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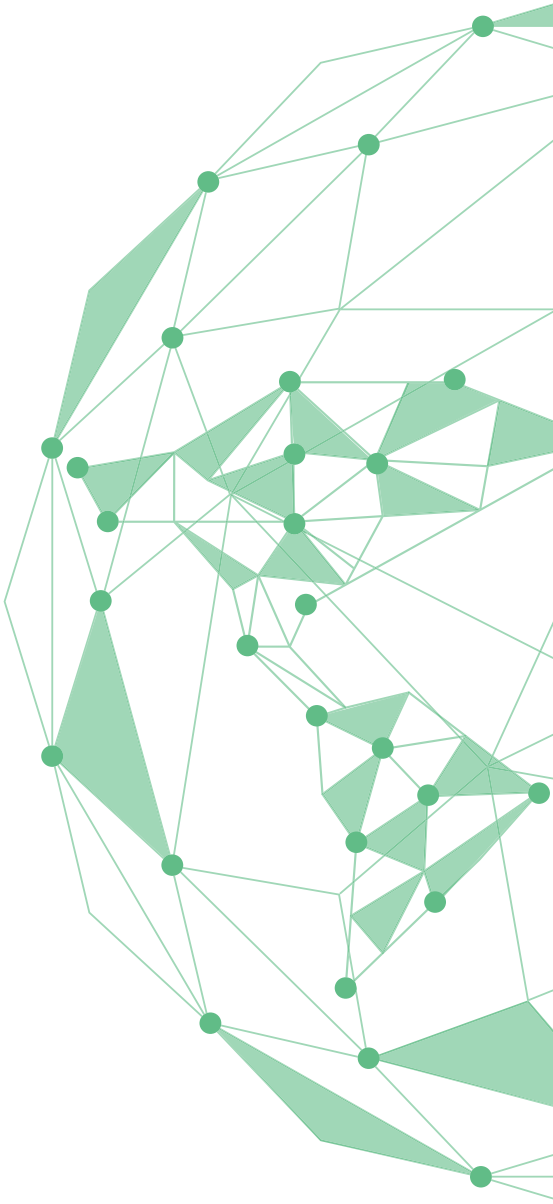
Annual Report

2021



Anti-Corruption &
Civil Rights Commission

ACRC KOREA
Annual Report 2021

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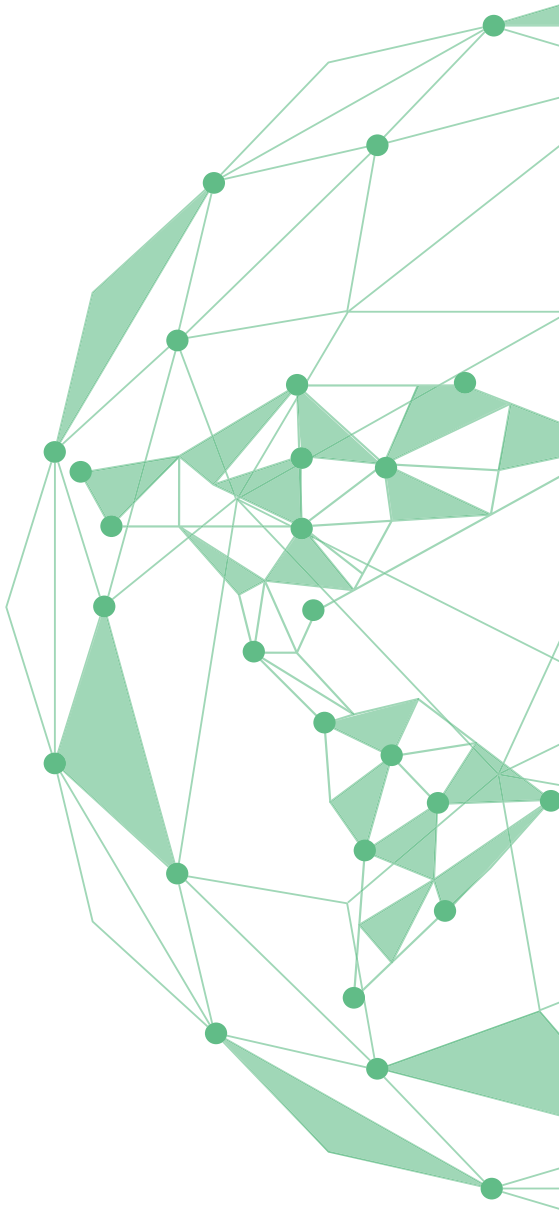

Anti-Corruption &
Civil Rights Commission

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Greetings from the Chairperson

Since its launch in 2008, the Anti-Corruption and Civil Rights Commission (ACRC) has been committed to building a society free from corruption and rule-breaking and to making trusted-government by removing difficulties caused by illegal and irrational administrative actions.

In 2021, the ACRC conducted anti-corruption · fairness reform to realize a fair and transparent Korea. With an aim to give citizens a practical help, the ACRC got closer to citizens and listened and resolved their difficulties on their side.

The ACRC announced and promoted Ten Anti-corruption / Integrity Tasks to restore public trust towards the government lost due to the land speculation scandal at the Korea Land & Housing Corporation last year and to enhance integrity and fairness in the public sector. The ACRC also contributed to the enactment of the Act on the Prevention of Conflict of Interest Related to Duties of Public Servants in order to prevent public officials from improperly seeking private interests.

The ACRC also improved verification of corruption reports for the reported. When handling a corruption report, the ACRC will verify the facts of the report with the reported, who then will be given the opportunity to vindicate themselves. In addition, the ACRC increased the number of laws subject to the Protection of Public Interest Reporters Act to 471 to vastly expand the scope of protection for reporters and to actively protect and reward them.

As a result of such efforts, Korea's country ranking on the Corruption Perceptions Index (CPI) of the Transparency International (TI) increased for five consecutive years from 51th in 2017 to 32nd in 2021, reaching a record high score (62 points) and ranking. On the Index of Public Integrity (IPI) in 2021 published by the European Research Center for Anti-Corruption and State-Building (ERCAS), Korea ranked 18th among the 114 countries assessed and the first among Asian countries. All these indices indicate international community's heightened recognition on Korea's enhanced integrity level.

The ACRC spared no effort to protect the rights and interests of citizens, as well. Using its Outreach Complaint-Handling Bus, the ACRC relieved the rights and interests of the underprivileged in remote areas right on site. The ACRC also preemptively resolved social conflicts by resolving large-scale civil complaints with a big social riffle effect through onsite mediation procedure. With the Administrative Appeals system, the ACRC helped more citizens get their rights and interests relieved. Last year, the acceptance rate of general administrative appeals cases hit a record high, and the scope of the subjects to state-attorney service was expanded among micro-business owners and low-income people.

The ACRC communicated with and engaged citizens to provide watertight relief of the rights and interest of citizens with the adoption of Public Request for Proactive Governance and Re-report of Reactive Governance. Through People's Idea Box, the ACRC collected public opinions on major issues, such as real-estate commission fees and carbon neutrality, and issued institutional improvement recommendations and suggested policies thereon.

In 2022, the ACRC will do its best to accomplish the anti-corruption· fairness reform, so that the country could leap forward to become an advanced country in terms of integrity. The ACRC, as "public advocate", will resolve civil grievances and social conflict to the fullest on the side of citizens.

As part of such efforts, the ACRC will continue its endeavor for the proper enforcement of the Act on the Prevention of Conflict of Interest Related to Duties of Public Servants and develop the 2nd Comprehensive Anti-corruption Plan to advance the country's anti-corruption and integrity policies to the level high enough to fit into those of the most transparent countries. The ACRC will also expand integrity education and strengthen support for Ethical Bussiness Management to establish a culture of anti-corruption and integrity in all the sectors of society. In addition, the ACRC will enhance protection and compensation system for reporters of corruption and public interest violation to help citizens file a report without any concern.

The ACRC will prioritize resolving difficulties of the disadvantaged and the self-employed under severe difficulties due to COVID 19 and will mediate collective complaints to prevent social conflicts from occurring. In this digital age, the ACRC will also build a digital platform for the protection of civil rights by applying advanced digital technologies to its current digital citizen communication platforms, e-People and People's Idea Box. Various citizens' opinions collected through this advanced digital platforms will be analyzed to resolve not just individual cases but also fundamental problems. Using such data, the ACRC will pro-actively improve unreasonable laws and regulations.

The ACRC 2021 Annual Report is a faithful record of the efforts made by the ACRC over the year. The ACRC hopes that this Annual Report will be helpful for anyone interested in its works and be able to serve as a source for policy development and research.

May 2022

Jeon hyunhei

Jeon Hyun-Heui
Chairperson
Anti-Corruption and Civil Rights Commission

ACRC ANNUAL REPORT 2021

Part 01

Assessment and Future Direction of Policies for People's Rights and Interests

Chapter 1. Achievements for the Past Five Years and the Way Forward

The Anti-Corruption and Civil Rights Commission (the ACRC) of Korea was established on February 29, 2008, by integrating three institutions, Ombudsman of Korea, Korea Independent Commission Against Corruption, and the Administrative Appeals Commission under the Prime Minister to effectively prevent corrupt practices and to swiftly resolve infringements on people's rights and interests caused by unreasonable administrative actions.

1. Major Achievements for the Past Five Years

A. Anti-Corruption/Fairness Reform Initiative and Strengthening of Whistleblower Protection System

The ACRC has led anti-corruption and fairness reforms for realization of a transparent and fair society, as a leading organization for the pan-governmental anti-corruption initiative. The Commission focused its efforts on improving policies to help anti-corruption reforms take root in civil service and in everyday lives of people.

First, the presidential "Anti-Corruption Policy Consultation Council for a Fair Society" has held total seven meetings since its first meeting in September 2017, to continuously push forward with comprehensive and systematic anti-corruption reforms at a national level. Plus, the "Public-Private Consultative Council for Transparent Society" participated by the ACRC and members from diverse sectors of society including professional circles, civil society, academia, and the public sector was launched in March 2018. The Council has held total 17 meetings so far, where its members mostly from the private sector discussed anti-

corruption and integrity issues from people's perspective to propose solutions.

The ACRC strengthened an institutional foundation for preemptive shutoff of public officials' corruption and prevention of leak of national finance. The Act on the Prevention of Conflict of Interest Related to Duties of Public Servants ("Act on the Prevention of Conflict of Interests") was enacted in May 2021 and enforced in May 2022. The Act includes provisions on reporting about persons related with private interests and applications for recusal and challenges, restrictions on employment of family members, restrictions on conclusion of private contracts, prohibition of use of confidential information obtained in course of performing duties, etc. The Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits was enforced in January 2020, to enable recovery of maximum five-times amount of falsely-claimed government subsidies.

The institutional foundation for protection and support of whistleblowers who report acts of corruption and violation of public interest has been reinforced. The Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission ("Corruption Prevention and the ACRC Act") was revised to add those who testify about corrupt acts at the National Assembly or courts, as well as people who report/file suits against corruption, to the subject of protection. The Protection of Public Interest Reporters Act has gone through multiple amendments to increase the number of laws subject to public interest reporting from 180 at the time of the Act's enactment in 2011 to 471 by the end of 2021, dramatically expanding the scope of protection. Rules on protection and compensation of public interest reporters were reinforced to provide sufficient reward for them; a system of anonymous surrogate reporting through attorneys and a system of punitive indemnification of damages for disadvantageous actions taken against whistleblowers were introduced (2018); punishment of those who disclose the identity of whistleblowers was strengthened (2018, 2020); and the upper limit of monetary reward for public interest reporting was raised to KRW 3 billion from KRW 2 billion (2018).

Such efforts have made Korea's global standing in the anti-corruption area rise continuously. Korea's Corruption Perceptions Index (CPI) announced by Transparency International (TI)

every year has risen for five consecutive years to reach record-high 62 points in 2021, which was 32nd-highest in the world. Plus, Korea's Index of Public Integrity (IPI) announced by the European Research Center for Anti-Corruption and State-Building (ERCAS) biannually recorded 8.09 points in 2021, which was 18th highest in the world and the highest in Asia.

B. People-Oriented & Field-Centered Resolution of Social Conflicts and Grievances

The ACRC continued to actively resolve grievance complaints that violate people's rights or cause inconvenience or burden for people's lives. Total 82,900 cases of grievance complaint were handled from 2017 to 2021, out of which 11,816 cases have been accepted and resolved. During the same time period, "Outreach Complaint-Handling Bus" service was provided 425 times, to quickly resolve 4,754 grievance complaints on the spot. The Government Complaints Counseling Center was opened in October 2019 so that people can get a one-stop counseling for complaints related with multiple government agencies. The center provided more than 90,000 counseling services until the end of 2021. The 110 Government Call Center which is a counseling service that provides information for civil petitioners over the phone has been offering more than 10,000 counseling services a day on average.

In addition, the ACRC has found out and addressed long-unresolved collective complaints through active mediation, to reduce social costs incurred by conflicts and to resolve long-standing troubles for people. A decades-long issue of ownerless real estate inside the civilian control line in Yanggu–gun, Gangwon-do Province has been finally resolved and an issue of poor residential environment in leprosy patients' community in Gyeongju-si was settled through the ACRC's mediation.

The ACRC received total 116,633 administrative appeal cases through the Central Administrative Appeals Commission for five years from 2017 to 2021. Total 12,248 requests for administrative appeal against illegal/unfair dispositions issued by administrative agencies were accepted. As a result of the ACRC's continuous effort to raise the percentage of acceptance of administrative appeals, the percentage of acceptance of general cases

remarkably increased from 14.0% in 2017 to 19.7% in 2021.

Since the introduction of mediation system for administrative appeals in 2018 until the end of 2021, total 73 administrative appeal cases were successfully mediated through agreement between relevant parties based on the ACRC's efforts for amicable conflict resolution. In the same year, a system of court-appointed defense counsel for administrative appeals was introduced to help active utilization of administrative appeals by the socially and financially-disadvantaged people. In total, 336 administrative appeal cases have been proceeded by court-appointed defense counsel.

C. Operation of Digital Platform for Participation of and Communication with People and Improvement of Policies and Institutions

The ACRC works as the window of communication between the government and people, managing diverse digital platforms for people's participation and communication with them, including e-People, People's Idea Box, and so on. e-People system that has been run since 2005 went through a complete reorganization in 2020, so that it can function more conveniently and efficiently. In 2021, as many as 13,265,060 civil petitions were received and handled through the improved system, to open a new chapter of 10 million annual civil petitions processed through e-People.

Since its beginning with participation by 16,000 people in 2016, People's Idea Box has grown approximately 28-fold for six years until 2021, to become Korea's leading digital platform for people's policy participation, in which as many as 445,000 people suggest their ideas. Notably, it recently offerred a driving force for policy change through people's active participation, by carrying out surveys on major social issues such as "on-line school classes due to COVID-19", "real estate agent commission", "CCTV installation at operating rooms at hospitals", and so on.

The ACRC also actively supported policy improvement of public organizations at different levels by analyzing civil complaint data. Policy improvement was successfully induced by

collaborating with relevant institutions, based on the result of analysis of civil complaints regarding major issues of society such as fine dust, COVID-19, and carbon neutrality. "Civil Complaint Big Data at a Glance" website was opened in January 2019, to provide the result of civil complaint data analysis to diverse public institutions and the public.

The ACRC actively listened to people's voices through various channels, to find out loopholes in policies and institutions and to improve them. Total 266 policy improvement recommendations were issued to relevant public agencies for the past five years, including "ban on private contracts with retiree groups", "enhancement of fairness/credibility of contests hosted by administrative agencies", "improvement of house agent commission and agent service", "resolution of blind spots in school meals for children", and so on. Out of them, 263 recommendations, except for only three, were accepted to result in realistic changes in policies and institutions.

2. The Way Forward

In 2022, the ACRC will continue to take initiative for realizing a trustworthy government and transparent society by preventing corruption, protecting the rights and interests of the people, and communicating with the public, under the vision of "transparent and fair Korea, government taking care of people's rights and interests".

First, the Commission will remarkably raise Korea's integrity level by completing anti-corruption and fairness reforms. For such purpose, anti-corruption and integrity policies will continue to be innovated to live up to the standards of an advanced country with a high integrity level. Consistent efforts will be made so that the culture of anti-corruption and integrity can take root in all areas of society. Swift and fair response measures will be taken against various corruption issues, while strengthening the system for the protection and rewarding of corruption and public interest whistleblowers to help people feel more assured of making such reports.

Second, the ACRC will be quick and active in protecting people's rights and interests, as a

troubleshooters always at people's side. Top priority will be put on supporting stabilization of livelihoods and businesses of the disadvantaged or small business owners. While focusing more on resolving collective complaints, the Commission will actively cooperate with the local grievance commissions to help them handle and prevent civil complaints on their own. Also, the system for protection of people's rights and interests through administrative appeal will be actively reinforced.

Lastly, the ACRC will take lead in materializing a people-oriented digital platform for the government. While actively improving policies and systems by reflecting people's voices based on the result of analysis of civil complaint big data collected through e-People and People's Idea Box, which are the leading digital platform for people's policy participation and communication with them, counseling for and resolution of civil complaints through the Government Complaints Counseling Center and the 110 Government Call Center will be promoted.

Chapter 2.

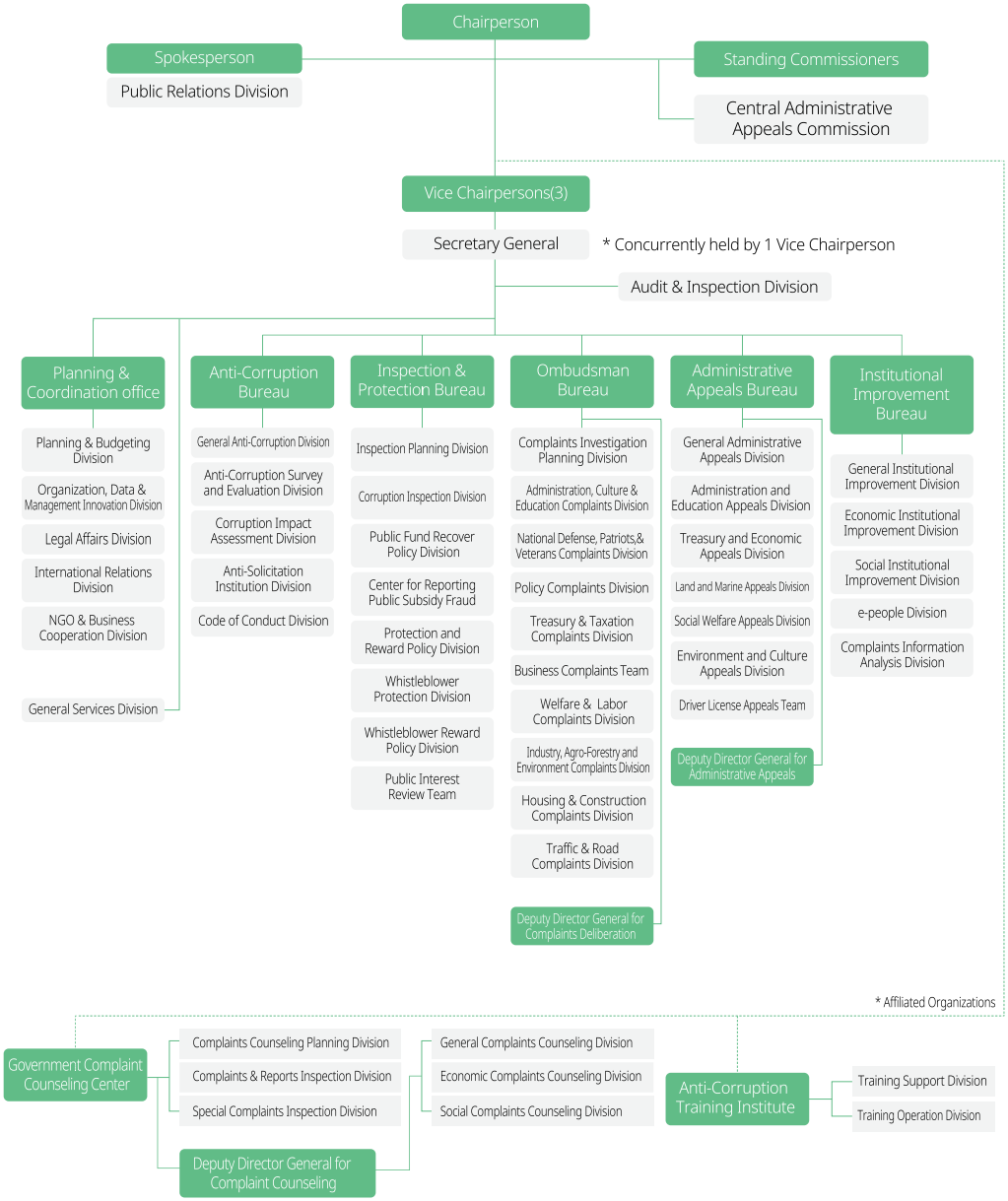
Organization and Operation of the ACRC

The ACRC commission body consists of 15 members, including a Chairperson, three Vice Chairpersons, and three standing commissioners. The Chairperson, Vice Chairpersons, and commissioners are appointed or commissioned according to the qualifications prescribed by law. Three Vice Chairpersons assist the Chairperson by taking charge of works on complaints and grievances, anti-corruption, and operation of the Central Administrative Appeals Commission (CAAC), respectively. A secretariat has been established under the ACRC for handling of the ACRC's affairs. The position of Secretary General is concurrently held by the Vice Chairperson designated by the Chairperson. The Secretary General receives orders from the Chairperson in order to take charge of work and direct and supervise employees. The prescribed number of the ACRC staff is 563.

The ACRC's annual revenue budget for 2021 was KRW 479 million and the tax expenditure budget was KRW 90,835 million. This included KRW 47,833 million for personnel expenses, KRW 7,437 million for basic expenses, and KRW 35,565 million for primary work expenses.

In 2021, the plenary committee held 28 meetings to address 886 items, the small committees held 225 meetings to handle 13,802 items, and the subcommittees held 51 meetings to process 425 items.

[Figure 1-1] Organization chart



<Table 1-1> Committee meetings held in 2021

(unit : times, cases)

Committee			2021
Plenary committee	Meeting		28
	Resolution		78
	Decision		629
	Report		179
	Total		886
Small committee	1st small committee	Meeting	45
		Item	5,955
	2nd small committee	Meeting	45
		Item	2,840
	3rd small committee	Meeting	45
		Item	1,817
	4th small committee	Meeting	45
		Item	1,276
	5th small committee	Meeting	45
		Item	1,914
	Total	Meeting	225
		Item	13,802
Subcommittee	First subcommittee	Meeting	26
		Item	190
	Second subcommittee	Meeting	25
		Item	235
	Total	Meeting	51
		Item	425

Chapter 3. Private-Public Cooperation and Support for Ethical Business Management

Section 1 Promotion of Private-Public Governance

The Public-Private Consultative Council for Transparent Society jointly participated by the ACRC and the civil society, as well as different sectors of Korean society including economic and professional circles, journalism, and academia, was launched in March 2018 to select major anti-corruption tasks and suggest direction for progress. According to the Rules on the Establishment and Operation of Public-Private Consultative Council for Transparent Society (Prime Minister's directive), the chairperson of the ACRC is appointed as the ex-officio co-chairperson (public chairperson) of the Council and one co-chairperson (civil chairperson) of two-year term of office is elected among appointed council members in mutual voting.

From 2020, the maximum number of the Council members has been raised to 40 from 30, for the purpose of expanded participation from more diverse sectors of society. Plus, the structure of discussion has been simplified from three to two steps for more efficient discovery of anti-corruption policy agenda and discussions and six working-level sub-councils have been established and operated under the Council.

At the first Council meeting in 2021, "prevention of conflict of interests" was selected as the anti-corruption agenda of the year. At the second meeting, a resolution for "demand for enactment of the Act on Prevention of Conflict of Interests" was adopted. "Strengthening of information disclosure for improved transparency and fairness in college entrance" and "improvement of risk management system for response to post-COVID19 times" were selected at the third meeting; "improvement of system for registration and disclosure of public officials' assets", "measures for enhanced transparency and credibility of public corporations", and "reinforcement of measures to

eradicate power abuse" at the fourth meeting; and "measures to enhance the effectiveness of the system for transparent contracts" at the fifth meeting. As such, the Council deliberated and resolved total seven anti-corruption policies last year.

Next, the ACRC has formed and operated "People's Monitoring Group" to find out/agendicize timely anti-corruption issues from the perspective of people and to implement anti-corruption and integrity policies that can live up to people's expectations by inspecting and assessing existing policies. Until 2020, the monitoring group had been formed only with the general public including students and workers, but in 2021, experts newly joined the group to strengthen its policy proposal function.

Efforts were made to promote the system of Citizen Integrity Inspector, too. The Citizen Integrity Inspector system is an anti-corruption institution based on the private sector's participation, which has been introduced for public organizations at different levels. The system was designed to measure and enhance performance and achievements of those organizations through Anti-Corruption Initiative Assessment (AIA). In 2021, 271 organizations (98.9%) out of 274 organizations subject to the assessment have introduced and operated the system and 238 (87.8%) have accepted the Citizen Integrity Inspector's demand for improvement, demand for inspection, recommendation for institutional improvement, etc., showing successful outcomes such as enactment/revision of relevant regulations and implementation of inspection, etc.

Section 2 Multi-directional Spread of a Culture of Integrity through Participation and Collaboration

First, conclusion of the Transparent Society Pact was promoted. The ACRC has supported signing of the Transparent Society Pact in different regions and fields since 2018. Signing the Transparent Society Pact is an action promising to resolve corruption problems and to practice anti-corruption and integrity by establishing a horizontal network among diverse stakeholders and making the most use of interaction among them. An inspection and evaluation model to assess the implementation of the Pact has been developed and deployed by the ACRC to institutions of different levels. From 2018 to 2021, the Pact was

signed by 17 local governments nationwide and 840 organizations in nine different fields and they are making efforts to spread the culture of integrity in their respective regions and fields. The Pact is not just an one-off declaration of will. It is actually producing substantial outcome, such as definition and implementation of practical tasks based on participants' voluntary and democratic commitment, as well as encouragement of policy participation and better recognition by people, based on inspection and evaluation of the tasks at a level easily understandable for people.

"One Integrity Practice per Public Institution Movement" was carried out based on collaboration with public institutions. The movement is designed to encourage public institutions to take the lead in improving fairness and transparency in conducting their own duties. Based on a close cooperation and solidarity between public institutions of various levels that work as the window of communication with people, the public sector is to successfully spread the culture of integrity. Practical and effective institutional improvement has been realized by such efforts, including Jeollabuk-do Education Office's "integrity certification system" for transportation companies contracted for students' field trips, establishment of a contract system innovation task force of Korea National Railway, and so on.

Lastly, the ACRC has publicly recruited and supported private projects every year since 2007 and offered subsidies for them with the goal of helping civic and social groups voluntarily and creatively spread a culture of integrity and promote their own projects for improving people's rights. In 2021, 10 projects were selected based on the assessment of their implications, creativity, and business capacity of the applicant organizations, and total KRW 180 million of budget was provided for them. Last year, focus was set on reinforcing connectivity so that private-public cooperation projects including the spread of ethical management of businesses and removal of corruption in the private sector, and support for private organizations can form a virtuous cycle, while raising the rate of utilizing video contents and on-line media, in consideration of the COVID situations.

Section 3 Support for Ethical Management of Businesses

The International Accounting Standards Board (IASB)'s International Financial Reporting Standards (IFRS) was introduced in 2011 and the International Organization for Standardization (ISO)'s Anti-Bribery Management System (ISO37001) was announced on October 13, 2016. Under these circumstances, transparency and ethics are emerging as key elements for survival and competitiveness of businesses. As a public institution in charge of implementing anti-corruption policies and supporting ethical businesses of companies based on Article 12 (Functions), Article 3 (Responsibilities of Public Institutions), Article 5 (Duties of Enterprises) of the Corruption Prevention and the ACRC Act, as well as Article 3 (Support, etc. for Ethical Business Management) of the Act's enforcement decree, the ACRC has pushed forward with diverse support projects to induce companies' practice of ethical business management and to promote formation of corporate culture of integrity.

First, the ACRC has published and distributed monthly "Business Ethics Brief". It is a web-magazine published since April 2005 to support ethical management of domestic companies. The monthly magazine sent in the form of email and brochure provides businesses and the academia with up-to-date information and trends in ethical management from both at home and abroad. It is posted on the website and blog of the ACRC as well.

