

# **ENFORCEMENT DECREE OF THE ACT ON PROHIBITION OF FALSE CLAIMS FOR PUBLIC FUNDS AND RECOVERY OF ILLICIT PROFITS**

Presidential Decree No. 30309, Dec. 31, 2019

## **CHAPTER I GENERAL PROVISIONS**

### Article 1 (Purpose)

The purpose of this Decree is to prescribe matters mandated by the Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits and those necessary for enforcing said Act.

### Article 2 (Scope of Payments from Public Funds)

“Which are prescribed by Presidential Decree” in subparagraph 5 of Article 2 of the Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits (hereinafter referred to as the “Act”) means any of the following:

1. Money, goods, etc. offered to promote, or provide financial assistance to, public works projects, such as subsidies granted under subparagraph 1 of Article 2 of the Subsidy Management Act or Article 23 of the Local Finance Act;
2. Money, goods, etc. offered to compensate for any loss incurred by the State or a local government in implementing legitimate projects, such as resettlement subsidies under Article 78 (1) of the Act on Acquisition of and Compensation for Land for Public Works Projects;
3. Money, goods, etc. offered to implement research and development projects, run an institution that serves public benefit, or achieve other specific objectives, such as contributions under Article 12 of the National

Finance Act or Article 18 (2) of the Local Finance Act;

4. Money, goods, etc. offered to encourage any act for the public interest of the State and society, such as compensation under Article 26 (1) of the Protection of Public Interest Reporters Act;
5. Money, goods, etc. offered to provide monetary assistance necessary for achieving specific policy objectives, such as subsidies under Article 26 of the Framework Act on Employment Policy, direct payments for agricultural income preservation under Article 4 of the Act on Preserving Agricultural Income, and scholarships under Article 28 of the Framework Act on Education;
6. Money, goods, etc. offered to an institution or an individual meeting certain requirements for social welfare purposes, such as benefits under the National Basic Living Security Act, disability allowances under the Act on Welfare of Persons with Disabilities, welfare benefits under the Single-Parent Family Support Act, and patriot benefits under the Act on the Honorable Treatment of Persons of Distinguished Service to Independence;
7. Other money, goods, etc. offered from public funds in accordance with statutes and regulations or municipal ordinances and rules determined and publicly notified by the Chairperson of the Anti-Corruption and Civil Rights Commission (hereinafter referred to as the "Commission").

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

Article 3 (Calculation of Amount to Be Recovered)

- (1) "Interest prescribed by Presidential Decree" in Article 8 (1) of the Act means the amount calculated by multiplying the value of illicit profits by the interest rate specified in Article 43-3 (2) of the Enforcement Decree of the Framework Act on National Taxes.
- (2) "Value of illicit profits" in paragraph (1) means the amount of illicit

profits (in the case of non-monetary goods, etc., referring to the amount converted into money; hereinafter the same shall apply) which is determined under the following classifications:

1. Value of illicit profits from an act referred to in subparagraph 6 (a) of Article 2 of the Act: The amount of the offered payment from public funds;
  2. Value of illicit profits from an act referred to in subparagraph 6 (b) of Article 2 of the Act: The amount of the payment from public funds that remains after deducting the payment from public funds that was supposed to be received from the amount of such payment claimed and offered in excess;
  3. Value of illicit profits from an act referred to in subparagraph 6 (c) of Article 2 of the Act: The amount of the payment from public funds that was used for any purpose other than the specified purpose or use, without complying with the procedures prescribed by statutes and regulations, 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) of Article 2 of the Act);
  4. Value of illicit profits from an act referred to in subparagraph 6 (d) of Article 2 of the Act: The amount of the payment from public funds that was erroneously made.
- (3) The period of calculating interest under paragraph (1) shall be the number of months from the month in which a false claim, etc. is made to the month immediately preceding the month in which the date of notification of a disposition for recovery falls: Provided, That where an unlawful beneficiary returns illicit profits before the notification of a disposition for recovery, the period of calculating interest shall be the number of months from the month in which a false claim, etc. is made to the month immediately preceding the month in which the date the illicit profits are returned falls.

