joined by Derek Chen, compliance officer at Siemens; Chang Li-chen, deputy director-general of the FSC's Securities and Futures Bureau; and Chou Chih-jung, director-general of the AAC.

Derek Chen of Siemens said that the founder of Siemens believed that you must not sell the company's future for the sake of short-term profit. He called on all staff to achieve the company's targets through legal means, and asked their suppliers to join them in fighting corruption.

Chang Li-chen said that the government was actively encouraging companies to develop a business culture based on honesty. The integrity and freedom of information policies are important steps toward ensuring that companies commit more to CSR and honesty in business.



Speakers at the Corporate Integrity Summit held by the AAC on November 29<sup>th</sup> included Chairman of Chunghwa Telecom, Lu Xue-jin, President of Uni-President, Lin Cang-sheng, Professor Chen Chun-Shan, director of the Institute of Intellectual Property Rights, Taipei University of

Technology, Chou Chih-jung, director-general of the AAC, Chang Li-chen, deputy director-general of the FSC's Securities and Futures Bureau, and Zhang Li-zhen, and Derek Chen, compliance officer at Siemens.

Director-General Chou Chih-jung called on company owners to set high standards for themselves, and take concrete steps to check whether they are achieving integrity in their business operation. Corruption also increases operational risk for companies. Increased risk can affect investor sentiment, and can ultimately reduce a country's competitiveness in world markets. That is why the AAC will in future be encouraging fair competition and clean business, as part of Taiwan's efforts to create a positive environment for investment.

There was consensus during the round table that business honesty requires effort and input from all stakeholders: companies should take responsibility, regulators should guide and educate, the courts should penalize companies which break the law, and shareholders should take action against dishonest businesses. It will take the combined effort of all these partners to produce real results and to create a clean, honest environment in Taiwan.

### **(3) Anti-corruption and governance academic forum**

December 9<sup>th</sup> was the United Nations' International Anti-Corruption Day. As part of their anti-corruption efforts, the AAC teamed up with Transparency International Chinese Taipei (TICT) to host an academic forum on anti-corruption and governance at the Sun Yat-sen Memorial Hall. Vice President Vincent Siew was among the special guests invited to speak at the morning event.

Vice President Siew said that the UN's International Anti-Corruption Day on December 9<sup>th</sup> was an important date for the global alliance against corruption. Taiwan is currently unable to sign the United Nations Convention Against Corruption, but the government sees the convention as very important, and makes efforts to follow its rules. Over the last three

and a half years, there has been significant progress on the implementation of the convention: a department specifically to encourage clean government; better legal controls on clean government; ethics rules for civil servants; clean government report meetings; a clean government development blueprint; more public input on clean government. These measures are already starting to have an effect. On December 1<sup>st</sup> this year, Transparency International published its 2011 corruption index, in which Taiwan had risen significantly to 32nd out of 183 countries. This is the highest Taiwan has ever been ranked in the 17 years the index has been published, and it puts us among the top five improvers in the world. What this means is that the government's efforts over the last few years are welcomed by the international community. These efforts will continue and redouble as we pursue our goal of "Clean government, Clean Taiwan."



Vice president Vincent Siew was special guest at the "Anti-corruption and ethics" academic forum on International Anti-corruption Day on December 9.



At the start of the International Anti-corruption Day activity series on December 9, Vice-president Vincent Siew, Minister of Justice Tseng Yong-fu, Minister of Transport Mao Zhi-guo, Minister of Education Wu Qing-ji, Supreme Prosecutors Office Chief Prosecutor, Huang Shi-ming,

National Audit Office Auditor general, Lin Qing-long and Taipei Deputy Mayor, Chen Xiong-wen swore to strive to build a “clean home.”



At the Anti-corruption and Governance Academic Forum held by the AAC on December 9, the speakers, Ye Yi-zhang, director of the Department of Business Management of Shi Hsin University, Li Zong-xun, director of the Institute of Public Policy & Management of National Police University, Professor Lin Zhi-jie of the Institute of Technology Law, National Chiaotung University, Associate Professor Cai Xiu-juan of the Department of Political Science of Soochow University, Chou Chi-rong, director-general of the AAC, Dong Bao-cheng, Deputy Minister of Ministry of Examination, Yu Zhi-li and Huang Rong-hu, Director and Executive Supervisor, respectively, of Transparency International Taiwan and Associate professor Hu Long-teng of the Department of Public Administration and Policy of National Taipei University (left to right) discussed “Government accountability and transparency” and “Civil society and global governance.”

