

1. Origins

a. Origins of the Global Forum on Fighting Corruption

In 1997, recognizing the dramatic growth of transnational crime in today's interconnected world, President Clinton called on the Departments of Justice, State and the Treasury to develop and implement a comprehensive national strategy to fight international crime and reduce its impact on Americans. In May 1998, the President approved and published the first United States Government International Crime Control Strategy. That Strategy had the purpose of defining the specific goals and objectives which, if achieved, would lead to a more secure and law-abiding world in which America and Americans can thrive. One of the objectives defined to implement its seventh Goal ("Foster International Cooperation and the Rule of Law") called for the United States Government to:

Strengthen the rule of law as the foundation for democratic government and free markets in order to reduce societies' vulnerability to criminal exploitation.

The responsibilities of the public order, security and justice officials of governments who uphold the rule of law are fundamental to the operation of democratic institutions and free markets. Corruption of officials responsible for the rule of law thus impairs the institutions of government itself, and erodes the potential effectiveness of anticorruption measures in other aspects of a society. The International Crime Control Strategy therefore identified the question of corruption among justice and security officials of governments as one of central significance to the rule of law. It recognized that corruption among such officials has existed throughout history. It took account of the fact that to effectively combat such corruption, it is necessary to identify and analyze the institutional factors that promote integrity among public officials, or deter corruption by identifying and punishing perpetrators of corrupt acts. It recognized that unlike the issue of bribery in commercial transactions, corruption affecting justice and security officials has been less subject to intensive discussion, analysis and policy definition in dialog among governments. It recognized that corruption among the officials of a government that are responsible to maintain the rule of law cannot be "solved", but can be controlled.

The International Crime Control Strategy defined ten specific initiatives to further United States Government efforts against international crime. One of those ten initiatives was that:

The United States will call for an international conference within the next six months to focus on the development of model approaches for upholding integrity among key justice and security officials. This

international conference, which the President has asked Vice President Gore to organize, would examine real life situations relating to the standards of integrity among justice and security officials worldwide and then prepare appropriate policy recommendations.

Justice and security officials include all those who have a key role in maintaining the rule of law, whether they are police, border officials, military personnel, prosecutors or judges. The conference would collect basic facts on compensation, assess corrupting influences, review standards of ethical conduct, and take stock of ongoing, national, regional and global initiatives – all with a view to determining which approaches to upholding integrity work, which do not, and what new approaches might be developed.

In June 1998, almost simultaneously with the approval of the U.S. strategy, the Heads of Government of the G8 group, meeting at the Summit in Birmingham, England, held an extensive discussion of the relationship between serious crime and corruption. Based on that discussion, the principals drafted and added to their Communiqué a new sentence. This directed the G8 Senior Experts on Transnational Crime (“Lyon Group”) to “explore ways of combating official corruption arising from the large flows of criminal money.” The Communiqué directed that the Experts report back on their activities to the next meeting of the G8 Summit, to be held at Koln, Germany, in June 1999. The United States consulted with other members of the G8 at several meetings of the Lyon Group regarding preparations for the international conference, and considers this conference to have represented one significant aspect of the response to this mandate.

In December 1998, Vice President Gore issued his call for the conference, officially designated “Global Forum on Fighting Corruption: Safeguarding Integrity Among Justice and Security Officials.” He sent messages of invitation to over 80 governments to send participants. Response to the Vice President’s invitations was highly positive; several governments were represented by officials of their embassies in Washington, but no invited government failed to participate. A complete list of foreign participants at the Global Forum is provided in part 19 below. Responses indicated that governments saw this initiative to begin international discussion on the specific issue of corruption among justice and security officials as opening a new aspect of the wide problem of corruption. Moreover, this is an aspect of fundamental significance to all governments, whose most basic purpose is to maintain the rule of law.

b. Origin of the Guiding Principles for Fighting Corruption and Safeguarding Integrity Among Justice and Security Officials

Corruption, dishonesty and unethical behavior among public officials represent serious threats to the basic principles and values of government, undermining public confidence in democracy and threatening to erode the rule of law. This fact has become increasingly recognized in a number of global and regional fora, and preventing or punishing corruption among these groups of government officials has been addressed in a growing number of international agreements, resolutions, formal recommendations, expert group evaluations and similar documents. In order to assist participants to prepare for the Global Forum, in the fall of 1998 the United States Government undertook an analysis of this existing international literature on this subject. The most pertinent agreements and other documents were assembled to become the Source Book that was prepared and distributed to all Global Forum participants. The full text of the Source Book may be found in the Appendix.

In analysis of these documents, it became evident that certain practices for preventing or fighting corruption among justice and security officials have become recognized as proven to be effective in many cases. Such practices divide themselves into groups that implement a more limited number of general principles. Taken together, a regime of practices that effectively implement those principles will offer an effective effort to prevent or combat corruption among justice and security officials. Each government implements these guiding principles differently, in a manner that becomes appropriately tailored to the political, legal, economic and cultural circumstances of each country. Due to the different functions and missions of different judicial, justice and security officials, not all practices for preventing or fighting corruption are applicable in all categories. There is no specific solution to corruption among justice and security officials. Rather, there is a number of potentially effective corruption-fighting practices, from which governments may derive solutions that appropriately apply general guiding principles to their specific requirements.

This list of practices identified in existing international agreements, recommendations and other documents, or based on the observed experience of governments, and the twelve general principles that these practices may serve, were assembled into the working document "Guiding Principles for Fighting Corruption and Safeguarding Integrity Among Justice and Security Officials." That document, which is reproduced in this Final Report above, was provided to all participants in the Global Forum, as a convenient compilation of concepts that are diversely expressed in the number of differing documents contained in the Source Book. This list of practices, which may apply also to other sectors of government in addition to justice and security officials, is intended to help guide

and assist governments in developing or improving effective and appropriate means to best achieve their specific public integrity ends.

2. Opening - Keynote Address by Vice President Al Gore

Madeline K. Albright
Secretary of State
United States of America

The Global Forum on Fighting Corruption: Safeguarding Integrity Among Justice and Security Officials formally began at 9:00 a.m. Wednesday, February 24, 1999 in the Loy Henderson International Conference Room, Department of State, Washington, D.C. A list of participants at the Global Forum is provided in part 19 of this Final Report. A copy of the Global Forum program, listing all prepared presentations, is contained in the Appendix to this Report.

The Global Forum was called to order and opened with introductory remarks by United States Secretary of State Madeline K. Albright. The full text of her remarks may be found in the Appendix.

She welcomed the Vice President and other participants in the Global Forum to the Department of State. She observed that it was fitting that for this Global Forum on Fighting Corruption, a truly global audience had assembled. The surprising breadth of this conference reflected a fundamental understanding that corruption was not merely a private breach of ethics, but a matter of profound political and social consequence, especially for efforts to strengthen democratic governments. Some might suggest that corruption is endemic to human nature and that it was futile to attempt to fight it. The truth was that there was in fact progress. The OECD Convention on Bribery of Foreign Public Officials in International Commercial Transactions entered into force that month. The Inter-American Convention Against Corruption had been signed by almost every country in the Western Hemisphere, and deserved prompt approval by the United States Senate. The Council of Europe's Criminal Law Convention Against Corruption opened for signature in January. African countries were discussing a regional anticorruption regime. Individual countries, government institutions, even local governments, from New Orleans, Louisiana to Palermo, Sicily, were strengthening justice systems and building as several participants had properly described as a "culture of lawfulness."

These advances of recent years reflected several important principles. One was that action against corruption must address both demand and supply. This meant not only making bribery illegal, but ensuring that officials were made less susceptible to bribes by paying them sufficiently. A second important principle was accountability. Officials that were adequately paid must know that corruption would result in their dismissal, and that serious or repeated transgressions could bring imprisonment. Third, it was necessary to assure

clarity in teaching and maintaining the distinction between public duties and private preferences. People everywhere must understand that corruption is not capitalism's natural product, but its perversion. Underlying everything was the fundamental principle of establishing and reinforcing the rule of law.

All that might be done to prevent corruption by stronger laws and greater accountability, however, would be vitiated if corrupt officials or businesspersons faced compromised police, or prosecutors or judges that could be bribed. Pursuing a culture of lawfulness necessitated striving for an independent judiciary, a free press, and a bureaucracy that is efficiently organized and fairly paid. Religious and ethical leaders, as well as public officials and businesspeople, all had pivotal roles. No country had a monopoly on wisdom in achieving a culture of lawfulness. In the United States, after 200 years, this remained a work in progress. During the past decade, governments in several regions had fallen at least in part because their people would no longer tolerate public corruption.

This was the reason that the principle of mutual evaluation had been so valuable to anticorruption efforts to date. The failure or success of efforts against corruption would determine whether societies would be governed by individuals or laws.

No one had done more in the United States to further good governance than Vice President Gore. His efforts to improve and streamline the United States Government had given Americans a government that worked better, cost less and delivered results. He conveyed the understanding that individuals and nations were equally part of something larger than themselves. This understanding must be central to any real solution to the problem of corruption, which was based on the illusion that happiness rested on self-indulgence, rather than service to one's community, country and faith. She was pleased to introduce Vice President Gore, Chairman of the Global Forum.

Vice President Al Gore Chairman

Vice President Al Gore, Chairman of the Global Forum, next offered a keynote address. The full text of his remarks may be found in the Appendix.

He noted that this was what historians might call an open moment, when some combination of luck and circumstance offers people the chance to choose a better future. This moment offered a chance to draw on mankind's oldest ethical values, its strongest democratic principles, and the newest tools and technologies, to create a world that is not merely better off, but better for all who inhabit it. In the Old Testament, Moses taught the people of Israel: "Do not accept a bribe, for a bribe blinds the eyes of the wise and twists the words of the

righteous." A thousand years later, Confucius began to set the high moral standard he believed would make for a more harmonious society. Still later, the Koran said: "O my people: Give full measure and full weight in justice... and do not evil in the earth, causing corruption."

