

ACRC Korea Transparency Newsletter (June 2021)

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 - The ACRC hosts a conference with researchers to create a certification system including compliance program

At UN General Assembly, ACRC Presented Anti-Corruption Policy Direction for Post COVID-19 Era

At UN General Assembly Special Session against corruption, ACRC Chairperson Jeon Hyun-Heui, representing South Korea, delivered a key note speech -



(4 June 2021, ACRC)

Chairperson Jeon Hyun-Heui of the Anti-Corruption and Civil Rights Commission (ACRC) delivered a key note speech in the early morning of Friday, June 4 (Thursday afternoon, June 3, New York) at the 32nd United Nations General Assembly Special Session against corruption.

From June 2 to 4, the UN General Assembly Special Session against corruption was held to strengthen global cooperation in preventing and fighting corruption, for the first time since the United Nations Convention against Corruption (UNCAC) entered into force in 2005.

< Overview of the UNCAC >

- Official name: United Nations Convention against Corruption
- ※ United Nations Office on Drugs and Crime (UNODC) serves as Secretariat
- Goal: Ending corruption which undermines democracy and ethical values and threatens sustainable development and the rule of law to enhance quality of life for people around the world suffering from corruption.
- State parties: 187 countries
- Signature: South Korea signed the UNCAC on December 10, 2003. Entry into force: South Korea entered into force the UNCAC on December 14, 2005.
- The National Assembly passed the ratification of the UNCAC on February 29, 2008.

Since the National Assembly passed the ratification of the UNCAC in February 2008, South Korea has been a state party, actively participating in the convention in and outside the country. Following the first cycle of implementation review (2012~2013), the country is undergoing the second cycle (2019~2021).

The UN General Assembly special session was participated by government representatives and heads of anti-corruption agencies of 80 countries either in person or virtually due to COVID-19. The session adopted a political declaration* reaffirming the commitment to fully implementing the UNCAC in a proactive manner.

* Key contents of the political declaration : preventive measures, criminalization and law enforcement, international cooperation, asset recovery, technical assistance and information exchange, anti-corruption as an enabler for the 2030 Agenda for Sustainable Development, and forward-looking anti-corruption agenda

As the representative of South Korea, ACRC Chairperson Jeon Hyun-Heui attended the special session, sharing the government's anti-corruption efforts and achievements and presenting future directions for anti-corruption in the post COVID-19 era.

Chairperson Jeon, in her key note speech, said that South Korea has made a lot of efforts to both detect and prevent corruption. She stated that the country has been committed to removing favoritism based on personal connections such as family and academic back grounds, as well as securing fairness in public policies, by enacting the Improper Solicitation and Graft Act and the Conflict of Interest Act for Public Officials.

She also said that the value of integrity is critical in controlling government power expanded during the COVID-19 crisis, and in this regard ethics education is important for public officials, business persons, and young people.

**ACRC Actively Communicates with
the International Society and Foreign Entrepreneurs
based in Seoul on Its Integrity Policy**

*- It is expected for Korea to advance to one of top 20 countries in CPI
by 2022 by improving its incorrupt image
domestically and internationally -*

(22 June 2021, ACRC)

As a national anti-corruption agency in Korea, Anti-Corruption and Civil Rights Commission (Chairperson: Jeon Hyun-Heui; ACRC) continues its effort to promote anti-corruption policies and communicate in a multi-faceted manner to raise awareness about Korea in a positive way in the international society.

First, the commission regularly provides information on the outcome of anti-corruption policies of the Korean government to various prestigious international anti-corruption organizations, such as Transparency International (TI) and Bertelsmann Foundation (BF) to improve Korea's Corruption Perceptions Index (CPI), which is relatively undervalued compared to the country's international status. By doing so, the ACRC tries to establish an accurate and objective understanding about Korea in the international society.

Notably, it continues to promote the innovative anti-corruption reform efforts of the Korean government through the recent legislation of Act on

Prevention of Conflict of Interest in Activities of Public Officials as well as the outcome of the 19th International Anti-Corruption Conference which was held in December last year on the largest scale in its history, showcasing Korea's leadership in anti-corruption.

* Audiences: around 2,300 recipients including those at international organizations, foreign chambers of commerce, diplomatic offices, and foreign media, emails are sent out on a monthly basis.

Moreover, in collaboration with foreign chambers of commerce in Korea, the commission promotes anti-corruption policies and listens to difficulties in managing companies from foreign entrepreneurs in Korea every year. In March this year, the ACRC launched Foreign Enterprise Ombudsman to address various difficulties, complaints and unfair situations that foreign companies are faced with in their business in a preemptive manner. By working together with chambers of commerce of major countries, including the US, UK, Europe and Germany, it offered consultation to their member entrepreneurs about their requests for improving corporate regulations. In addition, the commission is working on the received corporate complaints, and provides consultation to entrepreneurs from other countries, such as Australia and Canada, as well.