Next, since 2009, the ACRC has run diverse education courses to help build the capabilities of compliance personnel and raise awareness of ethical management among corporate executives. "Ethical Business Management Expert Training" which had been a group training program was changed into an online program due to the pandemic and the curriculum of the program was designed to include introduction of overseas cases of professional ethics, presentation about best practices of ethical business management of Korean companies, lecture on the internal accounting management system strengthened by a revision of the External Audit Act, etc., so that the education can help practical work of businesses' staff in charge of ethical management.

Lastly, the ACRC is currently developing "Ethical Business Management Compliance Program(K-CP)" to support the practice of ethical business management by public corporations, etc. After completion of its development, support will be provided for the introduction of K-CP through education and consulting. In addition, a new system of evaluating ethical business management of public corporations and giving incentives such as certification for them is to be introduced. In 2021, domestic and overseas literature reviews were conducted, policy seminars were held for discussion between experts and stakeholders, and discussions with the public for expansion of social consensus were carried out to help the development of the system. Plus, an MOU was signed with six major public corporations of Korea to actively reflect relevant parties' opinions and to carry out pilot operation of the new system.

Chapter 4. International Cooperation

Section 1 International Anti-Corruption Cooperation

1. Implementation of International Anti-Corruption Conventions

The Republic of Korea signed the UN Convention Against Corruption (UNCAC) in 2003. The Act on Special Cases Concerning Confiscation and Recovery of Stolen Assets, the legislation for the convention's implementation in the country, was enacted in March 2008, resulting in the official ratification and implementation of the convention. As of the end of 2021, a total of 189 countries including Korea are the state parties of the convention. The final review conducted by visiting respective countries which is the final procedure of the second-round review on Chapter 2 (Preventive Measures) and Chapter 5 (Asset Recovery) (2016 to 2021) has been postponed due to COVID-19 and it is to be carried out in 2022 in consideration of situations.

On June 2-4, 2021, the UN General Assembly Special Session (UNGASS) focused on corruption took place at the UN headquarters in New York, U.S.A. The General Assembly adopted a political declaration "Our common commitment to effectively addressing challenges and implementing measures to prevent and combat corruption and strengthen international cooperation". The Chairperson of the ACRC attended the assembly as the head delegate of the Korean government via video, to introduce the anti-corruption efforts made by the Korean government and give a presentation about the desirable direction for the global society's anti-corruption initiative in the post-COVID times.

On December 13-17, 2021, the 9th Conference of the States Parties of UNCAC was hosted in

Sharm el-Sheikh, Egypt. At the conference, global cooperation for the resumption of the delayed implementation review, technical support, and asset recovery, etc. were discussed. The ACRC Chairperson attended the conference as the head delegate of the Korean government via video as well, to make a presentation about the "importance of people's participation in the process of narrowing the social gap caused by COVID-19 and establishing anti-corruption policies". At a panel discussion hosted by Columbia as a side event, the Director General of the ACRC's Inspection & Protection Bureau gave a presentation about the "Clean Portal" which is a digital system for on-line reporting of corruption and public interest violations, under the theme of the Korean government's anti-corruption policies and experiences.

Key-note speech for the 32nd UN General Assembly special session on corruption (Jun.4.)

Key-note speech for the 9th Conference of the States Parties of UNCAC (Dec.13.)

Following the ratification of the OECD Anti-Bribery Convention, Korea enacted the Act on Combating Bribery of Foreign Public Officials in International Business Transactions in December 1998, which has been enforced since February 1999, for the domestic implementation of the Convention. The Protection of Public Interest Reporter Act provides ground for the legal protection of whistleblowers who report violation of the Act on Combating Bribery of Foreign Public Officials, by specifying the Act as the one subject to acts of public interest infringement. As of December 2021, 44 countries have ratified the OECD Anti-Bribery Convention. A written reporting was carried out about follow-up measures taken in accordance with the recommendations for Korea's fourth-round review in June 2021 and most of those follow-up measures were evaluated to have been completed.

2. Anti-Corruption Cooperation with International Organizations and Conferences

In 2021, Italy was selected as the chair country of the G20 working group. As the annex to the Leaders' Declaration, three high-level principles including the G20 High-Level Principles on Preventing and Combating Corruption in Emergencies, G20 ACWG Action Plan 2022-2024, progress reports of respective countries, Compendium of Good Practices on Measurement of Corruption, etc. were submitted as outputs. The Compendium of Good Practices on Measurement of Corruption devoted a good deal of space to introduce Korea's systems, highly appreciating them by saying, "The case of Korea is interesting... some of which could be considered best practice..." and "Another point of great interest is that Korea collects and analyses almost all typologies of additional data potentially linked to corruption phenomenon and useful to measure it..."

At the 32nd video conference of the 2021 APEC Anti-Corruption/Transparency Working Group (February 19), best practices of anti-corruption policies of countries around the world under the circumstances of the pandemic were introduced. At the 33rd video conference (August 25), reports were made about the outcome of the UN General Assembly Special Session (UNGASS) focused on corruption hosted in June, as well as progress of projects that are underway in different countries including Malaysia, New Zealand, and Thailand.

Every year, the OECD hosts the Integrity Forum and Working Party of Senior Public Integrity Officials (SPIO) where different countries share their experiences of corruption prevention. More than 1,000 participants on-line attended the 2021 OECD Integrity Forum (March 23-25) hosted under the theme of "Leading through the Crisis: Integrity and Anti-Corruption for a Resilient Recovery". At the 1st OECD SPIO of the year (May 4), topics including a program for the prevention of the waste, abuse, and irregularity in using public funds for an effective response to and recovery from COVID-19 were discussed. At the 2nd SPIO (Dec. 8), revision of the "OECD recommendation for the Principles for Transparency and Integrity in Lobbying" was discussed.

Since its establishment in 1999, the ADB/OECD Anti-Corruption Initiative for Asia-Pacific has

supported 31 member countries in the Asia-Pacific region including Korea, for eradication of corruption through an effective implementation of UNCAC. In 2021, multiple seminars and workshops were hosted on-line, to discuss various topics such as corporate integrity, corruption prevention under crisis circumstances, control of integrity risks in terms of vaccination policies, etc.

International Anti-Corruption Academy (IACA) is an international organization with 80 member countries, which is dedicated to anti-corruption education and training. The ACRC has continued mutual cooperation with the IACA since signing of an MOU in March 2012. At the 10th conference of state parties hosted in a hybrid format in October 2021 in Vienna, Austria, the ACRC introduced the achievement of operating the "Improper Solicitation and Graft Act"(Improper Solicitation Act) and the progress of enactment of the "Act on Prevention of Conflict of Interests".

The ACRC also signed the "ACRC-UNDP Anti-Corruption Cooperation MOU" on December 4, 2015. Then, the ACRC hosted on-line policy training sessions on Anti-Corruption Initiative Assessment to Algeria and Monte Negro in 2021, and on Corruption Risk Assessment to Columbia. After the two-year extension of the ACRC-UNDP MOU in December 2021, a new project for sharing of the ACRC's digital corruption and public interest reporting system (Clean Portal) with developing countries is to be carried out for a full-fledged spread of the Clean Portal system, beginning from the selection of countries for its pilot operation in 2022.

ARCR-UNDP Seoul Policy Center Policy Roundtable (Nov.23.)

3. Bilateral Anti-Corruption Cooperation and Cooperation via Ministry of Foreign Affairs

In December 2021, the ACRC hosted an anti-corruption cooperation meeting with the Vietnamese Central Committee to review the implementation of anti-corruption activities and to share the progress of major anti-corruption policies. At the meeting, the ACRC introduced achievements of Korea's anti-corruption policies such as the enactment of the Act on the Prevention of Conflict of Interests, as well as the Clean Portal system, and Vietnam introduced their major anti-corruption activities in 2021, such as an asset reporting system.

The ACRC also hosted a policy roundtable along with a high-ranking meeting on November 9, 2021, for Minister Zoro Bi Ballo of Cote d'Ivoire's Ministry for the Promotion of Good Governance and Capacity Building in the Fight against Corruption, who was invited by Korea's Ministry of Foreign Affairs in celebration of the 60th anniversary of the establishment of diplomatic ties between Korea and Cote d'Ivoire. The ACRC Vice-Chairperson explained achievements of the Korean government's anti-corruption policies at a meeting with the Minister, highlighting that Korea's Anti-Corruption Initiative Assessment and Corruption Risk Assessment are highly appreciated in the global community to be transferred to other countries through the UNDP, etc. The Minister from Cote d'Ivoire expressed his country's intention to continue anti-corruption exchanges and cooperation with Korea, saying that the current government of Cote d'Ivoire puts top priority on the eradication of corruption and good governance.

Section 2 Ombudsman Cooperation and International Public Relations

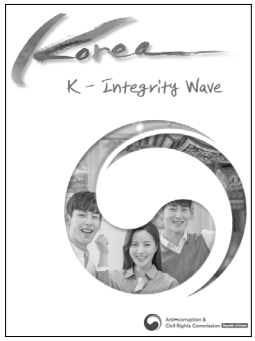
The Ombudsman of Korea, the predecessor of the ACRC, joined the International Ombudsman Institute (IOI) in 1996 and since then, all the ACRC Chairpersons have actively worked as a member of the IOI as a board member of the Asian region, reflecting the stance and opinion of the region in the IOI policies. The current Chairperson of the ACRC was also elected as a board member for the Asian Region on May 17, 2021.

IOI General Assembly and Ombudsman World Conference were hosted in real-time video meeting on May 25-27, 2021, in Dublin, Ireland. The Chairperson of the ACRC was invited as a key speaker to the Ombudsman World Conference, which is the world's biggest ombudsman event held in every four years, to introduce major cases of the ACRC's resolution of grievances and institutional improvement such as e-People, National Grievance Emergency Response Unit, and expanded care service for Alzheimer's patients, under the topic of "the role of the ACRC as an ombudsman that represents the disadvantaged". The ACRC Chairperson also attended the IOI board meeting hosted on-line on May 26 and November 15 in Australia, to exchange opinions about major issues such as deliberation on the qualifications for IOI membership and revision of rules with more than 20 board members from around the world.

Presentation for Ombudsman World Conference (May 25)

IOI on-line board meeting (Nov.15)

Global public relation activities were carried out to promote the activities and achievements of the ACRC. A brochure about the functions and achievements of the ACRC foreign enterprises ombudsman was revised and published (March) and the ACRC White Paper in English that introduces the achievements of the Commission for the year was published and distributed (May) in 2021. Plus, "K-Integrity Wave" brochure with contents that concretely introduce the excellence of Korea's anti-corruption system from the global perspective was produced and distributed overseas through Korean embassies in different countries



(December). Lastly, a monthly newsletter is sent to approximately 2,300 policy clients from in and out of the country and diplomats at Korean embassies overseas, to help swifter and more accurate international public relations.

The ACRC invites CEOs of foreign companies in Korea every year for an annual policy roundtable. In addition to that, a new system of "ACRC foreign enterprises ombudsman" was introduced in March 2021 to listen to opinions/difficulties of foreign companies at any time and to better support their businesses. On March 26, 2021, a policy roundtable was hosted for 12 executives of foreign chambers of commerce in Korea, to introduce the purpose of the ombudsman, as well as the ACRC's anti-corruption achievements and plans. Then, one-on-one meetings with respective chambers of commerce were hosted.

Chapter 5.

Public Relations

In response to changes in the public relation environment due to COVID-19, public relation activities about the ACRC's major policies and agenda were carried out in a contact-free manner such as distribution of press releases, contribution of articles and briefings, communication on digital platforms, and so on. Notably, various education sessions and meetings were broadcast in real time and videos explaining major policies of the ACRC were produced and aired on the ACRC's YouTube channel "ACRC Vision". Card news were posted on the ACRC account of social media services including Facebook and blogs. "Real-time" and "field-centered" policy contents and affective contents based on story-telling produced by analyzing latest issues and trends in on-line spaces were distributed, to go beyond quantitative expansion of on-line PR contents to better induce people's interest and participation.

PR activities carried out by the ACRC can be largely divided in four categories. First, people's understanding of policies and policy consensus with them were pursued through media exposures. The Chairperson and Vice-Chairpersons of the ACRC actively promoted major policies of the ACRC by appearing on TV shows, having interviews with radio shows and newspaper, contributing articles, and distributing press releases. To raise Korea's national integrity level and promote the Korean government's anti-corruption efforts and achievements internationally, English press releases (25 articles) were distributed to foreign press, foreign chambers of commerce in Korea, foreign companies, multicultural families, etc.

Notably, ACRC Chairperson Jeon Hyun-Heui had interviews with more than 10 media outlets including major TV news and radio shows including KBS "News 9" as well as newspapers, to promote resolution of the Act on the Prevention of Conflict of Interest by the National Assembly, to explain the need for the legislation's resolution. After the Act passed the

National Assembly, the Chairperson also appeared in high-profile TV and radio shows and had interviews with newspaper including MBC, KBS1 radio, Hankook Ilbo, JTBC, etc., to correct misreports/distorted reports regarding the Act.

Next, the ACRC tried to expand communication with people by utilizing digital media platforms. The Korean government has pushed forward with strengthening of communication with people on digital platforms government-wide, by hiring professional personnel for on-line communication. Currently, each government department has hired professionals for production of PR contents and operated a digital communication team. The ACRC has also formed a digital communication taskforce consisting of total seven staff memebrs including a writer, video producer, and graphic designer, to produce various policy PR contents on its own and to operate diverse social media accounts for a more direct communication with the public.

The ACRC has also endeavored to raise people's recognition of major policies through TV advertisements and radio shows. TV policy advertisements have been produced and aired to help people have a better understanding of what the ACRC does. TV policy advertisements were also produced and aired to encourage people's policy participation by reporting corruption and violation of public interests and filing grievance complaints. Plus, a regular ACRC slot was fixed in a radio show to let more people know about the ACRC.

For an objective and scientific examination of changes in the ACRC's recognition among the public following such efforts, the ACRC conducts a "survey on the public recognition of ACRC's major policies" once every year. The survey in 2021 showed remarkable achievements, with the average level of the policy recognition rising by 1.4%p year on year and the recognition of e-People recording as high as 84.3%. The ACRC will continue to actively promote the ACRC's works and meaningful cases by having more diverse PR channels such as a fixed slot dedicated to the ACRC in TV shows, advertisements on electronic display boards, etc.

The ACRC has also endeavored to enhance public consensus by publishing newsletters and appointing PR ambassadors. The ACRC produced ACRC Newsletter covering its major policy activities and citizen-friendly policies. Since the publication of the first issue of the quarterly

newsletter in March 2008, total 71 issues in total (the 71st issue being the winter issue for 2021) have been published. Notably, in 2021, 10,500 copies of each issue were distributed to public organizations' service centers, community centers, post offices, banks and libraries, which serve as the window of communication with the public.

Plus, the ACRC appointed singer Kyuhyun of boy band Super Junior as the PR ambassador of the ACRC and honorary head of Government Complaints Counseling Center, for higher interest in and understanding of the ACRC among young generations in their 20's and 30's. The video clip of his appointment ceremony posted on the ACRC's YouTube channel "ACRC Vision" was watched for more than 300,000 times. As such, the appointment of a PR ambassador is expected to contribute to a more active communication between the ACRC and younger generation, as well as young people's more active policy participation.

Super Junior Kyuhyun's PR ambassador appointment ceremony

ACRC ANNUAL REPORT 2021

Part

02

Implementation of Anti-Corruption Policies for Realization of Clean Korea

Chapter 1. Reinforced Implementation of Government-wide Anti-Corruption Policies

Section 1 Operation of the Anti-Corruption Policy Consultation Council for a Fair Society

The legal ground for the establishment and operation of the Anti-Corruption Policy Consultation Council for a Fair Society is the "Rule on the Anti-Corruption Policy Consultation Council for a Fair Society" (Presidential order No. 414, partially amended on January 14, 2020), which stipulates that. The Council operate under the president. At the Council, organizations relevant with Korea's anti-corruption and fairness-related policies discuss and share matters regarding those policies and report the result to the president and commissioners to get a greater momentum for implementation of the policies.

At the "7th Anti-Corruption Policy Consultation Council for a Fair Society" meeting hosted on March 29, 2021, the topic of how to address the LH issue, a deeply-structured problem of real estate corruption, by putting in all the available capabilities of the government with the president at the helm was discussed. The ACRC suggested measures to reinforce anti-corruption capabilities and fairness of the civil service for prevention of recurrence of problems such as the LH scandal, including the prevention of conflict of interests. Plans for the prevention of conflict of interests such as the enactment of the Act on the Prevention of Conflict of Interests were proposed, in consideration of the fact that the LH scandal was a corruption case that took place under the circumstances of conflict of interests caused by unfair use of confidential information obtained by public officials in the course of performing their duties. The Ministry of Economy and Finance developed measures for eradication of real estate speculation and prevention of its recurrence and reported about pan-governmental countermeasures to root out real estate speculation, which was a total-

periodic plan without a blind spot in resolving the problem of real estate speculation from prevention and detection to punishment and recovery of unfairly-gained profits. Along with those measures, the National Police Agency, Public Prosecutors' Office, National Tax Service, and the Financial Services Commission jointly reported about the agenda of the operation of pan-governmental all-out response system for rooting out real estate speculation.

Section 2 Smooth Implementation of the Five-Year Comprehensive Anti-Corruption Plan

The Five-Year Comprehensive Anti-Corruption Plan (the Five-Year Plan) was officially announced at the 2nd Anti-Corruption Policy Consultation Council meeting held on April 18, 2018. The Plan was developed based on public opinion-gathering through People's Idea Box, the Public-Private Consultative Council for a Transparent Society and meetings with young people in their 20's and 30's, which are the ACRC's platform for communication with people, as well as coordination among relevant agencies, on the basis of the anti-corruption tasks collected by government organizations of different levels. The five-year plan proposes a goal for Korea to become one of top 20 countries of integrity around the world until 2022, under the vision of "Korea of Integrity with People". For such purpose, 50 tasks (85 unit-tasks) in four strategies—integrity together, clean public offices, transparent management environment, integrity in practice—have been developed.

"Integrity together" is a pan-governmental strategy to respond to corruption together with people. It mainly deals with matters related with private-public anti-corruption governance such as the Private-Public Consultative Council for Transparent Society, along with operation of the presidential Anti-Corruption Policy Consultative Council. "Clean public offices" is a strategy to improve integrity in the public offices by steadily eradicating factors that cause corruption in the public sector. It is composed of tasks for public service ethics including prevention of leak of public money, settling of the Improper Solicitation Act, and reinforcement of the Code of Conduct for Public Officials. Support for improvement of integrity standards in the private sector to live up to people's expectations is included in the area of the "transparent management environment". Lastly, the "integrity in practice"

strategy consists of diverse practical tasks such as strict sanctions against corrupt acts, protection of public interest whistleblowers, spread of the culture of integrity in our society, and so on.

Some of the meaningful achievements of institutional improvement through enactment / revision of laws and rules out of the tasks for 2021 includes the establishment of a foundation for the prevention of public officials' pursuit of private interests in performing their official duties through the enactment of the Act on the Prevention of Conflict of Interests and the stipulation of artists' rights and prohibition of government's illegal intervention in them by enacting the Act on Guarantee of Artists' Rights. Plus, "Local Subsidy Management Act" to be enforced in July last year enabled a transparent and proper management of budget through an efficient compilation and execution of local subsidies.

Chapter 2. Prompt Response to Corruption Issues to Live up to People's Expectations

Section 1 Eradication of Improper Hiring Practices in Public Institutions

The government implemented a special inspection on hiring practices of all the public institutions starting from November 2017, in collaboration with the ACRC, the Ministry of Economy and Finance, and the Ministry of the Interior and Safety. For a comprehensive and systematic response against improper hiring practices, the government launched a pan-governmental Team on the Eradication of Improper Hiring Practices in Public Institutions in November 2018 and decided to conduct regular inspections on the hiring practices of all public institutions every year. After the special inspection, the team conducted intense regular total inspections on all the employments of public institutions for three times (2019, 2020, 2021).

As a result of the 4th total inspection conducted in 2021, 76 cases of hiring irregularity were detected. Out of them, criminal investigation was requested for five cases and disciplinary action was demanded for 71 cases. For the detected cases, strict sanctions against concerned people such as punishment, reprimand, or cancellation of employment were demanded to the officials with the personnel authority of concerned institutions. As for cases that required criminal investigation, investigation was requested to the police and prosecution.

<Table 2-1> Number of cases of hiring irregularity detected by total inspection on hiring practices(1st ~ 4th total inspections)

Year	1st('18)			2nd('19)			3rd('20)			4th('21)		
	Total	Request for investi-gation	Request for discipline	Total	Request for investi-gation	Request for discipline	Total	Request for investi-gation	Request for discipline	Total	Request for investi-gation	Request for discipline
Number	338	83	255	182	36	146	83	9	74	76	5	71

Section 2 Support for Operation of the Code of Conduct for Public Officials and Inspection

The Code of Conduct for Public Officials mean the standards of conducts that must be fulfilled by public officials to guarantee fair performance of public duties and to prevent acts of corruption. It is both a code of ethics that contains essential values to be pursued by members of public organizations and a code of practice that specifies detailed standards and procedures to be followed by the members.

Article 8 of the Act on the Corruption Prevention and the ACRC Act which is the legal basis of the Code of Conduct for Public Officials stipulates that the code be established and complied by all public institutions. The provision specifies ① matters regarding prohibition/restriction of acts of receiving entertainment/money and other valuables from work-related persons, ② matters regarding prohibition/restriction of acts of involvement in personnel management/intervention in interests/arrangement/solicitation by using one's position, ③ matters that should be abided by public officials for settlement of sound civil service environment including fair HR management, and ④ matters necessary for corruption prevention and maintenance of public officials' work integrity and dignity, as matters that should be defined by the Code of Conduct for Public Officials.

The ACRC has made diverse efforts to effectively support the operation of the code of conduct by public institutions of different levels. First, in August 2021, an on-line briefing about the establishment/operation of the code of conduct was given to 113 institutions that were newly designated as public service-related organizations. At the briefing, the need for the establishment of code of conduct per public service-related organization, major contents of Code of Conduct, as well as various integrity initiatives designed to enhance the integrity of public service-related organizations were explained. Plus, matters regarding the establishment and revision of each organization's code of conduct were received from different organizations for assessment and in case of a need for improvement, it was notified to respective organizations.

Next, operation of those organizations' codes of conduct was supported through counseling on their codes and authentic interpretation of standards of action. Answers were given to questions received through official inquiries, e-People, and Clean Portal's counseling board regarding violation of codes of conduct (306 cases). Counseling was also provided on-demand over the phone, via e-mail, etc.

In addition, a survey/inspection was conducted on the current status of the operation and implementation of public institutions that currently have the codes. For prevention of violations similar to the ones found out as the result of the inspection, the ACRC requests relevant organizations to establish measures for resolution of related problems and to take disciplinary / financial actions necessary for punishment of violators and recovery of illicit profits obtained from violation of codes of conduct.

Chapter 3. Re-establishing Standards of Conduct for Civil Service with Integrity

Section 1 Enactment of the Act on the Prevention of Conflict of Interest Related to Duties of Public Servants

1. Background and Progress

The ACRC has pushed forward with the enactment of a general law on prevention of conflict of interest, for an effective prevention and management of conflicts of interests that may be faced by public officials in course of performing their public duties. The bill of the "Act on Prohibition of Improper Solicitation and Prevention of Conflict of Interests for Public Officials" submitted by the ACRC to the National Assembly of Korea in August 2013 had initially included provisions about the system for preventing conflict of interests along with the prohibition of improper solicitation and acceptance of money and valuables. However, the system for preventing conflict of interests was excluded in the process of discussions at the National Assembly and the current "Improper Solicitation Act" was enacted (March 2015).

The decisive trigger for the enactment of the Act on the Prevention of Conflict of Interests was the scandal surrounding Korea Land & Housing Corporation (LH) that was brought up in March 2021. At that time, suspicions were raised over huge margins obtained by LH employees by utilizing undisclosed information regarding real estate to be developed by LH, making many people demand an intensive investigation on the suspicions and measures to prevent recurrence of any such scandal.

Defining that the key problem of the LH scandal was public officials' pursuit of private profits

by utilizing confidential information related with their public duties, the ACRC discussed measures to enhance corruption prevention and fairness in the public service including prevention of conflict of interests at the "7th Anti-Corruption Policy Consultation Council for a Fair Society" (March 29, 2021). A "resolution for urging enactment of the Act on the Prevention of Conflict of Interests" was adopted at the Public-Private Consultative Council for Transparent Society consisting of members from different sectors of society, as well as 16 local councils, to deliver many different sectors' urge for the enactment of the law to the National Assembly.

As a result, the Act was finally proclaimed on May 18, after passing voting at the National Assembly plenary session. That was a long-awaited enactment of the Act on the Prevention of Conflict of Interests as long as nine years after the first submission of the enactment bill in 2013.

2. Major Contents of the Act

The Act on the Prevention of Conflict of Interests has provisions on detailed standards of conduct that must be complied by all public officials and employees of public service-related institutions who work for constitutional institutions including the National Assembly, central administrative institutions, local governments, etc., in performing their public duties.

The Act stipulates the following five reporting/submission obligations for prevention of situations where conflicts of interests take place for public officials: first, public officials who perform tasks of licensing/permission, inspection/supervision, procurement/contract as specified by law must report such act to the head of their organization and apply for recursal of the task in question when they come to know that a person related with their duties are persons related with their private interests; second, reporting should be made or detailed information must be submitted to the head of the competent agency when public officials of a public agency in charge of real estate development themselves or their family members own a real estate related with the public duty or want to purchase such real estate; third, when a high-ranking public official has worked in the private sector during a

three-years period before the day of appointment as a public official; forth, when a public official himself/herself or their spouse have transactions of money, marketable securities, and real estate, etc. with a person related with their public duties. Finally, fifth, in case two years have not passed since retirement of a person related with public duties from the same agency with a public official, the public official must report to the head of the agency when privately contacting him/her (golf, travel, speculative recreation).

If a public official violates such duty of reporting/submission, not only a disciplinary action but also maximum KRW 20 million of fine may be imposed him/her. In case a public duty performed without implementation of the reporting obligation is confirmed to be unlawful, profit in the asset obtained by the public official or relevant third parties may be subject to restitution.

The Act on the Prevention of Conflict of Interests also include actions restricted and banned for public officials. First, external activities that may undermine a fair performance of public duties such as receiving compensation for a private advice/consulting to people related with their public duties are prohibited. Second, public organizations are banned from hiring the family members of their high-ranking officials or of human resources personnel without going through a competition process. Third, public organizations are also banned from concluding a private contract with their high-ranking officials, personnel in charge of contracts, their family members, and businesses of special relations, etc. Fourth, public officials must not privately use/take profit from public agencies' supplies, vehicles, etc. or let a third party use/take profit from them. Lastly, public officials are prohibited from taking profits for their assets by using confidential or undisclosed information related with the public duties of their agencies, as well as from letting a third party gain profits in property by obtaining undisclosed information, etc. from a public official.

In case a public official has committed an a restricted/prohibited act in violation of the Act on the Prevention of Conflict of Interests, not only a disciplinary action but also maximum KRW 30 million of fine may be imposed on them. Those who have violated the provision on the prohibition of use of confidential/undisclosed information related with public duties,

even criminal punishment may be sentenced. Notably, in the case of obtaining profits in property by utilizing undisclosed information, etc. or letting a third party obtain such profits, imprisonment not longer than 7 years and fine not more than KRW 70 million may be sentenced and the profit in property may be confiscated or levied in addition.

Section 2 Achievement from Operation of Improper Solicitation Act and Institutional Reinforcement

The ACRC surveyed the status of receiving and handling of reports of violation and whether relevant education has been provided on 21,128 public agencies since the enforcement of the Improper Solicitation Act (September 28, 2016) until the end of December 2020, to examine the current status of operation of systems by public organizations of different levels and the achievements from the implementation of the law. The survey found out that total 10,735 reports about violation of the law were received, out of which 6,973(64.9%) were about improper solicitation, 3,442(32.1%) were about acceptance of money or valuables, and 320(3.0%) were about cases of external lecture, etc. Regarding those cases, 1,025 public officials received disciplinary actions such as criminal punishment, fine, etc., according to the result of the survey.