Speaking on the subject of clean government and governance, Chilik Yu, executive director of Transparency International Chinese Taipei, said that Taiwan had improved significantly in the Corruption Index rankings for 2011. This improvement was appreciated by the international community, and it shows that Taiwan's efforts to combat corruption are having an effect. However, political leaders must maintain their commitment in order to

ensure that Taiwan's clean image sticks. Anti-corruption efforts must focus on "prevention rather than cure". Yu praised the idea of the "transparent curtain". For clean government to become a reality, the affairs of government organizations must be public: sunlight is the best disinfectant. If the AAC continues to make good use of private resources to put these principles into practice, it will be able to generate powerful anti-corruption consciousness.

The forum was in two sessions. The first session was on government accountability and transparency, and was chaired by AAC director-general Chou Chih-jung. The three discussants were Tung Pao-cheng, deputy minister of examination; Professor Hu Lung-teng of NTU's Department of Public Administration and Policy; Professor Lin Chih-chieh from NCTU's Institute of Technology Law. They talked on the topics of the state's clean government systems and ways of measuring corruption; freedom of government information; judicial investigations; and accountability in administrative affairs. The second session was on citizen society and global governance. The chair was Huang Jung-huh, director of TICT; the discussants were Li Tzung-shiun, chair of the Department of Administrative Management, Central Police University; Dr. Tsai Hsiu-Chuan, Department of Political Science, Soochow University; and Prof. Kevin Yeh of the Department of Business Administration at Shih Hsin University. They tackled the topics of enforcing the UN Convention Against Corruption in Taiwan, building a civil society and an anti-corruption network, corporate integrity and CSR.

#### **(4) Commending model anti-corruption volunteers**

As a thank you for the hard work of our anti-corruption volunteers, the AAC coordinated with organizations across the country to select six outstanding volunteers, and invited Vice President Vincent Siew to present them with awards at the Anti-Corruption Day academic forum on anti-corruption and governance. The volunteers were: Shih Hu-sheng, head of the volunteer networks in Taipei; Lu Chien-san, head of volunteers in



Changhua County; Lin Yu-fang, deputy head of volunteers in Changhua; Hung Lien-ching, volunteer in Taoyuan County; Wang Chin-i, head of volunteer team 2 in Taipei; Lai Chin-fung, head of volunteers in Taoyuan County.

Part of the AAC's work is encouraging anti-corruption initiatives within government organizations across the country. In the future, it will coordinate all groups working in the area of standards of government to recruit volunteers for anti-corruption work (e.g. clean governance publicity; assisting with policy implementations). Volunteers will provide important support to the AAC's work. The volunteers will be an excellent example of public participation in anti-corruption work. Seventeen government agencies in Taipei and around the country have established volunteer organizations. In future, the volunteer program will be expanded to all government agencies. Members of the public who are concerned about clean government will be able to sign up and offer their services as volunteers.

#### **(5) Displaying concrete anti-corruption results**

The AAC collects evidence of progress in the work of government ethics offices among the public, in schools and in companies. It also finds relevant academic research. This information is publicised in a range of forms: posters, multimedia, jigsaws, etc. As part of the events around International Anti-Corruption Day, we presented this information so that the public can get a better idea of the focus of our work and what we have achieved.

#### **(6) Anti-corruption interactive game**

To mark International Anti-Corruption Day, the AAC and national government ethics offices developed over forty anti-corruption platform games to attract public attention. We invited school children, anti-corruption volunteers and community university students to join and express their creativity performances. There were prize draws and spot quizzes as well as free snacks, helping people to learn through play and gain a deeper understanding of clean government issues.

## **(7) Simultaneous anti-corruption activity series**

To mark International Anti-Corruption Day on December 9<sup>th</sup>, the AAC organized a series of events in association with other government agencies to raise public consciousness and to improve Taiwan's competitiveness. Tainan City Government held an essay competition on the theme of "Making anti-corruption a part of all government work and training." The winning essays were presented at a prize-giving ceremony. Chiayi County Government held an anti-corruption volunteer congress and elementary student drawing competition. Chiayi City Government held a conference for anti-corruption volunteers.