"Corruption is an old affliction, and no corruption is more damaging than the corruption that is the focus of this conference: corruption among justice and security officials, those pledged to uphold the law."

The modern speed of information, movement of capital and increase of trade had magnified the potential impact of official corruption. Official corruption could speed environmental destruction, accelerate the drug trade, and encourage the smuggling of biological, chemical or nuclear weapons materials. Economically, corruption represented an arbitrary, exorbitant tax. It led to wasteful government spending, larger deficits, greater income inequality, and a crisis of confidence that could spark capital flight, lead to economic crash, destabilize governments and put people around the world out of work. There could be no serious doubt that the present global financial crisis had been aggravated by corruption. No country could insulate itself from corruption beyond its borders. Every nation must therefore work with every other nation to fight corruption wherever it exists in the world. In working together, nations must acknowledge a central truth.

"No nation has a monopoly on virtue. None has a corner on corruption. And no nation has the right to lecture any other."

The United States had recently had border officials arrested for accepting bribes to look the other way while illegal drugs were smuggled into the United States. The enormous sums spent by drug traffickers to seek to corrupt U.S. officials put immense pressure on the professionalism of law enforcement officers. The United States was engaged in a serious, rigorous discussion of every possible avenue for safeguarding against corruption, in the United States and abroad. He welcomed the participants in the Global Forum to the United States, and thanked them for coming to join in this three-day conversation on fighting corruption.

Although the media might make it appear that corruption was increasing, there were important factors at this time that could lead to the success of efforts against it. The world's tolerance for corruption is fading. Rather than being accepted as merely a cost of doing business, corruption was becoming recognized as a serious crime with severe consequences, sacrificing the public welfare for the personal profit of a corrupt official. The extent of global concern at fighting corruption was illustrated by the fact that initially, only about 40 countries were expected at this Global Forum. In fact, representatives from nearly 90 were present. Several countries had strongly urged the United States that they wished to be invited. Fighting corruption was clearly an idea whose time has come.

Further, the world today had leaders, many present at this Global Forum, who had placed the fight against corruption at the heart of their public mission. There was no substitute for leadership by example, especially in the issue of official corruption.

Another force favoring the fight against corruption was the trend toward government reform, or re-inventing government. Five weeks before, he had hosted an international conference on re-inventing government in the same facility at the State Department. The effort to institute reforms that help government work better and cost less in many cases entailed the same steps as those that would help to reduce corruption. Adopting fewer, clearer government regulations, reducing monopoly power, and increasing accountability by focus on measurable results, were all principles of re-inventing government that also help to reduce corruption. The fight against corruption is not separate from the process of government reform. Both are efforts to make self-government work for its citizens.

Further, the universal desire to see oneself as ethically upright made individual conscience a powerful factor against corruption. Public conscience, as expressed through the public voices of clergy of all religions, was also a powerful factor in public life. He looked forward to the work of the religious figures who were present at this conference. Most people, driven by conscience, would prefer to be honest. Reforming government systems to reduce temptation and engage consciences will reduce corruption.

Finally, the information age created a new factor that might be decisive in the fight against corruption. Corruption thrives on ignorance, and needs secrecy and darkness. The free flow of information, the signature trait of the present age, is the one thing with which corruption cannot coexist. Recent examples of success against corruption come from the power of information and the action of civil society. The approach of collaboration between government authorities and civil society to conduct diagnostic surveys to identify and eliminate sources of corruption had excellent early results. The United States planned to work closely with the World Bank, local organizations, civil society, other international donors and non-governmental organizations to support such diagnostic surveys, when a country has shown that it is committed to the rigorous self-analysis necessary to launch a process of reform.

This initiative was a part of an administration-wide effort to mount a comprehensive, global response to the problem of corruption. Over the next two years, the United States would work with other countries to urge other exporting nations to ratify and implement the OECD Convention; to develop and implement global standards on transparency and accountability; to conclude an agreement on transparency in government procurement at the World Trade Organization ministerial in Seattle later in 1999; and to pursue regional anticorruption initiatives

in the Americas, Europe, Africa and Asia/Pacific, including urging ratification by the United States Senate of the Inter-American Convention Against Corruption. The United States looked forward to working with other governments to take advantage of mutual evaluation processes to facilitate the implementation of anticorruption regimes.

Vice President Gore suggested that participants at this conference discuss ways to supplement mutual evaluation processes with an Internet-based reporting device, and to consider offering individual citizens and business people the opportunity to assist in such evaluations. The information age offered great opportunities for action against corruption, but if these values were not fought for, it could also simply create more efficient channels for its spread.

He closed by inviting participants to work to institute open, honest, transparent, democratic systems that would help make public servants accountable for the best and most honest use of public money, and for earning and safeguarding the public trust.

James D. Wolfensohn
President
World Bank Group

Vice President Gore then introduced James D. Wolfensohn, President of the World Bank Group. The full text of Mr. Wolfensohn's remarks may be found in the Appendix.

He welcomed the Vice President's announcement of the United States desire to move further on the issue of diagnostics. The Bank looked forward to working with the United States on this issue.

He said that when he came to the World Bank, he had been given an admonition by the Bank's general counsel that under the Articles of the Bretton Woods agreements, he should deal with economic matters and not political matters. He had been cautioned that corruption was identified with politics, and that the Bank's Board would object if he were to address it.

After visiting a number of countries, in 1996 he decided that "corruption" should be defined not as a political issue, but as something social and economic. The Executive Director of the International Monetary Fund had come to a similar conclusion at the same time. All evidence indicates that the major inhibiting factor to investment and to constant development, a major factor adversely affecting the lives of poor people in terms of equity and opportunity, was corruption. He found it interesting that after 50 years of not mentioning the word, the next year the central item on the agenda of the Bank's Development

Committee was corruption. The central discussion by Finance Ministers was corruption, and every Minister spoke. This experience bore out the Vice President's observation that this is an idea whose time has come, and Mr. Wolfensohn was delighted about it.

Like governments, the Bank had decided that it should first examine its own activities. A few people had been found to have done improper things. The Bank was disclosing this publicly in the press, reflecting its belief in transparency. It had instituted its own internal programs on ethics, including three-day seminars, in part to assure governments that it did not feel immune from these problems, but recognized that all shared them.

Further, this had helped the Bank as it come to member countries, at their request, to contribute to practical responses to these problems, through diagnostics procedures which Mr. Kaufmann of the World Bank would discuss at a Forum session in the afternoon. These procedures relied on non-threatening, non-personal reviews to determine the systemic issues in corruption. This was not a political issue, it was a human, a development and an economic and social issue.

He would shortly depart for Korea to participate in a conference on the structure of the international financial system. In that context, in addition to the issues of financial and monetary policy, there must be an equally important analysis of governance and structure, social services and equal opportunity, human and personal rights. Stable economic and monetary development could not be built on an unstable structure. Any discussion of finance and development is meaningless without an approach on governance, corruption, justice and law. This was central to the position of the World Bank as an institution.

Donald J. Johnston
Secretary-General
Organization of Economic Cooperation and
Development

The Vice President then introduced Donald J. Johnston, Secretary-General of the Organization for Economic Cooperation and Development. The full text of Mr. Johnston's remarks may be found in the Appendix.

Corruption in government undermines democracy and economic well being. It undermines confidence in democratic government, a problem for established democracies as well as new ones. It fosters criminal elements, wastes public resources, slows economic development and distorts trade. Effective action against corruption requires a broad-based approach involving

government, civil society, enterprises, trade unions and the media, as well as official policies of prevention, correction and enforcement.

The OECD addresses corruption from the "demand side" through work on public service ethics, and the "supply side" by action against bribe givers.

On the "demand" side, corruption results from flawed government systems, faulty legislation and weak public institutions that do not enforce laws, and fail to provide adequate control, oversight and transparency. To assist member governments to address their own strengths and weaknesses in protecting the integrity of their governments, in April 1998 the OECD countries adopted "Recommendations on Improving Ethical Conduct in the Public Service."

On the "supply" side, the OECD negotiated the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. This Convention entered into force on February 15. Twelve of 34 signatories have ratified the Convention. Signatories include five non-members of the OECD. This Convention responded to a request by the United States in 1989 that the OECD initiate a multilateral anticorruption effort. In 1994, general agreement was achieved that each OECD country should combat bribery in international business transactions. In 1997, they agreed on a recommendation on more specific measures, and received a mandate to negotiate a binding criminal law treaty. The fact that this was completed within six months testifies to how the commitment of OECD countries to fight corruption has grown.

Countries that become party to this Convention agree to make it a crime in their country to bribe foreign officials in order to secure business or undue business advantage. OECD members are major trading countries and the major competitors in most international markets. Their companies supply much of the large-scale bribery that undermines fair competition in the international trading system. Essentially, the OECD members are taking responsibility for upholding the trading system.

To address the concern that high economic stakes may lead other countries and enterprises to fail to match a nation's anticorruption effort, the Convention contains a commitment to engage in systematic monitoring of each country's performance. Starting immediately, the OECD will examine national laws to implement the Convention to assure that they are adequate. Thereafter, Parties to the Convention will examine how each country is enforcing these laws.

Mr. Johnston said the OECD and its member governments had a responsibility to extend the reach of anticorruption efforts also to transactions within the private sector. The OECD Convention goes far to protect international public procurement from corruption. However, with substantial privatization of formerly state-owned enterprises, it was important to extend these principles also to transactions within the private sector.

Finally, the OECD had a responsibility to look beyond its borders. Its Development Assistance Committee has endorsed a strategy to combat corruption in bilateral aid-funded procurement. All members of this Committee are using or require anticorruption provisions in aid-funded procurement contracts. The OECD Development Center, which held another conference in Washington that same week on the role of the private sector in fighting corruption, conducts research on how to adjust anticorruption strategies to meet needs of developing countries.