<Table 2-2 > Receipt and handling of reports on the violation of the Act(Sep. 28,'16~Dec.31,'20)

Time period	Improper solicitation	Acceptance of money and other valuables	Outside lectures (excessive compensation)	Total
'Sep. 28, 16.-Dec. 31, '17	435 cases	967 cases	166 cases	1,568 cases
'18	3,330 cases	959 cases	97 cases	4,386 cases
'19	2,098 cases	879 cases	43 cases	3,020 cases
'20	1,110 cases	637 cases	14 cases	1,761 cases
Total	6,973 cases	3,442 cases	320 cases	10,735 cases
Penalty*	41 people	977 people	4 people	1,025 people

* Criminal penalty, fine, disciplinary surcharge

The Improper Solicitation Act is widely evaluated to have led various positive changes, taking root as a norm in everyday lives of not only the public service but also the entire nation. According to the result of a survey on the perception of the five-year enforcement of the Act, which was conducted by Korea Research and announced in September 2021, 96.3% of public officials and 87.1% of the general public answered that the enforcement of the Act "has given positive influences to Korean society". That was a 8.5%p increase for public officials and 2.8%p increase for the general public when compared to figures in 2016.

The ACRC has pushed improvement of the Act however, as there exist blind spots in the current Improper Solicitation Act. There are matters not included in the duties subject to the prohibition of improper solicitation or not clear whether they are included in the subject of the Act. Plus, it was necessary to introduce the system of anonymous surrogate reporting system and the system of relief fund operated under the "Act on Protection of Public Interest Reporters" to the Improper Solicitation Act for a better protection of whistleblowers. Accordingly, the duties of selecting trainees/scholarship holders, examination of academic thesis and granting of degrees, as well as prison officers' works including guidance/treatment/leading of inmates were added to the works subject to the prohibition of improper solicitation pursuant to the Improper Solicitation Act. In addition, a revision plan for the Act was written to introduce the system of anonymous surrogate reporting and relief fund to the Improper Solicitation Act. The bill passed the National Assembly plenary session on November 11, 2021, to be enforced from June 8, 2022.

Chapter 4. Support for Public Institutions to Enhance Integrity

Section 1 Integrity Assessment for Public Institutions

1. Overview of the System and Improvements

The ACRC has scientifically diagnosed the integrity level of public institutions and announced the outcome every year since 2002, in order to overcome the limitation of existing anti-corruption policies of the public sector, which are mostly focused on countermeasures such as detection and punishment. By such means, public institutions are enabled to improve their integrity level voluntarily and people are encouraged to have consistent interest in the level of integrity in the public sector.

The level of public institutions' integrity is estimated based on the results of surveys responded by the public who have experienced the administrative services of public institutions (external integrity) and employees of the institutions including public officials (internal integrity), as well as on the occurrences of corruption cases in the institutions, which then are interpreted as numeric points and deducted from the overall score. A separate model is used to assess the integrity level of public institutions with functions that are different from other regular public institutions, such as public medical institutions, national and public colleges, and local councils.

The integrity level is calculated in the form of institutional grades (1st to 5th grades) and scores (on a 10-point scale), and the grades with smaller numbers and points in higher numbers represent a higher integrity level. As a side effect of institutions' hesitation to share best practices was incurred because announcement of the score per institution caused

excessive competition between them, only the comprehensive integrity by type of institution and grade in each area of assessment have been disclosed and announced since 2018. Score per institution and detailed analysis result are offered to respective public institutions separately, to help them freely use the information as reference data for establishment of integrity policies.

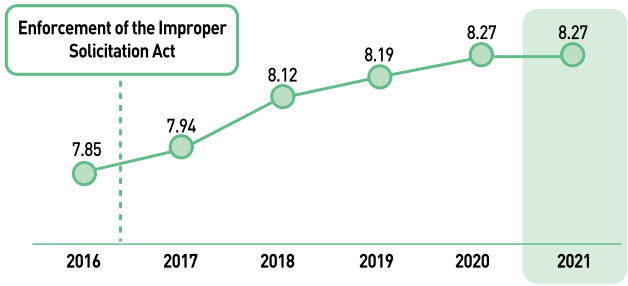
In 2021, integrity of total 703 public institutions including central and local administrative agencies, education offices (including district education offices), public service-related institutions, local councils, national and public colleges, and public medical institutions was assessed. The Comprehensive Integrity of 703 public institutions in 2021 was calculated by reflecting both the result of a questionnaire survey conducted on total 248,000 people who had experienced service of those public institutions and internal public officials over the past year (July 2020-June 2021), which was conducted from August to November 2021, as well as the status of corruption cases that took place for the past year.

Last year, assessment of the integrity level was conducted on local institutions including local district councils and local public companies and corporations related with urban/development/transportation/facilities management which are deeply connected with people's daily lives. Plus, items for the assessment were reorganized by adding new ones, to better live up to people's expectations and adapt to changed environment with the enactment of the Act on the Prevention of Conflict of Interests. Sexual irregularities related with public duties of heads of public organizations and high-ranking public officials was added to the list of items for deduction of the points for the assessment, to even further raise the standard of the integrity assessment. Criteria for the deduction for occurrence of corruption cases were strengthened by introducing a system of applying a weighted deduction based on the result of experts' qualitative evaluation to institutions where a major corruption case has taken place or agencies whose rate of detection by external institutions is high.

2. Result of Integrity Assessment on Administrative Agencies and Public Service-related Institutions

As for the result of integrity assessment of 592 public institutions (central administrative agencies, local governments, education offices, and public service-related institutions) which were analyzed through the common model, the average Comprehensive Integrity score was 8.27 out of 10. The average score had slightly fluctuated until 2016, but rose for four consecutive years since then and the score for 2021 was the same with the previous year's level.

[Figure 2-1] Trend of Comprehensive Integrity score (2016-2021)

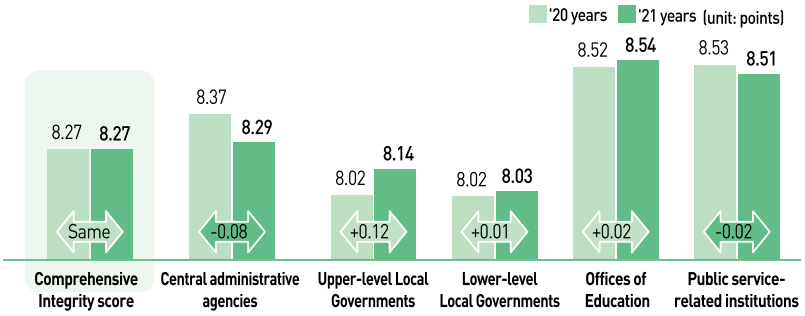


By the area of assessment, both the external integrity and the internal integrity score stayed at a similar level to the previous year.

[Figure 2-2] Comparison of Comprehensive Integrity score of each area (2020-2021)

By the type of organizations, the Comprehensive Integrity score was the highest for educational offices and the lowest for lower-level local governments. The score for local governments was lower than other types of organizations both in 2020 and 2021, but the score of upper-level local governments rose by the largest margin, showing a trend of improvement.

[Figure 2-3] Changes in Comprehensive Integrity score by type of organization (2020-2021)



3. Result of Integrity Assessment on Local Councils, National/Public Colleges, and Public Medical Institutions

The Comprehensive Integrity score of local councils is calculated by conducting a survey on the corruption experience and perception regarding activities and operation of local councils, which is conducted on the personnel in charge of council works of local councils, local governments, and their affiliated organizations (duty-related public officials), economic and social organizations and experts, as well as local residents. Data about anti-corruption efforts and occurrence of corruption cases, etc. is integrated in calculating the Comprehensive Integrity score as well. The Comprehensive Integrity score of local councils in 2021 was 6.74 out of 10, which was similar to the 2020 level. By the type of organization, the average score for metropolitan city/provincial councils (6.79 points) was higher than that for local district councils (6.73 points). While the score for local district councils rose year on year, the score for metropolitan city/provincial councils declined.

The Comprehensive Integrity score for national/public colleges is calculated by conducting a survey on the perception and experience of corruption regarding contract, research, and administration of the colleges. The survey is conducted on the personnel of the colleges' contractors and college personnel including the faculty. The score also reflects the status of occurrence of corruption cases in those colleges. The Comprehensive Integrity score for 16 national/public colleges in 2021 was 7.36 out of 10, which was lower by 0.43 point than the Comprehensive Integrity score of 34 organizations in 2020 (7.79) and lower by 0.29 point than Comprehensive Integrity score of 16 organizations in 2020 (7.65) assessed last year.

The Comprehensive Integrity score for public medical institutions is calculated by conducting a survey on the corruption experience and perception regarding public medical institutions, which is conducted on medicine and medical device sellers, the institutions' own employees, families of patients, former/retired employees, and agencies that manage and supervise them. The score also reflects occurrences of corruption cases and unlawful claim of medical service fees.

In consideration of the current status of response toward COVID-19, the Comprehensive Integrity score for only 13 large-scale public medical institutions was assessed last year, excluding local public medical institutions dedicated to COVID-19 patients. The score recorded 6.95 out of 10, which was 0.46 lower than the Comprehensive Integrity score of 44 organizations in 2020, but slightly higher than the 13 institutions assessed last year, by 0.05 points.

Section 2 Anti-Corruption Initiative Assessment (AIA) for Public Institutions

In an attempt to encourage enhancement of integrity in the public sector by evaluating and supporting voluntary anti-corruption efforts of public institutions, the ACRC has conducted Anti-Corruption Initiative Assessments (AIA) of public institutions every year since 2002. The AIA score is calculated by reviewing the achievements reported by each institution based on written evaluations and on-site examinations by external and internal experts, to determine

and announce the integrity level (grade 1 to 5) of target institutions by type.

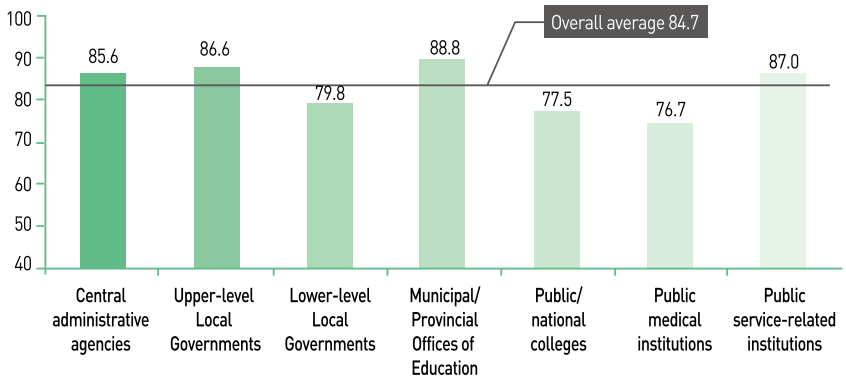
The 2021 AIA was conducted for 273[1)] public institutions, including central government agencies, local governments, and public service-related institutions and so on. Ones with high scores (8 institutions that received grade 2 or higher and that had no case of corruption deductions for 2 years in a row and that obtained grade 2 or higher in the 2020 AIA) among the institutions assessed in 2020 were excluded from the subject of the 2021 AIA. Also, the scope of lower-level local governments subject to the assessment was expanded to include those with 400,000 or larger population in 2021 from ones with 500,000 or larger population size in 2020, to strengthen the assessment of the integrity of local government administration which is the touchpoint between public administration and daily lives of people.

The evaluation for the AIA is conducted in three phases of planning, implementation, and achievement/deployment. Operation of corruption prevention system is included as a deduction item and seven unit-tasks in four areas are evaluated. In 2021, notably, assessment indices were strengthened to encourage anti-corruption commitment and efforts of heads and high-ranking officials of public organizations which are the key factor for production of anti-corruption achievements among public organizations, as well as to eradicate public officials' pursuit of private interests under the circumstances of conflict of interests as in the case of LH which emerged as a social issue early last year. Plus, the performance of establishing an operational foundation for the Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits was added to the evaluation index, so that the Act can take a firm root in the public service and it can secure sufficient regulatory power. In addition, an assessment item for evaluating self-operated integrity training courses at public education/training institutions other than the ACRC's Anti-Corruption Training Institute was newly added too, for the purpose of successful implementation of integrity training as stipulated by law.

1) 45 central administrative agencies, 59 local governments, 16 municipal/provincial offices of education, 16 national/public colleges, 13 public medical institutions, 124 public service-related institutions

The average score of all the 273 public institutions assessed in 2021 was 84.7 and the result of assessment by the type of organizations is as in the figure below.

[Figure 2-4] Assessment result by type of institution



According to the result of the AIA in 2021 by the type of public institutions, the types of organizations with higher AIA scores showed a tendency of higher integrity scores. This means that the type of organizations that actively implement and endeavor for anti-corruption initiatives following the direction of anti-corruption policies generally have excellent external and internal perception and standards of integrity.

In addition, the public institutions whose grades rose in the 2021 AIA (63 institutions) had a significant correlation with the result of the 2021 integrity assessment, while those whose AIA grades stayed the same or declined year on year showed overall decrease in last year's comprehensive/external/internal integrity level. This implicates the fact that public organizations' active efforts for the implementation of anti-corruption initiatives have helped enhance positive impression among civil petitioners who experience their work, as well as their internal staff members.

Section 3 Establishment of Comprehensive Integrity Level Assessment System for Public Institutions

The ACRC has assessed the integrity of public services every year by assessing the integrity levels of public organizations and implementing AIA since 2002, to produce many achievements of driving voluntary anti-corruption efforts of public organizations of different levels. However, anti-corruption environment has significantly changed as many anti-corruption laws and systems have been reorganized following diversification of the types of corruption in the public sector over the past 20 years and the standard of people's expectations for the integrity level of the public service has constantly increased. Under such circumstances, the ACRC collected opinions from different members of society including the public, relevant public institutions, and experts in 2021 and announced a plan for reorganization of the integrity level assessment of public institutions (December 9, 2021). The new comprehensive integrity level assessment will be implemented from 2022.

The 2022 Comprehensive Integrity Level will be composed of "Experienced Integrity Level" which assesses the level of public organizations' integrity actually experienced by people in the course of their performance of external and internal duties based on a survey on interested parties, "Integrity Efforts Level" which evaluates the practical outcome of the anti-corruption efforts of public organizations of different levels, and "Corruption Occurrence Deduction" that reflects the current status of corruption case occurrences of respective institutions. Grades 1 to 5 is given per type of public institutions according to the score of respective institutions (on the scale of 100).

The "Experienced Integrity Level" has been systemized so that the existing survey questions can reflect changed circumstances and the method of calculating the score can be improved, to reinforce the validity. The "Integrity Efforts" Level goes beyond the existing quantitative and qualitative evaluation of the performance of respective institutions, for a more comprehensive evaluation which also includes the initiative effectiveness index which comes from a survey on the perception of internal members of those institutions regarding the practical effectiveness of anti-corruption policies. In the "Corruption Occurrence Deduction" that deducts scores for public institutions for an occurrence of corruption cases, the weight of deduction will be expanded in reflection of people's expectations and the progress status of enactment/revision of relevant laws and the assessment will be strengthened by reviewing widening of the scope of subject of deduction.

[Figure 2-5] Major reorganizations of the Comprehensive Integrity Assessment System

Before	Reorganized		
Integrity Level (on 10-point scale) Including deduction for corruption occurrence	**Comprehensive Integrity Level** (on 100-point scale)	**Experienced Integrity Level** *Corruption perception/ experience in the process of handling of internal/ external tasks	**Integrity Efforts Level** * Evaluation on the establishment of anti-corruption implementation system and performance of its operation, effectiveness of initiatives
↕ Individual measurement/ announcement			
Anti-Corruption Initiative Assessment (on 100-point scale)		**(Deduction) Corruption occurrence** *Statistics of detected corruption cases, including discipline, audit, investigation, etc.	

Section 4 Support for Integrity Consulting for Institutions Vulnerable to Corruption

Public institutions with a relatively low level of integrity need support to objectively analyze the characteristics of their works and problems from the perspective of a third party and to establish effective solutions. Integrity Consulting is a program provided by the ACRC for public institutions with a relatively low level of integrity or for those in need of improving anti-corruption capabilities, which diagnoses their problems and the cause and then proposes customized solutions. The ACRC is committed to creating success cases among those public institutions with low integrity through the integrity consulting and spreading those successes to other institutions, thereby raising the overall integrity level of public institutions in general.

Integrity Consulting has been implemented since 2006 as part of the effort to provide better consulting for public institutions, as reported at the 7th Anti-Corruption Consultative Council of Relevant Agencies meeting (March 17, 2006). It is provided for all types of public institutions, including central government agencies, local governments, municipal and provincial offices of education and public service-related institutions. Total 193 sessions of the consulting were provided to 167 institutions until 2021, which was a remarkable

increase from two in 2006. By the type of institution, 22 were for central government agencies, 21 for upper-level local governments, 60 for lower-level local governments, 13 for Municipal/Provincial Offices of Education, 5 for district education offices, 66 for public service-related institutions, and 6 for national and public colleges and hospitals.

The ACRC and other mentor institutions implemented an anti-corruption capability diagnosis that analyzes the work, system, anti-corruption implementation system, internal control system, and behavior of the members of mentee institutions, in order to find out the cause of low level of integrity in mentee institutions. In the process, result of integrity assessment/AIA, internal rules and control system of the institutions, occurrence of cases of corrupt public officials, result of external institutions' audit, media coverage materials, etc. were utilized. In addition, questionnaire surveys on the employees of the institutions were conducted and content and effectiveness of anti-corruption initiatives carried out by the mentee institutions so far were reviewed at meetings participated by the ACRC, mentor institutions, mentee institutions, and Integrity Consulting advisers, for an intensive analysis on why their integrity level has not improved.

Most of the 22 institutions which received the Integrity Consulting in 2021 experienced increase in their integrity levels. Those 22 institutions autonomously established and implemented plans according to the consulting recommendations and showed an average integrity level lower by 0.02 points than that of the institutions that received the consulting in 2020. However, the score rose by 0.51 points on average when compared with their own integrity levels in 2020. The integrity level of two of them (9%) stayed the same year on year and for two others, the level decreased from that in 2020 (9%).

<Table 2-3 > Improvement of integrity level of institutions that received Integrity Consulting

Item	2019	2020	2021('20)	Increase
Institutions for integrity consulting	7.87	8.19	8.17(7.66)	-0.02(0.51↑)
Integrity level of all public institutions	8.19	8.27	8.27	+0

Chapter 5. Improvement of Laws and Systems for Effective Prevention of Corruption

1. Overview of the Corruption Risk Assessment

The Corruption Risk Assessment (CRA) is a system which prevents acts of corruption through analysis and evaluation of corruption-causing factors in laws and other types of regulations and through establishment of countermeasures. It can be largely divided into evaluation of laws for enactment/revision and current laws, evaluation of autonomous rules, and evaluation of internal rules of public service-related institutions. In the evaluation of the laws for enactment/revision, the ACRC directly reviews corruption-causing factors in advance from the phase of legislation of a law proposed by a central government agency. The evaluation on current laws is implemented to analyze and review corruption-causing factors that exist in current laws or that have emerged as a social issue due to occurrence of a corruption scandal and to improve them. As for the evaluation of internal rules and public service-related institutions, each institution autonomously establishes evaluation system in accordance with their own characteristics and carries out the evaluation autonomously.

In the Corruption Risk Assessment, evaluation is conducted according to 12 criteria, largely in four areas: compliance, enforcement, administrative procedure, and corruption control. In 2020, in consideration of the fact that "reactive governance is another type of corruption" from the perspective of people, possibility of reactive governance was included as a criterion for the Corruption Risk Assessment, to evaluate whether passive performance of public officials' duties such as omission or neglect of duties have a potential of violating people's rights and interests.

After the introduction of the system through an amendment of the Corruption Prevention

and the ACRC Act on December 29, 2005, it was enforced in earnest from April 1, 2006. As for public service-related institutions, the system has been introduced and operated from December 28, 2007. As uniform reorganization of autonomous rules of public service-related institutions through CRA became possible through an amendment of the Corruption Prevention and the ACRC Act on April 16, 2019, internal rules of total 495 public institutions have been going through a total inspection for three years from 2020 until 2022.

2. Performance of the CRA

In 2021, the CRA was conducted on 1,763 draft or revision bills. Within these bills, 406 corruption-causing factors were identified in 182 statutes, and improvement was recommended to relevant institutions. In 2021, the number of evaluated laws was 1,763, which was a decrease by 236 from 2020. However, the number of laws that received recommendation of improvement among the evaluated laws increased by 182 and the number of improvement recommendations increased by 59 (17%) from 2020. Plus, the average time period of processing was 9.2 days, 2.9 days shorter than the previous year, which indicates that the assessments were conducted in a timely manner.

<Table 2-4 > Statistics of new & amended bills assessed in 2021

Total number of laws assessed	Agreement on the original bill	Recommendation for improvement
1,763 laws (100%)	1,581 laws (89.7%)	182 (10.3%), 406 improvement recommendations

Notably, 127 cases out of 406 improvement recommendations met the criteria of “potential conflict of interests”; 82 cases met the criteria of “predictability”; and 78 cases, the criteria of the “concreteness/objectiveness of rules in discretion”.

<Table 2-5> Improvement recommendation by evaluation criteria (2021)

Evaluation criteria		Number of improvements
Compliance (39 cases)	Reasonableness of the burden of compliance	3
	Appropriateness of rules of sanctions	34
	Possibility of occurrence of unfair privileges	2
Enforcement (101 cases)	Concreteness/objectiveness of rules in discretion	78
	Transparency/accountability of consignment/agent service	21
	Possibility of leak of public finance	2
Administrative procedure (127 cases)	Accessibility	21
	Openness	24
	Predictability	82
Corruption control (139 cases)	Possibility of conflict of interests	127
	Systematicity of corruption control instruments	6
	Possibility of causing reactive governance	6
Total		406

Plus, a three-year plan was established for a total inspection of internal rules of public institutions and the inspection was carried out in phases year after year to discover and improve unfair working practices and factors of abuse of discretion. In 2020, 1,971 improvement recommendations were issued to 187 public institutions. In 2021, quasi-governmental institutions (13 of fund management type and 86 for consigned enforcement) were categorized into seven groups according to the type of their major work (employment/welfare, science/information, education/culture, land/safety, agriculture/marine affairs, industries/trade, finance/economy) and CRA was implemented for 11,127 internal rules of 99 institutions in respective areas. As a result of the assessment, total 501 improvement recommendations in 21 types were issued.

<Table 2-6> Number of internal rules by type of work and recommendations

(unit: number, cases)

	Employment/ welfare	Science/ information	Education/ culture	Land/safety	Agriculture/ marine affairs	Industries/ trade	Finance/ economy	Total
Public institutions	20	12	13	13	14	16	11	99
Number of internal rules	2,283	867	1,224	1,569	1,417	1,969	1,798	11,127
Type of recommendation	3	3	3	3	3	3	3	21
Recommendation	50	50	82	98	83	51	87	501

Chapter 6. Anti-Corruption and Integrity Education for Raising Integrity Awareness

Section 1 Integrity Education in the Times of COVID-19

1. Operation of Integrity Academy

As the only institute dedicated to anti-corruption and integrity education in Korea, the Anti-Corruption Training Institute (ACTI) has been implementing integrity education for public officials to meet the demand for integrity education increasing more than ever since public officials are currently legally required to complete the education.

Despite adverse circumstances due to the prolonged COVID-19 pandemic, the ACTI provided both large-scale on-line training sessions and small group training sessions given right at the trainee institutions together, giving integrity training to 88,331 people (18 courses, 246 sessions). Such new approach produced a remarkable outcome of more than two-fold increase in the number of trainees from 2020 (43,514 people) and 3.6-fold increase from 2019 (24,199) before the coronavirus pandemic.

As part of official development assistance (ODA) projects to provide support for improving anti-corruption capabilities of developing countries' public officials, the ACRC has operated training courses for public officials of foreign countries. Last year, those programs were offered in a real-time non-contact mode due to the continuing pandemic, in the same way with the previous year. Eighty staff members of 35 countries' anti-corruption organizations received training focused mainly on Korea's major anti-corruption policies and systems such as the integrity level assessment, Corruption Risk Assessment, protection of public interest reporters, etc.

In detail, the "2nd multinational anti-corruption capability reinforcement course in the Russian language" was offered for three days from May 25 for 34 public officials from 12 countries including Russia, Ukraine, Mongolia, and Kazakhstan. Then, the "9th multinational anti-corruption capability reinforcement course in English" was operated for five days from October 18 for 46 public officials from 23 countries including Taiwan, India, Saudi Arabia, and Serbia. Notably, reporters from Kazakhstan's national TV network Khabar 24 visited the ACTI on May 26 to cover the operation of the multinational training course, showing a keen interest in the program of the ACTI.

2. Operation of Online Integrity Training Courses and Development of Integrity Education Contents

The ACTI runs the "Online Anti-Corruption Training Course" through its "Government e-Learning Platform" and the website of the ACTI, so that more public officials can receive integrity education online conveniently at any time and any place. In the nine-year period since the launch of the ACTI (2013-2021), approximately 1,330,000 public officials have completed the online course.

Sixteen integrity education courseware programs directly developed by the ACTI are offered on the Government e-Learning Platform to be co-used by multiple institutions. Plus, support is offerred to public institutions who have their own learning management system (LMS) or have difficulties in the joint use of the Government e-Learning Platform by providing integrity education contents, so that they can operate their own integrity training courses.

Efforts were made for the development of integrity education contents. In accordance with the enforcement of the Act on the Prevention of Conflict of Interests, "Act on the Prevention of Conflict of Interests Easy to Understand" courseware was produced and posted/operated on the Government e-Learning Platform. As of 2021, total 17,348 public officials have completed the course. Plus, a "standard lecture proposal for the Act on the Prevention of Conflict of Interests" and a "instructor's manual" were developed and distributed to integrity lecturers of public institutions of different levels to be utilized for the training on the Act at

respective institutions. For the officials of public service-related institutions who cannot access the Government e-Learning Platform, educational video clips "Guide to the Act on the Prevention of Conflict of Interests" and "Understanding of Anti-Corruption Laws" were produced and posted on YouTube, so that they can take the classes any time around the year. Plus, "integrity micro-learning" program was developed in consideration of the characteristics of the generations in their 20's and 30's as well as the newest trend of education. It is an on-line learning program self-directed by learners, in which they choose their own training course by selecting from many short video clips.

Section 2 Operation of Anti-Corruption Outreach Programs to Spread a Culture of Integrity

Diverse on-line integrity education programs that are customized for the characteristics of different generations and groups of people were developed and released on the website of the ACTI, YouTube channel, cloud services, IPTV, etc., to encourage more people's access to those contents. Plus, the program of integrity experience classes for children and adolescents provided right at their own schools, which had been almost suspended in 2020 due to the pandemic, was widely expanded last year by providing both small-scale group education sessions and on-line courses.

In addition, an "integrity contents contest for people" was hosted as an integrity program participated by the people. In 2021, the competition area of memoirs was expanded to include essays and a new area of competition for poster/illustration was added to the contest. People submitted their works in five areas—essays, poems, web comics/posters/illustrations, videos, and songs—for the contest.

A record-high number of 2,570 works of art were submitted to the contest with participation of people from all levels of society. The number of the general public's participation (979) more than doubled year on year, which shows people's rising interest in integrity.

ACRC ANNUAL REPORT 2021

Part

03

Systematic Handling of Corruption and Public Interest Reports, and Protection of Whistleblowers

Chapter 1. Promotion of Reforms in Our Society by Handling of Reported Corruption and Public Interest-related Cases

Section 1 Operation of System for Reporting of Corruption and Public Interest Violations

The corruption reporting system was established to protect people's basic rights and interests, ensure appropriateness of public administration, and establish a social environment with integrity by preventing power abuse or violations of the law on the part of public officials, thereby efficiently regulating the corrupt acts specified in the Corruption Prevention and the ACRC Act. The system was introduced under the former Corruption Prevention Act enacted on July 24, 2001 and enforced on January 25, 2002.

The public interest reporting system is a framework to establish a transparent society. It is an efficient measure to eradicate chronic corruption in our society by preventing and controlling acts of violating public interests in the private sector, such as those undermining public health and safety, environment, consumer interests, fair competition and other equivalent public interests. The system started to be implemented on the basis of the enactment of the Protection of Public Interest Reporters Act on September 30, 2011.