#### Article 4 (Recovery Procedures)

- (1) Where an administrative authority intends to recover illicit profits and interest under Article 3 (1) (hereinafter referred to as “illicit profits, etc.”) pursuant to Article 8 (1) of the Act, it shall give a written notice to the relevant unlawful beneficiary, specifying the following. In such cases, the administrative authority shall determine a deadline for payment of at least 30 days from the date a disposition for recovery is notified:
1. Reasons for recovery;
  2. Illicit profits;
  3. Interests;
  4. Amount to be recovered (referring to the sum of illicit profits and interests; hereinafter the same shall apply);
  5. Deadline for payment;
  6. Institution to which payment is to be made;
  7. Methods of payment.
- (2) A person in receipt of a notice under paragraph (1) shall pay the amount to be recovered to an institution to which such payment is to be made by the deadline for payment specified in the written notice: Provided, That where the person is unable to pay the amount by the deadline due to an act of God, a disaster, or other grounds equivalent thereto, he or she shall pay it within 30 days from the date on which the relevant ground ceases to exist.
- (3) The institution to which the amount to be recovered is paid pursuant to paragraph (2) shall issue a receipt to the payer and notify the fact of receipt of the amount, without delay, to the administrative authority that has made a disposition to recover illicit profits, etc.

#### Article 5 (Standards for Imposition of Additional Monetary Sanctions and Reduction of thereof or Exemption therefrom)

- (1) The standards for the imposition of and reduction of or exemption from additional monetary sanctions under Articles 9 (1) and 10 (2) and (3) of the Act shall be as specified in attached Table 1.

(2) “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” in the proviso of Article 9 (1) of the Act means any of the following cases:

1. Where a false claim, etc. is deemed to have been made by negligence, such as the minor carelessness or error, of an unlawful beneficiary;
2. Where a false claim, etc. is deemed to have been made for reasons not attributable to an unlawful beneficiary, such as the negligence of an administrative authority.

Article 6 (Procedures for Imposing and Paying Additional Monetary Sanctions)

(1) Where an administrative agency imposes an additional monetary sanction pursuant to Article 9 (1) of the Act, it shall give a written notice to the relevant unlawful beneficiary, specifying the following. In such cases, the administrative authority shall determine a deadline for payment of at least 30 days from the date on which the imposition of the additional monetary sanction is notified:

1. Type of the false claim, etc.;
  2. Additional monetary sanction;
  3. Deadline for payment;
  4. Institution to which payment is to be made;
  5. Methods of payment.
- (2) Article 4 (2) and (3) shall apply mutatis mutandis to the procedures for paying additional monetary sanctions. In such cases, “amount to be recovered” shall be deemed “additional monetary sanction”, and “disposition to recover illicit profits, etc.” shall be deemed “disposition to impose an additional monetary sanction”.

Article 7 (Standards for Exclusion from Application of Additional Monetary Sanctions)

The standards for exclusion from the application of additional monetary sanctions under Article 11 (1) of the Act shall be classified as follows:

1. In cases falling under Article 11 (1) 1 of the Act: The amount excluding

interest from the amount to be recovered shall be the cumulative amount for the past three years from the month immediately preceding the month in which the notification date of a disposition for recovery falls;

2. In cases falling under Article 11 (1) 2 of the Act: No false claim, etc. by the relevant unlawful beneficiary shall have been found for the past three years from the date the relevant payment from public funds was first made by a false claim, etc.;
3. In cases falling under Article 11 (1) 3 of the Act: The amount of one false claim, etc. shall not exceed 100,000 won, and the actual benefits that an administrative authority may obtain by imposing an additional monetary sanction shall be deemed insignificant because the payment from public funds made by the false claim, etc. of the relevant unlawful beneficiary has been fully recovered without delay.

#### Article 8 (Interest Rate That Becomes Basis for Additional Charges)

“Interest rate prescribed by Presidential Decree” in Article 12 (1) of the Act means the interest rate determined under the following classifications:

1. Where payment is made within one month from the date on which the deadline for payment expires:  $2/100$ : Provided, That where payment is made within one week from the date on which the deadline for payment expires, the interest rate shall be  $1/100$ ;
2. Where payment is made after one month from the date on which the deadline for payment expires: The interest rate calculated by adding  $1/100$  upon the lapse of every month from the date on which the deadline for payment expires to the interest rate specified in the main clause of subparagraph 1: Provided, That the interest rate which becomes the basis for additional charges shall not exceed  $5/100$ .

#### Article 9 (Persons Subject to Investigation by Administrative Authority)

“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” in Article 13 (1) of the Act means any of the following persons:

1. A person who actually runs or represents an institution, a corporation, or an organization falling under an unlawful beneficiary, by borrowing the qualification certificate of any other person who is not the nominal representative of the relevant institution, corporation, or organization or through other means;
2. A person in whose case there are grounds to deem that he or she is actually related to a false claim, etc. by an unlawful beneficiary, through the details, etc. of the report on the false claim, etc. under Article 17 of the Act.

