

ACRC Korea Transparency Newsletter (July 2020)

ACRC won Gold Stevie Awards in Excellence in Innovation in Government

- ACRC's efforts for building transparent and trusted society were highly recognized -

July 15, 2020

Anti-Corruption and Civil Rights Commission

The Republic of Korea



The Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Jeon Hyun- Heui) won Gold Stevie Awards, the best award, in the category of Award for Excellence in Innovation in Government in the 2020 Asia-Pacific Awards.

The Stevie Awards operate eight awards including the International Business Awards and the Asia-Pacific Business Awards. Every year, over 10,000 entries are submitted to the international awards which select and honor the individuals and organizations that made great achievements in respective categories.

The Asia-Pacific Awards, created in 2013, are open to all businesses, groups, and government agencies in the 29 nations of the Asia-Pacific region. Applicants were selected as winners for their excellence and achievement by categories

The focus of all categories of the 2020 Asia-Pacific Awards was ‘innovation’. Based on the focus, winners were selected based on innovation in their overall management of their organization for the past two years. This year, a total of 1,200 entries were submitted by government agencies, public organizations and businesses in the 20 Asia-Pacific regions.

The ACRC was selected as the gold winner in the category of the Award for Excellence in Innovation in Government-More than 100 Employees in recognition of its excellence in innovation in the area of customer service, promotion and IT usage.

For the customer service area, high recognition was made for innovation in thorough investigations on and counter-measures against public organizations’ hiring irregularities in the Moon Jae-in administration and in resolution of long-pending collective complaints of more than five complainants.

As for the promotion area, ACRC’s achievement was acknowledged for its promotion of policies designed to enhance citizens’ awareness on whistleblowers and promote whistleblowing and for its efforts to spread a culture of integrity in citizens’ everyday life.

When it comes to IT usage, positive assessment was made on ACRC’s e-People (complaint-handling and policy communication channel) which was reinvented itself as AI-based one.

Winning Gold Stevie Awards in Excellence in Innovation in Government holds significance in that it means the global community acknowledged ACRC’s persistent efforts to push forward with fairness and integrity policies and its commitment to resolving citizens’ grievances to make the government more transparent and trustworthy.

Chairperson Jeon Hyeon-Heui said, “The ACRC will aggressively innovate its work to meet citizens’ expectations for a nation of integrity and will continue to communicate with citizens with one step closer to them.”

Meanwhile, the awards ceremony initially scheduled to be held in September in Hanoi, Vietnam, will be held online due to the spread of the COVID 19 pandemic on 22 September (Tuesday) (asia.stevieawards.com)

ACRC's three-year old efforts resulted in the relocation of Korean War Monument to Greek Force

- Korean War Monument to Greek Force standing near highway will be relocated to Yongwol Park -

July 24, 2020

Anti-Corruption and Civil Rights Commission

The Republic of Korea



The Korean War Monument to the Greek Expeditionary Force located in Yeosu expressway rest area on Yeongdong Expressway will be relocated to Yeongwol Park, at the center of Yeosu-si.

On 24 July, The Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Jeon Hyun-Hui) held an onsite mediation meeting presided over by its Chairperson Jeon Hyun-Hui to resolve a grievance filed by Panhellenic Association of the Korean War Veterans asking the improvement of surroundings of the Korean War Monument to Greek Expeditionary Force which are located in Yeosu express rest area on Yeongdong Expressway.

In Greece, Greek veterans who filed the petition and Korean Ambassador to Greece participated in the live mediation meeting through Skype. In Korea, at the mediation site, Greek Ambassador to Korea, Ifigeneia Kontoleontos, Vice Minister of Patriots and Veterans Affairs, Lee Byeong Gu, Mayor of Yeosu, Lee Hang Jin and Deputy Minister for National

Defense Policy of the Ministry of National Defense, Chung Suk Hwan were present. The meeting was live streamed on ACRC's Youtube channel 'Gwonik Vision'.

Greece sent around 5,000 soldiers to Korea during the Korean war, leaving 200 of them killed in action and 600 wounded. In honor of their brevity and sacrifices, the monument for the Greek veterans was built in 1974 using Greek marble that the Ministry of National Defence brought from Greece. The monument was designated as a memorial site by the Ministry of Patriots and Veterans Affairs in 2003 and has been managed by Yeosu city.