The OECD was working with other multinational organizations, and others, to share experiences beyond OECD. The SIGMA program, a joint initiative of the OECD and European Union, advises governments in Central and Eastern Europe on how to raise integrity in state institutions through anticorruption strategies. In cooperation with USAID, the OECD has created an Anti-Corruption Network for the countries of Central and Eastern Europe and the former Soviet Union. In Asia, the OECD is cooperating with the Asian Development Bank and the United Nations Development Program to create a forum for exchanging experiences on ways to improve integrity and transparency in government and to mobilize civil society and business in anticorruption efforts. It was also important to take note of activities of the private sector to combat bribery, when businesses faced extortion and the hard choice of whether to bribe. Organizations like the International Chamber of Commerce are helping businesses to develop individual responses and to shape OECD policies and recommendations.

In response to journalists' questions of whether the OECD Convention is rather naive, he replied that some countries are perceived as more corrupt than others. However, there were no "corrupt countries", since even in countries assessed as most corrupt in polls like that carried out by Transparency International, there were many honest officials, businesses, citizens and institutions mobilized to fight corruption. Fighting corruption effectively required leadership, in national and local governments, parliaments, the judiciary and security forces, and citizens. It also required partnership. No single effort could accomplish the purpose. He hoped the work of the OECD and of the Global Forum would help the many leaders at the conference and around the world who were determined to fight corruption.

Pino Arlacchi
Executive Director
Center for Drug Control
and Crime Prevention
United Nations

The Vice President next introduced Pino Arlacchi, Executive Director of the United Nations Center for Drug Control and Crime Prevention in Vienna.

Mr. Arlacchi observed that the problem of corruption was not inherent in any one society; its reach was truly global in scope. A survey contained in the United Nations World Development Report for 1997 reflected that at least 15% of businesses in industrialized countries, about 40% in Asia, and up to 60% in the Newly-Independent States reported having to pay bribes in order to do business. Taxpayers, businesses and citizens demanded better performance by public servants than a search for unpaid advantage.

The United Nations and the global community had increasingly begun to be aware of and to act against this problem. The United Nations had approved a Code of Conduct for Public Officials, and a Declaration Against Corruption. The OECD had concluded its Convention against bribery of public officials in international commercial transactions.

Nevertheless, the World Bank had estimated that national economic growth was retarded by 1/2% to 1% annually in those countries where the incidence of corruption was greater. In an age of globalization, corruption robbed societies of the opportunity to improve their social systems. Numerous recent cases provided examples where the people of a country demanded accountability, and had proven able to secure effective change very rapidly. Such efforts often began by a small minority, which in the end became a majority in civil societies as a force for change. In recent examples as diverse as Venezuela, Turkey, Indonesia and Brazil, such popular rejection of corruption by voters had been reflected in significant changes of political leaders' attitudes toward corruption. It remained for the international community to deliver concrete support to respond to this with concrete actions.

For this reason, the United Nations Center for Drug Control and Crime Prevention had begun to elaborate a proposed Global Programme Against Corruption. The overall goal of this Programme was to build institutional capabilities to prevent or fight the problem of corruption at its source. To accomplish this would entail expanded delivery of technical assistance in the specific areas of accountability, transparency and upholding the rule of law. The Programme also includes a research element, including a systematic exploration of the nexus between corruption and organized crime.

The United Nations was at this time engaged in negotiation of a major new international convention against transnational organized crime. In these negotiations, it would be important to extend the range of measures which had been found effective to attack the structural underpinnings of organized crime also to fighting corruption. These included eliminating the use of bank secrecy to impede corruption investigations, and to address the fact that the proceeds of corruption must ultimately come to rest in particular places, in particular financial institutions, through the operation of money laundering systems of the types employed by organized crime. Legislation providing for the confiscation of

criminal assets derived from the proceeds of acts of corruption, to provide witness protection programs in corruption cases, and urging adoption of universal standards to control money laundering were important. Guaranteed independence of the judiciary was absolutely fundamental to protect societies against corruption. All of these elements were addressed in the new convention, which would contribute also to global efforts against corruption.

These recent actions, including the Global Forum, represented another step against the idea that corruption is innate or inevitable among humans. The philosopher Edmund Burke concluded that: "Liberty cannot long exist among a people generally corrupt." In societies where corruption prevailed, power was based solely on deception and violence, and use of such means was the only way to advance. The time had come to bolster international agreement to fight this perception of the problem of corruption.

Jeremy Pope
Managing Director
Transparency International

The Vice President then introduced Jeremy Pope, Managing Director, Transparency International, and invited him to offer the perspective of the non-governmental sector on the subject of the meeting. The full text of Mr. Pope's remarks may be found in the Appendix.

Mr. Pope said that while the subject of this meeting was primarily addressed to the role of governments, governments would find it difficult to act unless supported by the political will of an informed citizenry. The role of civil society in efforts against corruption was crucial, and Transparency International appreciated the opportunity to offer some views from a non-governmental perspective on the work that governments would undertake at this meeting.

It is important to recall the human face of tragedy that can, and often does, lie behind the facade of corruption. Too often, those officials of governments that should serve as the protectors of the poor or weak became those that extorted from the people they swore to protect. This is the situation this Forum had to confront and change. The issue of corruption was too important to be left to governments alone, and the Vice President's invitation to Transparency International to participate reflected his recognition of the partnership role that civil society has to play in fighting corruption, not by attacking governments, but by working with them.

Transparency International was formed six years before. At that time, a meeting like this would have been inconceivable, the thought of sharing a table with the others speaking at this session would have been too bizarre to

contemplate. There was an absolute taboo against discussing the topic, even in the private sector and more in official fora. The subject was too delicate, and too embarrassing to mention. As Mr. Wolfensohn had just described, the World Bank considered the topic off limits. Transparency International was: "mad, bad -- and dangerous to know."

The world had changed dramatically since those comparatively recent days. Transparency International now has 70 national chapters around the world. A grand global consensus was being formed that brings together governments, development agencies, international organizations, the private sector and civil society to develop and extend systems of governance, build popular support for reform efforts, and create a climate of confidence that the problem of corruption can be addressed effectively.

Among recent important successes was the OECD Convention, designed to contain transnational bribery of foreign officials. Transparency International would monitor its impact through surveys in emerging markets, work to gain greater private sector support, develop integrity standards for corporations, and hoped to participate in building a Website to promote interaction about the Convention's effects. The OECD also had much to do, and it was essential that governments equip it to undertake the analytical work required if laws and procedures introduced by individual governments were to be professionally evaluated and made most effective.

Governments would be cautious of imposing more demanding legal regimes on their own enterprises than those imposed by other governments on those firms' competitors. Businesses will be conscious that they not be asked to restrict their activities in ways their competitors do not. Active participation of the private sector, civil society, bar associations and the like was important to help build confidence. Inclusion of a monitoring mechanism in the OECD Convention was admirable but it must be ensured that all could participate.

There must also be effective international criminal assistance arrangements. This meant that countries must have sufficient faith in each others' judicial systems to be prepared to deport citizens to stand trial abroad when this is warranted. Developed countries had the problem of unanswered requests for extradition of those wanted for grand corruption. They also held huge sums of public monies looted from countries in transition, and faced the question of how it could be ensured that these were returned to benefit the people of the countries from which they had come.

It was also necessary to address the demand side of bribery, to make demanding bribes a high risk, low profit undertaking. The most cost-effective approach is prevention; every prosecution represents a failure of prevention.

The OECD Convention represents a beginning, not an end. The Inter-American Convention Against Corruption provides an opportunity for the Western Hemisphere to act collectively, but its failure to provide for monitoring is indefensible. He appealed to all actors to re-energize this process, and to the host government to ratify the Inter-American Convention and place itself in a credible position to promote the concept of monitoring. Similarly, Transparency International sought adequate support for the monitoring mechanism for the recently concluded Council of Europe convention. He closed by calling on the global community to offer all possible help to Nigeria as its new elected president took office, while recognizing that in Nigeria as elsewhere, the international community can and must support and help, but the will and commitment must come from within.

This session was recessed at 10:10 a.m.

3. Significance of Corruption

Vice President Al Gore, Moderator

Vice President Gore, the Global Forum Chairman, served as Moderator of the first plenary session, on the subject of the Significance of Corruption. He drew attention to the wide variety of experiences represented by the participants who had come to the Global Forum, and asked that participants join with him to discuss their observations of what works, and what does not work, to fight corruption and promote public integrity.

Ibrahim Boubacar Keita

Prime Minister

Mali

Prime Minister Keita, on behalf of President Konare of Mali, expressed gratitude to Vice President Gore and to the United States for having called for this conference on this subject of importance. Corruption constituted a grave problem for mankind and a deadly threat to democracy. It could destroy all efforts a developing country could make in its fight against poverty. With the progress of economic globalization, competition became harsher, and the pressure on enterprises to attempt to cheat through corruption increased. While it might be true that if there were no corrupters, no one would be corrupted, it was also notable that officials and countries that had once been the object of bribery were more and more refusing to participate in bribery. No country was spared the impact of corruption, and this made it important that this group of countries had come together to address this issue.

Mali was an active partner in the initiative being undertaken by African countries in cooperation with the Global Coalition for Africa to define means of more effectively fighting corruption. Africa expected much from this effort. Among the most important elements that participants in that initiative were addressing were the need for effective justice sector institutions, the role of transparency in public procurement, and the role of the media in civil society as an important factor in maintaining transparency.

In Mali, the government was developing specific tools for the fight against corruption. Political tools included the promotion of greater transparency in government through decentralization, to afford benefits more directly to the most vulnerable populations. This process had decentralized 19 local government authorities to form 701 municipalities, promoting transparency in government closer to the people. Mali had also instituted a procedure in which the government must appear annually before the people, and every minister must

respond to questions about government performance. Mali was developing institutional checks on use of public funds, through the establishment of a code of public procurement that prescribed procedures for government purchasing in an honest and equitable manner. The free press was a main foundation for preserving transparency in government, and over sixty radio stations in Mali were an important element of the free media there.