#### Article 10 (Publication of List)

- (1) An administrative authority shall, pursuant to Article 16 (1) of the Act, publish the following on its website by March 31 each year:
  1. Names, trade names, ages, and addresses of persons who made large-amount false claims, etc. (hereinafter referred to as “persons who made large-amount false claims, etc.”) under the main clause of Article 16 (1) of the Act (in the case of an institution, a corporation, or an organization, referring to the name, age, and address of the representative thereof and the name and address of the institution, corporation, or organization);
  2. Details of illicit profits by false claims, etc. by persons who made large-amount false claims, etc. and imposition of additional monetary sanctions;
  3. Other matters that the deliberative committee on publication of the list of persons who made large-amount false claims, etc. under Article 16 (3) of the Act (hereinafter referred to as the “deliberative committee”) deems necessary to ensure the effectiveness of such publication.
- (2) An administrative authority shall post the matters referred to in the subparagraphs of paragraph (1) on its website for one year.
- (3) Where a person who made a large-amount false claim, etc. fails to return all illicit profits, etc. or to fully pay an additional monetary sanction, the relevant administrative authority shall continue to post the matters referred

- to in the subparagraphs of paragraph (1), notwithstanding paragraph (2).
- (4) “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” in the proviso, excluding the subparagraphs, of Article 16 (1) of the Act means any of the following cases:
1. Where a person to be published dies;
  2. Where a person to be published is declared missing pursuant to Article 27 of the Civil Act;
  3. Where a person to be published fully pays the amount to be paid to an administrative authority including illicit profits and interest thereon, an additional monetary sanction and an additional charge before the period of vindication under Article 16 (4) of the Act expires;
  4. Where a person to be published fully vindicates himself or herself pursuant to Article 12, and thus, the deliberative committee deems it necessary to exclude him or her from a list of the publication;
  5. Cases equivalent to subparagraphs 1 through 4 where the deliberative committee deems the publication ineffective.

#### Article 11 (Composition and Operation of Deliberative Committee)

- (1) The deliberative committee shall be composed of not more than nine members, including a chairperson.
- (2) The chairperson of the deliberative committee shall be the deputy head of the relevant administrative authority.
- (3) Members of the deliberative committee shall be appointed or commissioned by the head of the relevant administrative authority, taking into account gender equality, etc. from among any of the following persons:
  1. Members of the Senior Executive Service of the relevant administrative authority [public officials of at least Grade V in the case of a lower-tier local government; executive officer-level public servants (referring to public officials 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) in the case of subparagraph 1 (b) of Article 2 of the Act; executive officers or employees equivalent thereto in the case of item (c) of the same subparagraph; and professors or master teachers in the case of item (d) of the same subparagraph]: Not more than three persons;

2. Legal experts or civilian experts having extensive knowledge and experience in anti-corruption, administrative, or financial services: Not more than five persons.
- (4) The term of office of a member commissioned under paragraph (3) shall be three years, and the member may be consecutively reappointed only once.
- (5) A majority of the members of the deliberative committee shall constitute a quorum, and any decision thereof shall require the concurring vote of at least a majority of those present.
- (6) Any member of the deliberative committee who falls under any of the following shall be disqualified from the deliberative committee's deliberations and decisions:
  1. Where the member is a party to the relevant agenda (where the party is an institution, a corporation, or an organization, including the executive officers thereof; hereafter in this paragraph the same shall apply) or is directly interested in the relevant agenda;
  2. Where the member's spouse, blood relative within the fourth degree of relationship, or relative by marriage within the fourth degree of relationship is a party to the relevant agenda or is directly interested in the relevant agenda;
  3. Where the member is the representative of a party to the relevant agenda or was the representative of the party in the recent five years;
  4. Where the member belongs or has belonged in the recent five years to an institution, a corporation, or an organization which is the representative of a party to the relevant agenda or was the representative of the party for the recent five years;