When the monument was erected on the top of a small hill, it was surrounded by a quiet and tranquil area. However, the surrounding area has been developed later with the constructions of a warehouse, a hydrogen station, and a smoking area, which caused a growing concern that the monument could no longer fully honor and respect Greek war veterans.

The ACRC, after numerous onsite examinations and consultation with relevant authorities, has come up with the final mediation agreement.

Under the agreement, the Ministry of Patriots and Veterans Affairs will relocate the monument to Yeongwol Park in the city of Yeosu, and Yeosu-si will provide Yeongwol Park area as the relocation site.

The Ministry of National Defense agreed to dispose of the current monument area and assist with memorial events to be held in relation to the monument for Greek veterans.

Greek Embassy in Korea will provide support for the swift shipping of construction materials necessary for the relocation such as marble.

The meeting was the first mediation meeting to resolve a petition by foreigners since the launch of the ACRC. The Greek war veterans, petitioners, who attended the meeting online, expressed their opinions on and appreciations for the result of the meeting.

ACRC Chairperson Jeon Hyun-Hui said, "I am very pleased that thanks to this meeting, the monument could be relocated to Yeongwol Park and honor the spirit of the Greek soldiers much closer to Korea people. In addition, I hope that celebrating the UN Forces Participation Day on July, we could remember once again the sacrifices for those who fought for Korea." She added, "The ACRC will do more than just handle filed complaints. It will take a proactive approach to find solutions."

ACRC recommended improvement on 155 corruption risk factors in 71 statutes in the first half of this year

- ACRC made recommendations for improvement on 60 bylaws in conjunction with 30 public institutions -

July 16, 2020
Anti-Corruption and Civil Rights Commission
The Republic of Korea

In the first half of this year, Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Jeon Hyun Heui) conducted a Corruption Impact Assessment which found 155 corruption risk factors in 71 out of 1,010 enacted and revised statutes of central government agencies and recommended improvement thereon.

The ACRC analyzed that the recommendations for improvement in the first half of this year increased by about 50% from those made in the same period last year (103 corruption risk factors in 49 statutes) as it assessed not only statutes that are closely related to the real life of the people, but also specific factors that undermine the people's right to know and fairness.

Major areas of improvement recommendations made this time include fleshing out and objectifying discretionary provisions to prevent corruption by controlling excessive exercise of discretionary authority (42 cases, 27.1%); establishing institutional tools to prevent conflicts of interest in the performance of public duties by public officials (41 cases, 26.5%); and enhancing predictability to ensure legal stability for the people (28 cases, 18.1%).

< Current Status of Improvement Recommendations by Assessment Area >

Assessment Areas (Criteria)		No. of Recommendations	Assessment Areas (Criteria)		No. of Recommendations
Compliance	1. Reasonableness of compliance burden	-	Admin. process	7. Ease of access	10
	2. Appropriateness of regulations	9		8. Openness	12
	3. Possibility of favor	1		9. Predictability	28
Execution	4. Specificity and objectivity of discretionary provisions	42	Corruption control	10. Possibility of conflict of interest	41
	5. Transparency and accountability in entrustment and procuracy	10		11. Systemicity of corruption prevention tools	2
	6. Possibility of fiscal leakage	-	Total		155

As for specific cases, the Enforcement Rules of the Child Welfare Act provides that the head of a local government is required to organize an “Expert Committee on Child Abuse Cases” to deliberate on: whether a complaint against child abuse is filed; whether measures to protect abused children is taken; and whether support is provided to abused children and their families, etc.

However, there is a risk of corruption due to the absence of a provision limiting the number of consecutive terms of office for members of the Expert Committee on Child Abuse Cases, and there is a problem that private interests of the Committee members could be involved in the process of deliberation due to the absence of a provision for prevention of conflicts of interest.

In response, the ACRC recommended that fairness and objectivity in the deliberation by the Committee should be increased by establishing a provision limiting the number of consecutive term of office for committee members and a provision on exclusion, recusal, and avoidance for members who have private interests in the matter concerned.