### **C. Trial establishment of village and borough anti-corruption platform**

The AAC developed the innovative "Plan for Promoting the Village Anti-Corruption Platform" to better understand the attitudes and demands of the public. In association with the government ethics offices of each area, we went to the villages and talked directly with local residents. We learned about the issues which most concern local people, and what the current situation is in each area. We provided them with anti-corruption materials so that they can expose the problems directly affecting their lives, and help the government crackdown on corruption, waste and abuses. This year we have set up volunteer networks in association with the government ethics offices of Taipei City, Hsinbei City, Taichung City, Tainan City, Kaohsiung City, Hsinchu County, Hsinyi County, Kinmen County, Hsinchu City and Chiayi City.

These offices have completed the plans for village volunteer platforms. The networks will be based out of village (borough) offices or community development associations. The organizers will be GEO staff, village/borough heads and volunteers. Their work will include distribution of anti-corruption materials, collecting information on local needs and attitudes, surveying responses to new reforms and policies, etc. Volunteers

will be very much a part of local life. They will be in a position to understand what is going on in government projects, to publicize the values of clean operations and integrity, and to help build anti-corruption sentiment among the public.



On October 26 the AAC director visited Xinlu Village Office in Jinhu Township, Kinmen County to observe the operations of the village and borough anti-corruption platform.

## **D. Holding the “New Funeral services Culture Forum”**

### **(1) Foreword**

The tradition of giving money at funerals arose back when Taiwan was an agricultural society, because of the need to bind together friends and relatives for mutual support. The bereaved family would give those who helped with the funeral red envelopes containing cash, in part to thank them for their help, and in part to dispel any bad luck from contact with the dead body. Society is changing. Today there are professional funeral homes, and the state now provides burial facilities which the public can make use of. We are no longer so dependent on our neighbours, and so we have a new question: Does the funeral money tradition make any sense nowadays?

There is still some public support for the tradition of funeral money. However, integrity for our public servants is an even more important universal value. The managers of public cemeteries are employed by the government, and they must abide by the public servant clean government rules. Accepting funeral money is forbidden, but the custom is dying hard: there are many stories and cases of cemetery managers taking money. This flagrant abuse has been the subject of criticism from all sides, and it is a stain on the government's reputation for clean governance. Taipei Mortuary Services Office (MSO) is determined to improve its reputation for clean government and to end the taking of funeral money. It has made Act of Government Employee Ethics Units and Officers working practices rules clearer, and has added several processes to improve transparency and prevent graft. To ensure a final end to this backward custom, it will be necessary to have public consensus and understanding. Taipei GEO director Yang Shih-chin (now deputy director-general of the AAC) prompted the MSO to engage with the public by organizing a forum on a new culture for funeral services, to help end the practice of offering funeral money, as well as accepting it.

## **(2) Planning process**

The object of the forum was to discuss how to build public consensus on changing the practice of giving funeral money. The Taipei Department of Civil Affairs (Government Ethics Office) (GEO) sponsored the forum, and the MSO organized it. Before the forum, the MSO produced a report on its work to end the giving of funeral money. At the forum, there was analysis and open discussion among the participants, who included experts on funeral customs, researchers, legal professionals, consumer protection groups, funeral industry representatives and representatives from government bodies. Each of the speakers presented their own perspective on the necessary reforms, and then engaged in discussion with members of the public and people in the funeral industry who attended the session. The objectives were create better funeral services; to build public consensus on a new culture for funerals; to improve the ethics of those in the industry (no

demands for funeral money); and of bereaved families (no offering of funeral money).

### **(3) Results arising from the forum**

The forum took place on June 21<sup>st</sup>, 2011 in Taipei Municipal Library. There was an excellent turnout and level of engagement with the forum. Following impassioned presentations and debate among the invited panel, a total of 31 proposals were made on reforming our funeral culture and ending the practice of funeral money. Many of these were very practical, and were discussed and presented for decision by the GEO in its July 14<sup>th</sup> report to the Clean Government Commission Taipei City Government. MSO superintendent Wu Kunhung also reported on the forum at the 22nd meeting of the Taipei Clean Government Commission held on July 5<sup>th</sup>. Mayor Hau was very impressed with the presentation, and immediately ordered that the GEO establish an active concern team, as suggested at the forum. This team would be directly responsible for prevention of funeral money payments and for public education: supplying accurate information about funeral practices, collecting reports on payments of funeral money. The GEO decided to officially establish the team at the beginning of 2012.