Mali was making every effort to fight corruption in government by becoming more democratic, by establishing conditions in which citizens can question government as the basis for universal democracy.

Carlos Rukhauf Vice President of Argentina

Vice President Rukhauf commented that he had prepared a statement for this meeting, but after hearing the statements in the opening session by Vice President Gore and other speakers, he had concluded that he must leave it aside, as this meeting now required a different approach to the subject.

It is true that corruption threatens democracy. Before that, it should be observed that dictatorship is the basis for corruption. Only in an environment with economic and political freedom and freedom of the press could the fight against corruption go forward. The reality of repressive regimes was that where governments could kill, or torture or cause people to disappear, theft, robbery and corruption were the mirror image. If one wished to discuss the conditions for the fight against corruption worldwide, one must first of all and above all defend democracy, economic freedom and the freedom of the press. The American continent was now, with one exception, fully democratized, and thereby had gained a position in which it was possible to take steps to improve the situation relating to corruption.

As the morning's speaker from Transparency International had correctly said, the worst corruption was that which affected the individual integrity of human beings. In Argentina in past years, the value of billions of dollars in foreign assistance had been lost due to corruption. For 30 years, it had been impossible to obtain a telephone from the government telephone enterprise without paying a bribe. Now, that service had been privatized, ending what had been an important source of government corruption. In the past, due to corruption, state enterprises had bought what sellers wanted to pay bribes to sell. Two decades ago, the United States had been the first to pass laws to punish enterprises that engaged in corrupt practices abroad. It was necessary to pursue the fight against bribes, and against all who paid bribes.

The role of the press was critical to the fight against corruption in all countries. A free press could become a microscope to look into the lives of

public officials, examine their professional performance, and if they became wealthy, ascertain whether that wealth was gained from citizens. The World Bank had said that in the past, it had been unable to discuss "the "c" word" because corruption was a political issue and the Bank should not enter into politics. However, he did not accept that corruption had to do with politics.

Since 1983, when democracy was restored in Argentina, and particularly since President Menem assumed office, Argentina had effected substantial democratic and economic reforms that improved its capabilities to fight against corruption. Argentina had signed the OECD Anti-Bribery Convention. President Menem had established a National Office of Public Ethics, an action which had the support of all political forces in Argentina, as did a decree establishing the obligation of all officials to disclose their property and assets. The Argentine government was seeking to define ethical standards against corruption for all branches of its government. The basis for Argentina's approach was the conviction that public officials must not only be honest but must, like Caesar's wife, also be seen to be honest.

Jorge Fernando Quiroga Ramirez Vice President of Bolivia

Vice President Quiroga said that in any society, habits were formed by what society tolerates. An example of this, he said, was the difference that one could observe in use of automobile seat belts in Bolivia, and in Miami. He had been very pleased to hear the speaker from Transparency International and other speakers argue that it was important that countries not tolerate abroad what they would not tolerate at home.

In Bolivia during the 1980's, public tolerance or apathy about activities of major drug traffickers had been shocked and profoundly changed when drug kingpins arranged the killing of a distinguished scientist. Since that event, Bolivian society had increasingly not accepted being associated with drug traffickers and their activities. Similarly, many people had been shocked to realize the prominent place Bolivia held on the Transparency International ranking of countries where corruption was perceived to be worst.

This had prompted the government and people of Bolivia to begin a serious national dialogue on the problem of corruption and how to fight it. This had included surveys of the public and private businesses to identify those areas of government activity where corruption was seen to be most serious. These surveys had identified the police, which were the responsibility of the Minister of Government, as the greatest problem perceived by the public. This, he acknowledged, had aggravated the police, but they must understand that the people were also seriously aggravated over the situation. A further problem

identified was the existence of "middlemen" in transactions with the government and elsewhere in the culture, whose presence caused it to cost more and take longer to secure government services without corruption.

In response to these findings, Bolivia had launched its first national integrity system. This had been based on a three-element strategy. The first was state modernization, and in particular civil service reform, including asset disclosure by members of a permanent career civil service. The second was a series of anticorruption measures. Public officials were required to assume that citizens acted in good faith, and take statements of a citizen as true unless there was sound basis to challenge them. A principle was established of positive silence, in which after a specific deadline, a decision was approved. The final and absolutely indispensable element of this strategy was judicial reform. Bolivia had recently secured World Bank approval for a \$200 million loan to support these governance and anticorruption reforms.

He offered some suggestions for further actions that might be considered by participants at the meeting. He suggested that Transparency International might consider establishing a list of businesses or enterprises that should be considered "blacklisted" for employing bad or illegal corrupt practices. Further, participants should consider how all could most effectively support the ongoing World Bank governance initiative. Finally, and indispensably for his country and its neighbors, foreign assistance continued to be urgently required to deal with the drug threat in Bolivia, Colombia and other countries, since that threat invariably engendered corruption on a very large scale. Vice President Gore, in this other fora like the recent Re-Inventing Government conference in January, had strongly supported the principle of comprehensive, sustainable development. Any approach to these issues must also address the problem of corruption.

Vice President Gore said that Transparency International might consider Vice President Quiroga's suggestion that in addition to its list of countries where corruption was perceived to be the greatest problem, it might also develop a list of companies or enterprises that employed bad practices that led to illegal corruption.

Mr. Pope of Transparency International replied that he thought the suggestion excellent, although it might be that there would be practical considerations that could prevent it from being pursued by their organization. They would continue to address this concept, perhaps as one that some other organization might also accept.

Gustavo Adolfo Bell Vice President of Colombia

Vice President Bell said Colombian experience indicated that there is a clear relationship between corruption originating from criminal activities, or corrupt administration in the public sector, and a government's ability to respond to violence affecting its culture. This was a difficult matter to analyze in quantitative terms, but rather than analyzing the different aspects of these issues separately, he proposed to consider the interrelationships among them and how his government was facing them. There was a vicious circle involved. Diminished capacity of government reduced its credibility and legitimacy. This in turn gives rise to insurgent groups, facilitated drug trafficking and other illegal activities. The impact of these illegal activities leads institutions of governments and countries then to accept corrupt behavior. Corruption generates apathy among citizens, preventing them from exercising the capability to contribute to the functioning of the state, or as appropriate from serving as a counterweight to the state.

In Colombia, the existence of an insurgency leads to repression or co-optation. The latter becomes closely linked with corruption. The results of repression as a solution to insurgency had been limited. Rather, in response to repression, violence expanded further. Moreover, armed conflict in one country became a matter of concern to an entire region. Drug trafficking, by opening avenues for the acquisition of relatively easy wealth, had contributed greatly to corruption, and even subversive groups had found themselves led to resort to this source of funding. To respond effectively to corruption, it would be necessary to strengthen individual values. Apathy, reflected in weak and unorganized state institutions, was very conducive to corruption. As a result of corruption and lack of opportunity, the ability of the government to prevent violence, insurgency and drug trafficking was drastically impaired.

Jaime David Fernandez Mirabel Vice President of the Dominican Republic

Vice President Fernandez said that corruption could be seen as a problem from several standpoints. As a moral issue, it was in great part a problem of education, and an issue of cultural values that could discourage corruption. Taken as an issue of public policy, a social problem, corruption meant that not only politicians or public figures, but also the citizens themselves, were corrupt. A great incentive for popular corruption of this nature was poverty. Thus, there is a direct relationship between fighting poverty and fighting corruption.

To effectively combat corruption, it is important to rescue the idea of the public servant. There must be adequate security of livelihood for public officials.

There was also the need for comprehensive, transparent and clear legal frameworks.

He called on all Western Hemisphere countries that had not done so to ratify the Inter-American Convention Against Corruption, a regional anticorruption initiative of major significance. It was also necessary for countries to consider how best to strengthen family values, providing education that would produce citizens prepared to fight corruption. Market and economic reforms were desirable, but it was necessary to consider also how to reform not just the economic sphere but the behavior of individual citizens. Finally, it was important to recall that it was not just the logic of market reform, but the values inherent in the Christian tradition that constituted strong imperatives for fighting corruption.

Gustavo Noboa Bejarano
Vice President of Ecuador

Vice President Noboa said that it appeared that in a globalizing world, corruption was also increasing to levels never previously imagined. However, there were also important efforts in progress, in Ecuador and in other countries, to respond to this by turning anticorruption into fundamental state policy. Former United States President Carter had strongly emphasized the importance of fighting corruption during a recent visit to Ecuador. Ecuador was consulting with Mr. Kaufmann of the World Bank, and with Transparency International, regarding the possibility of carrying out a World Bank diagnostic survey to help better identify the origins and remedial actions for corruption in Ecuador. The new constitution recently introduced in Ecuador also contained many new features introduced for the purpose of improving the governments' capability to prevent corruption.

Ivan Miklos
Deputy Prime Minister
Slovak Republic

Deputy Prime Minister Miklos said his remarks would address the issue of corruption from the standpoint of the post-Communist transition experience of the Slovak Republic and other formerly Communist countries.

The efficiency and competitiveness of national economies depends on the efficiency and competitiveness of the nation's institutional framework. This in turn was connected to cultural and other factors, including transparency and corruption. In some other parts of the world, Asia or Mexico as examples, there was some aspect of equilibrium in the processes of change. In the institutional

frameworks of post-Communist societies, it was necessary to seek to conform the formal and informal rules and means for their enforcement. Establishing appropriate rules in the legal system is important, but if they diverge from the informal rules in a given situation it may be difficult to effectively enforce them. In shaping informal rules that would conform to the requirements of fighting corruption, the role of the media was highly important, as is the slowly growing influence of the non-governmental sector.