In addition, the Enforcement Decree of the Agricultural and Fishing Villages Improvement Act had problems that institutions that are deemed to have manpower, technology, and facilities to establish and operate the unoccupied house information system may be arbitrarily decided at the discretion of the person in charge due to excessively comprehensive and vague requirements for designation of such specialized institutions.

In response, the ACRC recommended specific requirements for designation of specialized institutions, such as specific qualifications for related technologies, the size of facilities needed, and the number of personnel required, should be established.

On the other hand, the ACRC conducted a corruption impact assessment in conjunction with 30 public institutions in order to remove corruption-causing factors inherent in bylaws in advance.

As a result of the assessment, a total of eight cases, including four cases in the area of contract, such as Korea East-West Power Co.’s “introduction of a provision to guarantee confidentiality of contents of proposed contracts,” and two cases in the area of audit, such as the Korea Environment Corporation’s “introduction of a provision to prohibit mitigation of disciplinary action taken due to in-work bullying,” were selected as best

cases of bylaw improvement among the 60 corporate bylaw improvements prepared in the first half of this year. These cases will be distributed to other public institutions as examples of excellent improvement cases for reference.

< Best Cases of Bylaw Improvement >

Name of Institution	Cases of Bylaw Improvement	Area
Korea East-West Power Co., Ltd.	<ul style="list-style-type: none"> • Confidentiality provision for proposed contents of contracts established <ul style="list-style-type: none"> - A new regulation to impose confidentiality obligations on contract managers established in the Standard for Handling Contract Affairs and a standard format for confidentiality agreements created • Procedures for objection to unfair special agreements established <ul style="list-style-type: none"> - Bylaw revised so that objection can be filed within 20 days from the date when the causative act occurred by establishing a provision for objection to unfair special agreements in the Standard for Handling Contract Affairs 	Contract
Korea Agro-Fisheries & Food Trade Corp.	<ul style="list-style-type: none"> • Additional criteria for addition of damages for bidding collusion established <ul style="list-style-type: none"> - Specific criteria for adding damages for bidding collusion established in the Special Terms of Service Agreement and a sanction system for irregularities prepared 	Contract
Incheon Metropolitan City Corporation	<ul style="list-style-type: none"> • Preferential private contracts with retirees pre-blocked <ul style="list-style-type: none"> - The Code of Conduct for Executives revised to prohibit private contracts with retired executives and employees within two years from the date of retirement and require those who are expected to retire to be educated on compliance with integrity obligation after retirement 	Contract
Korea Rural Community Corporation	<ul style="list-style-type: none"> • Mandatory disclosure of test questions and correct answers for the rural development consultant test <ul style="list-style-type: none"> - The Guideline for Operation of the Qualification System for Rural Development Consultants obligates the disclosure of test questions and answers on the web-site within five days after the completion of the written test, and the escape clause including reasons for non-disclosure, etc. deleted 	Test
Korea Environment Corporation	<ul style="list-style-type: none"> • Mitigation of disciplinary action for "in-work harassment" prohibited <ul style="list-style-type: none"> - No mitigation of disciplinary action for "in-work harassment" is stipulated in the Personnel Regulations so that disciplinary action cannot be attenuated. 	Audit
National Health Insurance Corporation	<ul style="list-style-type: none"> • Appointing auditors with reporting obligations to prevent conflicts of interest <ul style="list-style-type: none"> - An obligation to report imposed under its Audit Regulations if private interests of the auditor is likely to affect his/her fair audit activities 	Audit
Korea Institute of Education and Academic Information	<ul style="list-style-type: none"> • Predictability of personnel affairs ensured by notifying the timing and standards of regular personnel appointments in advance <ul style="list-style-type: none"> - Securing predictability of personnel management (PM) by specifying the timing of regular personnel appointments in the Personnel Management Rules and notifying the direction and standards of personnel management regarding the promotion and transfer of employees 	PM

ACRC Chairperson Jeon Hyun Heui said, "We will create a fair and transparent society by discovering and improving corruption-causing factors in the statutes of central government agencies and bylaws of public institutions that greatly affect people's real lives."

