

ACT ON PROHIBITION OF FALSE CLAIMS FOR PUBLIC FUNDS AND RECOVERY OF ILLICIT PROFITS

Act No. 16323, Apr. 16, 2019

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to enhance the soundness and transparency of the operation of public funds, by prohibiting false claims, etc. for public funds and establishing a system for recovering and managing profits earned through such false claims, etc.

Article 2 (Definitions)

The terms used in this Act are defined as follows:

1. The term “public institution” means any of the following institutions, corporations, and organizations:
 - (a) The National Assembly, courts, the Constitutional Court, election commissions, the Board of Audit and Inspection, the National Human Rights Commission, central administrative agencies (including agencies under the control of the President and agencies under the control of the Prime Minister) and the organs affiliated therewith, and local governments;
 - (b) Public service-related organizations referred to in Article 3-2 of the Public Service Ethics Act;
 - (c) Institutions referred to in Article 4 of the Act on the Management of Public Institutions;
 - (d) National and public schools of various levels established under the Elementary and Secondary Education Act, the Higher Education Act, the Early Childhood Education Act, and other statutes;

2. The term “administrative authority” means each of the following entities:
 - (a) Any agency of the State or a local government that is authorized to make and express administrative decisions;
 - (b) Any public organization or its agency or any private individual with administrative authority or administrative authority entrusted pursuant to statutes and regulations or municipal ordinances and rules;
3. The term “money, goods, etc.” means any of the following:
 - (a) Money;
 - (b) Bonds;
 - (c) Goods;
 - (d) Gift cards, vouchers, and other tokens equivalent thereto;
4. The term “public funds” means money, goods, etc. either raised or acquired by public institutions; or managed, disposed of, or used by them;
5. The term “payment from public funds” means a subsidy, compensation, or contribution provided from public funds pursuant to statutes and regulations or municipal ordinances and rules; or other money, goods, etc. offered without any corresponding consideration which are prescribed by Presidential Decree;
6. The term “false claim, etc.” means any of the following acts that cause a loss to or earn a profit from public funds:
 - (a) An act of claiming a payment from public funds by fraud or other improper means, despite a lack of qualifications to do so;
 - (b) An act of claiming a payment from public funds in excess of the payment supposed to be received by fraud or other improper means;
 - (c) An act of using a payment from public funds for any purpose other than the specified purpose or use, without complying with the procedures prescribed by statutes and regulations or municipal ordinances and rules, or standards (including standards, regulations, and rules of the institutions, corporations, and organizations referred to in subparagraph 1 (b) through (d));

- (d) Other cases where a payment from public funds is made erroneously;
7. The term “illicit profits” means money, goods, etc. obtained or used from public funds through a false claim, etc. (excluding the portion falling under money, goods, etc. the legitimate right or entitlement to which is recognized);
8. The term “unlawful beneficiary” means a person who obtains illicit profits (excluding the institutions and corporations referred to in subparagraph 1 (a)).

Article 3 (Responsibilities of Public Institutions)

Each public institution shall endeavor to prevent false claims, etc. and the spread thereof.

Article 4 (Scope of Application)

This Act shall not apply in any of the following cases:

1. Where taxes are imposed and collected under the Framework Act on National Taxes, the Framework Act on Local Taxes, the Customs Act, etc.;
2. Where charges are imposed and collected under the Framework Act on the Management of Charges;
3. Where fines and minor fines are imposed and collected, confiscation and punitive collection are imposed, or administrative fines are imposed and collected;
4. Matters subject to the Act on Contracts to Which the State Is a Party and the Act on Contracts to Which a Local Government Is a Party, and matters falling under contractual relationships equivalent thereto.

Article 5 (Relationship to Other Statutes)

- (1) With respect to the suspension of the disbursement of payments from public funds under Article 7, where there exists a provision in any other statute governing the suspension, termination, or discontinuation thereof, the relevant statute shall apply.
- (2) With respect to recovery under Article 8, where there exists a provision in any other statute governing restitution, collection, redemption, order to