Reports received at the corruption/public interest violation report center are assigned to the department in charge of handling the reported cases and go through examination and check by inspectors, review by commissioner in charge, and then deliberation by the ACRC's internal committee. When a case is recognized to be in need of an inspection according to the Board of Audit and Inspection Act, it is referred to the Board of Audit and Inspection; when the case involves criminal charges or raises the need for criminal investigations, it is referred to the investigative authorities; and other cases are referred to the supervisory institution of relevant public agencies.

The investigative agency to which a report is referred should finish an audit, investigation or inspection, and notify the result to the ACRC within 10 days. The ACRC shall inform the reporter of the result summary upon being notified of the investigation or inspection result, and shall report it to the internal committee. In addition, in cases where the audit, investigation or inspection by the investigative authorities is deemed inadequate, re-inspection may be requested to the investigative authorities based on rational reasons such as the submission of new evidentiary materials.

1. Corruption Reports Received and Resolved

Total 169,949 cases of counseling and guidance regarding corruption have been provided. While the number moves slightly up and down every year, it shows overall trend of increasing.

<Table 3-1> Counseling & guidance services by year

(Unit: cases, %)

Mode of use	Total	%	'02~'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21
Total	169,949	100	18,673	6,733	5,761	4,941	4,049	6,742	5,597	5,275	6,406	10,727	9,596	9,728	11,104	10,884	12,312	14,465	14,004	12,952
Phone call	137,440	80.9	11,642	4,739	4,352	4,418	3,628	5,129	5,063	4,689	5,714	9,943	8,287	8,577	9,719	10,014	11,082	11,479	10,200	8,765
Internet	21,054	12.4	2,970	1,177	937	165	212	1,364	396	361	325	400	812	742	1,001	485	676	2,342	3,177	3,512
Visitation	11,455	6.7	4,061	817	472	358	209	249	138	225	367	384	497	409	384	385	554	644	627	675

* The number of counseling and guidance services offered through fax, mail, and in-person meeting is included in the number of the "visitation" category.

From January 25, 2002, when the former Korea Independent Commission against Corruption was launched, to the end of December 2021, a total of 77,139 reports were submitted and 76,805 of them were addressed.

<Table 3-2> Corruption reports received by year

(unit : cases)

Category	Total	'02~'04	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
No. of cases	77,139	6,014	1,974	1,745	2,544	1,504	2,693	3,099	2,529	2,527	3,735	4,510	3,885	3,758	4,066	7,328	9,435	6,103	9,690
Monthly average	321	167	165	145	212	125	224	258	211	211	311	376	324	313	339	610	786	506	808

<Table 3-3> Status of reports handled

(Unit: case)

Category	Total	Referral	Notification of violation of code of conduct	Forwarding to public institutions	Closed
Report handling	76,805	3,407	1,554	13,845	57,999

The number of referral cases was total 3,407 and as of December 2021, the rate of confirmation of charges in 3,166 cases except for 241 on which investigation and inspection were underway was 72.4%.

<Table 3-4> Referral to investigative agencies by year

(unit : cases, %)

Category	Total	Notification of investigation result			Under investigation	Corruption detection rate (②/①)
		Sub-total ①	Corruption detected ②	Acquitted		
Total	3,407	3,166	2,292	874	241	72.4

A total of 2,292 cases for which a corruption charge was detected were investigated out of the referred cases. Consequently, 5,370 people were prosecuted and 2,083 people were disciplined. The amount subject to charging/restitution following detection of corrupt acts reached more than KRW 863.4 billion.

<Table 3-5> Result notification by investigative agencies

Category	Prosecution/discipline, etc. (persons)				Institutional warning (cases)	Other (cases)	Amount to be collected of recovered (KRW 1 million)
	Total	Prosecution	Discipline	Accusation/ dismissal from office			
Total	7,561	5,370	2,083	108	230	688	863,467

* The number does not include 241 cases under investigation by investigative agencies

2. Public Interest Reports Received and Resolved

Since the enactment and enforcement of the Protection of Public Interest Reporters Act until the end of December 2021, a total of 43,529 reports were submitted to the ACRC. Public health violations, including production of harmful food products and sales of unlicensed medical products, were the most common type of report with 16,201 cases (37.2%), followed by public safety violations, including faulty construction and non-establishment of fire-fighting facilities, with 7,122 cases (16.4%).

<Table 3-6> Public interest reports received by year

(Unit: cases)

Category	Total	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
No. of cases	43,529	292	1,153	2,887	9,130	5,771	2,611	2,521	3,923	5,164	5,546	4,531
Monthly average	330	97	96	241	761	481	218	210	327	430	462	378

The number of public interest reports received in 2021 was 4,531, a 18.3% decrease year on year. By sector, the number of reports in the sectors of fair competition and other equivalent public interests greatly increased, while the number for the sectors of safety and environment decreased.

The ACRC handled 43,437 cases out of total 43,529 public interest reports, out of which 23,368 were referred/transferred to inspection/investigation institutions.

<Table 3-7> Handling of public interest reports

(Unit: cases)

Category	Sector	Handling classification			
		Sub-total	Referred	Forwarded	Closed
Total		43,437	2,093	21,275	20,069
'11~'15	Sub-total	19,177	443	11,860	6,874
	Public health	9,267	238	8,340	683
	Public safety	2,963	33	2,158	772
	Environment	1,829	128	554	1,147
	Consumer interest	854	28	569	257
	Fair competition	263	10	158	95
	Others	4,001	0	81	3,920
'16	Sub-total	2,560	79	1,155	1,326
	Public health	884	33	589	262
	Public safety	369	22	275	72
	Environment	222	10	163	49
	Consumer interest	164	11	91	62
	Fair competition	71	3	37	31
	Others	850	0	0	850
'17	Sub-total	2,238	85	534	1,619
	Public health	498	31	221	246
	Public safety	408	40	182	186
	Environment	195	7	64	124
	Consumer interest	137	4	50	83
	Fair competition	48	3	17	28
	Others	952	0	0	952
'18	Sub-total	3,952	37	943	2,972
	Public health	836	15	403	418
	Public safety	686	11	344	331
	Environment	153	8	61	84
	Consumer interest	224	1	64	159
	Fair competition	198	2	70	126
	Equivalent public interest	1	0	1	0
	Others	1,854	0	0	1,854

Category	Sector	Handling classification			
		Sub-total	Referred	Forwarded	Closed
'19	Sub-total	5,165	388	2,187	2,590
	Public health	1,047	154	710	183
	Public safety	877	121	571	185
	Environment	546	23	433	90
	Consumer interest	609	73	396	140
	Fair competition	147	17	72	58
	Equivalent public interest	10	0	5	5
	Others	1,929	0	0	1,929
'20	Sub-total	5,563	629	2,975	1,959
	Public health	1,791	322	1,288	181
	Public safety	1,324	153	993	178
	Environment	365	40	294	31
	Consumer interest	571	104	336	131
	Fair competition	96	8	46	42
	Equivalent public interest	28	2	18	8
	Others	1,388	0	0	1,388
'21	Sub-total	4,782	432	1,621	2,729
	Public health	1,893	275	764	854
	Public safety	414	46	248	120
	Environment	158	2	122	34
	Consumer interest	400	99	215	86
	Fair competition	242	5	220	17
	Equivalent public interest	75	5	52	18
	Others	1,600	0	0	1,600

As for the result of investigations on public interest whistleblowing cases referred/forwarded to investigative agencies, among 21,082 referral cases notified from investigative agencies to the ACRC since the enforcement of the Act, corruption charges were detected in total 9,842 cases (46.7%). Consequently, actions such as prosecution and accusation (2,492 cases), fine (140 cases), penalty surcharge and administrative fine (2,216) were taken.

<Table 3-8> Result of cases referred/forwarded to investigative agencies

(unit : cases, KRW 1 million)

Result of investigation on referred/forwarded cases					Action taken					
Status of result notification				Under inspection/ investigation by another agency						
Total (D=F+G)	Suspicion confirmed (F)	Confirmation rate (F/D)	Acquitted (G)		Prosecution	Accusation	Fine	Penalty surcharge	Administrative fine	Others
21,082	9,842	46.7%	11,240	2,286	1,269	1,223	140	977	1,239	5,337

3. Reinforcement of Protection System for Corruption and Public Interest Reporters

A revision bill of the Corruption Prevention and the ACRC Act that substantially strengthens the system of exempting the liability of reporters who report about corruption acts and the system of relief fund to the level of the Act on Protection of Public Interest Reporters passed the National Assembly plenary session on December 9, 2021 and it is to be enforced on July 5, 2022. The revision will first, enable the person having disposition authority to reduce or exempt the liability of a corruption reporter in case the reporter gets disciplined or an administrative disposition for the reason of an unlawful act detected with regards to the reporting. It also provides the legal ground for the ACRC to demand the alleviation or exemption of a disciplinary or administration disposition imposed on the reporter to the person having disposition authority. Second, a legal ground for submission of the ACRC's opinions regarding the exemption of public interest reporters' liability in various lawsuits to court has now been established. Third, the grounds for the payment of relief fund have been expanded, so now relief fund can be paid to cover even the legal fees spent on litigation regarding corruption reporting.

The revised Act on Protection of Public Interest Reporters proclaimed on April 20, 2021, has expanded the scope of protection of public interest reporters and further strengthened the system of protecting and supporting them. According to the revision, first, four laws—Labor

Standards Act, Private School Act, Elementary and Secondary Education Act, and Higher Education Act—have been added to the subject of public interest reporting, so the number of laws subject to public interest reporting is now 471. Second, legal grounds were newly established so that the person having disciplinary or administrative disposition authority can exempt the liability of public interest reporters, etc. on their own and that the ACRC can submit its opinion to court with regards to the exemption of public interest reporters' liability in a criminal, administrative, or civil lawsuit regarding public interest reporting. As such, the new Act is expected to further promote utilization of the system for exemption of public interest reporters' and cooperators' liability. Third, the grounds for offering of relief fund paid for cases of damages caused by or costs spent due to public interest reporting have been widely expanded, so relief fund can now be paid even for the "fees spent for lawsuits filed for the public interest reporting or cooperation for it".

The year 2021 marks the 10th anniversary of the enforcement of the Act on the Protection of Public Interest Reporters. Since the Act's enforcement, it has gone through seven revisions. As a result, the number of laws subject to public interest reporting has been raised from 180 to 471 and the legal instruments for protecting whistleblowers have been reinforced significantly, including strengthening of punishment of those who violate the rules on the protection of whistleblowers and introduction of anonymous surrogate reporting system. Plus, the ACRC has paid total KRW 10.45 billion of reward/award and relief fund to public interest whistleblowers for the past 10 years. Enhanced rewarding/awarding has promoted public interest reporting. From 2011 to 2020, total 13.76 million cases of public interest reporting have been submitted to the ACRC, central administrative agencies, local governments, public service-related institutions, etc. Among them, 12.85 million cases have been addressed, out of which charges were detected in 8.49 million cases (66%).

The ACRC has also endeavored to reinforce the foundation for protection of whistleblowers at respective public institutions of different levels. For such purpose, the "Standard Guidelines on Operations Regarding Handling of Public Interest Reports and Protection of Reporters" was distributed to public institutions of different levels. The ACRC encouraged those public institutions to establish their own operation rules, install a window for public

interest reporting, and appoint an official in charge of public interest reporting who carries out overall work of protection of reporters and has inspected the current status of such operation every year. According to the result of the inspection in 2021, 418 out of 511 institutions (81.8%) subject to the inspection including central administrative agencies, local governments, and public service-related institutions have established their own operation rules for the system of protecting public interest reporters and 485 institutions (94.9%) were operating their own window for public interest reporting. An official in charge of public interest reporting was appointed by 443 institutions (86.7%). The numbers were year-on-year increase by 38, 58, and 55, respectively, which indicates the fact that the infrastructure for operating the system of protection of public interest reporters is expanding gradually.

Section 2 Operation of the Center for Reporting Welfare and Subsidy Fraud

The Korean government discussed the need to come up with government-wide measures to fight corruption that causes losses of public funds and eradicate fraudulent claims in the field of welfare. The Joint Government Report Center for Welfare Fraud was established within the ACRC on October 15, 2013, for comprehensive management on fraudulent claims handled by different government agencies and on-site inspections at any time. On January 6, 2015, the Joint Government Report Center for Welfare Fraud was reorganized into the Center for Reporting Welfare and Subsidy Fraud, which is entitled to handle the reports on subsidy frauds as well as welfare frauds. Targets for report are the fraudulent receipt of any public services or goods related to government policy, project, or budget (including wages, subsidies and support funds, human resources and material support, etc.).

Since the launch of the Center, total 9,099 cases of fraudulent receipt of public subsidy have been reported. Among these reports, 8,975 cases (98.6%) were handled and concluded, with 3,200 cases (35.7% of the 8,957) were referred to investigative or supervisory institutions.

<Table 3-9 > Reports consulted/received and handled (as of Dec. 31, '21)

(Unit: cases)

Year	Reports received	Reports handled			
		Total	Referred	Forwarded	Closed
Total	9,099	8,975	1,609	1,591	5,775
2021	1,598	1,639	62	575	1,002
2020	1,187	1,205	299	313	593
2019	1,536	1,526	321	225	980
2018	1,443	1,425	265	227	933
2017	960	892	168	66	658
2016	593	582	192	22	368
2015	861	865	198	64	603
2014	776	740	103	78	559
2013	145	101	1	21	79

Among those 3,200 referred/forwarded cases, investigations on 2,563 cases have been completed. Charges of fraudulent claim were confirmed in 1,902 cases out of them and recovery of KRW 132.1 billion was decided.

<Table 3-10 > Suspicion confirmed in referred/forwarded cases (as of Dec. 31, '21)

(Unit: cases)

Referred and forwarded	Investigation completed (result notified)			Under investigation by investigative agency
		Suspicion confirmed	Acquitted	
3,200	2,563 (100%) (Restitution of KRW 132.1bn decided)	1,902 (74.2%)	661 (25.8%)	637

Chapter 2.

Effective Protection and Reward for Whistleblowers

Section 1 Protection of Corruption and Public Interest Whistleblowers

Corruption/public interest whistleblowers may face a lot of difficulties in continuing their jobs after public interest reporting. Therefore, an environment of active protection of the whistleblowers needs to be established so that anyone can report about corruption with a peace of mind, while effectively preventing occurrence of corruption and violation of public interests. The types of protection of corruption and public interest reporters include check on violation of the guarantee of confidentiality, which prohibits disclosure/media coverage of reporters' identity, actions to protect reporters from getting disadvantaged or to recover from disadvantages that have already taken place.

The requirements for corruption reporters to be protected are as the following. First, the subject of corruption report includes the acts of corruption defined in Article 2, subparagraph 4 of the Corruption Prevention and the ACRC Act as well as acts of violating the Code of Conduct for Public Officials, which are specified in Article 67 of the Act. Reporting should be submitted to the ACRC, the public agency of the person to whom reporting is filed, or a public institution that guides/supervises the institution/organization or company of the person to which reporting is filed. Reporting should be performed in the form of document submission with affixation of name, along with the reporter's personal information, the reason for reporting, and evidence of the acts of corruption, to be entitled to protection. A reporter is not entitled to protection however, if he/she knew or could have known that content of the report was false.

Acts of public interest violation subject to reporting are defined as acts that undermine

public health, safety, environment, consumer interests and fair competition, and other equivalent public interests according to Article 2, subparagraph 1 of the Protection of Public Interest Reporters Act, which are subject to administrative disposition such as penalty or cancellation of license or permission or injunction, etc., according to 471 applicable laws. Anyone can get protected after reporting/informing or providing information for investigations to an institution that receives public interest reports, which includes investigative agencies (an administrative agency or supervisory agency that holds the authority of guiding/supervising/regulating or investigating acts of violating public interests), investigative agencies, the ACRC, or the head of an organization where an act of violating public interests has taken place, in case an act of violating public interest has occurred or there exists a concern of such occurrence. Not only reporters themselves, but also persons who have made a statement or testimony or offered materials for a public interest report and an inspection/investigation/litigation on a public interest report, and an inspection/investigation regarding protective actions for a reporter, are included in the category of "public interest reporter, etc.", so that they are entitled to protection as well. A reporter is not entitled to protection however, if he/she knew or could have known that content of the report was false or made a report for an unfair intention.

Between the launch of the ACRC and 2021, there have been a total of 1,092 cases where a corruption/public interest reporter or their cooperator requested protection. The rate of acceptance of protection requested by corruption reporters reaches 79.7% and the acceptance of the protection requested by public interest reporters, 50.4%.

<Table 3-11> Requests for protective measures for corruption/public interest reporters by year

(Unit: cases)

Year	Protection of corruption reporters					Protection of public interest reporters					
	Total	Guarantee of position	Protection of personal safety	Confirmation of details on identity disclosures	Temporary suspension	Total	Action of protection	Protection of personal safety	Confirmation of details on identity disclosures	Prohibition of disadvantageous action	Exemption of liability
Total	579	400	36	89	24	543	276	55	120	33	59
2008	15	13	2	-	-	-	-	-	-	-	-
2009	17	15	2	-	-	-	-	-	-	-	-
2010	13	9	3	1	-	-	-	-	-	-	-
2011	9	9	-	-	-	6	2	-	2	2	-
2012	25	19	2	4	-	9	3	3	1	1	1
2013	27	20	3	4	-	19	15	1	2	-	1
2014	22	14	4	4	-	13	1	2	8	1	1
2015	21	15	3	3	-	13	8	-	4	1	-
2016	15	15	-	-	-	20	12	2	4	2	-
2017	9	8	1	-	-	28	13	2	7	1	5
2018	38	25	-	10	3	53	27	8	8	3	7
2019	106	68	6	21	11	131	65	17	28	9	12
2020	107	75	6	19	7	125	67	12	29	4	13
2021	125	95	4	23	3	126	63	8	27	9	19

Section 2 Compensation for Corruption and Public Interest Reporters

The compensation system for whistleblowers is to provide financial compensation to reporters whose reporting about corruption or violation of public interest contributed to promotion of public interest or directly led to recovery of or increase in revenues or decrease in public expenses. The system encourages people's voluntary participation in corruption and public interest reporting by rewarding individuals' acts of courage done for public interest despite diverse risks. When whistleblowing has made a substantial contribution to public interest, the reporter may be recommended by a public institution or

by the ACRC for an award, according to the Awards and Decorations Act. If the reporter fulfills specific criteria for the payment, he/she can be paid with a maximum of KRW 200 million in monetary award. Unlike awards, a reward is paid to a whistleblower at his/her own request, in cases where the report has led to a direct recovery of the public institution's income. The maximum amount of rewards is KRW 3 billion. Whistleblowers can be paid with relief fund for the costs incurred to themselves and those who helped them, including cost for physical and mental treatments, moving costs, litigation expenses, wages lost during the period of disadvantage caused by the act of reporting.

<Table 3-12> Annual payment of rewards

(unit: cases, KRW 1,000)

Year	Corruption reporters			Public interest violation reporters		
	Cases	Benefits incurred *	Rewards paid	Cases	Benefits incurred*	Rewards paid
Total	1,465	281,728,517	23,703,307	6,739	149,054,158	10,734,048
09	20	5,811,771	642,146	-	-	-
10	23	4,505,568	603,641	-	-	-
11	12	18,834,014	1,499,401	-	-	-
12	40	11,131,730	1,400,444	32	147,860	28,475
13	37	8,393,380	951,210	319	1,230,929	227,708
14	30	6,878,647	619,347	657	2,239,585	397,340
15	29	28,770,531	1,426,658	511	1,988,446	379,997
16	90	23,997,537	2,275,033	2,476	8,344,742	1,603,578
17	113	26,539,641	2,108,374	1,710	11,198,923	1,976,511
18	166	36,836,590	3,114,994	277	66,077,269	2,213,658
19	197	28,364,346	2,312,974	211	22,254,652	1,534,593
20	238	46,003,611	3,842,099	249	25,258,924	1,560,901
21	490	41,472,921	3,549,132	297	10,312,828	811,290

* Benefit incurred: the value of the recovered or increased revenues of the State or local governments through a report. The amount of reward is calculated based on it.

Major cases of payment of the compensation and relief fund are as the following. First, a report about a company's fraudulent claim of the government's employment maintenance subsidy was submitted. According to the report, the head of the company had submitted a plan of employment maintenance action for the company's employees subject to layoff and obtained the government's approval for the plan. Even though those employees actually worked normally, the president of the company hided such fact and submitted fabricated documents about their working status for a fraudulent claim of the government subsidy. An investigation was carried out into the case to find out the fact that the company fraudulently received approximately KRW 339 million of government subsidy. A decision on the recovery of total KRW 1,017 million including falsely-received subsidy and surcharge was made; KRW 200 million has been recovered so far and KRW 180 million of monetary compensation has been paid to the reporter.

The second case was regarding a public interest report also about a fraudulent claim of government employment maintenance subsidy. According to the report, a head of an agency that helps place students in overseas schools had submitted a plan of employment maintenance action for the company's employees subject to layoff and obtained the government's approval. Even though those employees actually worked normally, the head of the agency submitted fabricated documents for a fraudulent claim of the government subsidy for employment maintenance. After the reporting, investigations were expanded to cover 14 business establishments operated by the head of the agency nationwide, to find out the fact that those 14 businesses fraudulently claimed government's employment maintenance subsidy over the same period of time. Restitution of KRW 400 million was decided and the full amount has been recovered. According to the Act on the Prevention of False Claims of Public Funds and Recovery of Illicit Profits, the ACRC paid the reporter KRW 40 million reward and another KRW 56 million reward, which is an amount after 30% deduction, with regards to the 14 other business establishments whose unlawful acts were found out in an expanded investigation implemented by the Ministry of Labor.

In the third case of public interest reporting, the reporter had reported about a suspicion over mistreatment of the disabled and a fraudulent claim of government subsidy by a

rehabilitation center for the disabled for which he/she worked. The reporter was fired by the head of the center and then applied for reinstatement and payment of wages to the ACRC and obtained a decision of protective action. However, the center did not comply with the action, so the reporter applied for relief fund to make up the loss of wages. The ACRC paid the reporter KRW 60 million as the relief fund for loss of wages.

Chapter 3. Promotion of Public Fund Recovery System

Section 1 Institutional Improvement for Successful Settling of the Public Fund Recovery System

As cases of fraudulent claim and receipt of public funds are taking place continuously[2], the ACRC pushed forward with the enforcement of a general law on recovery of and sanctions on the false claim of public funds since 2014. On April 16, 2019, the Act on the Prevention of False Claims of Public Funds and Recovery of Illicit Profits ("Public Fund Recovery Act") was enacted and finally enforced on January 1, 2020.

<Table 3-13> Public fund payments

(Unit: KRW 1 trillion)

Category of national finance	2019		2020		2021	
	Total budget amount	Public fund payment amount	Total budget amount	Public fund payment amount	Total budget amount	Public fund payment amount
Central budget	469.6	132.2	512.3	149.2	558.0	294.8
Local budget	230.7	73.9	252.3	82.9	263.1	88.8
Local educational budget	70.6	23.2	73.9	19.4	74.8	18.8
Total	770.9	229.3	838.5	251.5	896.8	402.4

2) A survey was conducted on the current status of recovery of falsely-claimed public funds by administrative agencies of different levels in 2020 when the Act on the Prevention of False Claims of Public Funds and Recovery of Illicit Profits was enacted. According to the result of the survey, a total of KRW 45.4 billion was recovered to the national coffers during the year.

The Public Fund Recovery Act is mainly regarding four types of false claim of public funds: claiming public fund payments such as subsidy, reward, and contribution without legitimate qualifications; claiming excessive amount of such payment; using the fund for a purpose or usage other than specified; and falsely receiving such fund. The Act stipulates that administrative agencies of different levels recover the illicit profits and interests for the amount from such false claims of public funds and impose maximum five-fold amount of additional monetary sanction along with the recovery of the falsely-claimed amount for cases of false claim, excessive claim, and use of public fund for a purpose other than specified. The Act also enables competent administrative agencies to announce the list of people who have falsely claimed large amount of public funds or who have committed false claim of public funds several times. Under the Act, the ACRC is entitled to check and inspection of the progress of public institutions' recovery of falsely-claimed public funds and imposition of additional monetary sanctions. The Act includes instruments for a thorough protection of people who report such false claim cases, such as guarantee of their positions and protection of personal safety, to promote active reporting about the acts of false claim of public funds. According to the Act, such reporters are entitled to monetary rewards.

There was, however, a concern over a blind spot in eradicating false claims of public funds in case an investigative agency does not notify the result of their investigation on a false claim to an administrative agency that is in charge of recovering relevant illicit profits, as there had been no legal ground that obliges investigative agencies to notify. The ACRC pushed forward with a revision of the Public Fund Recovery Act to mandate investigative agencies to notify the result of their investigations to relevant administrative agencies, which passed the National Assembly plenary session on November 11, 2021 and was enforced on December 7, 2021.

The current Public Fund Recovery Act does not apply to matters to which the "Act on Contracts to which the State is a Party" and the "Act on Contracts to which a Local Government is a Party" are applied, as well as to matters of contracts equivalent to them. Therefore, an action of recovery of illicit profits cannot be taken under the current law, as an act of false claim of public funds that takes place in a "contract relation" in which large-scale public funds are put is not subject to the application of the current Public Fund Recovery

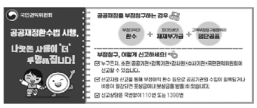
Act. Accordingly, the ACRC is pushing forward with another revision of the Act so that sanctions can be imposed to acts of false claim of public funds which occur in a "contract relation" as well. The new revision bill also includes a provision to reduce the amount of exemption of additional monetary sanctions in the case of voluntary reporting only after an administrative agency's perception of a false claim. As of now, the full amount of additional monetary sanctions is exempted when a party who obtained illicit profits from a false claim of public funds makes a voluntary report. After the completion of the pre-announcement of legislation (October 18-November 29, 2021), the new revision bill is now under discussions among relevant public institutions, to be submitted to the National Assembly in the first half of 2022.

Section 2 Push for Successful Settling and Promotion of the Public Fund Recovery System

The ACRC has carried out the following activities to help a successful settling of the Public Fund Recovery System and to promote its utilization. First, PR activities targeting the general public were reinforced and briefings about the system were given to public institutions. Major contents of the Public Fund Recovery Act were publicized through media platforms highly accessible to the people, such as various public notices, broadcasting, social media, and so on. As on-site education programs were restricted due to COVID-19, on-line briefings on the Act were held (5 times, 5,501 sessions), to explain and educate about major contents of the Act, including the definition of the payment from public funds and types of false claim of public funds. Also, audiovisual educational materials were developed and distributed to public institutions of different levels. It was also posted on the ACTI website and the ACRC's YouTube channel (ACRC Vision).

[Figure 3-1] PR and education about Public Fund Recovery Act

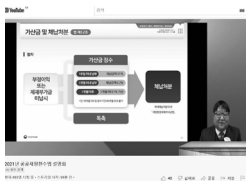
Vehicle inspection notice



YouTube

Social media card news

On-line briefing



Next, a comprehensive public fund management system is operated. The enactment and enforcement of the Public Fund Recovery Act enabled the government to identify the current status of public fund payments including their amount, recovery, imposition of additional monetary sanctions, etc., which had not been clearly known before. However, there was a concern of occurrence of errors as no management system was established to manage those information in an integrated manner. To address such concern, the ACRC established a comprehensive public fund management system within the Clean Portal (March 2021) and began its operation. From 2022, the system will be reorganized so that information about public fund payments per institution, project, and legislation can be conveniently checked, for easier utilization of the information in institutional improvement and review on the implementation of the system.

Lastly, the ACRC strengthened inspection on the status of public budget execution and implementation of sanctions on false claim of public funds, in line with the rise in public spending due to increase in welfare budget and continuing coronavirus pandemic. The implementation review was conducted on total 37 institutions: ① local public corporations (February 17-March 19, 2021), ② spending in the sector of employment subsidy and R&D project subsidy from the central government budget (April 29-June 25, 2021), ③ spending in sports sector out of local government budget (August 17-September 10, 2021), and ④ national/public colleges and colleges of education (October 25-December 10, 2021). According to the result of the review of those 37 institutions, 137 cases of false execution (KRW 334 million) were detected. Notification to supervisory institutions was made for actions such as recovery of the fund, regarding 39 cases of them. In addition, for five cases in which operational loopholes were found out so institutional improvement was required, actions for the improvement will be taken based on consultation with competent administrative agencies, etc.