### **(4) Response of various social circles and effect**

The forum was the first to tackle the sensitive issue of funeral money. The immediate and visible results of the forum meant that it was very well received, both by the public and within the funeral industry. Even the few elected and industry figures, who had been critical of the forum, changed their minds. Many in the industry voluntarily began adhering to new practices, refusing to give funeral money from mourners. MSO surveys show that the number of funeral service workers who give funeral money dropped from 5.5% in 2009 and 5.1% in 2010 to just 3.7% in 2011. This large reduction demonstrates that the forum achieved its goal of shifting the public consensus on this issue.

The consequences of the forum included: many in the funeral industry publicly announcing that they would refuse funeral money; the MSO producing recommendations. The MSO went on to implement a number of



new policies: standardized regulation of funeral operators; regular rotation of staff; better disclosure of information; single service interface; regular ethics inspections; etc. It is likely that these policies will be effective in reducing both the demand for and supply of funeral money.

## **E. Holding the “If everyone cares for water Taiwan will have ample water” activity series**

### **(1) Background**

In 2009, Typhoon Morakot devastated southern Taiwan. With sustained public efforts, the affected areas have now been rebuilt. It is now time to update the strategy for water resources in southern Taiwan and to seek adaptation strategies in response to climate change. In 2010, the Executive Yuan published a "Special Plan for Management of Zengwen, Nanhua, and Wushantou Reservoirs and Stabilizing Water Supply Conditions in Southern Area"; later that year the Legislative Yuan passed the "Special Act for Management of Zengwen, Nanhua, and Wushantou Reservoirs and Stabilizing Water Supply Conditions in Southern Area". The act requires the government to invest 54 billion TWD by May 2017 in watershed preservation, reservoir maintenance and upgrades, water supply systems and the development of new water resources. The objective is to ensure a steady supply of water for southern Taiwan. Four ministries (MOEA, COA, MOTC, MOI) and eight agencies (Water Resources Agency, Taiwan Water Corporation, Forestry Bureau, Soil and Water Conservation Bureau, Chianan Irrigation Association, National Freeway Bureau, Directorate General of Highways, Construction and Planning Agency) are involved in the project, as are the county governments of Chiayi, Tainan, Kaohsiung and Pingtung.

The act concerns the sustainable use of water resources in southern Taiwan. It requires inter-departmental coordination, and involves huge costs and engineering projects. There is worry in some quarters about the quality of the engineering work, and also about the potential for misuse of funds by local interests, or even diversion of funds for illicit purposes.

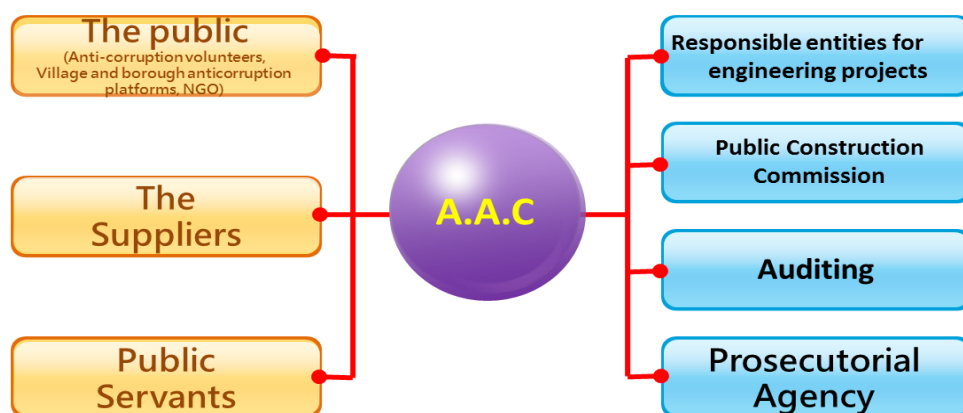
There is considerable worry among the public officials responsible for the execution of the project, and these worries could cause problems in terms of schedule or quality. In turn, any quality issues could have serious consequences for the finances or safety of the project, and could impact on the long term water security of the south.