- refund, order to return, request for return, etc. which may, regardless of its title, be deemed recovery under Article 8 by its nature, the relevant statute shall apply. In such case, restitution, collection, redemption, order to refund, order to return, request for return, etc. which is made pursuant to any other statute shall be deemed the recovery made pursuant to Article 8.
- (3) With respect to additional monetary sanctions under Article 9, where there exists a provision in any other statute which requires the imposition of monetary penalty to sanction an act that causes recovery, in addition to recovery falling under paragraph (2), the relevant statute shall apply. In such case, where monetary penalty is imposed pursuant to any other statute to sanction an act that causes recovery, in addition to recovery falling under paragraph (2), it shall be deemed that an additional monetary sanction is imposed pursuant to Article 9.
 - (4) Where there exists a provision in any other statute governing additional charges and dispositions on delinquency under Article 12, the relevant statute shall apply.
 - (5) With respect to the conduct of investigations under Article 13, where there exists a provision in any other statute which enables an investigation into a false claim, etc., the relevant statute shall apply.
 - (6) With respect to the raising of objections under Article 15, where there exists a provision in any other statute concerning raising an objection or other appeal procedures (excluding administrative appeals under the Administrative Appeals Act and specialized administrative appeals under Article 4 of the same Act) against the suspension of the disbursement of payments from public funds falling under paragraph (1), recovery falling under paragraph (2), additional monetary sanctions falling under paragraph (3), or additional charges and dispositions on delinquency falling under paragraph (4), the relevant statute shall apply.
 - (7) Where there exists a provision in any other statute governing the publication of a list under Article 16, the relevant statute shall apply.

- (8) Where there exists a provision in any other statute governing monetary awards under Article 23 (1), the relevant statute shall apply.

CHAPTER II RECOVERY OF ILLICIT PROFITS AND IMPOSITION AND COLLECTION OF ADDITIONAL MONETARY SANCTIONS

Article 6 (Prohibition of False Claims)

No person shall make a false claim, etc.

Article 7 (Suspension of Disbursement of Payments from Public Funds)

Where there are reasonable grounds to deem that a false claim, etc. has been made, an administrative authority may suspend the disbursement of all or part of the relevant payment from public funds.

Article 8 (Recovery of Illicit Profits)

- (1) Where there exists a false claim, etc., an administrative authority shall recover the relevant illicit profits and interest prescribed by Presidential Decree (hereinafter referred to as “illicit profits, etc.”).
- (2) Where an administrative authority recovers illicit profits, etc., it shall revoke all or part of the relevant decision to make a payment from public funds.
- (3) When there are reasonable grounds to suspect that an unlawful beneficiary has committed a crime following his or her false claim, etc., an administrative authority shall notify an investigation agency of the details thereof.
- (4) Except as provided in paragraphs (1) through (3), matters relating to the criteria for calculating value for the recovery of illicit profits, etc. and the procedures for such recovery shall be prescribed by Presidential Decree.

Article 9 (Imposition and Collection of Additional Monetary Sanctions)

- (1) Where there exists a false claim, etc. falling under any of subparagraph 6 (a) through (c) of Article 2, an administrative authority shall impose and collect an additional monetary sanction of up to five times the value of the relevant illicit profits, in addition to the recovery of the profits under

Article 8, as prescribed by Presidential Decree: Provided, That where a false claim, etc. is deemed to have been made by negligence, such as minor carelessness or error, or where any other ground prescribed by Presidential Decree exists, an administrative authority may reduce the calculated additional monetary sanction or impose no additional monetary sanction.

- (2) Matters relating to the criteria for calculating value for the imposition of additional monetary sanctions and the procedures for imposing, paying, and collecting additional monetary sanctions shall be prescribed by Presidential Decree.

Article 10 (Reduction of and Exemption from Additional Monetary Sanctions)

- (1) An administrative authority shall not impose an additional monetary sanction under Article 9 where an unlawful beneficiary voluntarily files a report on his or her false claim, etc. and fully refunds illicit profits, etc. earned through the claim, etc. before the administrative agency gives him or her prior notice under Article 21 (1) of the Administrative Procedures Act (where prior notice is omitted pursuant to Article 21 (4) of the same Act, referring to prior to making a disposition for recovery pursuant to Article 8) in order to recover such profits, etc. pursuant to Article 8.
- (2) An administrative authority shall reduce an additional monetary sanction or impose no additional monetary sanction where a fine or minor fine, confiscation or punitive collection, a penalty surcharge or an administrative fine is imposed on an unlawful beneficiary pursuant to other statutes in relation to the relevant false claim, etc. before the administrative authority imposes the additional monetary sanction under Article 9.
- (3) An administrative authority shall reduce or exempt an additional monetary sanction where a fine or minor fine, confiscation or punitive collection, a penalty surcharge or an administrative fine is imposed on an unlawful beneficiary pursuant to other statutes in relation to the relevant false claim, etc. after the administrative agency imposes the additional monetary sanction under Article 9.