Chapter 4.

Operation of System to Restrict Employment of Former Public Officials Dismissed for Corruption Charges

Public officials who have rightly resigned, or have been dismissed or removed from office for corrupt acts in connection with their duties during the term of their offices shall be prohibited from getting employment at public institutions or for-profit companies closely related to the department or institution to which they belonged from five years before their resignation, for five years after the date of resignation. Since its introduction into the Corruption Prevention Act in 2001, the restriction on employment of public officials dismissed for corruption has expanded the scope of subject individuals and institutions of application, according to the revision of the applicable act in March 2016. The ACRC identifies violators employed by the restricted institutions by conducting regular inspections on the employment status of public officials who have been dismissed for corruption and reviewing rule violation of those who got employed.

Over the past six years (2016-first half of 2021), a total of 1,519 public officials were dismissed for corruption. By type of corruption, the number of receipt of money, entertainment, or other valuables was the highest at 811; followed by 292 for embezzlement and misappropriation of public funds; 86 for abuse of authority or dereliction of duty; and 42 for document forgery or counterfeiting. Plus, 288 were dismissed for other reasons (inappropriate handling of the task and violation of statutes related to budget and finances).

<Table 3-14> Breakdown of the reasons for dismissal of public officials

(unit : persons)

Type of corruption	'16	'17	'18	'19	'20	'21(first half)	Total
Receipt of money, entertainment	206	191	159	129	91	35	811
Embezzlement or misappropriation of public funds	52	51	45	65	49	30	292
Abuse of authority or dereliction of duty	24	15	15	15	12	5	86
Document forgery or counterfeiting	5	3	12	11	9	2	42
Others	25	48	60	90	55	10	288
Total	312	308	291	310	216	82	1,519

In an inspection on the employment of former public officials dismissed for corruption, the Commission detected 41, 63, 46, and 28 violators of the employment restriction provision in 2018, 2019, 2020, and the first half of 2021, respectively, some of whom were hired by entities that had been closely related to their public duties before dismissal. The numbers were three to four-times increase from 16 who were detected in the inspection in 2017. This is attributable to the amendment of the Corruption Prevention and the ACRC Act in September 2016, which expanded the scope of institutions that are subject to employment restrictions on former public officials. (Out of violators of the employment restriction provision, the number of those who were hired by entities related to their former public duties was 2 in 2015, 3 in 2016, 11 in 2017, 31 in 2018, and 40 in 2019, 26 in 2020, and 19 in the first half of 2021).

From the inspection conducted in 2019, the ACRC reviewed the data on public officials' other incomes—a category including advisory fees, etc.—which is provided from the National Tax Service. By such means, an expanded concept of employment began to be applied to retired public officials subject to employment restriction. As a result, four violators of the employment restriction rule was detected in the 2019 inspection and five were detected in an inspection in the first half of 2020. As such, the ACRC made efforts to close

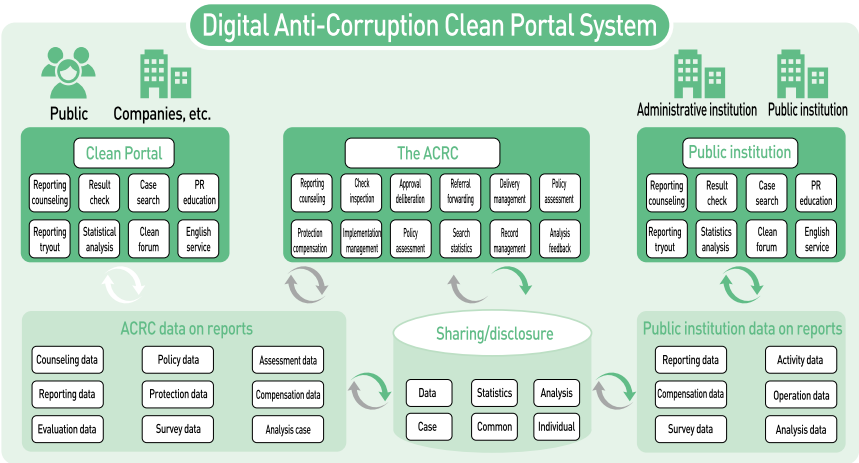
the loophole that had existed in the employment restriction system.

Violators of the law of limiting the re-employment at public institutions have consistently been found out in inspections on the employment status of public officials dismissed for corruption. This has highlighted the need to establish a system to prevent such employment. A new system was introduced for verification of whether applicants for public posts have a history of getting dismissed for corruption before, in the course of employing public officials for public institutions. However, the list of public officials dismissed for corruption cannot be updated in real time on the current version of the system, even though initial disciplinary dispositions regarding corruption of public officials can be canceled or changed any time. This creates limits in utilization of the new system. As such, the pre-checking system provides only limited information for confirming whether an applicant for a public post has a past history of getting dismissed for corruption. That is why an additional guidance is given for public institutions to inquire the history to the institution for which the applicant had worked before retirement.

Chapter 5. Innovation of Anti-Corruption Tasks by Advancing Clean Portal System

The Clean Portal corruption reporting[3)] system is a comprehensive anti-corruption information platform which enables people to make on-line corruption reports conveniently and to search for necessary anti-corruption information easily. Corruption Prevention System, a corruption reporting system operated since 2003, was reorganized into the Clean Portal system since 2018, to provide a one-stop service for various anti-corruption work procedures from reporting customized for different types of users to application for protection and compensation. Another purpose of the reorganization of the system was to establish a common foundation for disclosure/sharing of information produced in such process and for supporting of a swift/accurate handling of relevant tasks.

[Figure 3-2] Digital Anti-Corruption Clean Portal System



3) The ACRC changed the name of the system into "Clean Portal_Corruption Reporting" on September 1, 2020, to clarify the function of the reporting portal, but in this Chapter, the name "Clean Portal" is used for a convenience purpose.

The goals and tasks for each step of the reorganization of the Clean Portal system are as in the table below.

<Table 3-15> Goals and tasks for each step

Category	Step 1 (2018)	Step 2 (2019)	Step 3 (2020)
Goal	Corruption reporting and handling of the Commission tasks	Standard report handling system for public institutions	Joint utilization of information and policy feedback
Task	Handling of reports per type of corruption	Handling of public institutions' anti-corruption tasks and tasks in connection with the ACRC	Establishment of intelligent handling of tasks and foundation for disclosure

Major achievements of the advanced system are as the following. First, the ACRC has developed a "standard reporting system" and distributed it to public institutions from March 2020. It is utilized by 348 institutions for their operation including handling of on-line reporting cases. Sharing and disclosure of anti-corruption information of different public institutions were mandated, to provide personnel in charge of anti-corruption tasks at those institutions with information needed for implementation of anti-corruption tasks including handling of corruption report cases and protection/compensation of reporters in real time. Plus, foundation for analysis of anti-corruption information accumulated so far has been established, so that intelligent information technologies can be utilized for handling of anti-corruption tasks by the ACRC and public institutions.

In addition, a comprehensive anti-corruption information search system is provided, so that people can access anti-corruption information easily on Clean Portal without visiting individual websites of diverse public institutions. The service of reporting tryout and guidance has been advanced to resolve difficulties that people face when submitting corruption reports. A new function of "on-line progress check" is offerred for users of the system to see the progress of their reports or application for protection/compensation easily.

In 2021, budget was secured and business plan was established for an opening of the window for reporting and consultation for cases of conflict of interests on the Clean Portal, following the enforcement of the Act on the Prevention of Conflict of Interests. Externally, a project of feasibility study was implemented to export Korea's anti-corruption Clean Portal to Columbia.

ACRC ANNUAL REPORT 2021

Part 04

Protecting People's Rights and Interests by Addressing Grievances with a Focus on Real-Life Problems

Chapter 1.

Processing Grievance Complaints

Definition

The term "civil petition for grievance" means a civil petition for the redress of a grievance pertaining to matters that infringe the rights of the people, or give any inconvenience or burden to people, due to unlawful, irrational or passive disposition (including factual act and omission) of an administrative agency, etc., or the irrational administrative system. (Article 2(5) of the Corruption Prevention and the ACRC Act)

Article 2 of the Civil Petitions Treatment Act categorizes civil complaints into general complaints and grievance complaints, defining the former in the same law while referring the definition of the latter to the Corruption Prevention and the ACRC Act. General complaints are classified into legal complaints requesting permission, authorization, registration in registers, verification, etc. from administrative agencies; inquisitive complaints requesting explanation or interpretation of an administrative agency regarding statutes, institutions, etc.; and recommendatory complaints requesting improvement of the administrative system and operation. The petitioner can file a grievance complaint when he/she finds the result of the processing of his/her complaint to be unsatisfactory.

In principle, grievance complaints shall be handled by the inspection department of the agency in charge or by the supervisory agency with the authority of guidance on the tasks related to the grievance complaint in question. But they can also be handled by the ACRC, which has the authority to address grievance complaints, as a government agency of last resort for complaint processing.

Addressing grievance complaints serves the following purposes. First, it provides administrative agencies with an opportunity to correct their own errors. The ACRC issues a corrective recommendation after investigation when there are substantial grounds to acknowledge that an administrative disposition is unlawful and unjust, and expresses an opinion when the claim of the petitioner is supported by substantial evidence.

Second, in cases where relevant statutes, institutions and policies are deemed to be in need of improvement while processing grievance complaints, the ACRC provides recommendations for improvement measures and expresses opinions to the heads of relevant agencies to prevent the same kind of complaints from occurring again.

Lastly, the ACRC plays a role as a[n] mediator/arbitrator between the petitioner and the agency in charge from a third-party perspective to reach a settlement, or mediate/arbitrate disputes involving multiple parties. As one form of alternative dispute resolution (ADR)[4], mediation is conducted for grievance complaints involving multiple parties, or those deemed to have far-reaching social consequences.

The ACRC played a variety of roles in addressing grievance complaints. First of all, as the national ombudsman[5], the ACRC provided support for local governments to facilitate the establishment and operation of local grievance commissions, and shared know-how and information on processing grievance complaints to help its local counterparts function as local ombudsman offices that protect and enhance the rights and interests of local citizens. In addition, the ACRC jointly implements the Comprehensive Assessment on Complaint Services every year with the Ministry of the Interior and Safety to improve responsiveness to grievance complaints on the part of local governments, Offices of Education, etc. The Commission also provided support to address inadequate practices in processing complaints through visits to each agency for consultation about handling civil complaints and collective disputes.

4) Alternative Dispute Resolution (ADR): A process of bringing disagreeing parties for dispute settlement with the help of a fair and neutral third party — except for the court — without resorting to litigation
5) Ombudsman: Having started in Northern European countries such as Sweden, Finland, Denmark and Norway, the ombudsman system mandates a public official to monitor on behalf of the public whether civil servants are properly performing their duties as stipulated by the law.

Last but not least, the ACRC pursued liability exemption from proactive governance. With a growing request from the public, 8 government agencies including the Office of Government Policy Coordination, the Board of Audit and Inspection of Korea, the Ministry of the Interior and Safety and the ACRC formed a joint task force (TF) to discuss measures to establish a system to facilitate proactive governance. On its part, the ACRC started to review whether and how the standards for liability exemption from proactive governance shall be applied when relevant agencies accept the Commission's corrective recommendations and opinion statements. The ACRC recommends a corrective measure or expresses an opinion when it finds after investigation that the relevant government agency took a reactive administrative measure regarding a grievance complaint. And the rights and interests of people can be protected when the administrative agency in question accepts the ACRC's recommendation or opinion statement. The ACRC requested cooperation from relevant agencies to overhaul the rules to increase the rate of accepting the Commission's decisions while reducing the unacceptance rate, so that the standards for liability exemption from proactive governance[6] can be applied if the agency in question takes action in accordance with the ACRC's corrective recommendation or opinion statement, presuming that the action was taken pursuant to the Corruption Prevention and the ACRC Act. Now, many agencies have rules for proactive governance in place.

6) Standards for liability exemption from proactive governance : ① The action was aimed at promoting public interest by improving irrational regulations, implementing projects for public interest, etc.; ② The public official performed his/her duties in a proactive manner; and ③ There was no deliberate intention or gross negligence.

Chapter 2. Receipt and Processing of Grievance Complaints

1. Receipt and Processing of Grievance Complaints

With the COVID-19 pandemic, 2021 was a difficult year for many Koreans. It has taken an especially heavy toll on the vulnerable, including micro-enterprises and small business owners — so much so that they had difficulties making ends meet. Under this circumstance, the ACRC spent the past year trying to connect with the public by addressing their grievances with a focus on real-life problems.

The ACRC conducted on-site visits, investigation and mediation in compliance with the measures to curb the spread of COVID-19. In an effort to facilitate the Outreach Complaint-Handling Bus, the Commission also purchased another bus for consultation sessions, which are part of the program. This led to an increase in the number of grievance complaints received by the Commission, up from 49,390 in 2020 to 56,423 in 2021. It was an increase of 7,033 cases, or a 14.2% rise from the previous year. This is partly because people are forming online groups — 'cafes', communities, etc. — to collectively file similar complaints on a certain issue. The number of processed grievance complaints increased by 13,223 from 45,657 in 2020 to 58,880 in 2021. The acceptance rate of processed grievance complaints also increased by 2.6%p from 18.5% in 2020 to 21.1% in 2021.

<Table 4-1> Receipt and handling of grievance complaints

Category	2019	2020	2021	YoY increase/ decrease
Number of cases received	56,189	49,390	56,423	14.2%
Number of cases handled	42,031 (17,947)*	45,657 (18,211)*	58,880 (16,499)	28.9% (△ 9.4%)
Acceptance rate	20.7%	18.5	21.1%	2.6%p
Average period of handling	23.0 days	24.0 days	27.0 days	3 days
Satisfaction score	75.9 points	76.9 points	72.2 points	△ 4.7 points

* The number in the parentheses ( ) is the combined number of similar and repeated complaints that were handled.

As shown on the table above, an increase in the number of grievance complaints received often leads to lower satisfaction with the outcome and an increase in the average processing period. This situation requires improvement, as the number of grievance complaints is expected to continue to increase into the future.

2. Corrective Recommendation and Opinion Expression

In 2021, the ACRC issued 651 resolutions — 223 cases of corrective recommendation and 428 cases of opinion expression — based on Articles 46 and 47 of the Corruption Prevention and the ACRC Act. This is a slight decrease from 679 cases in 2019 and 814 cases in 2020, which can be explained by the fact that there are now fewer repeated complaints and some fundamental causes of public grievances have been addressed. This has been possible because the ACRC has worked over the years to prevent grievances through well-designed investigations and issuing recommendations and opinion statements for improvement of the relevant institutions.

The ACRC has issued a total of 9,888 cases of corrective recommendation and opinion expression combined since its establishment, and 9,010 of them have been accepted by the concerned agencies, with the acceptance rate of 91.1%. Of the 2,898 cases of corrective recommendation and opinion expression that have been issued over the past 5 years, 2,609 cases have been accepted, putting the acceptance rate at 90.0%. The acceptance rate for the latest 5 years is lower than the overall rate because in a case where a resolution is issued relatively recently, its immediate acceptance is sometimes impossible when the concerned agency is not allowed to decide on revising the budget and/or relevant rules, and has to go through certain procedures. For the agencies that are unwilling to accept the ACRC's recommendations or opinions, the Commission is checking the causes of unacceptance on a regular basis and is persuading those agencies by hosting meetings for grievance complaint acceptance, reporting to the cabinet (vice-ministerial) meeting and disclosing to the media.

The resolutions issued by the ACRC only have recommendatory effect with no binding force. This is to address grievance complaints in a flexible and extensive way as a supplementary alternative to litigation and other coercive measures. The ACRC is using largely three means to indirectly encourage the concerned agencies to accept the Commission's resolutions.

First, the ACRC has the authority to check and inspect compliance with recommendations and opinions (Article 52 of the Corruption Prevention and the ACRC Act). In February 2021, the ACRC conducted document inspection for every one of 415 cases across 158 institutions, including central government agencies, local government agencies and public service-related organizations. Compliance inspection was conducted for 203 unaccepted or undetermined cases from 73 agencies in the first half of the year, and 154 cases from 82 agencies in the second half of the year, where more than 120 cases were additionally accepted.

Second, for agencies with a large number of unaccepted cases, the ACRC hosts meetings for grievance complaint acceptance participated in by the Commission, relevant agencies and the concerned department to identify the causes of non-acceptance and explore solutions. In 2021, the ACRC had such meetings with the National Tax Service, the Ministry of Patriots and Veterans Affairs, the Ministry of Land, Infrastructure and Transport, the Ministry of Health and Welfare, and Korea Land and Housing Corporation — agencies with many unaccepted cases — where the participants reached an agreement on the need for proactive governance as well as for protection of people's rights and interests, serving as an opportunity for the ACRC's recommendations to be accepted by more agencies.

Third, the ACRC also reports to the vice-ministerial and/or cabinet (vice-ministerial) meetings about the number of the Commission's recommendations that have been accepted, and discloses the major acceptance/non-acceptance cases and the concerned agencies to the media (Article 53 of the Corruption Prevention and the ACRC Act). In 2021, the ACRC reported two times to the cabinet meeting and published the acceptance and non-acceptance numbers of each agency, raising awareness of agencies and institutions about the importance of addressing civil complaints. In 2022, the ACRC will be continuing to work to better protect people's rights and interests while improving the acceptance rate through strategic monitoring after issuing resolutions.

<Table 4-2> Number of corrective recommendations and opinion statements issued by the ACRC

Category	Total	Corrective recommendation	Opinion expression
2021	651	223	428
2020	814	313	501
2019	679	336	343

<Table 4-3> Acceptance rates for corrective recommendations and opinion statements

Classification	Total	Accepted		Unaccepted		Undetermined	
		Subtotal	%	Subtotal	%	Subtotal	%
Latest 5 years*	2,898	2,609	90.0	207	7.2	82	2.8
Entire period**	9,888	9,010	91.1	792	8.0	86	0.9

* Latest 5 years : Jan. 2017 ~ Oct. 2021
** Entire period : Launch of the ACRC (Jan. 2008) ~ Present (Oct. 2021)

Chapter 3. Consultation and Processing of Grievance Complaints with Enhanced Responsiveness

1. Overview

The number of grievance complaints received online (via e-People and the official website) was 45,449 in 2021, which is far greater than that of grievance complaints received in writing (3,919 cases) or through in-person visits (938 cases). But it is noteworthy that the number of grievance complaints received in writing and through in-person visits — the methods preferred by those who have difficulty using the internet — increased by 104 and 354, respectively, from the previous year. There is also a difference in terms of the number of grievance complaints received relative to the population of each region, which is higher in Seoul and the surrounding regions than in other parts of the country. This suggests that there might be some regional gaps caused by unequal access to information.

The ACRC has been implementing the Outreach Complaint-Handling Bus since 2003 to help reduce regional and social disparities by visiting remote and underprivileged areas to provide consultation for petitioners and address their grievances face to face. In 2021, the ACRC had to scale back the outreach program as it did in 2020 to comply with measures for social distancing and prevention of COVID-19 as well as with the government's guidelines on prohibition and restriction of site visits. Nevertheless, the program was implemented for 91 sessions in 2021 — 13 more sessions than in 2020. The on-site resolution rate also increased from 50.8% to 52.8%, representing an improvement in both quality and quantity. The Commission added another bus to the fleet for consultation sessions of the outreach program in 2021.

Established in September 2020, the ACRC's National Grievance Emergency Response Unit has been in operation with an aim to promptly take measures to protect people's rights and interests in

response to urgent grievances caused by the coronavirus pandemic, such as threats to livelihood, occurrence of massive fatalities or losses of property. In 2021, the Commission extended the Unit's period of operation and assigned more personnel to improve its capacity to address people's grievances.

2. The Outreach Complaint-Handling Bus for Full Protection of People's Rights and Interests

The Outreach Complaint-Handling Bus is aimed at handling grievance complaints with a focus on actual people and real-life problems by visiting citizens with limited access to complaint-filing, so that their grievances can be heard and addressed. The ACRC provides consultation service to address complaints through this program where the ACRC employees pay a personal visit to insular, rural and remote areas as well as urban areas with frequent complaints. The program also plays a role as a channel of communication between the government and people, with meetings and other forms of gatherings to make sure that many different voices are heard and reflected in policies.

Of the complaints filed via the Outreach Complaint-Handling Bus, the ACRC instantly works on the cases that can be addressed in collaboration with the relevant agency. The cases that require further investigation are filed as grievance complaints to the Commission and will be processed after investigation and deliberation. As for policy recommendations and requests for institutional improvement, the ACRC explores solutions based on consultations with the relevant agencies, with the processed results informed to the grievance petitioner or local government agencies on a frequent basis as part of the Commission's efforts to ensure follow-up.

After the establishment of the ACRC in 2008, the Outreach Complaint-Handling Bus was implemented in 879 places and addressed 24,587 grievance complaints as of 2021, which is a dramatic increase in the number of visited places (55 places) and processed grievance complaints (1,543 cases) before its establishment from 2003 to 2007. The Commission is committed to playing an active role as a(n) mediator/arbitrator, resolving more than 50% of the entire grievance complaints filed each year through visiting consultation sessions. In 2021, the cumulative number of cases resolved through visits exceeded 8,600, establishing the Outreach Complaint-Handling

Bus as a major means of grievance resolution that is readily available to the public.

With the spread of COVID-19 and social distancing measures, the Outreach Complaint-Handling Bus was scaled back compared to 2019. However, the ACRC did its best while complying with the government's COVID-19 prevention guidelines, implementing 13 more sessions in 2021 than the previous year. The on-site resolution rate increased from 50.4% to 52.8%, representing an improvement in both quality and quantity.

※ On-site resolution rate (Number of complaints resolved/Total number of cases consulted) : 47.7% (2018) → 50.4% (2019) → 51.8% (2020) → 52.8% (2021)

<Table 4-4> Yearly records of the Outreach Complaint-Handling Bus

(Unit: cases)

Classification		sessions	Before '08	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21
Number of Grievance complaints received		879	55	20	28	33	46	51	51	52	57	61	71	84	101	78	91
Consultation record	Resolved on the site	3,450	541	86	272	199	129	196	178	245	235	234	268	240	211	210	206
	Resolved on the site	8,646	-	96	244	290	244	332	633	634	650	778	880	1,032	1,269	782	782
	Consultation assistance	12,491	1,002	381	1,004	1,000	865	1,103	937	737	821	843	855	891	1,039	519	494
	Total	24,587	1,543	563	1,520	1,489	1,238	1,631	1,748	1,616	1,706	1,855	2,003	2,163	2,519	1,511	1,482

There was a change in operation as well. The ACRC used to be the sole agency involved in the implementation of the Outreach Complaint-Handling Bus, but starting from 2012, other agencies are also taking part*. The program is now providing extensive consultation services that address minor inconveniences in people's daily lives as well as complaints filed against administrative agencies. In 2021, the Commission signed an MOU with 4 major medical and pharmaceutical groups (Korean Medical Association; Korean Dental Association; Association of Korean Medicine; and Korean Pharmaceutical Association) to step up its efforts to minimize health disparities that vulnerable groups experience by providing medical consultation for petitioners who visit the consultation site from 2022.

* In collaboration with : Korea National Council on Social Welfare, Korea Legal Aid Corporation, Korea Consumer Agency, Korea Land and GeospatialInformatix Corporation, Ministry of Employment and Labor, Korea Inclusive Finance Agency, Ombudsman Commission of Gangwon Province, 4 major medical and pharmaceutical groups.

From 2011, the ACRC has been implementing a customized Outreach Complaint-Handling Bus — on top of the regular program for Korean citizens — for small-business owners, migrant workers, multicultural families, North Korean defectors, and other groups of people in need of social support.

The ACRC introduced a mobile consultation bus in November 2018 as part of the Outreach Complaint-Handling Bus to provide consultation services for grievance complaints anytime anywhere. Starting from 2020, the Commission also expanded the scope of the program, visiting more venues — train stations, passenger ferry terminals, fishing ports, square parks, etc. — and providing consultation services for more people. In 2021 in particular, the ACRC changed the exterior design for the buses in a more down-to-earth way in an effort to establish it as the most iconic program implemented nationwide by the Commission.

Outreach Complaint-Handling Bus: Mobile consultation bus

Outreach Complaint-Handling Bus: On-site visits for grievance handling

Visit to a fishery product market in Younggwang

Visit to a venue of agricultural produce distribution before the Korean New Year holiday

Visit to an orchard in Muju which suffered damage from cold weather

Visit to a place which suffered damage from heavy rain

3. Operation of the National Grievance Emergency Response Unit for Prompt Response to Urgent Issues

The ACRC established the National Grievance Emergency Response Unit under direct control of the Vice Chairperson (Ombudsman) to promptly protect the rights and interests of vulnerable groups and those living in remote regions, who experienced more difficulties during the COVID-19 pandemic (Directive No. 235 – Sep. 14th, 2020).

Along with the ACRC Chairperson, the Emergency Response Unit visited an agricultural and fishery products distribution center in Yangjae-dong, Seocho-gu, Seoul, and a farm located in Cheonan-si, Chungcheongnam-do, in January 2021. In February, the Unit hosted meetings in Hampyeong-gun and Younggwang-gun, Jeollanam-do, which were attended by the residents and personnel from the relevant agencies to discuss issues about temporarily raising the acceptable price limit of agricultural and livestock product gifts (150,000 won → 200,000 won) in the run up to the Korean New Year holiday. In December, the ACRC contributed to amending the Improper Solicitation Act to increase the acceptable price limit of agricultural and fishery product gifts by twofold (100,000 won → 200,000 won) for one month before and after the traditional holidays to help support local farmers and fishermen.

As a follow-up measure for a case where a 16-month-old adoptee was abused and killed by her adoptive parent, the ACRC had its Institutional Improvement Bureau work to prevent child abuse

after reviewing the relevant statutes and programs and collecting opinions from local government employees, police officers and child care agency workers. Also, the Commission listened to the opinions of stage actors, playwrights and other artists who experienced financial difficulties due to the COVID-19 pandemic, and notified the need for institutional improvement to implement measures to support indoor artists with financial difficulties during the COVID-19 pandemic (March 2021).

Chapter 4. Efforts to Further Protect People's Rights and Interests

1. Overview

As mentioned earlier, grievance complaints are filed when the petitioner finds the result of the processing of his/her complaint to be unsatisfactory in the case of general complaints (legal, inquisitive, recommendatory complaints, etc.). It is important that the ACRC processes those grievance complaints in a prompt and efficient manner and reduces the time required for complaint-filing to improve people's satisfaction and trust in the government.

To better address grievance complaints, for starters, the ACRC is working to establish the Act on the Mediation of Collective Complaints to handle collective complaints in a more systematic and professional way, since it is difficult to resolve such complaints, which by definition often involve multiple agencies and complex interests, and it also takes a long period of time even when they are actually resolved.

Second, the ACRC is conducting the Comprehensive Assessment on Complaint Services every year with the Ministry of the Interior and Safety to improve the capability of local government agencies, Offices of Education, etc. in addressing grievance complaints while enhancing the satisfaction level of service users.

Third, the ACRC is providing support for the establishment of local grievance commissions (local ombudsman offices) and is seeking to facilitate their operation, so that the local commissions can address grievance complaints that arise in their jurisdictions in a prompt and fair manner with the same authority as the ACRC.

Lastly, the ACRC is implementing a range of professional training programs to improve the way investigators at the Commission and other agencies handle grievance complaints. The Commission has also established the Grievance Complaints Special Investigation Team, whose mission is to better protect people's rights and interests by reducing administrative costs incurred by irrational, unusual or repeated complaints.

2. Mediation of Collective Complaints as a Means to Facilitate Alternative Dispute Resolution

Recently, the ACRC experienced a slight decrease in the number of cases resolved through mediation and the percentage of such cases relative to the number of received complaints involving multiple parties. But the overall numbers are on the rise every year, which is attributable to the ACRC's consistent efforts to facilitate mediation by sharing best practices and expertise in mediation and stepping up professional training. In 2021 in particular, the ACRC resolved 40 cases of collective complaints involving nearly 72,000 individuals through mediation despite a decrease in on-site visits and in-person interactions due to the COVID-19 pandemic. This is a 42% increase from 28 cases in 2008, suggesting the usefulness of mediation as a means to resolve public disputes.