5. Where the member has, in the recent five years, provided consultation or advice at the request of a party to the relevant agenda or has directly involved in the party's performance of affairs, such as research and service, in partnership or in any other form;
6. Where the member belongs or has belonged, in the recent five years, to an institution, a corporation, or an organization which has provided consultation or advice at the request of a party to the relevant agenda or has directly involved in the party's performance of affairs for the recent five years, such as research and service, in partnership or in any other form.
- (7) If the circumstances indicate that it would be impracticable to expect fair deliberations and decisions by a member, any party to the relevant agenda may file an application with the deliberative committee to challenge against the member.
- (8) Where any member falls under the grounds for disqualification referred to in the subparagraphs of paragraph (6), he or she shall refrain from deliberations and decisions on the relevant agenda.
- (9) Where any member falls under any of the following, the head of the relevant administrative agency may dismiss the member:
  1. Where the member becomes unable to perform his or her duties due to a mental or physical disability;
  2. Where the member has conducted any irregularity in connection with his or her duties;
  3. Where the member fails to refrain despite the fact that he or she falls under any subparagraph of paragraph (6);
  4. Where the member is deemed unsuitable as a member due to neglect of duties, injury to dignity or any other cause;
  5. Where the member voluntarily declares that it is difficult to perform his or her duties as a member.
- (10) Except as provided in paragraphs (1) through (9), matters necessary for the composition and operation of the deliberative committee shall be

determined by the head of the relevant administrative authority.

Article 12 (Prior Notice to Persons To Be Published and Provision of Opportunity for Vindication)

An administrative authority shall, prior to the publication of a list under Article 10 (1), give a written notice to the persons to be published, who have undergone deliberation by the deliberative committee, that they are subject to such publication and shall give them the opportunity to vindicate themselves by permitting them to raise an objection in writing for a period of at least five days (excluding Saturdays and legal holidays).

### **CHAPTER III REPORTS ON FALSE CLAIMS AND PROTECTION OF REPORTERS**

Article 13 (Request for Measures to Guarantee Status)

A person who intends to request measures to guarantee his or her status or to temporarily maintain the effects of authorization, permission, contract, etc. or other necessary measures (hereinafter referred to as “measures to guarantee status, etc.”) pursuant to Article 19 (2) and (3) of the Act shall submit to the Commission documents (including electronic documents) stating his or her personal information, the reasons for and details of the request, etc.

Article 14 (Investigation into Disadvantageous Dispositions)

- (1) Where the Commission intends to request appearance before the Commission, any statement or submission of a written statement, or presentation of materials, etc. or to inquire about facts or information under the subparagraphs of Article 19 (5) of the Act, it shall give notice of the relevant case name, the date and time, the place for appearance, etc. in advance: Provided, That the relevant case name need not be notified where deemed necessary for investigation.
- (2) Where an employee of the Commission hears any statement in a place other than the secretariat of the Commission, he or she shall present an identification indicating his or her authority to relevant persons.

Article 15 (Determination on Measures to Guarantee Status)

- (1) Upon receipt of a request for measures to guarantee status, etc. under Article 19 (2) and (3) of the Act, the Commission shall determine whether to request such measures from the head of the institution to which the requester belongs, a relevant agency or the organization, corporation, etc. to which the requester belongs (hereinafter referred to as “affiliated institution, etc.”), within 60 days from the date of receipt of the written request. In such cases, the period may be extended for up to 30 days if deemed necessary.
- (2) Where the Commission determines whether to request the head of an affiliated institution, etc. to take measures to guarantee status, etc. pursuant to paragraph (1), it may require the head of the affiliated institution, etc. to appear before the Commission and state his or her opinion. In such cases, the head of the affiliated institution, etc. may, if deemed necessary, state his or her opinion in writing after obtaining approval from the Commission.
- (3) Where the Commission determines to request measures to guarantee status, etc. pursuant to paragraph (1), it may require the head of an affiliated institution, etc. to take such measures for the person who requested them.
- (4) Where there exists any extenuating circumstance under which it is deemed impracticable to take the measures to guarantee status, etc. requested under paragraph (3), the Commission may require the head of an affiliated institution, etc. to take any measure corresponding to the measures to guarantee status, etc.
- (5) When the Commission has made a request to the head of an affiliated institution, etc. pursuant to paragraph (3) or (4), it shall give notice of such fact, without delay, to the person who requested measures to guarantee his or her status, etc.

#### Article 16 (Notification of Results of Measures)

- (1) The head of an affiliated institution, etc. who is requested by the Commission to take measures to guarantee status, etc. pursuant to Article 15 (3) or (4) shall notify the Commission of the results of the measures

- taken within 30 days from the date of receipt of the request.
- (2) Where the head of an affiliated institution, etc. who is requested by the Commission to take measures to guarantee status, etc. pursuant to Article 15 (3) or (4) is unable to take such measures, he or she shall give the Commission an explanation for the reasons therefor.
  - (3) Where the Commission requests the Minister of Personnel Management or the head of a relevant agency to take measures concerning personnel management, such as transfer to any other office, transfer to or from any other agency and secondment, pursuant to Article 19 (8) of the Act, the Minister of Personnel Management or the head of the relevant agency shall notify the Commission of the results of the measures taken within 60 days. In such cases, when unable to take the measures requested by the Commission, he or she shall notify the Commission of the reasons therefor.