It seems that the perception of foreign companies in the country toward Korea directly and indirectly influences Korea's national image. Therefore, the commission expects that these efforts of the ACRC will also play a big role in boosting national integrity.

*** Recently addressed complaint submitted by a foreign company**

Due to the COVID-19 pandemic, issuing visa in the educational and industrial sectors to the foreigners came from certain countries is restricted. As a related complaint was received (on 30th Mar. 2021), the ACRC Foreign Enterprises Ombudsman provided explanation about the difficulties faced by foreign entrepreneurs to the relevant agencies. Through inter-ministerial consultation, the commission resolved the complaint by enabling foreign entrepreneurs to receive visa. (guidelines have been revised on 19th Apr. 2021)

“To raise awareness about Korea in the international society, the ACRC has devoted to communications on policies domestically and internationally. As a result, the Corruption Perceptions Index (CPI) of Korea has gone up continuously for the last four years,” said Chairperson Jeon Hyun-Heui of the ACRC.

She added, “through the Foreign Enterprises Ombudsman that the ACRC launched this March, the commission will address complaints of foreign entrepreneurs, while strengthening promotion of anti-corruption policies. By doing so, it will create a solid foundation for Korea to become one of world’s top 20 countries in the CPI.”

ACRC Wages an All-Out War Together with 17 Municipalities for Anti-Corruption and Improvement of Rights and Interests

- Chairperson Jeon Hyun-Heui finished a nation-wide 80-day integrity journey -

[Ten Anti-Corruption and Integrity Innovation Initiatives]

*To create a cooperative system to address citizen complaints and
establish foundational principles for public offices by working together
with 17 municipalities*



(21 June 2021, ACRC)

Anti-Corruption and Civil Rights Commission (Chairperson: Jeon Hyun-Heui; ACRC) completed its 80-day journey of signing MoUs for anti-corruption and improvement of rights and interests with 17 cities and provinces across the nation. The journey started from Gyeong-gi province in April to make Korea one of top 20 advanced countries in the Corruption Perceptions Index (CPI).

The ACRC is to establish Ten Anti-Corruption and Integrity Innovation Initiatives to prevent moral hazard in public offices, just like the LH (Land & Housing Corporation) land speculation scandal.

Cooperating with local governments for anti-corruption and supporting their innovation to enhance integrity and fairness in the public sector is one of the Ten Innovation Initiatives.

In the Corruption Perceptions Index (CPI) announced earlier this year, Korea has moved up for four consecutive years to the 33rd place out of 180 countries around the world. It aims at becoming an advanced country in integrity by evolving into one of top 20 countries next year.

However, due to the recent LH land speculation scandal, Korea's CPI can be downgraded and the government lost trust from its people. To recover from this, the ACRC believes that it should re-establish even more fundamental principles in the public sector and conduct a reform at a nation-wide level. In this regard, the commission signed MoUs with 17 cities and provinces to strengthen cooperation and support reforms for anti-corruption among public officials.

After signing the MoUs, the ACRC will not stop there and continue to review integrity and fairness of the public sector and make a practical and ground-breaking improvement. To this end, it plans to actively implement follow-up measures with each municipalities, such as enhancing guidelines for anti-corruption and protection of rights and interests, integrity consultation, and specific and concrete cooperation programs.

For the 17 municipalities, policy support will be strengthened to enhance integrity in each office by first training all staff members regarding the Act on Prevention of Conflict of Interest in Activities of Public Officials which is scheduled to be effective from May next year, while providing consultation to each office on the anti-corruption and integrity policies as well as operation of public interest reporter protection system. Besides, the commission raises awareness of public officials about anti-corruption by making integrity education program mandatory at education and training centers under each municipalities.

Furthermore, the ACRC solidifies cooperation to support the creation of citizen complaint handling committee in each municipality and to mediate and resolve current complaints and group complaints in each region, so that complaints of citizens in different regions can be addressed faster than before. In addition, by creating an organic cooperation system between Central Administrative Appeals Commission and Regional Administrative Appeals Commissions in different municipalities, the ACRC addresses illegal and/or unfair administrative dispositions that violate rights and interests of citizens in an even faster fashion.

While providing a packaged policy support on the matters requiring cooperation with municipalities, the ACRC plans to regularly review the progress and performance of the cooperation.