<Table 4-5> Progress in resolving grievance complaints through mediation

Category	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21
Receipt of collective complaints	334	259	280	285	361	362	241	255	242	216	227	264	299	310
Number of cases resolved through mediation	28	26	19	24	42	43	54	65	72	76	65	47	53	40
Rate of resolution through mediation	8.4	10.0	6.8	8.4	11.6	11.9	22.4	25.5	29.7	35.2	28.6	17.8	17.7	12.9

As collective complaints are becoming increasingly complicated and varied, the ACRC is working to improve working-level consultation, with its Chairperson and Vice Chairpersons doing their best to come up with win-win solutions through mediation by paying personal visits and listening to the

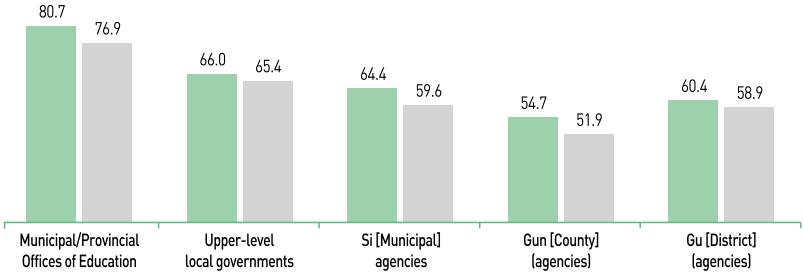
complaints of petitioners. It is also committed to publicizing best practices and effectiveness of mediation through media releases. All these efforts can help create a virtuous cycle where people come to have more trust in mediation and file collective complaints in need of mediation to the ACRC, which the Commission will promptly resolve.

3. Evaluation of Administrative Agencies on Grievance Processing to Improve the Quality of Complaint Services

As part of the Comprehensive Assessment on Complaint Services — an integrated evaluation framework of the ACRC's assessment on the e-People system, and the Ministry of the Interior and Safety's assessment on complaint administration and the procedures, aimed at reducing the burden on the agencies subject to the evaluation — the ACRC has been conducting evaluation on grievance processing since 2017 on local government agencies and Municipal/Provincial Offices of Education.

For the 2021 evaluation, an evaluation group consisting of outside experts was formed to evaluate 243 local government agencies and 17 Municipal/Provincial Offices of Education. Qualitative and quantitative evaluations were conducted based on the data submitted by the subject agencies on their performance in each category. The average score of the entire agencies subject to the evaluation was 65.2, up 3.1 points from 62.1 of the previous year. The scores of different types of agencies are as follows: Municipal/Provincial Offices of Education (80.7) > Upper-level local governments (66.0) > Si [Municipal] agencies (64.4) > Gu [District] agencies (60.4) > Gun [County] agencies (54.7).

[Figure 4-1] Comparison of the average scores of the subject agencies
(Excluding added and/or subtracted points)



The 2021 evaluation suggests that ① constant monitoring of the grievance processing rate led to improved awareness and management of grievance complaint classification*; ② constant monitoring and evaluation of the acceptance rate of corrective recommendations and opinion statements led to a higher implementation rate**; ③ more local governments established local grievance commissions (local ombudsman offices) at the ACRC's request to cooperate in establishing them and through its consultation to raise awareness***; and ④ a culture of proactive governance started to take hold through internal inspection, which established rules on liability exemption in the case of implementing the ACRC's corrective recommendations and/or opinion statements****.

* Improvement in the rate of processing grievances via e-People from the previous year : 15.0.% → 30.3%

** Improvement in the acceptance rate of corrective recommendations and opinion statements from the previous year : 88.8% → 90.4%

*** 37 in 2018 → 42 in 2019 → 49 in 2020 → 58 in 2021

**** Out of 260 agencies subject to the evaluation, 219 agencies established rules on liability exemption through internal inspection (84.2%)

The ACRC discloses the evaluation results to the media and grants awards to the subject agencies to encourage voluntary efforts from them. In 2021, the Commission selected and provided awards for meritorious employees at high-performing agencies — Busan Metropolitan City Office of Education; Seongdong-gu, Seoul; Gyeonggi-do; Eumseong-gun, Chungcheongbuk-do, etc.

4. Facilitating Local Grievance Commissions for Further Protection of Rights and Interests of Local Citizens

The ACRC recommends that local governments and their affiliated agencies establish local grievance commissions (local ombudsman offices) equipped with expertise and independence, so that they can address grievance complaints on their own in a prompt and fair manner.

Established in Bucheon-si for the first time in 1997, the local ombudsman has its legal basis on the Ombudsman of Korea Establishment and Operation Act of 2005. As of October 2021, 62 local governments — 8 upper-level local governments and 54 lower-level local governments — have local grievance commissions up and running.

※ Number of local grievance commissions : 20 in 2015 → 26 in 2016 → 30 in 2017 → 37 in 2018 → 42 in 2019 → 49 in 2020 → 62 in 2021

In 2020, the ACRC established operational rules for the ACRC National Consultation Council to create an institutional link with local grievance commissions for consultation and exchange of opinions about a range of policies. In 2021, the ACRC National Consultation Council was hosted twice, where the participants reaffirmed their commitment to information-sharing and cooperation to facilitate local grievance commissions and agreed on feedback provision and mutual cooperation for policies and programs of the commissions.

As part of the efforts to share information about local grievance commissions, the ACRC created an integrated channel on its official website, where it posted relevant ordinances, examples of grievance complaint processing and the operational status. The Commission also contributed to the government's proposal aimed at amending the Corruption Prevention and the ACRC Act to address issues about appointment and qualifications of the members of local grievance commissions — problems that arise because of a lack of consideration about different characteristics of each local government.

5. Training for Capability Improvement and the Operation of the Grievance Complaints Special Investigation Team

Every year, the ACRC implements collective training programs and workshops about processing grievance complaints and addressing unusual/repeated complaints. At the same time, the Commission is also providing courses on statutes, mediation and on-site training to improve the capability of the ACRC investigators as well as basic courses on grievance complaints for new/transferred investigators and common courses including gender awareness training to make sure that the personnel in charge take into account gender equality when addressing grievance complaints with a gender-sensitive perspective. To better deal with a growing number of disputes involving multiple parties, the ACRC was commissioned to train 13 personnel in 2021 through the Expert Course on Mediation for the Korean Commercial Arbitration Board and the Course on Dispute Management Skills for the Korea Institute of Public Administration to help cultivate expertise in mediation and dispute management skills. The ACRC also worked to improve the capability of local government agencies to address grievance complaints, hosting seminars, consultation councils and consulting sessions about operating local ombudsman offices in an effort to actively respond to the changing demands for complaint administration by facilitating the local ombudsman system.

- Training to improve the capability of investigators in charge of addressing grievance complaints (via online)

The ACRC established the Grievance Complaints Special Investigation Team in July 2011 to process special complaints (i.e. unusual and repeated complaints) in a more systematic way. With a range of special complaints — malicious, chronic and repeated complaints — transferred to the Commission from investigation departments of each agency, the ACRC made intensive efforts and managed to resolve complaints of 300 individuals through settlement/mediation and understanding/persuasion, out of 325 cases of collective complaints that remained unresolved for a long time and unusual/repeated complaints.

<Table 4-6> Unusual and repeated complaints breakdown by handling outcome

Subject individuals	Handling completed			Handling in progress
	Subtotal	Settlement/Mediation	Understanding/ Persuasion	
325 persons	300 persons	67 persons	233 persons	25 persons

Transferred to the ACRC's Grievance Complaints Special Investigation Team, the individuals who filed special complaints exhibited a range of aggressive behaviors including filing the same complaint up to hundreds of thousands of times for several decades, staging protests and/or disturbances at the Commission, committing physical assault/blackmailing/menacing, and accusing

or charging the investigator. In addressing the complaints filed by such individuals, the Special Investigation Team placed a focus on providing a detailed and repeated explanation about the requests of the petitioner in a convincing manner after a thorough review, and on creating an environment where the petitioner and the agency in charge can listen to and connect with each other to minimize misunderstandings and restore trust.

<Table 4-7> Special complaints breakdown by type

Total	Repetition	Physical assault/ Blackmailing	Protest/Disturbance	Accusation/ Charge	Others
325 persons	152 persons	73 persons	36 persons	34 persons	30 persons

With a dedicated team in place addressing special complaints, the stress level of investigators at complaints investigation departments in each agency has been reduced; at the same time, administrative efficiency and the quality of complaints service have improved. This system has also contributed to improving the quality of life for some petitioners with obsessions, paranoia and/or intermittent explosive disorder.

To cope with special complaints at the government-wide level, the ACRC shared its experience and cases of processing special complaints across all administrative agencies. To that end, the Commission revised and published the Response Manual for Special Complaints in 2020, and published the Casebook on Special Complaints, which were distributed to the National Assembly and administrative agencies. In 2019, the ACRC hosted 5 workshop sessions and 77 visiting lectures to share expertise on addressing special complaints with 18,262 public officials at central and local government agencies. In 2020, the sessions were conducted online to prevent the spread of COVID-19. The Commission also worked to improve the capabilities of officials in charge of addressing special complaints by frequently conducting phone and visiting consultation for public institutions suffering disruptions to their work due to such complaints.

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Part 05

Handling Administrative Appeals in a Fair and Prompt Manner

Chapter 1. Administrative Appeals System

Section 1 Overview of the Administrative Appeals System

The administrative appeals system is aimed at protecting people's rights and interests while establishing internal control within administrative agencies. More specifically, it is about protecting the rights and interests of individuals violated by unlawful or unjust administrative actions, and about ensuring legitimacy and rationality of administrative actions by providing administrative agencies with opportunities to correct their own errors. Unlike administrative litigation, administrative appeals are a more efficient system in that they allow the petitioner to request the administrative agency to take active measures through examination of injustice and/or appeals for obligation performance.

In today's administrative environment where speed is required, it is reasonable to opt for administrative appeals as a means to promptly resolve disputes before going through judicial procedures. Administrative appeals are quick and simple, contributing to improving the public's convenience and ensuring administrative efficiency. They also allow for fair and accurate protection of people's rights and interests based on the expertise of administrative agencies.

1. Characteristics of the Administrative Appeals Commissions

Administrative appeals commissions are a board-style adjudicative agency with the authority to deliberate and rule on appeal cases. They judge and decide on arguments of the concerned parties from a third-party perspective based on evidential examination and a review of related statutes.

Administrative appeals commissions are a board-style agency where the meetings open with the attendance of a majority of the members and a resolution is adopted with the concurring vote of a majority of those present. To ensure objectivity and neutrality of composition of the members, non-standing members from the private sector such as lawyers and professors who are not public officials are also included.

Administrative appeals commissions are a quasi-judicial administrative agency. The Administrative Appeals Act applies a range of elements in the procedure laws to the deliberation and ruling of appeal cases: participation of persons with interests in the appeal process; exclusion of, evasion of and challenge to the commission members; appointment of agents; and various measures for evidential examination.

While administrative appeals commissions play a central role in the administrative appeals system, they are not a permanent agency. The members are convened for meetings on an ad-hoc basis when the petitioner files an appeal case and there is a need for deliberation and ruling.

2. Types of Administrative Appeals Commissions

Administrative appeals commissions are categorized into the following types: the Central Administrative Appeals Commission; Municipal/Provincial Administrative Appeals Commissions; other administrative appeals commissions; and specialized administrative appeals agencies.

Established under the umbrella of the ACRC, the Central Administrative Appeals Commission deliberates and rules on appeal cases related to the disposition or omission of the agencies below:

- Heads of state administrative agencies, or their subordinate administrative agencies,
- Special Metropolitan City Mayors, Metropolitan City Mayors, the Special Metropolitan Autonomous City Mayor; Provincial Governors, and the Special Self-Governing Province Governor,

○ Superintendents of education or the Assembly of the Special Metropolitan City, Metropolitan Cities, the Special Metropolitan Autonomous City, Provinces, or the Special Self-Governing Province,
○ Other administrative agencies jointly established by the state, local governments, public corporations, etc.

The Central Administrative Appeals Commission consists of no more than 70 members including the chairperson, with no more than 4 standing commissioners (currently 3 persons). One of the Vice Chairpersons of the ACRC also serves as the chairperson of the Central Administrative Appeals Commission. In a case where the chairperson is absent or is unable to perform his/her duty because of inevitable circumstances, or where he/she deems it necessary, a standing member (in order of seniority of service as a standing member, and in cases of equal seniority of service, in order of their age) shall act on the chairperson's behalf. The meetings of the Central Administrative Appeals Commission shall be attended by 9 persons, including the chairperson, standing members, and non-standing members designated by the chairperson for each meeting. The Central Administrative Appeals Commission shall adopt a resolution with the attendance of a majority of the members and by the concurring vote of a majority of those present.

Administrative appeals commissions are established under the jurisdiction of the Special Metropolitan City Mayor, Metropolitan City Mayors, the Special Metropolitan Autonomous City Mayor, Provincial Governors, or the Special Self-Governing Province Governor to deliberate and rule on the appeals filed against the disposition or omission by administrative agencies under the jurisdiction of a Si [City] / Do [Province], the head of a city / Gun [County] / autonomous Gu [District] located under the jurisdiction of a city/province, its subordinate administrative agencies, or the Assembly of a city/county/autonomous district, or an administrative agency jointly established by at least two local governments and a public corporation, etc. under the jurisdiction of a city/province. They are also board-style administrative agencies like the Central Administrative Appeals Commission.

In addition to the Central Administrative Appeals Commission and the 17 Municipal/

Provincial Administrative Appeals Commissions, there are other administrative appeals commissions subject to the Administrative Appeals Act under the jurisdiction of the 17 Municipal/Provincial Offices of Education, 6 High Prosecutors' Offices, 4 Regional Corrections Headquarters, the Board of Audit and Inspection, the National Intelligence Service, the Presidential Secretariat, the Korea Communications Commission, the National Assembly Secretariat, the Office of Court Administration, the Constitutional Court Secretariat, the National Election Commission Secretariat, and the National Human Rights Commission of Korea.

Finally, there are special administrative appeal agencies. Article 4(1) of the Administrative Appeals Act states that if it is necessary given the extraordinary and exceptional nature of a specific case, other acts may provide for a specialized administrative insubordinate procedure that substitutes an administrative appeal under the Act, or for any exceptional case of the administrative appeals procedure under the Act. Some of the leading examples include administrative appeals related to taxation, patents, land expropriation and use, dispositions on personnel affairs, unfair labor practices, and a range of insurance benefits including the national health insurance benefits.

Section 2 Operation of the Administrative Appeals System

1. Active and Warm-hearted Approaches

The ACRC led the efforts for the introduction of the court-appointed defense counsel system in an administrative appeal. The system has been in effect since November 1st, 2018, allowing the appellant to request the administrative appeals commission to designate a court-appointed counsel if he/she fails to appoint a representative due to his/her lack of financial capability. Upon request, the chairperson of the administrative appeals commission can appoint a representative to handle the tasks related to the administrative appeal on behalf of the appellant free of charge. Those who are eligible to request the appointment of a court-appointed defense counsel are as follows: a recipient of the national basic livelihood security grants; a recipient of the basic pension; a person eligible for subsidies for single-

parent families; a recipient of the disability pension; a person eligible for protection under the North Korean Refugees Protection and Settlement Support Act; and other persons acknowledged by the chairperson of the administrative appeals commission as lacking the financial capability to hire a representative.

In 2021, the Central Administrative Appeals Commission loosened the income cap for individuals eligible for a court-appointed defense counsel from 2.7 million won to 3 million won per month. It expanded the eligibility to include small-business owners whose sales are 400 million won or less, so that the rights and interests of the less privileged can be better protected.

With administrative agencies having difficulties adjusting to rapid changes in today's society, there has been a dramatic increase in the types and scale of disputes involving citizens and administrative agencies. But aimed at resolving public disputes within the executive branch, the administrative appeals system has its own limits, as it allows, by design, only either the appellant or the appellee to have a satisfactory outcome.

The ACRC pushed for the amendment of the Administrative Appeals Act to establish mediation in administrative appeals to address appeal cases in a prompt and fair manner within the rights and powers of the concerned parties. With the promulgation of the amended Administrative Appeals Act in October 2017, the mediation system has been in effect since May 1st, 2018. Last year, the Central Administrative Appeals Commission resolved 27 administrative appeal cases through mediation between the concerned parties. Deliberating and ruling on hundreds of cases every week, the Central Administrative Appeals Commission handles more cases in documentary review than in oral deliberation. To better handle the appeal cases, the investigators in charge of review are actively engaging in evidential examination, visiting the places related to the case in question to ensure factual accuracy. In 2021, they traveled 281 times for evidential examination.

2. Engagement and Cooperation with Agencies Related to Administrative Appeals and Improvement of Employee Competence

The ACRC conducted specialized training for administrative agencies for each task area. It has been adjusting the curriculum for specialized training to keep pace with changing needs, incorporating new elements such as mediation and the court-appointed defense council system to the courses. The Commission also developed an introductory course on administrative appeals for working-level officials in 2020, which was conducted online to help curb the spread of the coronavirus. In 2021, the ACRC produced micro-learning videos — short learning content about the entire procedure of administrative appeals from filing to ruling — which it posted on the official website of the government's e-learning platform.

In addition to its efforts to improve training, the ACRC also worked to step up engagement and cooperation with Municipal/Provincial Administrative Appeals Commissions and specialized administrative appeals agencies. Over the years, the Central Administrative Appeals Commission has been occasionally holding policy meetings with 17 Municipal/Provincial Administrative Appeals Commissions since 2011. In 2019, it held 8 sessions of regional meetings with working-level officials at the 17 Municipal/Provincial counterparts to formulate an official consultative body. In 2021, it went on further to host a policy meeting attended by director generals and managers at 6 of its Municipal/Provincial counterparts to explore ways to improve the administrative appeals system and increase cooperation for publicity efforts. The Central Administrative Appeals Commission has been implementing a personnel exchange program between the director general-level officials at the ACRC and the chief administrative judge-level officials at the Intellectual Property Trial and Appeal Board since 2019. As a solid foundation for future cooperation, the program is providing opportunities for the agencies to share and learn from each other's appeals systems.

On December 15th, 2021, ACRC signed a business agreement with Chungnam National University Hospital (CNUH) to better protect people's rights and interests based on expertise and mutual cooperation. In addressing cases involving medical issues such as patriots and veterans affairs cases, collaboration with an institution capable of providing medical advice is expected to contribute to further protecting people's rights and interests. The ACRC is

planning to work with other medical organizations to improve its expertise in addressing such cases.

With an aim to improve the expertise and performance of officials in charge of reviewing administrative appeal cases and shorten the adjudication period, the ACRC has been implementing an expert training course on administrative appeals since 2011 as part of the ACRC Academy program. In 2021, the Commission invited legal experts, including a judge of Daejeon District Court, and personnel at the Ministry of Government Legislation and the Administrative Appeals Bureau, for 5 sessions of the course to deal with precedents of administrative appeals and specific laws such as the General Act on Public Administration and the Administrative Procedures Act.

3. Cooperative and Interactive Approaches

First hosted in 2016, the Mock Administrative Appeals Competition provides an opportunity for law school students to experience administrative appeals, which is a leading mechanism of protecting people's rights and interests, so that they have a better understanding about what it is like to work for that goal. It also helps the public become more familiar with the system. In 2021, the 6th competition was held online and participated by 25 teams of 129 students from 13 law schools across the country.

The ACRC stepped up its publicity activities both online and offline using a range of channels to familiarize the public with the administrative appeals system. Last year in particular, publicity materials included promotional catchphrases determined through a contest that were designed to let citizens know better about the administrative appeal system — even when they are not familiar at all with the system. The Commission also created a short promotional video that can effectively provide information about the administrative appeals system for the public, which it posted on YouTube and broadcast on monitors on the screen doors in subway stations in Seoul and Busan.

Chapter 2.

Performance of the Central Administrative Appeals Commission

In 2021, 19,229 administrative appeal cases were received by the Central Administrative Appeals Commission, down by 3,138 cases from the previous year. The number of general cases, patriots and veterans affairs cases, and driver's license-related cases decreased by 1,265, 194, and 1,679, respectively. Meanwhile, the number of processed cases decreased by 3,854 from a year earlier to 18,873. As for general cases and driver's license-related cases, the number decreased by 194 and 2,381, respectively, while that of patriots and veterans affairs cases rose by 138.

<Table 5-1> Receipt and handling of appeal cases over the past 8 years

(Unit: cases)

Year	Receipt	Deliberation/Resolution				Acceptance rate (%)	Withdrawal/ Transfer
		Total	Acceptance	Rejection	Dismissal		
2014	25,301	25,270	4,131	19,164	1,975	16.3	1,068
2015	24,425	24,947	3,933	18,627	2,387	17.4	1,433
2016	26,730	26,080	3,901	19,315	2,864	16.8	1,699
2017	27,918	25,775	3,584	19,105	3,086	15.8	1,307
2018	23,043	25,153	3,814	18,928	2,411	16.8	1,401
2019	24,076	21,534	1,567	14,166	5,801	10.0	1,271
2020	22,367	22,727	1,573	16,783	4,371	8.6	1,094
2021	19,229	18,873	1,719	14,892	2,271	10.3	1,140

1. Analysis on a Category Basis

Looking at the cases received by the Central Administrative Appeals Commission in 2021 by

category, driver's license-related cases account for 65.5% (12,598 cases), general cases 28.6% (5,497 cases) and patriots and veterans affairs cases 5.9% (1,134 cases).

The fact that driver's license-related cases account for the largest percentage of the entire cases received seems to be mostly attributable to the Road Traffic Act, which stipulates that those who refuse to accept the disposition taken on the cases in this category shall undergo adjudication through an administrative appeal before filing administrative litigation. In addition, the amended Road Traffic Act, which has been in effect since June 25th, 2019, has lowered the legal blood alcohol limits and reinforced punishment for drunk driving, serving as another factor that has increased the number of cases of driver's license cancellation, since it would have just ended up with driver's license suspension before the changes in the blood alcohol limits.

<Table 5-2> Receipt of cases by category

(Unit: cases, %)

Category	Driver's license-related cases		Patriots and veterans affairs cases		General cases	
	Receipt	Percentage	Receipt	Percentage	Receipt	Percentage
2019	13,526	56.2	1,292	5.4	9,258	38.4
2020	14,277	63.8	1,328	5.9	6,762	30.2
2021	12,598	65.5	1,134	5.9	5,497	28.6

General cases refer to the cases except for what is related to driver's license and patriots and veterans affairs. It encompasses cases in the fields of employment and labor, information disclosure, defense, legal affairs, land and transport, various examinations, health and welfare, school violence, finance, and the environment and culture. The number of cases processed in 2021 was 5,497, down 23.4% (1,674 cases) from the previous year. What is notable is that there were 2,089 rejected cases in 2021, which is a significant decline from 5,588 in 2019 and 4,074 in 2020. This seems primarily because there was a decrease in the number of administrative appeal cases filed by certain appellants who bring a massive number of cases repeatedly and indiscriminately against administrative agencies as a form of protest.

Recognizing the need to establish measures to deal with ill-intentioned appellants who file a large number of cases by taking advantage of the fact that it does not cost to initiate an administrative appeal, the ACRC explored a number of approaches with the National Assembly to address this issue. And the amendment bill of the Administrative Appeals Act was proposed to prevent the misuse of the administrative appeals system, which is now pending in the National Assembly. The ACRC also conducted a public survey in 2020 through People's Idea Box on the measures to prevent repetitive filing of administrative appeals, where 83.7% of the respondents acknowledged the need for the ex-officio authority to restrict or close (i.e. reject) such cases.

<Table 5-3> Receipt and handling of general cases

(Unit: cases)

Category / Year	Number of cases received	Number of cases handled			
		Total	Acceptance (Acceptance rate)	Rejection	Dismissal
2019	9,258 (38.4%)	7,607	297 (14.7%)	1,722	5,588
2020	6,762 (30.2%)	7,139	438 (14.3%)	2,627	4,074
2021	5,497 (28.6%)	5,465	685 (19.7%)	2,795	1,995

Compared to patriots and veterans affairs or driver's license-related cases, it takes a lot of time and personnel to address general cases as they are more difficult to process and often involve a massive amount of records to be reviewed.

Patriots and veterans affairs cases are related to requests for recognition as a person of national merit or the bereaved family thereof in accordance with the relevant statutes about persons of national merit, persons of distinguished service to national independence, war veterans, and Vietnam veterans exposed to defoliants during the war. The cases are mostly about disputes over the concerned agencies (i.e. the Ministry of Patriots and Veterans Affairs, Regional Office of Patriots and Veterans Affairs and District Office of Patriots and Veterans Affairs) refusing to register the person in question as a person of national merit.

Compared to general cases, patriots and veterans affairs cases are lower in difficulty and

complexity. But the events in dispute took place long ago, as in the case of the Korean War or Vietnam War, which makes it difficult to clearly establish facts due to the loss of records that may prove the injury of the appellant. Addressing the cases in this category requires medical and legal expertise to clarify the causality between the injury the appellant claims to have occurred and the official duty he performed. There is a committee specialized in the matter consisting of medical experts within the Central Administrative Appeals Commission to address patriots and veterans affairs in a more professional manner. The ACRC is actively seeking advice and analysis from independent experts as well.

<Table 5-4> Receipt and handling of patriots and veterans affairs cases

(Unit: cases)

Category / Year	Number of cases received	Number of cases handled			
		Total	Acceptance (Acceptance rate)	Rejection	Dismissal
2019	1,292 (5.4%)	1,148	40 (3.7%)	1,038	70
2020	1,328 (5.9%)	1,080	36 (3.6%)	974	70
2021	1,134 (5.9%)	1,218	84 (7.3%)	1,071	63

Driver's license-related cases involve a disposition to suspend or cancel the appellant's driver's license based on the Road Traffic Act. There are nearly 170,000 cases of such disposition every year, and a massive number of similar appeal cases are being repeatedly filed.

For many appellants of the cases in this category, their driver's license is often closely linked to their jobs, or is a major means to make a living. Compared to general cases or patriots and veterans affairs cases, the number of appeals filed is much higher for driver's license-related cases. However, they do not have any juridical issue, and the subject matter in question (e.g. drunk driving) rarely involves factual disputes.

<Table 5-5> Receipt and handling of driver's license-related cases

(Unit: cases)

Category / Year	Number of cases received	Number of cases handled			
		Total	Partial acceptance (Acceptance rate)	Rejection	Dismissal
2019	13,526 (56.2%)	12,779	1,230 (9.7%)	11,406	143
2020	14,277 (63.8%)	14,508	1,099 (7.7%)	13,182	227
2021	12,598 (65.5%)	12,190	941 (7.9%)	11,026	223

Driver's license-related cases account for 65.5% of the entire cases received. Until 2018, the rate of accepting the appellant's request remained stable at around 17%, but the number significantly dropped starting in 2019. This is attributable to the partial amendment of the Road Traffic Act on December 24th, 2018, which took effect on June 25th, 2019. With an increase in social costs incurred by drunk driving and public awareness growing about the seriousness of the issue, there were heightened requests for stricter punishment for those who engage in drunk driving and/or cause accidents under the influence of alcohol, which led to the amendment of the Road Traffic Act to lower the blood alcohol limits and extend the disqualification period for drunk drivers. This downward trend in the acceptance rate for the cases in this category is likely to continue into the future.

2. Processing Period and Oral Deliberation

According to Article 45 of the Administrative Appeals Act, a ruling on a case shall be made within 60 days from the date on which the appellee or the commission has received a written appeal. Where unavoidable circumstances arise, the chairperson of the administrative appeals commission may extend the period for another 30 days ex officio to make sure that the case is handled within 60 days, and 90 days at the latest.[7)]

7) <Article 45 of the Administrative Appeals Act>
Article 45 (Period for Making Rulings) ① A ruling shall be made within 60 days from the date on which the appellee or the commission has received a written appeal under Article 23: Provided, That if unavoidable circumstances exist to the contrary, the chairperson may extend the period for another 30 days ex officio.
② If a ruling period is extended under the proviso to paragraph ①, the chairperson shall inform the parties thereof by seven days before the ruling period expires.

However, there are a certain percentage of cases every year whose ruling is made past the legal deadline, as a growing number of cases are filed to the Central Administrative Appeals Commission while the number of available personnel to handle those cases is limited. In the case of general cases in particular, which are complex and difficult to handle, the written answer of the appellee is frequently submitted to the commission past the legal deadline of 10 days.