The MOJ and MOEA therefore collaborated on a series of events in the spirit of the latest judicial reforms. The “If everyone cares for water Taiwan will have ample water” activities were held on December 13<sup>rd</sup>, 16<sup>th</sup> and 19<sup>th</sup> of 2011 and February 20<sup>th</sup> of 2012. They are also working with the AAC's volunteer networks, the village and borough anti-corruption platform and the Anti-Corruption Volunteers, to engage the public in monitoring and participating in this massive project. By bringing together engineering, prosecution, anti-corruption and inter-regional work, project quality and ethical standards can be improved by public's participation.

## (2) Anti-corruption platform framework

The AAC will serve as a clearing house for information between the public, business, civil servants and certain government agencies (planning, audit, prosecution). Because of the work of the AAC, civil servants will be able to carry out their work with confidence; businesses can be sure of reasonable rights and interests; the public benefit from effective public investment; and the government can monitor and audit as appropriate.

ACC Anti-corruption platform framework



### **1. Building an excellent dignified working environment**

- (1) Civil servant ethics consultation and incident logging.
- (2) Proper handling of false charges so that innocence of colleagues can be proved.
- (3) Protection of colleagues and businesses from violence and threats.

### **2. Help projects be completed on time, up to quality standard and without faults:**

- (1) Assist in setting up properly transparent procurement systems.
- (2) Assist in the handling of claims against project owners.
- (3) Work with the project owner's own internal systems to monitor and audit.
- (4) Assist with the handling of protests to prevent project delays.

### **3. Tapping external supervisory control power:**

Develop the village and borough anti-corruption platform and the Anti-Corruption Volunteers; work with NGOs and elected assemblies to harness the general public as a resource for monitoring project execution; finding potential problems early, and seek solutions by conveying the information through the AAC platform.

#### **(3) Activity summary**

#### **1. "Village and borough anti-corruption platform" and "anti-corruption volunteer" seminar**

The first event under the title "If everyone cares for water Taiwan will have ample water" was a meeting on the 12th and 13th at Zengwen Reservoir on the subject of the village anti-corruption platform and anti-corruption volunteers. The meeting was organized by the MOJ and MOEA, and about 160 volunteers came from village anti-corruption networks across Tainan, Kaohsiung, Chiayi and Pingtung.

AAC director-general Chou Chih-jung spoke at the meeting. He explained that the AAC would develop new methods of working to link up different

government departments. The AAC would serve as an information clearing house, encouraging transparency, and it would combine this function with the "village anti-corruption platform" and "anti-corruption volunteer" programs to apply monitoring this hydrological project effectively.

Lai Chien-hsin, director of southern water resources for the MOEA Water Resources Agency, said he hoped that this collaboration with the MOJ and with the anti-corruption volunteers would help the civil servants executing the project resist interference from external sources. It should give them the courage to do their jobs properly, and to complete this great project to the best possible standards.

There was also a dialogue between the volunteers and the guests, including Director Chou, Director Lai, Tseng Chao-kai, chief "black gold" prosecutor in Tainan, and AAC chief secretary Cheng Ming-chien. They developed a consensus on how public monitoring will work. The South Region Water Resources Office also gave a presentation, indicating what would happen under the plan for "Management of Zengwen, Nanhua, and Wushantou Reservoirs and Stabilizing Water Supply Conditions in Southern Area". They arranged for visits to the reservoir work sites, so that the local volunteers could see exactly what was being done.

## **2. Anti-corruption education and training**

Anti-corruption training is being provided to government colleagues as part of the AAC's activities in the "If people care for water Taiwan will have ample water" plan on December 16<sup>th</sup>, 2011. The training was jointly chaired by Lai Chien-hsin, director of southern water resources for the MOEA Water Resources Agency, and Chou Chung-chin, chief prosecutor in Tainan. Over one hundred people were invited, including Chiayi chief prosecutor Jhu Jhao-min, chief of Special Investigation Team of Black Money prosecutor in Tainan Tseng Chao-kai, head of the AAC's Corruption Prevention Division Chung Chin-ray, and project managers, procurement managers, contractors, etc. Presentations were given by Jhu and Lo Chung-cheng, a lawyer. They covered possible areas of concern during the procurement process and contracting, and suggested preventative measures.