ACRC made it easy to choose proxy-reporting advisory lawyers

*- Proxy-reporting lawyers' information disclosure has been expanded certificates,
areas of consultation of interest-*

July 7, 2020

Anti-Corruption and Civil Rights Commission
The Republic of Korea

To help whistleblowers choose a proxy-reporting advisory lawyer with more ease, more detailed information on such lawyers will be disclosed, including the area of expertise, licenses, and the area of consultation of interest, along with their public-interest activities.

Last month, the Anti-Corruption and Civil Rights Commission(ACRC, Chairperson Jeon Hyun Heui) expanded the scope of information disclosure of the proxy-reporting lawyers in order to encourage whistleblowers to make better use of the Proxy-Reporting Lawyer Group (consisting of 49 lawyers) operated by the commission.

In the past, proxy-reporting lawyers' regional association and their public-interest work experiences were disclosed on the Integrity Portal (www.clean.go.kr). According to whistleblowers and proxy reporting lawyers, however, such information had limits in helping whistleblowers choose the right lawyer appropriate to the content of reporting. In response, proxy reporting lawyers' area of expertise and certificates (eg. doctors, or patent attorney, etc.) registered to the Korea Bar Association has been added to the information subject to disclosure.

In addition, for effective and professional consultation, six areas of consultation of interest were added, which include public health, safety, environment, consumer interest, fair competition, and the equivalent areas in public interest violation.

To promote the proxy-reporting system which was adopted in October 2018, the ACRC in July 2019 formed a group of proxy-reporting advisory lawyers, allowing whistleblowers to use the system without concerns over legal fees.

Director General Han Sam-Seok for Inspection and Protection Bureau of the ACRC said, "I hope that the expansion of the disclosure of proxy-reporting lawyer information could contribute to the enhancement of proxy-reporting lawyers's expertise and citizen trust towards them, so that the proxy-reporting system could be widely used" He added, "the ACRC will continue to improve the system so as to help public interest whistleblowers use the system with ease and without any worries.

Mitigation of disciplinary action against abuse of power in the airport or port corporations to be prohibited

- ACRC issued recommendations to improve 54 unfair and corruption-causing factors inherent in bylaws of eight airport/port corporations through Corruption Risk Assessment -

July 29, 2020

Anti-Corruption and Civil Rights Commission
The Republic of Korea

Recommendations to improve bylaws of airport/port corporations have been made, which include strengthening the internal rules of airport/port corporations to prohibit a personnel committee thereof from mitigating disciplinary action against unfair practice of official authority (abuse of power) by its employees.

The Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Jeon Hyun Heui) conducted the Corruption Risk Assessment (CRA) on 816 bylaws of eight public institutions in the airport/port area, such as Incheon International Airport Corporation (IIAC) and Busan Port Authority (BPA), and offered 21 improvement tasks along with 54 recommendations in three areas, including improvement for unfair performance of duties.

* The revision of the Act on the Prevention of Corruption and the Establishment and Management of Anti-Corruption and Civil Rights Commission (Oct. 2019) has provided a legal ground for issuing recommendations to improve corruption-causing factors inherent in bylaws of public institutions under the Act on the Management of Public Institutions and local public corporations under the Local Public Enterprises Act.

Major cases of recommendations to improve bylaws of the aforementioned public corporations are as follows: first of all, as the interest rates for the installment payment of the airport facilities usage fee were too high (6% for IIAC and 4% for KAC), ACRC issued a recommendation to airport corporations to ease the burden of the airport facility users such as airlines, etc. by cutting the interest rates to a reasonable level based on the interest rates publicly notified under the State Property Act (COFIX* on monthly acquired new funds, 0.89% as of June).

* COFIX: cost of funds index is a benchmark lending rate for mortgage loans.

In addition, ACRC also recommended that airport corporations let duty free shop

operators decide voluntarily whether to participate in joint marketing of commercial facilities at the airport, make it obligatory to make written agreements regarding the items of understanding for joint marketing, and put a ceiling on the annual marketing cost sharing ratio to lower the burden of the lessee.

< Major contents of ACRC recommendations >

1. Improving unfair practices of duties (8 tasks, 20 recommendations)

Lowering the burden of airport facility users by cutting the interest rates for the installment payment of airport facilities usage fee (IIAC, KAC)

When airlines, etc. pay airport facilities usage fee in installments to the airport corporations, the interest rates for such installment payment is too high (6% for IIAC, 4% for KAC), so it was recommended that the rates be cut to a reasonable level given the publicly notified interest rates under the State Property Act (COFIX* on monthly acquired new funds, 0.89% as of June).