The ACRC explored a range of possible measures with the National Assembly to make sure that the appellees submit their written answer within the designated period. The ACRC proposed an amendment to the Administrative Appeals Act in 2020, which is now pending in the National Assembly, to establish a new provision that allows the commission to specify the hearing date and rule on the case ex officio if the appellee fails to submit the written answer even at the commission's request for submission. The ACRC is committed to continuing to take multiple approaches to shorten the adjudication period, since promptness is just as important as fairness in handling appeal cases.

<Table 5-6 > Yearly breakdown of the handling period

(Unit: cases)

Category	Total number of cases handled	Average adjudication period	Within the designated period		In excess of the designated period
			Within 60 days	61-90 days	In excess of 90 days
2019	21,534	68.76 days	16,210 (75.3%)	1,723 (8.0%)	3,601 (16.7%)
2020	22,727	88.36 days	14,303 (62.9%)	2,877 (12.7%)	5,547 (24.4%)
2021	18,873	81.50 days	13,027 (69.0%)	1,681 (8.9%)	4,165 (22.1%)

Deliberation on an administrative appeal is conducted orally or in writing. At an oral hearing, the concerned person appears before the commission and testifies. Compared to documentary examination, statements made at oral hearings tend to give a more vivid impression and help visualize the subject. It is also easier to establish facts and discover inconsistencies through spontaneous questions and answers. Oral deliberation provides an opportunity to directly identify the issue at hand and help facilitate the understanding about what is in dispute, which is why oral deliberation is adopted as a general format of deliberation in trials or official litigation procedures.

The Administrative Act allows the appellant to request for an oral hearing, stating that if the concerned party requests for an oral hearing, deliberation shall be conducted orally, except where it is deemed that a decision can be made only through documentary examination.

3. Suspension of Execution and Provisional Disposition

The Administrative Appeals Act stipulates that an administrative appeal shall not undermine the effects of a disposition or its execution, or continuation of proceedings. If the commission deems that it is urgent to prevent the appellant from suffering a serious loss that may occur, it may decide to suspend the execution, ex officio or upon request by the concerned party.

While suspension of execution is playing an important role in protecting people's procedural rights, it has intrinsic limitations as it is designed, by nature, to passively maintain the state prior to the disposition in question, which makes it difficult to address violation of rights and interests caused by a disposition of refusal or omission. Hence, the Administrative Appeals Act contains articles on provisional disposition to better protect the rights and interests of people which are hard to be ensured through suspension of execution alone.

A provisional disposition may be issued when it is strongly suspected that a disposition or omission is illegal and unjust, and thus, it is necessary to prevent a serious disadvantage or urgent danger that might occur to the concerned party to whom a provisional status is granted. It can be filed if the concerned party is unable to obtain the desired outcome through suspension of execution.

<Table 5-7> Filing and handling outcomes for suspension of execution

(Unit: cases)

Handling / Year	Number of cases filed	Handling outcome			Ex officio suspension of execution	Withdrawal/ Transfer
		Acceptance (Acceptance rate)	Rejection	Dismissal		
2019	1,767	223 (14.3%)	1,336	55	89	105
2020	1,788	175 (11.1%)	1,401	71	117	91
2021	1,660	150 (11.1%)	1,206	88	169	63

<Table 5-8> Filing and handling outcomes for provisional disposition

(Unit: cases)

Handling / Year	Number of cases filed	Handling outcome			Ex officio provisional disposition	Withdrawal/ Transfer
		Acceptance (Acceptance rate)	Rejection	Dismissal		
2019	37	-	27	6	1	6
2020	41	-	21	9	-	9
2021	51	2 (6.5%)	29	14	-	9

4. Cases of Administrative Appeals

A. [2020-7109] Cancellation request regarding the disposition of refusal for recognition as a deceased noble person

【Point in dispute】

Whether the deceased died while making efforts to rescue the life of another person without any duty to do so

【Case overview】

On August 17th, 2019, the deceased was swimming in the sea with his friend Mr. Park. The deceased was drowned to death while trying to rescue his friend when he was swept by the swelling waves. The appellant, the mother of the deceased, requested that her son be recognized as a person who died for public good. On January 16th, 2020, the Committee for Examination of Noble Deaths and Wounds made a resolution not to recognize the deceased as a person who died for public good. On January 22nd, 2020, the appellee issued a non-recognition disposition on the ground that the Act on Honorable Treatment of and Support for Persons who Died or were Injured for Public Good (hereinafter referred to as "the Honorable Treatment Act") is not applied to the deceased, since he was a person killed or wounded while making rescue efforts for another person put in danger by his own act, as stipulated by Article 3 (2) 1 of the Honorable Treatment Act.

【Essence of the ruling】

It is true that the accident took place on the beach that was not designated as a bathing beach by the local government, and that there was a no swimming sign, with the police controlling entrance into the water.

However, if the deceased and Mr. Park swam in a place unauthorized for swimming, it is reasonable to consider that each of them took their own risk and is difficult to assert that the act of swimming of the deceased and Mr. Park put each other in danger. And thus, it is difficult to acknowledge that Mr. Park was swept by the waves because of the act of the deceased, compromising the relevance of Article 3 (2) 1 of the Honorable Treatment Act cited by the appellee as the ground for its disposition. Also, regarding the scope of application specified in Article 3 of the Honorable Treatment Act, Paragraph (1) 6 of the same Article states 'any other place' as well as the beach. Considering the purpose of the Honorable Treatment Act, it would be more appropriate to interpret this provision as providing examples of places where rescue efforts could be made by the persons to be recognized as those who died or were injured for public good than as specifying certain venues. Finally, it is unreasonable not to recognize the deceased as a person who died for public good simply because his rescue efforts did not take place on a beach that was not designated as a bathing beach by the Act on the Use and Management of Bathing Beaches. Considering all this, it makes sense to acknowledge that the deceased died while making rescue efforts for his friend in danger, and there is not enough justification to assert that the Honorable Treatment Act shall not apply to the deceased pursuant to its Article 3 (2) 1. Therefore, the disposition issued by the appellee regarding this case is unlawful and unjust.

B. [2021-4963] Cancellation request regarding the disposition to exclude the application of the Act on Honorable Treatment of and Support for Persons of Distinguished Service to the State

【Point in dispute】

Whether the fact that the appellant received criminal punishment before his military service serves as a ground to exclude the application of the Act on the Honorable Treatment of and Support for Persons of Distinguished Service to the State (hereinafter referred to as "the Distinguished Service Act")

【Case overview】

On July 1st, 2002, the appellant was registered as a soldier wounded in action. But on January 20th, 2021, the appellee decided to exclude the application of the Distinguished Service Act pursuant to Article 79 (1) on the ground that the appellant is not eligible to be recognized as a person of distinguished service to the state since he committed a crime stipulated in Article 79 (1) 3 of the Distinguished Service Act.

On February 23rd, 2021, the appellee recovered the veterans' benefits erroneously paid to the appellant, citing Article 75 (1) of the Distinguished Service Act.

【Essence of the ruling】

When a person who has rendered distinguished service to the state to whom the Distinguished Service Act applies or is to be applied committed a crime specified in Article 79 (1) of the same Act and the punishment becomes final and binding, he is excluded from the application of the Distinguished Service Act. 'A person who has rendered distinguished service to the state to whom the Act is to be applied' refers to a soldier or police official, which is the minimal requirement to be eligible for a person of distinguished service to the state, as specified in the subparagraphs of Article 4 (1) of the Distinguished Service Act. If a person who committed a crime specified in Article 79 (1) 3 of the Distinguished Service Act was sentenced to imprisonment without labor for at least one year or heavier punishment, which had become final and served by the person before he joined the military, and if he participated in the Vietnam War afterwards and developed any of the diseases specified in Article 5 (1) of the Act on Assistance to Patients Suffering from Actual or Potential Aftereffects of Defoliants and Establishment of Related Organizations, he shall not be deemed 'a person who has rendered distinguished service to the state to whom the Act applies or is to be applied' as defined in Article 79 (1) (See the Supreme Court Decision 2012 Du 1501 rendered on July 26th, 2012). The appellant committed a crime specified in Article 79 (1) 3 of the Distinguished Service Act and was sentenced to 18 months in prison, which became final and binding on February 28th, 1968 — before his military service. He joined the army on December 7th, 1970, participated in the Vietnam War from August 11th, 1971 to August 11th, 1972, and was discharged from the army on October 25th, 1973. But after joining the military, the appellant did not commit a crime specified in Article 79 (1) 3 of the Distinguished Service Act, which does not deprive him of the eligibility of the application of the same Act as defined in Article 79 (1). Therefore, the dispositions issued by the appellee are unlawful and unjust since they assume that the appellant is not eligible to be recognized as a person of distinguished service to the state pursuant to Article 79 (1) 3 of the Distinguished Service Act.

C. [2021-4459] Cancellation request regarding the disposition of refusal to verify the wages to be paid by the Minister of Employment and Labor on behalf of the employer

【Point in dispute】

Whether the appellants qualify as employees who offer labor to the workplace in question for the purpose of earning wages as defined in the Labor Standards Act

【Case overview】

Arguing that they worked as employees in the workplace in question, the appellants filed an application to the appellee on August 19th, 2020, requesting to verify the wages to be paid by the Minister of Employment and Labor on behalf of their employer (hereinafter referred to as "substitute payments"). However, on January 13th, 2021, the appellee notified the appellants that the verification of substitute payments was not possible on the ground that the appellants, who were registered as inside directors of the workplace in question, did not qualify as employees as defined in the Labor Standards Act.

【Essence of the ruling】

Even when a person is an executive or auditor of a company, he qualifies as an employee as defined in the Labor Standards Act when his position and/or title is just titular/nominal, and when in reality, he comes to work every day and provides certain labor to earn remuneration in exchange under the supervision/oversight of the representative director or an employer with the execution authority; or if he is in charge of certain tasks under the supervision/oversight of the representative director, etc. to earn remuneration in exchange, in addition to handling tasks delegated by the company. As nominal registered directors, the appellants provided labor to the employer in a subordinate relationship for the purpose of earning wages, handling tasks related to manufacturing at a partner company of the workplace in question under the supervision/oversight of the managing director. The appellants qualify as employees as defined in the Labor Standards Act, and therefore, the disposition of the appellee is unlawful and unjust, which was issued on the ground that the appellants were listed as registered directors of the workplace in question.

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Part

06

Building up Policy Feedback through Engagement with the Public

Chapter 1.

Communication System with People at the Center

Under the slogan of "No voice left unheard", the ACRC established the e-People system — a communication portal shared by agencies across the government — by integrating all of the public communication channels that used to be separately operated by each administrative agency, including those for civil complaints, proposals from the public, and policy engagement.

Starting with integrating the systems for civil complaints, proposals and policy engagement of 7 central government agencies in August 2005, such systems for all central government agencies were combined in July 2006, and those for local governments and major public institutions were integrated in February 2008, laying foundation for an integrated system for public service. Using cutting-edge information technologies as part of the e-government development project with a total budget of 10 billion won, the ACRC worked to establish an upgraded e-People system from August 2018, with improved user convenience and work efficiency, which it launched in February 2020. As of 2021, 1,074 agencies and institutions are using the e-People system.

1. Operating the Complaints System

The ACRC is providing training and consultation on how to process civil complaints on the e-People system to improve the capability of each agency in addressing civil complaints. It is also working to make sure that administrative agencies handle civil complaints in a proper manner by conducting inspections and evaluations on complaint services provided on the e-People system every year to maintain service quality.

As in 2020, the ACRC visited 47 agencies in 2021 and provided consulting sessions to improve their complaint services, which contributed to increasing the scores on the Comprehensive Assessment on Complaint Services via the e-People system by 2.0 points from the previous year. The quality of complaints service provided by upper-level local governments in particular was greatly improved.

The ACRC also introduced a mediation system to prevent complaint ping-ponging in 2015 to improve the practice of agencies passing the buck of addressing complaints, or ping-ponging. The Commission has been implementing inspections and monitoring on a sustained basis, working to help establish the mediation system by reducing the frequency of adjusting the standard chart for complaint classification, which serves as a criterion of designating agencies for complaint-handling. The chart is revised every month, instead of every two months as was the case in the past. Thanks to all these efforts, the percentage of complaints which were transferred (i.e. ping-ponged) for more than three times significantly reduced from 0.57% of the entire complaints received in 2015 to 0.14% in 2021.

In June 2008, the ACRC established a channel to receive complaints from foreigners on the e-People system, and started to provide multilingual services in English, Chinese and Japanese. It is currently offering complaint services in 14 different languages. When Koreans living abroad and foreigners living in this country without access to the Korean language file a complaint in their first language, the concerned agency addresses the complaint and notifies the petitioner of its processed result in a translated version. The system is fulfilling its purpose of facilitating international cooperation based on complaint-processing in this globalized world, and was granted a national patent in 2014 in recognition of its innovativeness.

<Table 6-1> Commencement point of complaint services in foreign languages

Commence-ment point	Jun. 2008	Dec. 2009	Jun. 2010	Nov. 2010	Feb. 2011	May. 2011	Sep. 2011	Nov. 2011	Dec. 2012	Nov. 2013	Jun. 2016
Language	English Chinese Japanese	Vietna-mese	Mon-golian	Indo-nesian	Thai	Uzbek	Bengali	Cam-bodian	Sinha-lese	Nepali	Russian Burmese

<Table 6-2> Yearly number of complaints received in foreign languages

'12	'13	'14	'15	'16	'17	'18	'19	'20	'21
800 cases	1,230 cases	905 cases	1,370 cases	1,561 cases	1,683 cases	1,630 cases	6,346 cases	24,642 cases	53,733 cases

2. Foundation for Public-Private Cooperation Online

e-People has a channel through which the public can make proposals to improve the quality of administrative services and suggest ideas to address inconveniences they face in daily lives, so that the government can provide better services. Such proposals can be made both online and offline, and are shared by agencies across the government to deliver public services in a proactive manner with people's needs at the center of public administration. In addition to the yearly inspection on the proposals from the public, the ACRC is monitoring major performance indicators of each agency on a quarterly basis and providing them with the inspection results to help them identify their service quality and resolve problems at an early stage.

On March 28th, 2016, the ACRC launched People's Idea Box (idea.epeople.go.kr) to collect people's opinions about major policies and/or programs that directly affect their lives, so that they can be reflected in policies. In 2016, around 16,000 people shared their thoughts on the platform. The number jumped to 358,000 in 2020 and 445,000 in 2021, which suggests that People's Idea Box established itself as a leading channel where people express their voices about public policy.

<Table 6-3> Public participation via People's Idea Box

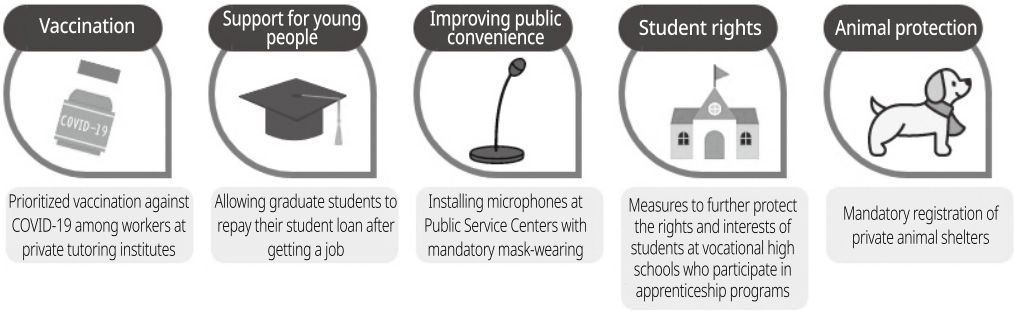
(Unit : cases / As of December 31st, 2021)

Year	2016	2017	2018	'2019	2020	2021
Number of participations	16,136	64,338	164,594	231,175	358,597	445,487

The ideas posted on the official website of People's Idea Box are transformed into government policies after deliberation based on consultation with the concerned agencies and advice from

experts. The figure below shows improvements in major policies and/or programs reflecting people's opinions collected through the platform. Active participation from many different people led to an increase in awareness about People's Idea Box. In a 2021 survey on the level of awareness about the ACRC's major policies, 51.7% of the respondents said they were aware of People's Idea Box, up 3.7% from the previous year.

[Figure 6-1] Improvements in major policies and/or programs based on ideas proposed via People's Idea Box in 2021



Chapter 2. Operation of the 110 Government Call Center

1. Operational Overview

Operated by the ACRC, the 110 Government Call Center provides one-stop service for those who make a call to 110 for purposes related to inquiry, reporting or recommendation about public service, so that they can be provided with consultation and other assistance, or be referred to the agency in charge.

The call service was made available across the nation on May 10th, 2007, and the Government Call Center was relocated from Seodaemun-gu, Seoul, to Government Complex Gwacheon on May 20th, 2013. On July 1st, 2016, the Government Non-Emergency Call Center was established for pilot testing in Yeongdeungpo-gu, Seoul, which started to provide full service from October 25th, 2016. The 110 Government Call Center has 228 call receivers, and the cumulative number of calls it processed until 2021 is approximately 36 million (3.10 million calls in 2021). The daily average number of inbound calls* on weekdays in 2021 was 11,346, down 19.2% from 2020. But the response rate and service level** was 92.1% and 80.9%, respectively, demonstrating a remarkable increase from the previous year.

* Daily average number of inbound calls : Number of inbound calls on weekdays/Number of days worked on a workweek

** Service level : Percentage of answered calls that got through to the receiver within 20 seconds

The cases of simple inquiry or those involving standardized consultations are closed after providing assistance at the Call Center. More complex cases that require expertise are referred to the relevant agency to enable the caller to talk directly to the personnel in charge.

2. Consultation Services

In June 2015, the Call Center provided specialized consultation for the cases involving the Ministry of the Interior and Safety, Statistics Korea, the Ministry of Patriots and Veterans Affairs, the Ministry of Food and Drug Safety, the Fair Trade Commission and the Ministry of Culture, Sports and Tourism. The number of such cases was 922,904 in 2021: 258,640 cases involving the Ministry of the Interior and Safety; 29,682 cases for Statistics Korea; 238,467 cases for the Ministry of Patriots and Veterans Affairs; 297,215 cases for the Ministry of Food and Drug Safety; 74,755 cases for the Fair Trade Commission; and 24,215 cases for the Ministry of Culture, Sports and Tourism.

In March 2014, the call centers of 11 government agencies located in Gwacheon were integrated in accordance with the measures for efficient operation of government call centers, with an aim to reduce public inconvenience and minimize budgetary overlap caused by multiple call centers operated by different government agencies. Calls coming to the 114 Information Service to inquire the contact number for government agencies (the Ministry of Culture, Sports and Tourism and the National Institute of Agricultural Sciences added as of October 15th, 2018) are referred to the 110 Government Call Center. The Call Center provided consultation for 232,366 cases that would have otherwise been addressed by 11 separate call centers: 5,113 cases for the Ministry of Oceans and Fisheries; 29,082 cases for the Ministry of Agriculture, Food and Rural Affairs; 9,270 cases for the Ministry of Education; 13,416 cases for the Ministry of Science and ICT; 24,577 cases for the Ministry of Land, Infrastructure and Transport; 403 cases for Korea Meteorological Administration; 2,712 cases for the Ministry of Foreign Affairs; 6,408 cases for the Ministry of Justice; 37,831 cases for the Ministry of Health and Welfare; and 279 cases for Korea Customs Service.

For an efficient call system, emergency calls are processed by either the 112 or 119 system, whereas non-emergency calls and civil complaint calls are referred to the 110 Government Call Center for consultation. Established in July 2016, the Government Non-Emergency Call Center processed a total of 2,102,456 calls in 2021 alone. It provides consultation for non-emergency calls 24/7 year round, thereby helping emergency agencies — police and fire fighting services — respond more swiftly to disasters and safety accidents. The number of inbound calls to the Non-Emergency Call Center is on a steady rise compared to the previous year, suggesting that the non-emergency call and consultation system is successfully taking hold.

3. Activities

Major guidelines and notices related to COVID-19 stimulus checks were shared in real time, as the demand for consultation about the topic was expected to be high at the 110 Government Call Center. With the start of the application for and payment of COVID-19 stimulus checks, an additional group of call receivers were employed and a dedicated call center was established to respond to people's requests in a prompt and flexible manner while improving public convenience, which led to an increase in the use of the call center service.

Consultation on COVID-19 stimulus checks for individuals

- ▶ Consultation period : August 30th, 2021 – October 29th, 2021
- ▶ Primarily about : Qualifications and requirements, eligibility, application procedure, etc.
- ▶ Number of consulted cases : Approximately 63,000 cases
- ▶ Consulted by : 105 call receivers (cumulative)

On top of that, the 110 Government Call Center provided a range of services to improve accessibility and convenience in civil complaint-filing. It is offering consultation services via text messaging as well as on a reservation basis on its official website and mobile webpage. A call-to-action system was introduced in March 2018 for consultation services on smartphones. The following services have been made available since July 2019: online consultation service via chatting and social media; video consultation service using sign language for the hearing-impaired and sign language translation service to help them use public buildings and/or public use facilities; and mobile phone-based consultation via Kakao Talk, a social messaging app. In collaboration with the Korea Tourism Organization, Immigration Contact Center and Korea Migrant Center, the 110 Government Call Center is also providing translation support for foreigners. In 2021, it conducted training for the call receivers on answering techniques and job performance to minimize the number of calls referred to other agencies. The Call Center also compiled Q&As and consultation databases, which it offered to Naver's Knowledge-iN, a user-generated Q&A platform.

Chapter 3.

Quality Improvement in Complaints Consultation and Assistance

The primary mission of the Government Complaints Counseling Center is to listen to the complaints of those who visit the ACRC, help resolve their issues, and provide consultation and assistance in a prompt and accurate manner, thereby contributing to improving the quality of people's lives and playing a role as a last resort to protect the rights and interests of less privileged people. More specifically, it is supposed to help address grievance complaints by providing information about statutes, institutions and procedures related to public services — permission, authorization, patent, license, approval, designation, recognition, recommendation, examination, inspection, certification, etc.; and by providing consultation and assistance for measures to address inconveniences and violations of basic rights caused by dispositions of administrative agencies.

The ACRC has operated a consultation center in Sejong — ACRC Sejong Complaints Center — for petitioners who visit the head office and those living in and near the Chungcheong region, and a Comprehensive Consultation Service Center at the Government Complaints Counseling Center for those who live in Seoul and the metropolitan areas in Gyeonggi. To minimize the inconveniences of petitioners who are not aware of the concerned agency or who are dealing with complex complaints involving multiple agencies, the Government Complaints Counseling Center provides its consultation services all at once in a single place. At the consultation centers, there are expert consultation commissioners (attorneys, certified labor attorneys and tax accountants), complaint consultation commissioners (retired public officials with much experience in public administration), and grievance complaint investigators, who provide consultation services and inform the petitioners of proper measures to resolve their issues.

In 2021, the ACRC provided a total of 46,766 cases of consultation and assistance services to petitioners, including at the consultation centers in Sejong and Seoul. Located in Sejong City, the head office of the ACRC is not easily accessible for those living in Seoul and the metropolitan areas

in Gyeonggi to visit in person. In an effort to minimize their inconveniences, the ACRC is providing video consultation between the investigator at the Commission and the petitioner who visits the Seoul Center, which was provided for 286 cases in 2021. As for complex complaints, the ACRC hosted various types of joint consultation sessions, tapping into a pool of experts consisting of public officials working at the agencies in charge, attorneys, tax accountants, and certified labor attorneys. After the launch of online consultation services in October 2019, 70,695 cases were received, 2.4% of which (1,691 cases) were addressed through joint consultation sessions to prevent complaint ping-ponging and resolve questions of the petitioners all at once.

<Table 6-4> Breakdown of consultation cases by channel

(Unit: cases)

Classification	Total	Sejong	Seoul	Online
2021	46,766	1,877	8,136	36,753
Daily average consultation cases	185.6	7.4	32.3	145.8
Consultation by investigators	41,495	1,467	3,275	36,753
Attorneys	2,687	143	2,544	
Certified labor attorneys	679	-	679	
Tax accountants	303	11	292	
Certified public appraiser	1	-	1	
Claim adjuster	2	-	2	
Complaint consultation commissioners	1,599	256	1,343	
2020	41,004	1,807	7,250	31,947
Daily average consultation cases	165.3	7.3	29.2	128.8
2019	11,019	3,092	5,932	1,995
Daily average consultation cases	36.4	12.5	23.9	31.7
2018	9,091	3,030	6,061	-
Daily average consultation cases	37.0	12.3	24.6	-
2017	9,658	2,927	6,731	-
Daily average consultation cases	39.7	12.0	27.7	-
2016	10,229	3,191	7,038	-
Daily average consultation cases	41.1	12.3	28.3	-

In 2021, the Government Complaints Counseling Center used the mobile consultation bus of the Outreach Complaint-Handling Bus to promote it in Seoul and the surrounding regions, and visited small businesses located in complexes in Gangwon-do as listed below, hosting meetings to listen to and address their grievances.

<Table 6-5 > Meetings with small businesses located in Gangwon-do

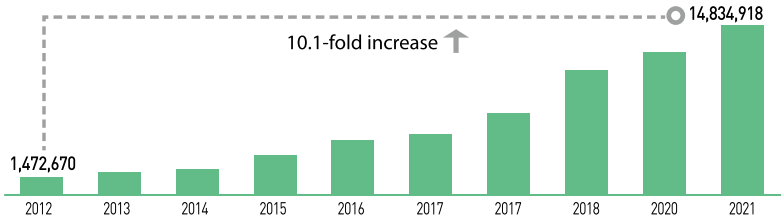
Oct. 26th	Nov. 11th	Nov. 18th	Dec. 2nd
Donghwa Agro-Industrial Complex located in Wonju-si, Gangwon-do	Woocheon Industrial Complex located in Hoengseong-gun, Gangwon-do	Jangsung Agro-Industrial Complex located in Taebaek-si, Gangwon-do	Wontong Agro-Industrial Complex located in Inje-gun, Gangwon-do

Chapter 4.

Policy Improvement through Analysis of Big Data on Civil Complaints

In 2021, 14.83 million cases of civil complaints were filed against central and local government agencies through the e-People system and the complaint channels in local governments, up 19.6% from the previous year. The number has been increasing every year since the ACRC started to collect complaint data by establishing the Complaint Analysis System in 2012. This upward trend suggests that more people are willing to express their opinions about policies implemented by administrative agencies, and that the importance of making use of big data that has been accumulated over the years is growing more than ever.

[Figure 6-2] Yearly collection of complaints data



Using the Complaint Analysis System to collect and analyze big data on civil complaints across the government, the ACRC is taking various approaches to analyzing weekly and monthly trends, complaints of public concern, or those related to major social issues. It identifies public inconveniences caused by unrealistic rules or a lack of proper systems, and monitors civil complaints to issue complaint forecasts for cases raising concerns about increased conflicts and/or public harm, so that relevant agencies can take necessary measures in a timely manner.

1. Analysis of Civil Complaints Data of Various Types

The ACRC is publishing *The Voice of the People* every week, a big data-based newsletter describing weekly and monthly trends in civil complaints and inconveniences faced by people in their daily lives, which is provided for 1,270 public and research institutions and disclosed to the public every week. In 2021, *The Voice of the People* was issued 39 times in a weekly format, 12 times in a monthly format and 1 time in an annual format. The weekly version of the newsletter addresses weekly trends in civil complaints and includes cases of inconveniences to highlight the need for institutional improvement, so that identical or similar complaints would not occur in the future. In 2021, the ACRC shared a total of 95 cases of inconveniences experienced by the public through *The Voice of the People*. 72.6% of such cases (69 cases) were addressed by relevant agencies for institutional improvement and publicity. This is a 14.4%p increase from 58.2%, the 10-year average from 2011 to 2020.

The ACRC is supporting policy and institutional improvement both in direct and indirect ways by conducting in-depth analysis of complaints related to the government's major policy programs and social issues to identify problems and implications, which the Commission shares with relevant agencies. In 2021, the ACRC analyzed 7 cases of such complaints, including complaints related to difficulties that arose during the COVID-19 pandemic and policy issues related to achieving carbon neutrality by 2050.

The complaint forecast system is aimed at sharing information in advance to help relevant agencies better prepare for complaints that are filed at a certain period of the year, and take precautions against ones that are rapidly increasing or newly emerging.