- (4) Matters relating to the standards, procedures, etc. either for the imposition and reduction of or exemption from additional monetary sanctions shall be prescribed by Presidential Decree.

Article 11 (Exclusion from Application of Additional Monetary Sanctions)

- (1) Additional monetary sanction under this Act need not be imposed in any of the following cases:
1. Where the amount excluding interest from the amount to be recovered under Article 8 (where illicit profits are obtained on several occasions, referring to the cumulative amount) does not exceed one million won;
 2. Benefits under the National Basic Living Security Act, disability allowances under the Act on Welfare of Persons with Disabilities, pensions for persons with disabilities under the Act on Pensions for Persons with Disabilities, basic pensions under the Basic Pension Act, welfare benefits under the Single-Parent Family Support Act, patriot or veteran's benefits under the Act on the Honorable Treatment of Persons of Distinguished Service to Independence, the Act on the Honorable Treatment of and Support for Persons of Distinguished Service to the State, the Act on Support for Persons Eligible for Veteran's Compensation, the Act on Honorable Treatment of War Veterans and Establishment of Related Associations, or the Act on Assistance to Patients Suffering from Actual or Potential Aftereffects of Defoliants and Establishment of Related Organizations, or other cases equivalent thereto;
 3. Where the actual benefits of imposing an additional monetary sanction are deemed insignificant, such as where the expenses incurred in imposing and collecting an additional monetary sanction are larger than the additional monetary sanction to be imposed and collected.
- (2) The standards for exclusion from the application of additional monetary sanctions shall be prescribed by Presidential Decree, in consideration of the amount of illicit profits, etc., the frequency and period of obtaining such profits, etc.

Article 12 (Additional Charges and Dispositions on Delinquency)

- (1) If a person who has received a disposition for recovery under Article 8 or on whom an additional monetary sanction has been imposed under Article 9 fails to return all illicit profits, etc. or fully pay the additional monetary sanction by the prescribed deadline, an administrative authority shall collect, as an additional charge, the amount calculated by applying the interest rate prescribed by Presidential Decree to the amount in arrears for the period from the day following the deadline to the day preceding the date all illicit profits, etc. are returned or the additional monetary sanction is fully paid. In such cases, the period of collecting an additional charge shall not exceed 60 months.
- (2) If a person who has received a disposition for recovery under Article 8 or an imposition of an additional monetary sanction under Article 9 fails to return illicit profits, etc. or pay the additional monetary sanction by the prescribed deadline, an administrative authority shall urge for the return or payment by fixing a deadline, and if the person fails to return illicit profits, etc. or pay the additional monetary sanction or additional charge by the deadline, the administrative authority may collect the profits, etc. or the additional monetary sanction or additional charge in the same manner as delinquent national taxes are collected or in accordance with the Act on the Collection of Local Non-Tax Revenue.

Article 13 (Conduct of Investigations)

- (1) Where deemed necessary to recover illicit profits, etc. pursuant to Article 8 or impose and collect an additional monetary sanction pursuant to Article 9, an administrative authority may request an unlawful beneficiary or a person involved in the relevant false claim, etc. (referring to a person prescribed by Presidential Decree, such as a person who may be deemed the actual operator or representative of an institution, corporation, or organization falling under an unlawful beneficiary; hereinafter the same shall apply) to appear before the administrative authority, make a statement, and submit materials. In such case, a person in receipt of a request for appearance, etc. shall comply with such request unless there is

justifiable cause for not doing so.

- (2) In the case of a failure to appear, make a statement and submit materials under paragraph (1) or where there exist reasonable grounds to deem that a false claim, etc. has been made, an administrative authority may require its public officials to visit the office or place of business of an unlawful beneficiary or a person involved in the relevant false claim, etc. to inspect books or documents, facilities, equipment, etc.
- (3) The Framework Act on Administrative Investigations shall apply to the methods and procedures for requesting to appear, make a statement and submit materials under paragraph (1) and for conducting a visit, etc. under paragraph (2).