#### Article 17 (Protection of Personal Safety)

- (1) A person who requests measures to protect personal safety pursuant to the former part of Article 21 (1) of the Act (hereinafter referred to as “requester”) shall submit to the Commission documents (including electronic documents) stating personal information on the requester and a person who needs the protection of personal safety (hereinafter referred to as “person to be protected”), the reasons for the request, etc.: Provided, That where urgent grounds exist, such request may be made verbally or by telephone, etc. and then the documents shall be submitted without delay.
- (2) Where there is no time to wait for a decision by the Commission because measures to protect personal safety are urgently needed for a person to be protected, the Chairperson of the Commission may 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 such measures.
- (3) 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 who is requested to take measures to protect personal safety under the latter part of Article 21 (1) of the Act or paragraph (2) of this Article shall take personal safety measures under Article 7 of the Enforcement Decree of the Act on Protection of Specific Crime Informants after consultation with the Commission.
- (4) Where it is deemed that the duration of the measures to protect personal safety requested by the Commission or the Chairperson thereof expires or the protection of personal safety is no longer necessary, 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 may terminate the measures after consultation with the Commission.
- (5) The Commission shall, without delay, notify the requester of the results of the measures taken or the fact of termination of the measures under paragraph (3) or (4).

## **CHAPTER IV GRANTING OF AWARDS AND REWARDS TO REPORTERS OF FALSE CLAIMS**

### Article 18 (Standards for Payment of Monetary Awards)

- (1) Where a monetary award may be paid to a person who files a report under Article 17 of the Act pursuant to Article 23 (1) of the Act shall be any of the following cases:
1. Where an unlawful beneficiary is subjected to a disposition, such as the institution of a prosecution, the suspension or stay of indictment, disciplinary action, or a corrective measure;
  2. Where a report contributes to institutional improvements, such as the enactment of or amendment to any statute or regulation;
  3. Where a report leads to the improvement, suspension, termination, etc. of policies, etc. related to the report, thereby preventing any property loss to a public institution;

4. Where the Reward Deliberation Board under Article 69 (1) 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”) deems that a monetary award may be granted.
  - (2) The payment limit of monetary awards shall be 200 million won.
  - (3) Articles 20 (1) and 24 shall apply mutatis mutandis to the determination of the reduction or payment of monetary awards. In such cases, “monetary reward computed under Article 19” and “value subject to monetary reward” shall each be deemed “monetary award”.
  - (4) Where at least two grounds for payment of a monetary award under paragraph (1) exist, the monetary award shall be determined based on the larger amount.

#### Article 19 (Standards for Payment of Monetary Rewards)

- (1) A monetary reward under Article 23 (3) of the Act shall be 30 percent of the value subject to monetary reward (where the recovery of illicit profits, etc. or the imposition, etc. of an additional monetary sanction leads directly to a recovery or increase in revenues or a reduction in costs of a public institution or the legal relationship thereon is confirmed, referring to the amount).
- (2) The recovery of illicit profits, etc. or the imposition, etc. of an additional monetary sanction which falls under paragraph (1) shall be limited to such recovery or imposition, etc. directly related to reported matters, evidential materials, etc.
- (3) The expenses incurred in restoration to the original state, etc. under the latter part, excluding the subparagraphs, of Article 23 (2) of the Act may be calculated by including the expenses disbursed for medical treatment, change of residence, unemployment or transfer, etc.
- (4) The payment limit of monetary rewards under paragraph (1) shall be three billion won, and monetary rewards shall be paid by rounding down to the nearest 1,000 won.

Article 20 (Criteria for Reducing Monetary Rewards)

- (1) The Reward Deliberation Board may reduce a monetary reward computed under Article 19, in consideration of the following matters:
1. Whether the relevant report is accurate, including the credibility of evidential materials;
  2. Whether the reported false claim, etc. has already been disclosed to the media such as newspapers and broadcasting;
  3. Whether the reporter has committed any illegal act related to the report;
  4. The level of contribution to resolving the case regarding the false claim, etc.
- (2) Where a monetary reward is reduced under paragraph (1), the limit on the reduction for each matter referred to in the subparagraphs of paragraph (1) shall be 30 percent, and even when at least two grounds for such reduction exist, the limit on the reduction shall not exceed 50 percent: Provided, That the foregoing shall not apply where a reporter planned to make a false claim, etc. or played a leading role therein or where there is a special reason for not applying it.