L. Tsog
Minister of Justice
Mongolia

Mr. Tsog said the government of Mongolia was only eight years old as a democratic society, and remained in a transitional period. Of the many obstacles to this transition, corruption was one of the most difficult. In the new circumstances, people wanted to exercise their rights to the fullest, but structural changes in fact often made it more difficult to control corruption. Consequently, corruption arose in connection with use of foreign aid, and impeded the promotion of foreign investment. If it were to continue at excessive levels, corruption could endanger democracy itself.

To respond to this problem, the government of Mongolia recognized the need for a national program to fight corruption. It hoped that all foreign partners would support it in its planning to develop and implement such a program. The experience that Mongolian officials would gain from this conference would be valuable to them in the formulation of this new program.

4. Economic Governance, the Private Sector and Corruption

Stuart E. Eizenstat, Moderator
Under Secretary of State for Economic,
Business and Agricultural Affairs
United States

The second plenary session on "Economic Governance, the Private Sector and Corruption" was moderated by Ambassador Stuart E. Eizenstat, Under Secretary of State for Economic, Business and Agricultural Affairs of the United States.

Ambassador Eizenstat said that corruption is an issue of enormous significance to the future of the global economy and the development of open economic systems and democratic institutions. The convening of this conference highlights that the global fight against corruption has now become a significant priority of United States foreign policy. For the first time in recent memory, there was a genuine sense of optimism about the fight against corruption. Attendance of so many governments reflects a fundamental change in international attitudes. Governments around the world now recognize corruption as a malignancy on their economies and political institutions that can only be fought by creation of transparent and accountable economic and political systems firmly grounded in the rule of law.

All nations plainly have a genuine interest in preventing corruption and promoting good governance. In particular, emerging and transitional economies must address this issue or efforts to attract investment and maintain sustainable development will fail. Corruption thrives where legal systems are incomplete or evolving. Complexity, over-regulation and lack of predictability are incentives to corruption. Paradoxically, as economies liberalize and open to foreign investment and trade, the processes of change -- privatization, procurement, sale and licensing of economic rights, etc. -- become areas where corruption flourishes.

The need for transparency and accountability is not exclusively in the public sector. The recent international financial crisis demonstrated the consequences of crony capitalism and insider lending in the private sector, and the need for reform in areas such as corporate governance and bank lending rules. New empirical work pioneered by Daniel Kaufmann and others at the World Bank provided precise analysis of the adverse economic consequences of corruption. This new research confirms that corruption particularly hinders small and medium business, the engine of jobs and growth in emerging markets. Such costs force small companies into the unofficial sector, and also undermine the

ability of governments to collect taxes. World Bank data also indicate that corruption disproportionately hurts the poor, who pay a higher share of "economic rents".

There was an emerging international consensus around a series of important norms in fighting corruption. These included: establishing open and accountable economic governance practices, including enactment and vigorous enforcement of anti-bribery laws and transparent economic decision-making; safeguarding integrity among justice, security and financial regulatory officials; promoting openness and accountability in the private sector; and strengthening institutions that ensure public and private accountability, including a free press. The United States would pursue a series of steps in each of these areas, and invited others to join with them.

The United States would seek ratification and full implementation of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and would seek the Convention's extension to other key states whose companies compete for international contracts. The United States would encourage implementation through this Convention's important mutual evaluation process, and explore ways to engage civil society in this effort. The United States would also seek to extend the Convention to cover bribery of foreign political parties, party officials and candidates for political office, and a complete end to the practice of allowing tax deductibility of bribes.

The United States would also accelerate efforts to promote the rule of law, transparency and good governance in developing nations, thus limiting opportunities for corruption in transitional environments. The United States would promote global standards to advance transparency and accountability in governance and the private sector; encourage regional approaches to fighting corruption; and support key structural reforms in emerging markets to remove incentives for corruption and foster favorable climates for investment, trade and economic growth. It must be recognized that standards cannot be set and applied by OECD nations alone; transitional and emerging market countries must be part of this effort. The Executive was working with the Senate to secure United States ratification of the Inter-American Convention Against Corruption, and was pleased to recognize efforts under the auspices of the Global Coalition for Africa that should lead to an anticorruption regime for that region.

The United States would also intensify bilateral work with emerging economies to encourage the structural reforms needed to promote transparency and accountability. Corruption must be recognized as a broad systemic problem with many economic aspects. Countries had begun to "de-bundle" the corruption problem, to address key elements separately. Types of reform necessary to break the culture of corruption fell into a number of areas, including:

- (1) economic policy reform, including deregulation;

- (2) transparency reforms;
- (3) public sector/civil service reform;
- (4) public finance reform;
- (5) judicial reform and enforcement of judicial rulings;
- (6) commercial law reform and establishment of appropriate regulatory institutions;
- (7) public oversight and participation, including public education, civic awareness, support for citizen advocacy groups and an independent media; and
- (8) ethics reform.

Governments now have a number of important tools available to develop and implement concrete and integrated anticorruption strategies. These include:

- (1) diagnostics, which would be discussed in greater detail by Mr. Kaufmann of the World Bank later in this session;
- (2) work with the private sector, which would be discussed further by Ms. Cattai of the International Chamber of Commerce later in this session;
- (3) results-oriented policy dialogue and technical assistance;
- (4) work with international financial institutions;
- (5) mutual evaluation and national implementation; and
- (6) work with non-governmental organizations.

It is essential that governments, the private sector and non-governmental organizations join together to assure that popular confidence in democratic reform and economic liberalization is not undermined by corruption.

Maria Livanos Cattai
Secretary General
International Chamber of Commerce

Ms. Cattai appreciated the opportunity to offer to the Global Forum the views, experience and hopes of the international business community. Business did not see itself as having purely a role of seeing who does well, and who not. Rather, the private sector would like to accompany the efforts of public officials. Businesses wished to define and implement the very best practices, as part of a partnership effort with governments against corruption.

The International Chamber of Commerce was the authoritative representative body to speak for the private sector, including 8000 companies and associations of companies in 137 countries. Their goal was to promote an open, rules-based international trade and investment system, based on sound business practices, business self-regulation and operation of the market economy worldwide. Some would be familiar with the ICC's International Court of Arbitration, the leading institution of its kind.

The ICC had first addressed the issue of corruption some 25 years before, forming its first committee on extortion and bribery headed by Lord Shawcross. Thus, it had taken a quarter century to reach the situation that pertained today. The economic implications of the problem of corruption were fundamental to the daily struggle of countries in competition for foreign direct investment. Countries today had a choice: they could choose to be part of the international trading system, or they could choose not to be. The OECD Convention and other international instruments were beginning to reverse the general acceptance of a culture of corruption, and increasingly business now has the legal basis to refuse to participate in corruption.

For this reason, business strongly supported an effective monitoring program for the OECD Convention. Unless the Convention were implemented and enforced consistently and effectively by all signatories, countries would be reluctant to impose any stronger regulation on their own firms than other countries might impose on competitors. Business wished to avoid ratcheting down to a lowest common denominator. The OECD Convention was not an end, but only a beginning of a process, with the hard work still being done.

It was clear to all in the business world that investment flows to countries that have a smooth and efficient financial and trading system. Corruption, however, distorts the efficiency of markets. Procedural barriers in the form of excessive government regulation not only increased the cost and diminished the attractiveness of markets for business. Excessive documentation or licensing requirements, border delays, inefficiencies in payment procedures, lack of transparency in government activities, all were compounded by, as they created conditions that promote, corruption. Countries where these barriers flourish could not participate effectively in the global economy.

Among the worst problems was that of the pervasive, sometimes petty, and often invisible corruption that affected the entire business environment. Many tried to blame such conditions on bureaucrats. The ICC, however, would prefer to consider bureaucrats a part of the solution, rather than as the problem. A country has no greater asset than the professional, disinterested services of an efficient bureaucracy, and business placed a premium on operating in environments where this was the case. She noted in particular the significance of customs for business. In the past half century, international trade had increased fifteen-fold. To deal with the growing volume of time-sensitive trade, what was needed was "just in time" customs service. This in turn demanded substantial new investment in equipment and personnel. The long-term benefits of these sorts of improvements would also operate to decrease the possibilities of corruption in the customs systems.

As long ago as 1975, ICC had introduced its first corporate ethics program, when this was an issue scarcely anywhere. It created its committee on

extortion and bribery, headed by Lord Shawcross, which in 1977 issued its first report with rules for enterprises to follow. Operating in the international environment exposed companies to many problems and issues which they did not encounter domestically. The demand for corruption took many forms, and it was sometimes difficult to be able to identify or even recognize a demand for a bribe. Firms required the assistance of clear rules, consistently applied, to navigate in such potentially confusing conditions.

Royal Dutch Shell, as one example, had what was widely regarded as one of the most effective corporate ethics programs in the world. Its Chairman said that he observed one simple rule: would the firm like to read about any given payment or act associated with its name in the next morning's world press. General Electric, which operated in dozens of countries, had internal ethics programs that included use of CD-ROM's, videos and individual employee training, recognizing that this issue is not a straightforward one.

The ICC, to assist its companies, would in April publish a new manual on fighting bribery. Firms need to understand how to operate in the new environment established by the OECD Convention. Issues that would be addressed in this publication included the responsibility of enterprises, the role of agents, money laundering, relationship between corporate codes and government reforms, political contributions, among many others.

The case of independent agents or sales representatives, for example, was one of the most significant grey areas. Local agents, because of the circumstances in which they worked, were often most susceptible to the temptation to give bribes to secure business. Even when a firm had codes, they typically addressed issues like agent selection, compensation and the like. The manual would include step-by-step guidance to a firm to protect itself from abuses. It would offer specific warning flags, as for example: did an agent reside in the country? When payments are made for services, where and how are they directed? Did the agent have any connections to officials, and if so, to whom? Did national officials suggest that a particular agent should be employed in a given transaction? Were requests made for increase in payment for a transaction? These are the sorts of things a business, in cooperation with government, must sort out. Activities relating to corruption were not always obvious. The ICC hoped to assist its members to detect and prevent such abuses.