Article 14 (Inspection of Property-Related Public Records)

Where necessary for recovering illicit profits, etc. pursuant to Article 8 or imposing and collecting an additional monetary sanction pursuant to Article 9, an administrative authority may request a registry or the heads of other relevant administrative agencies to inspect and reproduce property-related public records, etc. or issue the certified copy or extract thereof at no cost.

Article 15 (Raising of Objections)

- (1) A person who is dissatisfied with an administrative authority's suspension of the disbursement of payments from public funds under Article 7, disposition to recover illicit profits, etc. under Article 8, disposition to impose an additional monetary sanction under Article 9, or additional charge or disposition on delinquency under Article 12 may raise an objection in writing to the administrative authority with the reason specified, within 30 days from the date he or she is notified of the relevant disposition.
- (2) An administrative authority shall decide on an objection raised under paragraph (1) within 30 days: Provided, That where such decision cannot be made within the period due to unavoidable circumstances, the period may be extended by up to 10 days.

Article 16 (Publication of List)

- (1) An administrative authority shall publish a list of unlawful beneficiaries that meet all of the following requirements for the immediately preceding three years (hereinafter referred to as “persons who made large-amount false claims, etc.”): Provided, That this shall not apply where the publication of the list is not effective due to the death of persons who made large-amount false claims, etc. or where any other ground prescribed by Presidential Decree exists:
 1. Where the frequency of receiving an imposition of an additional monetary sanction from the relevant administrative authority (excluding a disposition against which an objection is raised or other appeal procedures are in progress) is at least twice;
 2. The total value of illicit profits subject to an imposition of an additional monetary sanction under subparagraph 1 is at least 30 million won.
- (2) With respect to an imposition of an additional monetary sanction, against which an objection is raised under Article 15 or other appeal procedures are in progress, an administrative authority shall additionally publish a list of persons who made large-amount false claims, etc. after such appeal procedures are completed.
- (3) The deliberative committee on publication of the list of persons who made large-amount false claims, etc. (hereafter in this Article referred to as the “deliberative committee”) shall be established in each administrative authority to deliberate on whether to publish such list under paragraphs (1) and (2).
- (4) An administrative authority shall, prior to publication of a list, notify the persons on the list to be published, who have undergone deliberation by the deliberative committee, that they are subject to such publication, and shall give them an opportunity to vindicate themselves.
- (5) Except as provided in paragraphs (1) through (4), matters necessary concerning the timing of and method and procedure for publication of a list of persons who made large-amount false claims, etc., the period of and method and procedure for vindication, and the organization and

operation of the deliberative committee shall be prescribed by Presidential Decree.

CHAPTER III REPORTS ON FALSE CLAIMS AND PROTECTION OF AND REWARDS TO REPORTERS

Article 17 (Reports on False Claims)

Any person who deems that a false claim, etc. has been made or is likely to be made may file a report with any of the following agencies:

1. The public institution having jurisdiction over the contents of the report or its supervisory agency;
2. The Board of Audit and Inspection or an investigation agency;
3. The Anti-Corruption and Civil Rights Commission (hereinafter referred to as the "Commission").

Article 18 (Protection of Reporters)

No person shall interfere with any of the following reports, etc. (hereinafter referred to as "report, etc.") or coerce a person who filed a report, etc. (hereinafter referred to as "reporter, etc.") to revoke such act:

1. A report filed under Article 10 (1);
2. A report filed under Article 17;
3. An act of rendering assistance by means of statements, testimony, provision of materials, etc. in an inspection, audit, investigation, or lawsuit concerning the reported matters;
4. An act of rendering assistance by means of statements, testimony, provision of materials, etc. in an inspection, lawsuit, etc. concerning the measures for a reporter referred to in Article 19 (2) and (3).

Article 19 (Guarantee of Status)

- (1) No person shall be subjected to any disadvantage to his or her position or any discrimination in his or her working conditions, including a disciplinary measure imposed by the institution, organization, corporation, etc. to which he or she belongs, on the grounds of his or her report, etc.
- (2) When any person has been, or is expected to be, subject to any

disadvantage to his or her position or any discrimination in his or her working conditions on the grounds of his or her report, etc., he or she may request the Commission to take measures to revoke the disadvantageous disposition on him or her, transfer him or her to any other office, and withhold the disciplinary action against him or her that all need to guarantee his or her status and to take other necessary measures for him or her.