Article 21 (Selection of Representative of Applicants for Monetary Rewards)

Where at least two persons file a report under Article 17 of the Act under joint signature and apply for the payment of a monetary reward under Article 23 (2) of the Act, the Commission may require them to select one of them as a representative.

Article 22 (Restrictions on Granting Monetary Rewards to Public Servants)

Where a public servant who engages or engaged in auditing, investigating, or examining a false claim, etc. files a report in connection with any matter that pertains or pertained to his or her duties, the Commission shall not grant a monetary reward pursuant to the proviso of Article 23 (3) of the Act.

Article 23 (Decision to Pay Monetary Awards and Rewards)

- (1) The Commission shall decide whether to pay a monetary award or reward and the amount of payment thereof, based on the matters deliberated and decided on by the Reward Deliberation Board.

- (2) When the Commission decides to pay a monetary award or reward under paragraph (1), it shall, without delay, send the authentic copy of a written decision and a decision notice to the person subject to the monetary award or the applicant for the monetary reward.

Article 24 (Determination of Monetary Rewards When Applications for Monetary Reward Are Competing)

- (1) Where reports are separately filed by at least two persons with respect to the same false claim, etc., they shall be deemed one report when the value subject to monetary reward is computed.
- (2) When the Commission determines the amount of the monetary reward to be paid according to reports under paragraph (1), it shall allocate the amount to each reporter after comprehensively taking into account the level of contribution to resolving the case regarding the false claim, etc. In such cases, where a reduction is made under Article 20, the amount shall be determined for each reporter in consideration of the grounds for the reduction.

Article 25 (Timing to Pay Monetary Rewards)

- (1) A monetary reward shall be paid after the recovery or imposition falling under any subparagraph of Article 23 (2) of the Act leads directly to a recovery or increase in revenues or a reduction in costs of a public institution or the legal relationship thereon is confirmed. In such cases, where the period of raising an objection to such recovery or imposition, etc. has not expired or the procedures for remedy are in progress, the monetary reward shall be paid after the period expires and the procedures are completed.
- (2) Where a monetary reward is paid after the confirmation of the legal relationship pursuant to paragraph (1), an amount equivalent to not more than 50/100 of the monetary reward determined under Article 23 (1) need not be paid until a recovery in revenues, etc. of a public institution begins.
- (3) Where part of a monetary reward is not paid under paragraph (2), if

revenues of a public institution exceed the already paid monetary reward due to a recovery in the revenues, etc., the excess amount shall be paid as a monetary reward until it reaches the amount of the monetary reward determined under Article 23 (1).

Article 26 (Procedures for Paying Monetary Awards and Rewards)

Except as provided in Articles 18 through 25, matters necessary for the procedures for paying monetary awards or rewards shall be determined by the Chairperson of the Commission after resolution by the Commission.

## **CHAPTER V SUPPLEMENTARY PROVISIONS**

Article 27 (Methods of Recording and Managing Imposition of Additional Monetary Sanctions)

Where an administrative authority suspends the disbursement of a payment from public funds under Article 7 of the Act, recovers illicit profits, etc. under Article 8 of the Act, imposes and collects an additional monetary sanction under Article 9 of the Act, imposes an additional charge or a disposition on delinquency under Article 12 of the Act or publishes a list under Article 16 of the Act, it shall record and manage the following in recording media including electronic recording media:

1. Name of the payment from public funds;
2. Date of the disposition;
3. Person subject to the disposition;
4. Reasons for the disposition;
5. In the case of recovering illicit profits, etc. under Article 8 of the Act, imposing an additional monetary sanction under Article 9 of the Act or collecting an additional charge under Article 12 of the Act, the relevant amount and the deadline for payment thereof;
6. In the case of publishing a list under Article 16 of the Act, the date of resolution by the deliberative committee and the method of publishing the list;
7. Other matters that need to be recorded and managed for the seamless performance of affairs by the administrative authority.