Moreover, in order to complete all Ten Anti-Corruption and Integrity Innovation Initiatives in Public Institutions as soon as possible, the commission is going to expedite the implementation of the initiatives.

Notably, it reforms the Integrity Assessment system to ensure the implementation of the MoUs and to make each organization actively lead anti-corruption policies.

Meantime, it strengthens its cooperation for anti-corruption to enhance integrity level at local councils. While signing MoUs with municipalities, the ACRC also signed anti-corruption agreement with five local councils in Busan, Daejeon, Sejong, Chungcheongnam-do, and Jeollanam-do.

The ACRC will sign the anti-corruption agreement with other local councils to expand integrity education for the members of the local councils. Also, it will manage areas vulnerable to conflict of interest, and bolster cooperation for the compliance to the code of conduct among the members of local councils. At the same time, to spread the efforts of 17 municipalities for higher integrity to other public organizations, the commission will sign MoUs with major public companies, as well. By doing so, the certification system for ethics and compliance management will be operated first for public companies on a trial basis. Then, the system will be eventually expanded to private companies.

Additionally, it will create criteria for acceptable gifts for the private sector, so that integrity can take root not just in the public sector, but also across the society.

With these MoUs, the ACRC and municipalities will join their force to review areas vulnerable to corruption and actively implement integrity policies that

local citizens can see tangible effects. As a result, it is expected that the distrust toward the public sector triggered by the LH land speculation scandal can be resolved and Korea can take a step closer to its national target of becoming one of top 20 countries in the CPI.

In addition, a strong cooperation system was established to resolve complaints of local citizens as well as social conflicts. Therefore, it is believed that this will offer a momentum to protect rights and interests of citizens even more thoroughly and practice more active administration empowering citizens.

Chairperson Jeon Hyun-Heui of the ACRC said, “signing the MoUs for anti-corruption with local governments across the nation is making a promise with citizens by expressing the government’s willingness to reform and renovate itself for anti-corruption,” adding “the commission will exert its best efforts to enhance integrity and fairness in the public sector by closely working together with other agencies down the road, and eventually become one of top 20 countries in the CPI.”

ACRC Plans to Reform Its Integrity Assessment System after 20 Years

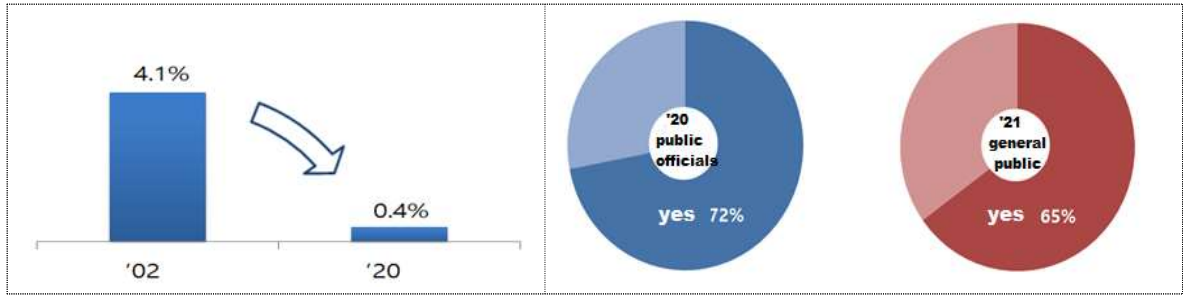
*- The ACRC sets a new framework for evaluation system
to lead anti-corruption policies in public offices -*

(18 June 2021, ACRC)

In order to create a new integrity assessment system to improve the level of integrity in the public sector, the Anti-Corruption and Civil Rights Commission takes action.

April this year, Ten Anti-Corruption and Integrity Innovation Initiatives were established to prevent moral hazard of public offices, like the LH (Land & Housing Corporation) land speculation scandal, from happening in a fundamental way. As part of this, Anti-Corruption and Civil Rights Commissions (Chairperson: Jeon Hyun-Heui; ACRC) plans an overhaul of integrity assessment system.

Since 2002, the ACRC has been operating an integrity assessment system, including measuring the level of integrity and carrying out anti-corruption initiative assessment, to enhance integrity in the public sector. As a result, the number of citizens who experienced corruption has gone down to a tenth of the past. Also, most citizens and public officials assess that integrity assessment system has contributed to the improvement of integrity in the public sector.



<Rate of people who experienced corruption in public offices>

<Did integrity assessment contribute to the improvement of integrity?>

※ Integrity assessment outcome referenced from internal survey of Hankook Research (Apr. 2021)

However, there were limitations with the assessment system as it focused on conventional types of corruption, such as bribery. Therefore, it did not reflect changing administrative environment and failed to meet the expectations of people.