- (3) When any person has been subject to economic and administrative disadvantages, such as the revocation of authorization, permission, etc. and the termination of any contract, on the grounds of his or her report, etc., he or she may request the Commission to take necessary measures, such as temporarily maintaining the effects of the authorization, permission, contract, etc., in order to reinstate his or her economic and administrative advantages to the original state or make corrections.
- (4) The Commission shall, upon receipt of a request under paragraph (2) or (3), launch an investigation thereof.
- (5) The Commission may conduct an investigation under paragraph (4) on a person who has made a request under paragraph (2) or (3), or a person for reference, relevant agency, etc. by the following means:
 1. Requesting to appear before the Commission and to make a statement or submit a written statement;
 2. Requesting to submit materials, etc. deemed relevant to the matters to be investigated;
 3. Inquiring about facts or information deemed relevant to the matters to be investigated.
- (6) Any person in receipt of a request or an inquiry under the subparagraphs of paragraph (5) shall comply with such request or inquiry in earnest.
- (7) When the details of a request under paragraph (2) or (3) are deemed reasonable based on the results of the investigation thereof, the Commission may request the head of the institution to which the requester belongs, the head of the relevant agency, or the head of the organization,

- corporation, etc. to which the requester belongs to take appropriate measures. In such cases, the head of the institution to which the requester belongs, the head of the relevant agency, or the head of the organization, corporation, etc. to which the requester belongs, who is requested by the Commission to take measures, shall comply with such request unless there is justifiable cause for not doing so.
- (8) Where a reporter, etc. who is a public servant (referring to a public official defined in subparagraph 3 of Article 2 of the Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission; hereinafter the same shall apply) requests the Commission to take measures concerning personnel management, such as transfer to any other office, transfer to or from any other agency, and secondment, the Commission may request the Minister of Personnel Management or the head of the relevant agency to take necessary measures when it deems the details of the request reasonable. In such cases, the Minister of Personnel Management or the head of the relevant agency in receipt of a request from the Commission shall consider the relevant matters preferentially and notify the Commission of the results thereof.
- (9) The Commission may request the disciplinary authority to take disciplinary action against a person who has given a reporter, etc. any disadvantage to his or her position or any discrimination in his or her working conditions on the grounds of his or her report, etc.

Article 20 (Confidentiality of Reporters)

- (1) No person shall inform other persons of personal information about a reporter, etc. or any fact from which the identity of a reporter, etc. may be inferred, or disclose or report such information or fact, while knowing that he or she is a reporter, etc.: Provided, That this shall not apply where a reporter, etc. consents thereto.
- (2) When personal information about a reporter, etc. or any fact from which the identity of a reporter, etc. may be inferred is disclosed or reported in

- violation of paragraph (1), the Commission may examine how such information or fact is disclosed or reported.
- (3) If deemed necessary to examine the circumstances referred to in paragraph (2), the Commission may request a relevant agency to submit the related materials, state its opinion, etc. In such cases, the relevant agency that is requested to submit materials or state its opinion shall comply with such request unless there is a special reason for not doing so.
 - (4) The Commission may request the disciplinary authority over a person who has informed other persons of personal information about a reporter, etc. or any fact from which the identity of a reporter, etc. may be inferred or disclosed or reported such information or fact in violation of paragraph (1) to take disciplinary action against such person or other necessary measures.

Article 21 (Measures to Protect Personal Safety)

- (1) A reporter, etc. may request the Commission to take measures to protect personal safety where the report, etc. endangers personal safety of the reporter and of his or her relatives or cohabitants. In such case, the Commission may, if deemed necessary, request the Commissioner General of the Korean National Police Agency, the commissioner of the competent regional police agency, or the chief of the competent police station to take measures to protect personal safety.
- (2) Where necessary for requesting to take measures to protect personal safety under paragraph (1) (excluding cases falling under any subparagraph of Article 29 (2) of the Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission), the Commission may take the following measures:
 1. Requesting a public institution to provide explanations or submit materials, documents, etc. and conducting a fact-finding survey;
 2. Requesting a person who has made a request for measures to protect personal safety, a person for reference, or a relevant public servant to appear before the Commission and state his or her opinion.