Business leaders around the world would like to see an end to corruption. They do not like to pay bribes. However, they will not cease doing so unilaterally, when they believe competitors do bribe. For this reason, business strongly favored wide adoption and implementation of the OECD Convention.

Much of the practical day-to-day work to fight extortion and bribery must be done by enterprises, and business was aware of it. The five recommendations by the ICC to firms to meet this continued to be:

- (1) To develop a manual with a comprehensive code of conduct for corporate practices.
- (2) To clearly assign responsibility for implementation of that code.
- (3) To implement an effective internal compliance program, including training and disciplinary measures for violations.
- (4) To continuously monitor and modify the manual and code if conditions change or original provisions are inadequate.
- (5) To apply sanctions against code violators consistently and without bias.

She suggested that many of the same principles as applied to businesses in these recommendations also applied to countries.

Daniel Kaufmann
Governance, Finance and Regulatory Reform Group
World Bank

The full text of Mr. Kaufmann's presentation, along with graphic materials employed during that presentation, may be found in the Appendix.

Mr. Kaufmann related an anecdote concerning the taxi driver with whom he arrived at the building to illustrate the point that the average citizen feels great skepticism about the topic of fighting corruption. He also observed that despite the fact that Chile appears better in terms of corruption and incidence of bribery than many OECD countries, a Chilean Olympic official was one of those named in the recent Olympic corruption scandal. This was a reminder that no country is without corruption, and there is no room for complacency.

He invited participants to consider the consequences of corruption in a country in which there is institutional corrosion of the judiciary and security apparatus. Before the judiciary and security institutions could be considered part of the solution to other forms of corruption, it must be acknowledged that they are also part of the problem. Enforcement issues were important in dealing with corruption, but enforcement comes at a late stage in a corrupt transaction. It was necessary to seek means earlier to ensure that large numbers of people, citizens and officials, were not breaking the law. Prevention and education therefore were at least as important as enforcement, and should complement it.

Second, working to improve judicial and security institutions is predicated on the assumptions of a transparent, open and effective political process, and an

effective and functional public sector management system as a whole. Where these assumptions do not hold, a narrow focus on security and the judiciary will not work. One must address the need for institutional economic and political reform. The World Bank did not engage in political reform processes, but is involved in institutional economic reform and had a number of programs to assist in such efforts.

Third, prioritization and sequencing were important considerations. It was relatively easy now to set up a powerful and complex graphic presentation of the corruption problem, which would then present a formidable array of daunting tasks that need to be done in the immediate future. This is not implementable, and in the end, because of political and institutional constraints, nothing happens. It is important to suggest the four or five key priorities in each country, and to realize that these differ from one country to another.

Based on the World Bank's experience, he suggested three aspects of a process that could lead to positive results in an emerging economy.

The first was inclusion, the need to build coalitions involving civil society and the private sector, to combine to provide political will with at least a few champions within government who wanted reform to happen. The Colombian National Police had succeeded in far-reaching reform by combining internal reforms with creating monitoring boards and other means to engage civil society.

Second, empirics was not just a managed research but was a powerful proactive tool for awareness and real action.

Third, there was a need to consider innovative institutional responses to complement conventional responses, as for example employing alternative dispute resolution to promote the rule of law in situations where the official rule of law institutions had become dysfunctional.

He described an example in one Latin American country in which a governor engaged in a reform process became nervous about a major procurement contract for computers. The governor brought in experts and held a public audience to establish the rules for the procurement. After this, the rules were completely redrafted, substantially reducing costs. This illustrated a combination of the power of data, civil society involvement and innovative institutional approaches.

Turning to the new diagnostics utilized within countries, he emphasized that this was only one approach and one input within a broader set of instruments and goals. It should not be used in isolation; this would not work. Second, the approach must be done in partnerships. The World Bank could provide methodological approaches, questionnaires and technical assistance, but

ultimately partner institutions in the countries involved must implement the process. Countries must ask.

The new diagnostic empirical tools begun with analysis of the worldwide data base to offer comparisons of a country within its region and with other regions, to provide preliminary identification of problem areas to guide the diagnostics. In-depth diagnostics take place in conjunction with extensive field work. Data are presented at a major workshop involving hundreds from civil society, government, non-governmental organizations and all interested groups. Working groups prepare draft action programs for each area of reform. By the end of the workshop, as had taken place in Bolivia, an announcement should be made by government leadership of the types of action programs that will be implemented.

These diagnostics seek to measure the type, extent and cause of corruption, misappropriation and diversion of public assets and resources. Surveys in a number of Eastern European countries had determined, for example, that the poor bear a disproportionate cost of corruption in terms of public service delivery, paying more as a proportion of income than those better off. The same holds true for businesses. In some countries, evaluation of the tax equivalent cost of corruption demonstrated that corrupt payments in some enterprises paid 15-20 percent of total revenue. Documentation of such facts persuaded the public, business and government of substantial incentives to reduce or eliminate corruption.

Three types of surveys are done, one for households and citizens, a second for businesses and a third for public officials. This is complemented by data from sources such as analysis of customs receipts or procurement prices, and by focus group discussions to determine the basis of problems identified by the empirical diagnostics.

Questionnaires no longer asked opinions and general questions, but rather consisted of questions that were exponential in nature, for example inquiring about actual experience, formulated in a manner that avoided any self-incrimination. The Bank had had good experience with the capability of local partners to absorb these techniques and to continue them without further external assistance. The goal in all cases is to understand the factors that constitute incentives or disincentives to corrupt behavior, as the basis to suggest the most appropriate basis for reform.

In closing, he summarized the salient points of his presentation. First, what is important is coalition of civil society, the private sector and government. Second, rigorous empirics were a powerful means to empower such coalitions. Third, it is crucial to focus on prevention. Fourth, institutional innovations are highly important. And fifth, diagnostic tools were one of a number of inputs. Corruption is a symptom, an important and damaging one, but still a symptom of

an underlying systemic weakness of the state. Many anticorruption campaigns had locked some people up but accomplished nothing more permanent. It was important to concentrate also on serious institutional reforms.

It was essential to have realistic expectations. Even with the utmost political will, progress against corruption would only be possible over timeframes of five or ten years, or longer. It was necessary to find political will to sustain reforms, to work continuously and to involve civil society, which could be enormously powerful in helping to address the problem of corruption.

Irene Hors OECD Development Center

Beginning the comment period, the Moderator recognized Irene Hors of the OECD Development Center, to offer a summary of the related meeting on private sector action against corruption held in Washington earlier that week.

Ms. Hors said she spoke on behalf of the Director of the OECD Development Center, Mr. Bonvant, who regretted not being able to attend. She would offer a summary of the findings of a conference on the role of the private sector in fighting corruption in developing countries and emerging economies, which had been held in Washington February 22-23, immediately before this Global Form. The OECD Development Center was particularly suited to host such a conference, serving as it did as the bridge between the OECD countries and the developing world.

At that conference, over 250 leaders from the private and public sector in over 50 countries had participated. They had concluded that fighting corruption was a probusiness agenda. It is in the interest of the private sector as a whole to operate in an environment of workable free competition in the framework of the rule of law. Second, fighting corruption cannot rely only on government and civil society alone to be successful. The private sector must be actively involved.

What should multinationals and local firms do to advance efforts against corruption. Multinationals should take steps such as strengthening compliance with international treaties, conventions and agreements; establish codes of ethics, conduct ethics training programs; establish and implement ethics programs; and identify and cultivate pockets of integrity to promote ethical behavior in dealings with local governments. Local enterprises should establish partnerships with their governments and civil society to fight corruption, and should establish and implement their own ethics programs.

Their conference had discussed four examples of success in this regard. In Africa, the West Africa Enterprise Network, including some 300 enterprises, had established an observatory of abnormal practices to help serve as a

watchdog for local governments to strengthen the rule of law. In Malaysia, an important share of imports and exports had previously passed through the port of Singapore to avoid bribery among customs officials. Business firms had approached the authorities and proposed to commit themselves to greater use of Malaysian ports, if customs procedures could be reformed to eliminate bribery. This reform had been done, and firms were making use now of Malaysian ports. An American company had developed ethics resource materials that were being used in implementation of ethics programs in the United Arab Emirates, South Africa and Colombia. In Morocco, the Ethics Committee of the General Confederation of Moroccan Business had adopted a Charter of Ethics, and had begun negotiations with the government to reform the judicial system. In all these and other cases, there was impressive enthusiasm in anticorruption efforts at this time, which it was important to sustain.

The conference had concluded that business associations should continue bottom-up efforts to promote anticorruption agendas; that the private sector should play an active role in monitoring compliance and implementation of the OECD Convention; and that it would be desirable to have similar conferences in various specific regions. The OECD would be reflecting the results of this conference in a publication which should be available shortly.

Luis Alfonso Davila
President of Congress
Venezuela

Senator Davila expressed regret that President Chavez of Venezuela, who had planned to attend this conference, had been unable to do so.

To solve the problem of corruption, it was necessary to include consideration of two sets of wills, the will of the country suffering from the problem of corruption, and that of other countries surrounding it.

Venezuela had been suffering from the endemic ill of corruption for over forty years. The activities of those who directed the country during that time seemed to have been guided by the idea that in Venezuela, there was no reason not to steal. This had been said for a very long time, in an epigram difficult to translate into English that implied that while one was stealing, others were doing so as well. Over 20 years, more than \$300-billion in oil revenue had been received by Venezuela, but its 20 million people remained over 86% impoverished, a level that was a critical national emergency. The scourge of corruption had led to the virtual collapse of state institutions; there was no credibility left today among the people in the judiciary or other institutions of government.