#### Article 28 (Construction and Operation of Information System)

- (1) The Commission may construct and operate an information system to efficiently manage affairs concerning the inspection of the actual status of implementation under Article 26 of the Act.
- (2) The Commission may request the head of a public institution (excluding an institution falling under Article 27 of the Act) to enter data necessary for the performance of affairs under Article 26 of the Act into the information system referred to in paragraph (1).

#### Article 29 (Management of Personally Identifiable Information)

An administrative authority or an institution under the subparagraphs of Article 17 of the Act may manage data including resident registration numbers under subparagraph 1 of Article 19 of the Enforcement Decree of the Personal Information Protection Act, passport numbers under subparagraph 2 of the same Article or alien registration numbers under subparagraph 4 of the same Article where it is essential for conducting the following:

1. Affairs relating to the recovery of illicit profits, etc. under Article 8 of the Act;
2. Affairs relating to the imposition and collection of additional monetary sanctions under Article 9 of the Act;
3. Affairs relating to the reduction of and exemption from, etc. additional monetary sanctions under Article 10 of the Act;
4. Affairs relating to exclusion from the application of additional monetary sanctions under Article 11 of the Act;
5. Affairs relating to additional charges and dispositions on delinquency under Article 12 of the Act;
6. Affairs relating to the conduct, etc. of investigations under Article 13 of the Act;
7. Affairs relating to the inspection, etc. of property-related public records under Article 14 of the Act;
8. Affairs relating to the raising of objections under Article 15 of the Act;
9. Affairs relating to the publication of lists under Article 16 of the Act;

10. Affairs relating to reports on false claims, etc. under Article 17 of the Act (including affairs relating to reports, etc. under Articles 58 through 61 of the Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission which are applied mutatis mutandis pursuant to Article 24 of the Act);
11. Affairs relating to the guarantee of status, etc. under Article 19 of the Act (including affairs relating to the presumption of disadvantages under Article 63 of the Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission which are applied mutatis mutandis pursuant to Article 24 of the Act);
12. Affairs relating to the confidentiality of reporters, etc. and the measures to protect personal safety under Articles 20 and 21 of the Act;
13. Affairs relating to the granting of awards and rewards to reporters under Article 23 of the Act (including affairs relating to the prohibition of duplicate payments of monetary rewards, etc. under Article 71 of the Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission which are applied mutatis mutandis pursuant to Article 24 of the Act);
14. Affairs relating to the recording and management of the imposition of additional monetary sanctions, etc. under Article 25 of the Act.

Article 30 (Imposition and Collection of Administrative Fines)

The criteria for imposing administrative fines under Article 31 (1) of the Act shall be as specified in attached Table 2.

**ADDENDUM**

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

**[Table 1]**

Standards for Imposition of Additional Monetary Sanctions and Reduction thereof or Exemption therefrom (refer to Article 5)

1. Additional monetary sanctions are calculated by multiplying the value of illicit profits under Article 3 (2) 1 through 3 by the rate of imposition of additional monetary sanctions specified in the table below.

Value of illicit profits	Rate of imposition of additional monetary sanctions
(a) Value of illicit profits under Article 3 (2) 1	500%
(b) Value of illicit profits under Article 3 (2) 2	300%
(c) Value of illicit profits under Article 3 (2) 3	200%

2. In cases where a false claim falls under Article 5 (2) 1, an administrative authority may reduce the additional monetary sanctions computed under subparagraph 1 by half.
3. In cases where a false claim falls under Article 5 (2) 2, an administrative authority need not impose the additional monetary sanctions computed under subparagraph 1.
4. In cases where according to Article 10 (2) of the Act, a fine or minor fine, confiscation or punitive collection, a penalty surcharge or an administrative fine (hereinafter referred to as “administrative fine, etc.”) is imposed on an unlawful beneficiary pursuant to other statutes in

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relation to the false claim, etc. before an administrative authority imposes the additional monetary sanction under Article 9 of the Act, the administrative authority shall do one of the following:

- (a) If the amount of the additional monetary sanction computed according to subparagraph 1 is higher than that of the administrative fine, etc. imposed, the administrative agency shall subtract the amount of the administrative fines, etc. from the additional monetary sanction;
- (b) If the amount of the additional monetary sanction computed according to subparagraph 1 is not higher than that of the administrative fines, etc. imposed, the administrative authority shall not impose the additional monetary sanction.