* Cost of Funds Index acts as a cost of funding benchmark for all banks in Korea

Lowering the burden of duty free shop business operators by rationalizing the costs of joint marketing for commercial facilities at the airport (IIAC, KAC)

ACRC recommended that airport corporations should make it voluntary, rather than mandatory, for duty free shop business operators to participate in joint marketing of commercial facilities at the airport*, make written agreements regarding mutually agreed items of understanding for joint marketing, and put a ceiling on the annual cost sharing ratio.

* The duty to actively participate in joint marketing according to general terms of contract → the duty to reply after review

Improving the standard for payment of penalty for breach of contract upon cancellation of port facility use (BPA)

The penalty for breach of contract or cancellation fee imposed upon cancellation of a contract to rent a facility such as the convention hall at the port, etc. was excessive (contractor should pay 20% of the rental fee even when cancelling or terminating the contract 90 days before the designated date), and ACRC recommended that the penalty be lowered to a reasonable level considering the consumers dispute settlement standard* (Fair Trade



Commission's Notification).

- * As per the consumers dispute settlement standard, in the case of a contract to rent a wedding convention, deposit is refunded upon cancellation of a contract 90 days in advance

2. Improving transparency in personnel management (7 tasks, 19 recommendations)

- Expressly stipulating those subject to restriction on promotion and extending the period for restriction (5 institutions including Incheon Port Authority)
 - ACRC recommended that bylaws should more expressly stipulate that the promotion of employees for whom the process to take disciplinary action is underway should be restricted, and the additional period for restriction on promotion of those involved in irregularities such as bribery and embezzlement of public funds, etc. should be extended (from 3 months to 6 months).
- Preventing abuse of right to take disciplinary action through expansion of those subject to prohibition on mitigation of disciplinary action due to reward or prize (6 institutions including IIAC)
 - ACRC recommended that employees who unfairly exercised official authority (abuse of power) should be excluded from the scope of those subject to mitigation of disciplinary action due to commendation of the head of the institution, except executives at managerial level or above.

3. Strengthening the system for prevention of conflicts of interest (6 tasks, 15 recommendations)

- Increasing transparency in the operation of the incentive payment system for cargo attraction (5 institutions including IPA)
 - ACRC recommended that institutions should prepare a tool to prevent conflicts of interest when institutions organize and operate a deliberative committee for the payment of incentives for cargo attraction, and provide a legal ground for the regular assessment and analysis of the effectiveness of the incentive system.
- Enhancing transparency in the performance of duties by increasing the number of outside experts in the proposal evaluation committee (KAC, IPA)
 - ACRC recommended that more than the majority of the member of the committee for the evaluation of a negotiated contract proposal should be comprised of outside experts.

ACRC established a plan to conduct a Corruption Risk Assessment on bylaws of public institutions last march and organized a ‘task force for the bylaw improvement review’ in conjunction with public institutions to conduct the CRA based on a multidimensional analysis of ▲ internal and external audit results of each institution, ▲ press reports, and ▲ major issues, etc.

In addition, through People’s Idea Box, an online public communication channel, ACRC collected people’s opinions about unfair and unreasonable practices that they encounter in their everyday life, and came up with reasonable recommendations through regular communication with public institutions being assessed.

Following the issuance of recommendations to public institutions in the airport and port sector this time, ACRC plans to continue to offer recommendations on improvement for bylaws of public institutions in the transportation and community development sectors, including Korea Railroad Corporation, Korea Expressway Corporation, Korea Land & Housing Corporation, and Seoul Housing & Communities Corporation.

ACRC Chairperson Jeon Hyun Heui said, “ACRC will continue to issue recommendations to public institutions to improve internal rules thereof in a manner that meets people’s expectations by actively collecting and reflecting public opinions, and will create an atmosphere of active administration across the public sector by improving the standard of assessment to identify areas that raise concerns about passive administration (e.g. neglect of duties) from the early stage of the Corruption Risk Assessment.”