This had now begun to change, in what former United States President Jimmy Carter, as he witnessed the elections that led to it last December, had called the greatest peaceful democratic revolution in the country's history. For the first time, the country had initiated processes that it was believed could do away with the problem of corruption, and efforts were in process to convene a constitutional assembly to codify a new system of justice that would make it possible to imprison those involved in corruption. Venezuela was seeking to move back toward the goal of participatory and responsible democracy. To attain it, she needed the help of all countries of the world.

This led to the other will necessary for success, that of the suffering country's neighbors. The existence of this will was reflected in this extraordinary meeting, in which so many countries had gathered to understand and try to solve a problem common to them all. When it began, corruption corrupts quickly. He hoped that this meeting would end with commitments that would allow the participants to attack corruption head on.

Robert S. McNamara Global Coalition for Africa

Noting that he had participated the previous day in an important meeting to advance an anticorruption initiative by 11 African countries and the Global Coalition for Africa, the Moderator called on Mr. McNamara to offer comments on that initiative and the subject of the meeting.

Mr. McNamara commented that he was not certain he should be speaking, as at 83 years of age he was not widely in touch with current affairs. However, he had been involved with development matters for over 30 years. During that time, this was only the third occasion on which he had seen developed and developing countries come together and admit that corruption was a problem that they all had in common. He felt this recognition of the problem and the need to address it could be tremendously important.

Nevertheless, it was vital to move beyond generalities and reach to specific actions that countries could take against corruption. Mr. Kaufmann of the World Bank had offered a range of very specific propositions, and the World Bank and other development agencies had identified pragmatic approaches to act against a problem that all now recognized existed, but often did not know how to affect. He was departing the following Sunday to visit Mozambique to offer such advice and encouragement as he could to the head of state there. He strongly urged participants, when they returned to their countries, to call on their heads of state to become personally and directly engaged against corruption, as only with this sort of strong political will from the top could such an effort succeed.

The previous day, 11 African countries had adopted a new declaration of specific anticorruption principles which they had committed themselves to incorporate in their national programs to attack corruption. This was an important and positive development; he would not have dared five years ago to suggest that such a thing would have been possible. Seven of those countries had already started national programs to implement these anticorruption principles, and the other four were to do so shortly. He strongly urged all countries participating in this meeting to take advantage of the opportunity offered by the current international attention to this issue to develop and begin to implement serious comprehensive national anticorruption programs.

N. Vittal
Central Vigilance Commissioner
India

Mr. Vittal said he fully agreed with Mr. McNamara's recommendation that participants should address issues of corruption as specifically as possible. He wished to offer some comments on what India is doing now against corruption.

The Central Vigilance Commission of the Indian Government was established 34 years ago, as an advisory body. About five and a half months ago, on September 3, 1998, an ordinance had converted it into a statutory body. Selection of its Commissioner, as appropriate in a democracy, required the agreement of the Prime Minister, the Home Minister and the leader of the parliamentary opposition. In conducting its inquiries into matters involving corruption, it was responsible to provide supervision for the Central Bureau of Investigation.

A second important element in the prevention of corruption was the fact that many departments or agencies of government had been encouraged to define and publish charters or codes so that citizens would know their rights in dealing with the government. This promoted greater transparency in the operations of government, serving as a useful check on corruption.

Third, India developed strong institutions for the supervision and protection of public servants. The Public Service Commission was a politically independent body which could protect civil servants from political attack.

The speaker agreed with Vice President Gore's observation that morning that many of the most important steps a government must take to fight corruption were the same steps that it needed to take to re-invent to enhance its efficiency. There were similar relationships in other areas. For example, steps to fight corruption were also similar to those that one encountered in the World Trade Organization to enhance global trade. Many of the steps necessary to fight

corruption were also identical to those necessary to combat terrorism, and terrorists often employed corruption to attain their ends.

Stuart E. Eizenstat, Moderator

The Moderator expressed appreciation to those who had contributed to discussion. He suggested that this discussion indicated a number of specific measures or actions that were indicated to follow up, and invited participants to return to their countries and identify the specific steps they would take and inform the United States and others of them. He noted that a new situation existed. At this meeting, developed countries were not pointing fingers and developing countries. Bribes, to a very substantial degree, come from the developed countries. While the OECD Convention was a major step, the developed countries also faced their own domestic problems with bribery. The problem of official corruption was one that all countries faced, and that all must share in solving.

5. Ethics in the Public Sector

2. Adopt public management measures that affirmatively promote and uphold the integrity of justice and security officials.
3. Establish ethical and administrative codes of conduct that proscribe conflicts of interest, ensure the proper use of public resources, and promote the highest levels of professionalism and integrity.

Stephen D. Potts, Moderator
Director
Office of Government Ethics
United States

The text of Mr. Potts' remarks, as prepared for delivery, may be found in the Appendix. The following is a summary of those remarks.

This conference addresses a critical sector of government. Justice and Security officials have an absolutely essential role in achieving good governance. Fighting corruption within their ranks will bring significant progress in combating all forms of public corruption.

The scope and pace of change in anticorruption efforts over the past decade has been extraordinary. Within the past five years, the OECD has concluded the Convention on Combating Bribery in International Business Transactions, the United Nations has adopted an International Code of Conduct for Public Officials, the World Bank has announced its policy for dealing with corruption and the International Monetary Fund has issued guidelines on governance issues. One other important treaty that deserves mention is the Inter-American Convention Against Corruption, The Convention, recently concluded by the Organization of American States, identifies acts of corruption and creates binding international obligations to act against it. Particularly noteworthy is the fact that it calls for the implementation of specific, practical preventive measures, such as codes of conduct, financial disclosure systems, and ethics education and procurement integrity.

The OECD has also issued a statement of principles for ethical conduct in the public service, which like the OAS Convention, endorses a number of preventive measures, including clear standards of conduct, transparency in decision making, and protection for public employees who expose wrongdoing. The United States Department of State has just published a comprehensive International Strategy Against Corruption (which may be found in the Appendix.) The Office of Government Ethics was pleased to have provided technical assistance in the drafting of many of these instruments.

Preventive measures are an essential component of any comprehensive approach to dealing with corruption. Investigation and prosecution of misconduct is important, but without effective preventive measures to ensure that the majority of public officials and employees maintain high standards of conduct, the investigative and prosecutorial systems could be overwhelmed.

Prevention is the core mission of the Office of Government Ethics (OGE). Established in 1978, OGE is charged with providing overall direction in setting ethics policies to prevent conflicts of interest on the part of United States Executive branch employees. OGE is an independent agency within the Executive branch; the President appoints its Director for a fixed five-year term. The Executive branch ethics program is a decentralized one; each agency is responsible for the day-to-day management of its own ethics program, subject to the policy guidance from OGE. We set policy and provide leadership by:

- Issuing a comprehensive code of conduct;
- Overseeing financial disclosure systems;
- Establishing ethics training requirements;
- Providing ethics advice and counseling;
- Conducting regular reviews of agency ethics programs.

These preventive measures are intended to ensure that the vast majority of Executive branch employees observe high standards of conduct. They are also intended to provide assurance to the public that government employees are meeting these standards, and thereby maintain public confidence in government.

2.10 Systems for promoting the understanding and application of ethical values and the standards of conduct required.

Miria R.K. Matembe
Minister for Ethics and Integrity
Uganda

The full text of Ms. Matembe's prepared paper "The Ugandan Experience" may be found in the Appendix. The following is a summary of her remarks.

There is a clear consensus that corruption is an evil that all must fight against. Corruption exists in all participating countries, without exception. It is incumbent on all participants to fight corruption no matter where it arises, or how.

Ethics is primarily concerned with trying to define what is good for the individual, and for society, as well as the nature of the obligations or duties of an individual toward society and toward himself. Public ethics addresses issues of

right or wrong behavior on the part of public officials. Ethical standards in the public service call for discipline, education, integrity, impartiality, accountability, financial credibility and similar characteristics.

To understand issues relating to ethical conduct in Uganda, it was necessary to appreciate the background against which they exist. Fifteen years ago, the current government came into power, succeeding the notorious administration of Idi Amin and inheriting a shattered economy and a country virtually without infrastructure. When this government took power, a general attitude prevailed that everyone should get as much as they could as quickly as possible, because soon one would be dead, or it would be taken from one if they lived. All had adopted strategies of survival.

Since that time, the National Resistance Movement has assumed power and has initiated a ten-point program to restore the rule of law and enable Uganda to reclaim its place in the international community. Now, it is necessary to face the problems of corruption, embezzlement and bribery. As before, in the case of AIDS, when confronted by a problem, the government of Uganda acknowledged the problem and spoke out. As a result, the political will to confront the problem of corruption is at its highest level yet. It is unusual in African countries for officials of high or ministerial rank to face the consequences of corruption. However, in Uganda ministers have been compelled to resign, and corruption issues are a permanent element of parliamentary oversight of government.

In attempting to completely rebuild the institutional infrastructure of the country, it is also vital to begin rebuilding the moral fiber of the country at the same time. It is necessary to face the root of corruption caused by the deterioration of those ethical systems that had once existed and the resulting decline of public morality.

The Department of Ethics and Integrity was established only four months ago. Its role is to develop and promote a comprehensive integrity system in the

2.1 An impartial and specialized institution of government to administer ethical codes of conduct.

government, to minimize opportunities for corruption, make corruption risky and to

promote integrity among public officials. The Department's specific functions include:

- Formulating policy, strategies and frameworks to fight corruption;
- Ensuring enforcement and implementation of recommendations by the Public Accounts Committee of the Parliament (Uganda had a very active Parliament and a press that was free if not always too responsible);
- Promoting integrity in all anticorruption laws and policies;
- Advising on short-, medium-, and long-term interventions;

- Conducting public awareness campaigns;
- Introducing courses on ethics and integrity in school curricula and other media of public education;
- Promoting collaboration with civil society, the media, religious and cultural institutions and non-governmental organization;

The Department has developed specific action plans, and its activities and plans were described in greater detail in the paper that was distributed to participants. We have experimented with innovative techniques, such as the use of dance or drama presentations to reach audiences that included many who were illiterate. The Ethics Department must also work to challenge leaders to maintain their integrity and incorruptibility as they carried out their duties. If the leaders themselves did not embody values, how could others be expected to adhere to them? Success was only possible if there were leaders of integrity who were not corrupt. So, ask yourself as you sit here today and discuss these matters, are you really clean? Are you free of corruption?