### 3. "If people care for water Taiwan will have ample water" seminar

On December 19<sup>th</sup>, 2011, the AAC organized a discussion chaired by Minister of Justice Tseng Yong-fu as part of the "If people care for water Taiwan will have ample water" series. This interdepartmental meeting was attended by over 240 people including Lee Hong-yuan, chair of the Executive Yuan Public Construction Commission; COA deputy minister Wang Cheng-teng; Yang Wei-fu, director-general of the MOEA Water Resources Agency; the leaders of and representatives from Taipei City, Kaohsiung City, Chiayi County and Pingtung County; representatives from the police and prosecutors, the National Audit Office, TICT, government ethics offices, village anti-corruption platforms (volunteers), business and NGOs.

Speaking at the meeting, Minister Tseng said that the Special Act called for NT\$54 billion of spending on this hydrological project. Every penny of that money should be spent on the project itself. The MOJ would be working closely with the MOEA to monitor the project. In the spirit of anti-corruption and clean government, they would build an ecosystem of high quality public works. Anti-corruption measures will include a record of ethics incidents for civil servants; enhanced internal controls; increased transparency and freedom of information. Anti-corruption penalties will also be imposed: with networks of volunteers engaging in the process, there will be a "zero tolerance" approach to corruption.

Yang Wei-fu, said that the hydrology project is large and complex. Handling the technical issues will require new technology and new management approaches. He hoped that this collaboration with the MOJ would open up lines of communication and allow the two ministries to generate a cleaner working paradigm, so that this project could become a model for future anti-corruption efforts.

During the meeting there was also a contribution from Lee Hong-yuan,



who talked about hydrological engineering and water conservation as part of an integrated response to climate change. Lai Chien-hsin, director of southern water resources for the Water Resources Agency, talked about how the project will generate a more stable water supply for southern Taiwan. There was a lively exchange of views between volunteers at the meeting and the officials on the panel: Vice Minister of Justice Chen Ming-tang, Wang Cheng-teng, Chou Chih-jung, Yang Wei-fu, TICT director Yang Yung-nane, NCKU professor Shieh Chjeng-lun, NUTN convener of natural and environmental engineering, Prof. Huang Huan-chang. The panel answered attendees' questions on the hydrology project itself and anti-corruption volunteering. Preventing risks is possible with interdisciplinary collaboration, the support of the private sector and comprehensive planning.

## **6. Strengthening international exchange, improving international image**

In 2003, the UN called on signatories to the Convention Against Corruption to establish one or more anti-corruption agencies (articles 6 and 36 of the convention). Taiwan is not a signatory, but our constitution requires us to respect the rules of the UN. As a member of the international community, we have a duty to comply with the spirit of the convention.

The AAC is Taiwan's anti-corruption agency as imagined in the convention. In order to demonstrate to the international community our determination to end corruption, the AAC is an active participant in international anti-corruption affairs. We stay up to date with the latest policies and thinking in anti-corruption circles, and carefully monitor Taiwan's performance relative to other countries.

### **A. Active participation in international conferences**

In 2011, the AAC attended three APEC meetings in our capacity as Taiwan's new anti-corruption agency. They were the anti-corruption working group meetings at the third APEC Senior Officials Meeting in the USA (Sep. 12-26), and working group meetings on codes of practice in the pharmaceutical and building industries in Mexico Sep. 26<sup>th</sup>-28<sup>th</sup>, and in

Vietnam Oct. 5<sup>th</sup>-7<sup>th</sup>. These meetings involved representatives from industry, government and academics from all of the APEC economies. They discussed drafts of the "Mexico Principle for Voluntary Codes of Business Ethics in the Biopharmaceutical Sector" and the "Hanoi Principles for Voluntary Codes of Business Ethics in the Construction and Engineering Sector", and agreed to submit them to the leaders' meeting, held in Hawaii on Nov. 10<sup>th</sup>-12<sup>nd</sup> that year. We look forward to these principles being fully implemented by the government agencies, including anti-corruption agencies, off all member economies.

The AAC will also work through the Central Anti-Corruption Committee and the anti-corruption organizations within each government department to encourage all Taiwanese government agencies to implement these principles, and encourage our biopharmaceutical and construction industry associations and companies to respect them. If these principles are respected and incorporated into our business practices, it will help to bring us in line with international anti-corruption efforts.



From October 5-7 personnel from the AAC attended the APEC Corporate Ethics Expert Work Group Meeting in Vietnam