5. In cases where according to Article 10 (3) of the Act, the administrative fine, etc. is imposed on an unlawful beneficiary pursuant to other statutes in relation to the relevant false claim, etc. after the administrative agency imposes an additional monetary sanction under Article 9, the administrative authority shall do one of the following:

- (a) If the amount of the additional monetary sanction imposed is higher than that of the administrative fine, etc., the administrative authority shall subtract the amount of the administrative fine, etc. from the additional monetary sanction;
- (b) If the amount of the additional monetary sanction imposed is not higher than that of the administrative fine, etc., the administrative authority shall exempt the additional monetary sanction.

■ [Table 2]

**Standards for Imposition of Administrative Fines** (refer to Article 30)

1. General standard

- (a) The standard for the imposition of administrative fines aggravated in proportional to the number of violation is applied when a violator was fined for the same violation in the previous one year. In this case, the period shall be calculated based on the date of the initial imposition of an administrative fine and the date of the detection of the re-commitment of the same violation.
  - (b) In cases where an aggravated administrative fine is imposed in proportional to the number of the violations under item (a), the number of violations used in the calculation of the administrative fine shall be the number of previous impositions of administrative fines plus 1 (if the impositions were made more than two times within the period set under item (a), it shall be the highest number)
  - (c) In cases where there were two or more violations under subparagraph 2 (b), or where there were two or more violations under subparagraph 2 (d), the heavier punishment standards shall be applied if each violation is subject to different punishment standard.
  - (d) An administrative authority or the Commission may reduce the amount of administrative fine under subparagraph 2 up to half in a case that falls under any of the following conditions: *Provided*, that this shall not apply to a violator who is in arrears of administrative fine:
    - ( i ) Where the violator is the first time offender, and his or her outstanding performance has been recognized such as by receiving orders or medals provided for under the Awards and Decoration Act (This shall not apply to the case falling under subparagraph 2 (b)
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through (d));

(ii) Where the violator corrected or resolved the consequence of his or her violation;

(iii) Where an act of violation is accountable by the person requesting the measures to guarantee his or her status under Article 19 of the Act (This shall not apply to the case falling under subparagraph 2 (a)); or

(iv) Where there is a reasonable ground for the reduction of the administrative fine considering the gravity, motive and consequences of the offense.

## 2. Specific standard

Act of violation	Applicable provision	Amount of administrative fine (Unit: 10,000 KRW)		
		1 <sup>st</sup> time	2 <sup>nd</sup> time	From 3 <sup>rd</sup> time
(a) An act of failing to comply with a request from an administrative authority under Article 13 (1) of the Act without justifiable cause;	Article 31 (1) 1 of the Act	200	300	500
(b) An act of giving disadvantage to any other person's position or discriminating against any other person in terms of working conditions under Article 19 (1) of the Act as follows:	Article 31 (1) 2 of the Act			

<p>( i ) Taking disadvantageous measures against a reporter equivalent to the loss of social position, such as dismissal or discharge;</p> <p>( ii ) Taking disadvantageous measures such as removal from office, demotion, restriction on promotion or any other corresponding measures;</p> <p>( iii ) Taking disadvantageous measures such as transfer of position, transfer of office, or any other corresponding measures; or</p> <p>( iv ) Taking discriminative actions in working conditions such as payment of discriminative wages, bullying, or not assigning any work.</p>		1,000700		
<p>(c) An act of not complying with a request or inquiry under Article 19 (5) of the Act in violation of paragraph (6) of the same Article;</p>	<p>Article 31 (1) 3 of the Act</p>	300	500	1,000
<p>(d) An act of not complying with the Commission's request for measures under Article 19 (7) of the Act without justifiable cause (excluding a person who has</p>	<p>Article 31 (1) 4 of the Act</p>			

<p>given any disadvantage to any other person's position or discriminated against any other person in terms of working conditions under Article 19 (1) of the Act):</p> <p>( i ) Not complying with the measure requested by the Commission in response to the disadvantageous measures equivalent to the loss of social position such as discharge or dismissal;</p> <p>(ii) Not complying with the measure requested by the Commission in response to the disadvantageous measures such as removal from office, demotion, restriction on promotion or any other corresponding measures;</p> <p>(iii) Not complying with the measures requested by the Commission in response to the economic and administrative disadvantages such as the revocation or termination of authorization, permission, etc.;</p> <p>(iv) Not complying with measures requested by the Commission in</p>		<p>1,000</p> <p>700</p> <p>700</p> <p>500</p>
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<p>response to the transfer of position, transfer of office, or other corresponding measures;</p> <p>(v) Not complying with measures requested by the Commission in response to the discriminative working condition such as discriminative payment of wages, bullying, or not assigning any work.</p>		300
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