In 2021, the ACRC implemented a total of 14 complaint forecasts: 11 regular and 3 ad-hoc forecasts. The issues addressed in the category of regular forecasts include COVID-19 vaccination in February at the start of the vaccination program; election and voting in March; tenant reporting in April; children's traffic safety in May, in which the largest number of traffic accidents take place in school zones; heavy rain and monsoon in June; unemployment/occupational health and safety insurances and return of erroneous payments in July; outdoor activities during vacation in August; dog registration in September; flu vaccination in October; traffic accidents in November; and heavy

snow in December. The Commission also issued ad-hoc forecasts about complaints related to extending the Seoul LRT Wirye-Sinsa Line to Hanam and installing separation walls around Park Prugio Apartment Complex located near Hwaseo Station in Suwon–si in April and COVID-19 vaccination in June, prompting quick responses of relevant agencies.

2. Operation of the Complaint Analysis and Collaboration Based on Civil Complaint Data

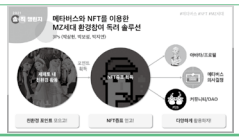
The Complaint Analysis System collects the largest volume of data on civil complaints, encompassing major channels for complaint-filing including e-People (an integrated system linking 1,074 agencies as of December 2021) and those in local governments (portal websites of municipal/provincial governments and the Saeol system). The ACRC provides support for system operation and maintenance, training, and consultation to help administrative agencies and public institutions monitor and analyze on their own the complaints that arise under their jurisdiction using the Complaint Analysis System.

Equipped with a wide range of analysis features including classification, clustering and network analysis based on natural language processing (NLP) and machine learning, the Complaint Analysis System was used by a total of 1,264 employees at 326 administrative agencies and public institutions from its launch through December 2021. Reflecting the opinions of users, the ACRC worked on 103 cases of improving features in 2021. At the same time, the Commission is committed to providing quality service and improving the accuracy level of automatic classification and keyword analysis by adjusting complaint classification categories; reorganizing language databases for neologisms, synonyms and stopwords; and revising data sets for learning.

In 2020, new features were added to the Next-Generation Complaint Analysis System, which were reflected in the overhaul of the website of the Civil Complaint Big Data at a Glance, so that it can provide the public with data analysis using visualizations. The ACRC has been pursuing public data disclosure every year using the Open-API method, which directly involves users in developing applications services. The Commission is now disclosing a total of 13 types of information, and there has also been an increase in requests to use the Open-API system through public data portals — a total of 813 requestors from its launch through December 2021. Research institutes, the academia, media and National Assembly are also increasingly requesting that they be provided with additional data.

Civil complaint data also provide opportunities for collaboration with other agencies. To help address social issues or inconveniences faced by people in their daily lives using mobile apps and ICT such as VR, AR and AI technologies, the ACRC jointly hosted the 2021 Challenge to resolve public complaints along with the Ministry of Science and ICT and the National IT Industry Promotion Agency (NIPA). The Challenge was hosted for the second time last year under the theme of 'Metaverse for Public Good' with three different categories: ① Carbon neutrality; ② Digital inclusivity; and ③ Coping with COVID-19. A total of 69 projects were submitted to last year's contest, and the participant composition was diverse in terms of age and background. After going through documentary evaluation (Nov. 10th), demonstration/presentation evaluation (Nov. 30th – Dec. 1st), public evaluation (Dec. 6th – 8th) and evaluation by the deliberation committee (Dec. 9th), 13 of them were selected for prizes, which will be presented for public display at Metaverse Hub in Pangyo until the end of 2022.

<Table 6-6> Case of collaboration with the Ministry of Science and ICT and NIPA using civil complaint data

Prize	First prize		Special prize	
Team name (Category)	Mindvridge (Coping with COVID-19)	3Ps (Carbon neutrality)	YNS (Carbon neutrality)	Herl Alpha (Digital inclusivity)
Project topic	‣ Metaverse platform for counseling to help those with difficulties visiting psychotherapists in person	‣ Solution for environmental protection designed to engage young people (millennials and Generation Z) using the metaverse and NFTs (non-fungible tokens)	‣ Assistance for proper recycling using labels	‣ Metaverse platform for disaster education
				

The ACRC signed a business agreement with the Institute for Social Data Science (ISDS) at Pohang University of Science and Technology (POSTECH) on June 24th, 2020, and conducted joint research on utilizing civil complaint data to contribute to improving the quality of life for the public. The two organizations worked together to analyze the interests of those in their 20s and 30s (millennials and Generation Z); to study civil complaints filed by those living near nuclear power plants; and to review regional differences in COVID-19 response measures. The ACRC and ISDS are going to continue sharing information for advancement in analysis techniques that suit the subject and data type of civil complaints.

Chapter 5.

Facilitating Proactive Governance

In July 2021, the Public Request for Proactive Governance was introduced to allow ordinary citizens to make direct requests to administrative agencies when the complaints or requests they filed for public good were rejected or not adopted. Aimed at encouraging proactive governance across the government, it is a fast-track system to protect people's rights and interests. When citizens suggest policy ideas for public good, the ACRC reviews them from people's perspectives and provides its recommendations and/or opinions about how to address the issues to the concerned agencies, which work to improve rules and systems to make sure that the requests from citizens are properly reflected in public service delivery.

The Public Request for Proactive Governance is primarily about addressing requests for policy and/or institutional improvement for public good, rather than about dealing with complaints related to individual interests. The agencies affected by the system are central administrative agencies, the Office of Government Policy Coordination, and local government agencies as stipulated in the Government Organization Act. The way the system works is as follows: when a citizen makes a requests, the ACRC reviews it and makes a recommendation about how to address it; the concerned administrative agency actively addresses the request based on the ACRC's opinion; and the requestor is informed of how his/her request was processed. The public official in charge is exempt from discipline if he/she processed the request in accordance with the ACRC's opinion or what was discussed at the preliminary consultation session by stating his/her opinion to the Proactive Governance Committee or the inspection department of the concerned administrative agency.

This system was very well-received by the public despite its short history. From July to the end of December 2021, a total of 1,667 requests were made via e-People. 1,570 cases were processed, and for 92 of them, the ACRC offered its recommended opinion to the concerned administrative agencies.

<Table 6-7> Number of cases received via the Public Request for Proactive Governance

Classification	Number of requests received	Processing status			Under investigation
		Total	Opinion recommended	Transferred / Closed	
Public Request for Proactive Governance (Implemented on July 27th, 2021)	1,667	1,570	92	1,478	97

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Part

07

Institutional Improvement to Address the Underlying Factors for Corruption and Public Inconveniences

Chapter 1.

Task Overview and Major Cases of Institutional Improvement

Pursuant to Articles 12, 27 and 47 of the Corruption Prevention and the ACRC Act, the Commission is pursuing measures for institutional improvement to prevent corruption and address grievances. As a pivotal agency supervising a range of channels for public policy engagement (e.g. e-People, the 110 Government Call Center and People's Idea Box), the ACRC has been playing a role in resolving grievances in a way that meets the needs of the Korean people, analyzing corruption-causing factors and people's opinions received through various channels and identifying problems in institutions and programs in need of improvement. In addition to handling the complaints and cases filed, the Commission is committed to preventing the recurrence of similar cases by addressing the underlying factors that cause public inconveniences and systemic corruption.

<Table 7-1> Workflow of institutional improvement

1. Task selection and establishment of the implementation plan	▪ Civil complaints filed through e-People; Consultation via the 110 Government Call Center; Reports filed about corruption and/or public interest issues; Precedents of administrative appeal adjudication; Audit materials of the National Assembly and the Board of Audit and Inspection; Media monitoring, etc. ▪ Drafting of the implementation plan for each task
2. Reality check and feedback collection	▪ Implementation of investigation on various written materials and reality check in the field ▪ Collection of feedback from the general public, stakeholders, experts and civic groups (Feedback collection via People's Idea Box, on-the-site meetings and public hearings)
3. Establishment of improvement measures and consultation with relevant agencies	▪ Establishment of improvement measures for each task in respect of statutes, institutions and policy programs ▪ Consultation with agencies in charge regarding the acceptance of the improvement measure

4. Recommendations and publicity about institutional improvement	▪ Recommendation of improvement measures after the approval of a resolution at the subcommission/subcommittee/plenary committee ▪ Distribution of press releases; Online/Offline publicity through postings on social media, etc.
5. Follow-up management of the progress in implementing recommendations	▪ Inspection and evaluation on the progress in implementing recommendations ▪ Encouragement to implement institutional measures through strategic meetings and/or consulting sessions, reporting at the cabinet and/or vice ministerial meetings, legislative proposals, etc.

1. Institutional Improvement in Corruption-Prone Areas to Eradicate Chronic and Systemic Corruption

In 2021, the ACRC focused its corruption prevention efforts on everyday injustices and blind spots for systemic corruption, and made recommendations for 18 cases to improve inadequacies in relevant laws and institutions. It was to address everyday injustices experienced by the public in their daily lives and to eliminate chronic factors that have been causing corruption for many years but still remain unresolved.

The ACRC focused on remedying injustices in contests and hiring processes through the following efforts: measures to improve fairness in contests and support initiatives for performing arts; measures to improve fairness and reliability of contests organized by administrative agencies; measures to improve fairness in hiring the teaching staff at universities; and measures to improve transparency in hiring administrative personnel at private schools. These efforts made by the Commission garnered a lot of support and positive feedback from the public.

The ACRC also tried to address the underlying causes of irrational practices and corruption that still persist among public officials, such as budgetary waste and/or appropriation for unintended purposes, and pursuit of private gains using insider information, through the following recommendations for institutional improvement: measures to improve the practice of providing fixed subsidies for long-serving and retired (or soon-to-be-retired) public officials for overseas travel, etc.; measures to prevent speculative behavior of executives and employees at public corporations for development projects using insider information; measures to improve

effectiveness of disciplinary action for sex offenses and drunk driving committed by public sector employees; and measures to improve transparency in providing special grants-in-aid for local governments.

The ACRC discovered potential areas of corruption, and issued the following recommendations for institutional improvement: measures to clarify standards of punitive disposition depending on the number of instances of violation; measures to effectively prevent the distribution of fake oil; and measures to improve transparency in commissioned operation of social welfare facilities.

2. Institutional Improvement for a Better Quality of Life of People and a Better Social Safety Net

There were 13.26 million complaints filed through the e-People system in 2021, with nearly 500 consultation cases for institutional improvement via the 110 Government Call Center and as many as 7,700 proposals for policy improvement discussed on People's Idea Box, a communication platform with a focus on a mobile format. The ACRC worked to establish reasonable improvement measures to address the underlying factors for grievance complaints and inconveniences expressed by the public. To that end, the Commission analyzed repeated complaints and policy proposals to identify irrational statutes or institutions, and conducted in-depth investigations on the current situation.

In 2021, the ACRC formulated and issued 18 recommendations for institutional improvement to resolve people's grievances, with a particular focus on addressing financial difficulties faced by many people during the COVID-19 pandemic and reinforcing social safety nets to make sure that more people can benefit from government policies. The Commission continued to work to identify and address inconveniences experienced by the public in daily lives.

The followings are leading examples of the ACRC's efforts to reduce inconveniences and difficulties faced by small businesses: measures to protect the rights and interests of small local construction businesses; measures to protect rights and interests of construction engineering businesses [engineers]; and improvement measures for the cremation subsidy program to reduce the burden

of bereaved families. The Commission also worked to reduce the financial burden faced by ordinary citizens with an increase in real estate brokerage fees by recommending improvement measures to address the issue.

The ACRC identified areas for improvement in social safety nets to enhance public health and safety and to protect the most vulnerable, and recommended the followings: measures to improve the meal subsidy program for lower-income children; measures to improve the system for regulating military landmines to prevent civilian damage; measures to improve the effectiveness of programs to facilitate employment of people with disabilities; and measures to improve the effectiveness of the organ donation system.

In addition to the aforementioned efforts, the ACRC worked to address inconveniences experienced by people in their daily lives through the followings: measures to improve supervision over the operation of public golf courses; measures to improve training programs for founders, operators and instructors of private teaching institutes; and measures to eliminate irrational provisions in ordinances related to charges for water conservation.

3. Reinforcement of Follow-up Measures to Materialize the Effects of Institutional Improvement

Since its launch, the ACRC issued recommendations for institutional improvement for a total of 951 cases on an issue-category basis until 2021 to help prevent corruption and resolve grievances. It is imperative that the agencies in charge actually implement those recommendations for the ever-increasing issues in need of improvement, if the public is to feel the effects of the improvement measures and have a better quality of life. It is with this purpose that the ACRC has been continuing to take follow-up measures.

In 2021, the ACRC inspected 1,589 agencies including central government agencies for their progress of implementing the recommendations for institutional improvement issued by the Commission from 2013 to 2020. For the issues in need of urgent improvement that are still causing problems to date, the Commission issued recommendations once again after additional investigations.

The ACRC intensively inspected the implementation of recommendations for the issues of social significance that remained unresolved, and disclosed the inspection results to the media and public. In June, the Commission called for public attention and efforts of relevant agencies, when it revealed the inspection results of the recommended measures to improve safety of outdoor exercise facilities (issued to local government agencies in October 2013).

In addition, the ACRC hosted meetings and consultation on implementation strategies, targeting agencies with low implementation rates and those having difficulties complying with the recommendations after being newly designated as public service-related institutions. The Commission held meetings to explore implementation strategies with the Ministry of Education, Ministry of Oceans and Fisheries, and other agencies subject to the ACRC's recommendations where the participants discussed specific measures to implement 77 tasks. For 29 local government agencies and public service-related institutions, the ACRC provided customized support for implementation through consulting sessions.

Chapter 2. Improvement Cases in Corruption-Prone Areas

1. Addressing Unfair Practices in Supervising Construction Project Management

Over the years, the government has continued to seek to address unfair practices and problems with construction project management, with an aim to prevent safety accidents in construction sites and improve the supervisory capability. However, unfair practices in the supervisory process still persist, causing the constant occurrence of large-scale accidents in construction sites. Another example of an injustice in the construction industry is that project owners are passing the burden of supervisory services to the contractors.

So, from the beginning of last year, the ACRC hosted meetings to discuss corporate grievances and conducted investigations to identify the damage in an effort to address various injustices and unfair practices experienced by construction supervision companies.

The Commission identified the following injustices: ▲ Unlike conventional construction projects, subcontracting is allowed for supervisory services for construction project management, which leaves room for the project owner to intervene in the subcontracting process; ▲ Negotiated contracts are signed with certain companies for a long period of time, and the tasks that should be conducted by the project owner and the contractor are forced to be subcontracted; ▲ The project owner passes to the contractor the burden of appointing the supervision company that manages restoration works in the mountainous district as well as the cost of supervision, which cheapens the supervisory service conducted by the subcontractor and causes the restoration works to be performed in the absence of supervision; ▲ When estimating the supervision cost, preliminary prices are set only within the range of plus or minus 3 percent of the basic price, which leads to a low-priced supervisory contract; and ▲ A construction engineer is not considered ineligible to

perform supervisory work when he is sentenced to a fine, whereas a construction engineer sentenced to a suspended fine is disqualified according to the law.

The ACRC tried to address irrational practices and statutes through the following recommendations: ▲ Subcontracting supervisory services for construction project management shall be limited and/or prohibited by the relevant law, and requirements and methods for subcontracting shall be specified in subordinate statutes; ▲ Korea National Railway shall implement integrated process control on its own and establish a system where it directly orders and manages various supervisory services from the design stage of a railway project; ▲ Construction standards for implementation shall be established, so that the person liable to perform restoration appoints the supervision company to manage the restoration works in the mountainous district, and the documents related to the appointment and designation thereof are submitted for authorization and permission; ▲ Preliminary prices shall be set within the range of plus or minus 2 percent of the basic price, or the standards for setting preliminary prices that put the contract counterparty at a disadvantage (within the range of plus or minus 3 percent of the basic price) shall be eliminated; and ▲ Only those who are in the suspension period after being sentenced to suspended imprisonment without labor or heavier punishment shall be considered ineligible to perform supervisory work.

These recommendations for improvement are expected to provide an opportunity to eliminate a range of unfair practices and make sure that project owners will no longer force the contractors to bear the burden related to supervisory services and the working conditions of construction engineers improve.

2. Improving the Practice of Providing Fixed Subsidies for Long-serving and Retired (or Soon-to-be-retired) Local Public Officials for Overseas Travel, etc.

Article 79 of the Local Public Officials Act states that public officials who have diligently performed their duties or have remarkably contributed to society shall be given commendation as prescribed by the municipal ordinance. As for benefits and welfare schemes, the specifics are stipulated by welfare ordinances of each local government, pursuant to Article 77 of the Local Public Officials Act.

To enhance their effectiveness, most welfare policies for public officials revolve around the schemes each local government established, if circumstances allow.

However, a vast majority of local governments are continuing to provide domestic and/or overseas training and high-priced valuables for long-serving and retired (or soon-to-be-retired) public officials. They are spending more over time, with 234 local governments (95.1%) executing budget of 78.1 billion won over the past 4 years to provide overseas training and valuables for soon-to-be-retired public officials. The ACRC found a number of cases where there were not adequate grounds for such provision.

※ 18.3 billion won in 2016 ⇒ 16.0 billion won in 2017 ⇒ 19.2 billion won in 2018 ⇒ 24.6 billion won in 2019

Even the local governments that are not fiscally independent provided subsidies for domestic and/or overseas training and high-priced valuables for long-serving public officials, etc. without considering budgetary conditions. Indeed, it was found that out of 46 local governments whose fiscal self-reliance ratio is less than 10% as of 2020, 43 of them (93.5%) executed budget of 7.2 billion won over the past 4 years for 5,154 individuals — long-serving public officials, retired (or soon-to-be-retired) public officials, and their family members.

Local governments are aware of this problem, but many of them have a passive attitude towards addressing it, citing fairness among public officials, the need for a morale boost and collective agreements as the reasons to maintain the status quo.

The ACRC recommended that local governments immediately stop providing subsidies for domestic and/or overseas training and high-priced valuables for long-serving and retired (or soon-to-be-retired) public officials and their family, and that they prohibit budget organization and administration for such collective subsidies. In addition, the Commission recommended that local governments disclose the details of the budget expenditures on a periodic basis and step up inspection efforts on the part of the supervisory agency about the appropriateness of the procedures and compliance with the budget execution rules.

3. Improving the Practice of Public Institutions Recovering Litigation Costs

With a growing number of public institutions leaving litigation costs unrecovered after winning a lawsuit, questions have been constantly raised about budgetary leaks and dereliction of duty on the part of public officials. There were many cases where public institutions follow the common practice of relinquishing the recovery of litigation costs, or delay and/or neglect cost recovery based on highly arbitrary judgments for face-saving or complaint avoidance, when the decision not to recover litigation costs shall be made in a restrictive way according to the provision stipulating the grounds for exception.

The ACRC issued recommendations for institutional improvement to make sure that litigation-related tasks are properly performed and budgetary leaks are prevented by clarifying the criteria for litigation cost recovery and specifying the grounds for exception.

The Commission pointed out that there are repeated cases where the public official in charge makes an arbitrary decision to relinquish or delay the recovery of litigation costs due to a lack or inadequacy of rules about handling litigation tasks and recovering the costs after winning a lawsuit. This was a situation requiring urgent action since fiscal losses and budgetary leaks continued to increase, with the litigation costs left unrecovered by public institutions.

※ The ACRC's investigation on a total of 351 public institutions found that 48 institutions (14%) did not have any internal regulations on this issue; that 59 institutions (17%) did not have provisions about litigation cost recovery; that as many as 110 institutions (31%) did not recover the costs without any ground for exception; and that litigation costs worth nearly 36.9 billion won in total were not recovered for about 5,900 cases.

The ACRC issued a recommendation for institutional improvement that each agency establish regulations for litigation cost recovery. More specifically, the Commission recommended that internal regulations be established regarding the procedures and criteria about litigation tasks for different types of litigation such as litigation to which the state is a party and administrative litigation, and measures for litigation cost recovery be specified to set initiation and processing deadlines and to clarify the notification procedures to the relevant personnel.

The ACRC also found that arbitrary exercise of discretion and lenient punishment were rampant regarding this issue. In the absence of relevant regulations, litigation costs were left unrecovered

for arbitrary reasons such as concerns about tarnished reputation and excessive workload; and when there were regulations about grounds for non-recovery, many institutions extensively interpreted those provisions. Many public institutions were often complacent about litigation cost recovery, treating non-recovery as a simple error and often imposing lenient and lax punishment for such 'error.'

※ The ACRC's investigation found that as many as 110 institutions (31%) did not recover the costs without any ground for exception.

The ACRC recommended that non-recovery of litigation costs be strictly limited and the reasons thereof be specified. The Commission also worked to make sure that public institutions establish and implement objective and specific rules on exceptions — grounds for non-recovery — only in unavoidable cases such as the death of the concerned party.

Chapter 3.

Improvement Cases where Grievances and Complaints Frequently Occur

1. Improving the Meal Subsidy Program for Lower-income Children

The government is providing meal subsidies for children aged under 18 whose protector cannot provide them with meals due to work, disease and disability. There are nearly 310,000 children at risk of undernutrition as of 2020.

The ACRC's investigation found that as of March 2021, as many as 154 local governments (68%) were providing meal subsidies at a level below what is recommended by the manual of the Ministry of Health and Welfare (6,000 won per meal as of 2021). Most local governments are providing wider options for meal subsidies ranging from meal cards, group meal service and lunchbox delivery. But 72 lower-level local governments including those in Jeollanam-do and Jeju have not established a meal card system, limiting the options for children eligible for meal subsidies.

Another problem has to do with the fact that there are severe regional disparities in the number of affiliation stores and management methods of the meal subsidy program. Some children were unable to use the meal subsidies because they did not know the locations of restaurants where they could use the meal card. There were also cases where they felt embarrassed by the design of their meal card, which is starkly different from that of regular debit cards.

So, the ACRC recommended that the Ministry of Health and Welfare establish standards for the lower limit of subsidy per meal in the statutes related to children's welfare. It is expected that each local government will amend ordinances on meal subsidies for children in accordance with statutory regulations, thereby reducing the regional gap in meal subsidies.

To reinforce the government's role in providing meal subsidies for children, the ACRC recommended that new provisions be added to the Child Welfare Act stipulating inspections and investigations on the meal subsidy program, and that new indicators for the program be established in the joint evaluation of local governments conducted every year by the Ministry of the Interior and Safety.

The ACRC also recommended that local governments provide meal cards with a design that is indistinguishable from regular cards and increase the number of stores affiliated with the meal subsidy program. The Commission's recommendation includes the provision of a location-based map service featuring information about affiliated stores, which shall be disclosed as public data via data.go.kr. This service will be made available in 2022 based on cooperation between upper-level local governments and private online platforms (Naver, Kakao).

These improvement measures are expected to contribute to policy efforts for an inclusive country: underfed children across the country will be able to have quality meals without discrimination and become healthier; and the meal subsidies will be determined in a better reflection of prices, with the central government playing a greater role in improving childcare for lower-income families.

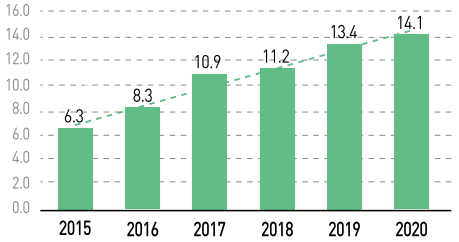
2. Measures to Address Issues Related to Real Estate Brokerage Fees and Brokerage Service Improvement

With a recent rise in house prices in Seoul and the surrounding regions, real estate brokerage fees also went up, leading to a dramatic increase in civil complaints and conflicts, with 3,370 cases of civil complaints and proposals regarding the issue received via e-People from 2019 to 2020.

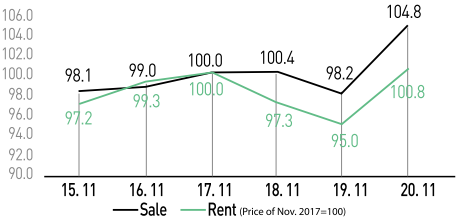
Linked to real estate market prices, brokerage fees went up with an overall rise in market prices recently, causing an increase in requests from the public, National Assembly and media to improve the brokerage fee system. In a survey conducted by the ACRC, 53% of respondents said that the brokerage fees are too high*.

* Survey result conducted by the ACRC / 2,478 persons surveyed (1,233 persons in the real estate industry, 1,245 ordinary citizens)

[Figure 7-1] Real estate statistics



< Changes in the percentage of real estate purchase transactions worth more than 600 million won through brokerage (%) >



< Changes in the national apartment price index (Korea Real Estate Board) >

The ACRC came up with measures to address issues related to real estate brokerage fees and brokerage service, using every tool at hand for institutional improvement: investigations based on analysis of civil complaints filed through the e-People system; visits to and consultation with the relevant agencies (the Ministry of Land, Infrastructure and Transport, Korea Association of Realtors, and Korea National Council of Consumer Organizations); collection of opinions via People's Idea Box; and online panel discussions.

To improve the real estate brokerage fee system, the ACRC proposed the following 4 different proposals to figure out a win-win solution that can reduce the burden of the increased brokerage fees but can also be found acceptable by real estate agents based on people's opinions collected via People's Idea Box and consultation results with the relevant agencies:

▲(Proposal 1) Break down the transaction value brackets further to establish a 7-bracket system instead of the current 5-bracket system, with fixed progressive rates for each bracket.

▲(Proposal 2) Apply fixed progressive rates for each bracket like Proposal 1, but for the brackets for high-priced house transactions, set the brokerage fee through consultation between the real estate agent and the transaction party.

※ Proposal 2 was most preferred in a survey on the improvement measures for the brokerage fee system (supported by 45.8% of real estate agents and 37.1% of ordinary citizens).

▲(Proposal 3) Apply a single fee system or a flat-rate fee system regardless of transaction value.

▲(Proposal 4) Set the brokerage fee through consultation between the real estate agent and the client within a 0.3%-0.9% range of the transaction value regardless of the transaction type (sale/rent).

The ACRC also recommended that there be a stipulation about the scope of additional services that can be provided by real estate agents other than what is specified in the law, and that regulations on additional fees be established to allow consumers to choose from when using those services.

Reflecting the increasing complaints of real estate agents that they have not been able to receive commissions for introduction and/or arrangement when actual transactions fail to take place, the ACRC recommended that rules on fees for brokerage and arrangement be established to help cover actual expenses, but that in cases where the contract is concluded, such fees not be paid in addition to the brokerage fee.

Besides the aforementioned issues, the ACRC issued recommendations for the followings to minimize conflicts in the process of real estate brokerage and protect the clients: establishing rules on implicit renewal of a contract; paying for the brokerage fee when the final contract is cancelled; and paying for the paperwork fee.

Lastly, the ACRC recommended that 17 upper-level local governments across the country establish support measures for tenants categorized as vulnerable groups requiring housing — lower-income families, young households and newly-weds — to exempt or reduce brokerage fees for them depending on their income level and the size of the rented house.

At the ACRC's recommendation, the Ministry of Land, Infrastructure and Transport amended the Enforcement Rule of the Licensed Real Estate Agent Act and the Enforcement Decree of the Licensed Real Estate Agent Act on October 19th, 2021 and on December 31st, 2021, respectively, based on commissioned research and panel discussions.

The amendments include the following measures: lowering the upper limit of the house brokerage fee (0.9%→0.7% of the transaction value for sale transactions; 0.8%→0.6% for rent transactions), which shall be specified by the Enforcement Rule for each transaction value bracket and set by ordinances within that scope; the upper limit of the brokerage fee shall be determined within a plus-or-minus 1/1000 range of the uppermost fee for each transaction bracket, considering regional differences; raising the guaranteed amount of damages; and clarifying rights relations through verification/elucidation of the brokered property for consumer protection and conflict prevention.

These measures are expected to contribute to greatly alleviating the burden of brokerage fees on the public while reducing damage and inconveniences suffered by consumers in the process of signing house sale/rent contracts.

With most upper-level local governments submitting the implementation plan* to the ACRC that they would amend the relevant ordinances after statutory amendments on the part of the Ministry of Land, Infrastructure and Transport, the burden of real estate brokerage fees borne by tenants categorized as vulnerable groups requiring housing — lower-income families, young households and newly-weds — is likely to be significantly mitigated.

* Out of the 17 upper-level local governments, 13 of them including Busan, Daegu and Incheon submitted the implementation plan for institutional improvement.

Anti-Corruption &
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ACRC

2021 Annual Report

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