- (3) Upon receipt of a request for measures to protect personal safety under paragraph (1), the Commissioner General of the Korean National Police Agency, the commissioner of the competent regional police agency, or the chief of the competent police station shall immediately take the measures, as prescribed by Presidential Decree.
- (4) Where there exist reasonable grounds to deem that a reporter, etc. has suffered or is likely to suffer any harm on the grounds that he or she has made a report, etc., Articles 7 and 9 through 12 of the Act on Protection of Specific Crime Informants shall apply *mutatis mutandis* to investigations and criminal procedures related to the relevant report, etc.

Article 22 (Reduction of and Exemption from Responsibility)

- (1) Where a report, etc. under this Act leads to detection of a crime committed by the reporter, etc. in connection with the report, etc., the punishment of the reporter, etc. may be mitigated or exempted.
- (2) Where a reporter, etc. is subject to a disciplinary action or disadvantageous administrative disposition on the grounds of an unlawful act detected in connection with the relevant report, etc. under this Act, the Commission may request the disciplinary authority or a person having authority to make administrative disposition against the reporter, etc. to mitigate or exempt the disciplinary action or administrative disposition. In such cases, a person in receipt of such request shall comply therewith unless there is justifiable cause for not doing so.
- (3) If deemed necessary to request a mitigation of or exemption from a disciplinary action or administrative disposition under paragraph (2), the Commission may request the disciplinary authority or the person having authority to make administrative disposition or the agency with which the relevant reporter, etc. has filed a report, etc. to submit the related materials, state his, her or its opinion, etc. In such cases, the relevant agency that is requested to submit materials or state its opinion shall comply with such request unless there is justifiable cause for not doing so.

- (4) Where a report, etc. is filed pursuant to this Act, the reporter, etc. shall be deemed not to have violated his or her confidentiality obligation with respect to his or her duties, notwithstanding the relevant provisions of other statutes or regulations, collective agreements, employment rules, etc.

Article 23 (Granting of Awards and Rewards to Reporters)

- (1) Where a report filed under Article 17 brings remarkable property benefits or prevents a loss to a public institution or promotes the public interest, the Commission may pay a monetary award to the reporter, after deliberation and resolution by the Reward Deliberation Board under Article 69 of the Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission (hereinafter referred to as the “Reward Deliberation Board”), or recommend granting an award to the reporter pursuant to the Awards and Decorations Act, etc.
- (2) Where a report filed under Article 17 has contributed directly to a recovery or increase in revenues, or a reduction in costs, of a public institution through any of the following measures, the reporter may file an application for payment of a monetary reward with the Commission. In such cases, the monetary reward shall include expenses incurred in the revocation, etc. of any relevant disadvantageous disposition if the reporter has been subject to the disposition on the grounds that the he or she has made the report:
 1. Recovery of illicit profits, etc. under Article 8;
 2. Imposition of an additional monetary sanction under Article 9.
- (3) Upon receipt of an application for payment of a monetary reward under paragraph (2), the Commission shall pay such reward after undergoing deliberation and resolution by the Reward Deliberation Board: Provided, That with respect to the matters reported by a public servant in connection with his or her duties, it may reduce a monetary reward or pay no monetary reward.
- (4) Where necessary to pay a monetary award under paragraph (1) or a

monetary reward under paragraph (2) (excluding cases falling under any subparagraph of Article 29 (2) of the Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission), the Commission may take the following measures:

1. Requesting a public institution to provide explanations or submit materials, documents, etc., and conducting a fact-finding survey;
 2. Requesting a person subject to payment of a monetary award under paragraph (1), a person who filed an application for payment of a monetary reward under paragraph (2), an unlawful beneficiary, a person involved in a false claim, etc., a person for reference, or a relevant public servant to appear before the Commission and state his or her opinion.
- (5) Matters relating to the standards for the payment of monetary awards under paragraph (1) and monetary rewards under paragraph (3), the persons subject to such payment, the payment procedures, etc. shall be prescribed by Presidential Decree.

Article 24 (Provisions Applicable Mutatis Mutandis)

- (1) Except as otherwise provided in Articles 17 through 23, Articles 56, 57, 58 through 61, 63, 68 (4), 70, and 71 of the Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission shall apply mutatis mutandis to the receipt and processing of reports on false claims, etc., the protection of reporters, etc., the granting of awards and rewards to them, etc.
- (2) Where it is applied mutatis mutandis pursuant to paragraph (1), “acts of corruption” shall be deemed “false claims, etc.” and the “Commission” under Articles 59 and 60 of the Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission shall be deemed the “agency in receipt of a report under Article 17”.