In particular, various anti-corruption laws and regulations, such as Act on the Prevention of Conflict of Interest in Public Office and Improper Solicitation and Graft Act, have been revamped. Thus, to ensure smooth implementation of these without any problem, it is more necessary to reinforce the functions and roles of the assessment system.

In this regard, the ACRC initiated a process of creating an assessment system that both citizens and public officials can accept by improving the limitations in the existing integrity assessment system. For the last three months, the commission received opinion from a wide range of groups, including citizens, relevant agencies, experts, civic organizations, and internal staff.

In this process, various opinions were raised. Some argued that synergy should be strengthened through integration of two evaluations: level of corruption assessed by stakeholder, and the assessment of policies preventing corruption which indicates anti-corruption efforts of organizations. Others suggested that new types of corruption, such as improperly pursuing personal interest or abusing power in public offices, should be included in the evaluation.

Based on these opinions gathered from the inside and outside, the ACRC is creating a reform plan that can lead even more aggressive implementation of anti-corruption policies at public offices by integrating two evaluation systems, while enabling assessment of integrity without any blind spots by reflecting more diverse types of corruption.

The ACRC will announce its reform plan by July. Then, in the second half of this year, the commission will collect various feedbacks through public hearing and conference, and carry out test survey and simulation. Finally, it will come up with concrete implementation plans.

Director General Han Sam-suk for Anti-Corruption Bureau of the ACRC said, "the commission will lay the ground to make the public sector cleaner by reforming integrity assessment system that can change the public sector in a way that citizens can accept." He also added, "I look forward to continued interest and participation of citizens and employees at public organizations in various occasions of collecting opinions scheduled in the second half of this year."

ACRC Starts Establishing Mid- and Long-Term System for Ethics and Compliance Management

- The ACRC hosts a conference with researchers to create a certification system including compliance program -

(14 June 2021, ACRC)

Anti-Corruption and Civil Rights Commissions (Chairperson: Jeon Hyun-Heui; ACRC) has started creating a mid- and long-term system by introducing an Ethics and Compliance Program and Certification System.

Chairperson Jeon Hyun-Heui of the ACRC emphasized the importance of ethics and compliance management and requested for systematic and thorough research to the researchers by hosting “Conference for Introduction of Ethics and Compliance Management Program and Certification System” on 11th June.

* Participated by: nine people, including Chairperson Jeon Hyun-Heui and Director General Lim Yoon-Ju of Planning and Coordination Office of the ACRC; and Dr. Lee Cheon-Hyun, Dr. Hwang Ji-Tae, and Dr. Park Hark-Mo of Korea Institute of Criminology

In the 2020 Corruption Perceptions Index (CPI) announced by the Transparency International on January, Korea ranked 33rd place up by 13 places from 2017. However, the indices related to companies and the private sector* have been in a stalemate for the last four years, becoming a stumbling block of becoming one of top 20 countries in the CPI by 2022, which is one of national targets.

- * 59 points in the corruption related to business activities (IHS Markit), 55 points in bribery practice, such as misuse of public fund and agreement (EIU)

The ACRC is going to encourage active practice of ethics and compliance management of public and private companies to overcome low performance in international evaluations of the private sector on transparency, and prevent recurrence of land speculation of public officials, such as the recent LH (Land & Housing) land speculation scandal.

Researchers including Dr. Lee Cheon-Hyun of Korean Institute of Criminology will be responsible for this study. They plan to develop ethics and compliance management program, and study certification for organizations practicing excellent ethics and compliance management as well as ways to incentivize them.

In the meantime, before creating the system the ACRC formed an expert task force to collect their opinion in March, and it also received opinions from citizens for ten days from 4th to 13th June through a survey on the People's Idea Box which is a portal for communication with citizens.

Also, the ACRC plans to operate a pilot program for public companies in the second half of this year to collect opinions from stakeholder and create a realistic system. For those organizations selected for the pilot program, preliminary evaluation will be conducted based on consultation, factual survey, and (tentative) evaluation items for certification.

* Receipt of applications for the pilot program from the target agencies : 14th Jun. ~ 18th Jun.

Chairperson Jeon Hyun-Heui of the ACRC said, “even though ethics and compliance management is a very important value in our time, it has not taken its root in our society,” adding “as a leading anti-corruption agency, the ACRC needs to suggest concrete ways of practicing it and certify organizations for their best practices.” She continued, “with this, it is expected that Korea can also achieve its national goal of becoming one of top 20 countries in the Corruption Perceptions Index (CPI).”