CHAPTER IV SUPPLEMENTARY PROVISIONS

Article 25 (Recording and Management of Imposition of Additional Monetary

Sanctions)

Where an administrative authority has suspended the disbursement of payments from public funds under Article 7, recovered illicit profits, etc. under Article 8, imposed an additional monetary sanction under Article 9, imposed an additional charge or a disposition on delinquency under Article 12, or published a list under Article 16 with respect to a false claim, etc. by an unlawful beneficiary, it shall record and manage such fact as prescribed by Presidential Decree.

Article 26 (Inspection of Actual Status of Implementation)

- (1) The Commission may request the head of a public institution to submit materials, etc. related to the actual status of implementation concerning the suspension of the disbursement of payments from public funds under Article 7, the recovery of illicit profits, etc. under Article 8, the imposition of additional monetary sanctions under Article 9, the imposition of additional charges and dispositions on delinquency under Article 12, and the publication of lists under Article 16. In such cases, the head of the relevant public institution in receipt of such request shall comply therewith unless there is a special reason for not doing so.
- (2) Where deemed necessary as a result of the inspection of the materials submitted under paragraph (1), the Commission may, after undergoing deliberation, recommend the head of a public institution or its supervisory agency to implement the suspension of the disbursement of payments from public funds under Article 7, the recovery of illicit profits, etc. under Article 8, the imposition of additional monetary sanctions under Article 9, the imposition of additional charges and dispositions on delinquency under Article 12 and the publication of lists under Article 16 or to make institutional improvements.
- (3) The head of a public institution or its supervisory agency who has received a recommendation on institutional improvements pursuant to paragraph (2) shall notify the Commission of the results of the measures taken with respect to the recommended matters.

- (4) Where the head of a public institution or its supervisory agency who has received a recommendation on institutional improvements pursuant to paragraph (2) finds it impracticable to take measures as recommended by the Commission, he or she shall request the Commission to re-deliberate on the recommendation. In such cases, the Commission shall do so.

Article 27 (Special Cases concerning National Assembly)

The National Assembly, courts, the Constitutional Court, the National Election Commission, and the Board of Audit and Inspection shall independently perform the affairs referred to in Articles 25 and 26 in earnest to prevent false claims, etc.

CHAPTER V PENALTY PROVISIONS

Article 28 (Crime of Violation of Prohibition of Disclosing Personal Information)

Any person who violates Article 20 (1) shall be punished by imprisonment with labor for not more than three years or by a fine not exceeding 30 million won.

Article 29 (Crime of Interference with Reports)

Any person who interferes with a report, etc. or coerces a reporter, etc. to revoke his or her report, etc. in violation of Article 18 shall be punished by imprisonment with labor for not more than one year or by a fine not exceeding 10 million won.

Article 30 (Crime of Failure to Comply with Request for Measures)

When a person who has given any disadvantage to any other person's position or discriminated against any other person in terms of working conditions under Article 19 (1) fails to comply with a request for measures under paragraph (7) of the same Article, he or she shall be punished by imprisonment with labor for not more than one year or by a fine not exceeding 10 million won.

Article 31 (Administrative Fines)

- (1) Any of the following persons shall be subject to an administrative fine of not more than 10 million won:

1. A person who has failed to comply with a request from an administrative authority under Article 13 (1) without justifiable cause;
 2. A person who has given any disadvantage to any other person's position or discriminated against any other person in terms of working conditions under Article 19 (1);
 3. A person who has failed to comply with a request or inquiry under Article 19 (5) in violation of paragraph (6) of the same Article;
 4. A person who has failed to comply with the Commission's request for measures under Article 19 (7) without justifiable cause (excluding a person who has given any disadvantage to any other person's position or discriminated against any other person in terms of working conditions under Article 19 (1)).
- (2) Administrative fines under paragraph (1) 1 shall be imposed and collected by an administrative authority that makes a request under Article 13 (1), as prescribed by Presidential Decree.
- (3) Administrative fines under paragraph (1) 2 through 4 shall be imposed and collected by the Commission, as prescribed by Presidential Decree.

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force on January 1, 2020.

Article 2 (Applicability to False Claims)

The provisions of this Act governing false claims, etc. shall apply, beginning with a false claim, etc. for a payment from public funds that is first paid after this Act enters into force.