2.9 Positive leadership which actively practices and promotes the highest standards of integrity and demonstrates a commitment to prevent and detect corruption, dishonesty and unethical behavior.

Talking about a problem, however, is the first step to solving it. Uganda would be pleased to send its action plans to the United States Government, as my country needs all the assistance it can secure. With the support of governments and peoples, it would be possible to make a difference against corruption. But the ultimate impact of this effort must be inside the hearts of participants. As long as officials remain greedy for power and wealth, this conference is wasting its time.

Prof. Dr. Luis Nicolas Ferreira
Director
National Office of Public Ethics
Argentina

The full text of Dr. Ferreira's paper, "Etica en el Sector Publico" (in Spanish), may be found in the Appendix, along with accompanying papers "Codigo de Etica de la Funcion Publica" and "Legislacion Argentina en Materia de Etica y Control", and copies (in Spanish and English) of the graphics which accompanied his presentation on "Ethics in the Public Sector". The following is a summary of Dr. Ferreira's remarks.

The subject of corruption has become a central one in practically every country in the world. The World Bank's Institute of Economic Development specifies that: "The highest aspiration of a state should be to achieve an effective system where corruption is a maximum risk with a minimum benefit."

The Inter-American Convention Against Corruption, signed in Venezuela in 1996, recommends the creation of state institutions to implement mechanisms to prevent, detect, punish and eradicate corrupt practices in public administration. On the basis of this recommendation and the experience of other countries, Argentina created the National Office of Public Ethics. This office, established nearly a year ago, has prepared the Code of Ethics for Public Service that is now being implemented.

A code of ethics is a set of legal rules governing the conduct and relationships of a defined group with comparable professional, cultural, social or other status. The public servant participates in complex relationships with his superiors, peers and subordinates, with the property or interests of the state entrusted to him, and with the fellow citizens that he must serve. For this reason, the code, together with the regime of laws applicable to public servants, must establish clear and uniform standards for conduct as well as specify prohibited acts and the sanctions for such acts. A code of ethics is a critical instrument for preventing corruption, and for promoting transparency in public service.

3.1 Prohibitions or restrictions governing officials participating in official matters in which they have a substantial direct or indirect financial interest.

To be successful, a code of ethics must be realistic. It must prescribe standards of conduct that are accepted and shared by those in the institution. These principles depend on consensus acceptance, and are complemented by ethical training and awareness programs for public officials. Certain problems are encountered in the effective implementation of a code, not the least of which are bureaucratic and institutional resistance to new systems and regulations; and public officials viewing regulated standards of conduct as an affront to their individual ethical and moral upbringing. More critically, a code of ethics that requires the public declaration of one's personal financial situation may be resisted by officials who know their actions cannot withstand transparency and exposure.

Certain solutions, however, may allow for the effective implementation of a code of ethics, depending on individual national situations. Some of these solutions might include establishing programs for systematic education, training and assistance to public servants; wide public dissemination of the code among public officials; clear sanctions for violating the code; and, securing political support that can set an example to all public servants of the importance of the code.

2.2 Training and counseling of officials to ensure proper understanding of their responsibilities and the ethical rules governing their activities as well as their own professionalism and competence.

Codes of ethics for public service can be valuable instruments for fighting corruption, particularly when combined with such preventive measures as: reform

of procurement policy; control of customs and security forces; creation of authoritative and independent agencies for internal and external controls; judicial reform; participation of civil society; etc.

The primary benefit of a code of conduct is to consolidate in one body of regulations the standards that direct and regulate the conduct of all public servants. A code has the effect of promoting the transparency of government processes by providing the public with standards to evaluate the conduct of public officials. The presence of a body of standards of behavior encourage public officials to act honestly and efficiently in the conduct of their official duties, which has in turn strengthen society's confidence in their public servants and institutions

Ten years ago, the Republic of Argentina began structural reforms to promote greater efficiency in public functions and end structural corruption. In all of its reform measures, Argentina adhered to the terms of the Inter-American Convention Against Corruption, which was ratified by the Argentine Congress in December 1996 and entered into force on November 7, 1997.

Argentina's Code of Ethics for Public Service and its National Office of Public Ethics respond directly to the provisions of this Convention. The National Office of Public Ethics has three basic functions:

- Operational: to assure the effective implementation of the Code of Ethics developed by the Office;
- Preventive: by programs of advice and assistance to officials; and
- Educational: by programs of training and education for officials.

The success of democratic governance depends on the ability of governments to minimize corruption and misconduct by public officials. In the era of globalization, any crisis in one country quickly has repercussions in others. Corruption is one of the most frequent causes of such crisis, and therefore it represents a threat to the development and growth of democratic institutions around the world. There is no single formula that can be applied to all countries to nurture democracy. However, the people cannot participate in the welfare and development of the rest of the world unless we, their leaders, are competent, honest, just and ethical. This can be accomplished through measures that deregulate, decentralize and de-bureaucratize the economy, while promoting government accountability and responsibility. It is impossible to succeed only by punishing transgressors. It is more effective to eliminate opportunities that cause wrongdoing to occur.

Zhao Hong-zhu
Vice Minister of Supervision
People's Republic of China

The text of Mr. Zhao's paper "Build Up a Clean and Efficient Government to Guarantee Sustained Development of Economy" may be found in the Appendix. The following is a summary of those remarks.

China is a developing country with a large population and a weak economic structure. Economic development is the most important task. To provide for sustained development of the national economy, there must be a stable social and political environment. Fighting corruption is one of the preconditions for maintaining stability.

Over the past 20 years, China has been committed to carrying out anticorruption reforms. Starting in 1993, these efforts have targeted the economic system. Any acts of corruption must be punished severely in accordance with the law. Corruption must be prevented by education and establishing codes of conduct, rules and regulations for behavior of officials. Economic reforms are important as well in removing opportunities for corruption.

Since 1993, Chinese efforts have centered on three principal areas.

First, encouraging the leadership to lead by example, and establishing codes of conduct to build the integrity and self-discipline of officials. Standards of conduct prescribe certain types of conduct that are prohibited, such as engaging in business or activity on the stock exchange. Chinese officials are required to examine their own conduct in the light of these regulations. Other regulations address the prohibition of extravagance and waste, specifying for example that construction of government buildings must be strictly controlled and luxurious living at public expense was prohibited. The people are asked to monitor the conduct of government officials, and any breaches of these standards are strictly punished.

Cases of corruption and corrupt officials are seriously investigated. Such investigations have addressed graft, bribery, embezzlement, and also corruption

6.5 The development of appropriate information gathering mechanisms to prevent, detect and deter official corruption and dishonesty.

in the financial sector, the stock market and construction. Investigations have addressed a serious problem of smuggling and foreign exchange

speculation and fraud. Investigations proceed from the principle that every individual is equal before the law. Any individual breaking the law or breaching regulations and discipline is dealt with according to the law, regardless of how high his or her rank might be. The Ministry has established systems to protect

whistleblowers, and eighty percent of corruption cases have been initiated in response to reports from such whistleblowers on improper conduct on the part of government officials.

Third, it was necessary to correct misconduct or misbehavior in public administration. China was in transition from a socialist planned economic system to a socialist market economic system. This transitional process occasionally created opportunities for officials to act for their own benefit rather than in the best interests of the country, in such areas as traffic control, forestry, imposing improper fees. Such misconduct was a source of great dissatisfaction by the public, and authorities had to act to identify and correct them.

Promoting government integrity and fighting corruption depended on development of the rule of law. China is accordingly seeking to develop an adequate legal system, with laws and regulations to establish standards for officials. In 1997, the criminal code was revised to add articles making it a crime for a state employee to take a bribe. From last year, leading officials have been held responsible for integrity in their institutions, and they may be disciplined or removed from their posts if major corruption occurs under their responsibility. Officials are required to disclose their income and assets, and in 1998 an accountability system was created for public officials.

4.3 Laws affirming that all justice and security officials have a duty to provide honest services to the public and criminalizing or sanctioning breaches of that duty.

The prevention of corruption depends on implementation of economic reforms to create a government in which the breeding grounds for corruption have been removed. In 1998, China carried out a substantial reduction in the size of its government, reducing the number of departments and the size of the staff in the central government in a reinventing process. In March 1998, the Ministry of Supervision worked with the Ministry of Construction to correct abuses in the construction sector by establishing a system in which construction projects were open to public bidding.

China has also made efforts to strengthen democratic accountability over public affairs. Village and enterprise committees have access to public business, and activities of the government are regularly reported to the people. China attaches great importance also to the ethical education of public servants and the people, and is therefore implementing a five-year ethics education plan to accomplish this goal.

Under China's constitution, the State Council is responsible to lead in the supervision of government activities. Within the State Council, the Ministry of Supervision was responsible for administrative control to improve public administration and promote the integrity of government and lead officials to act as they are supposed to. The Ministry supervises all departments under the

State Council and their personnel, the heads of provincial, city and local level governments. These supervisory institutions function independently in accordance with the law, and are not subject to outside interference. They may inspect and investigate, and recommend or take disciplinary action against officials, including providing an administrative warning, demotion, and dismissal from either office or from the public service.

The Ministry of Supervision is committed to promoting stability and pursuing the struggle against corruption, and is prepared, on the basis of mutual respect, mutual benefit and equal status, to conduct exchanges and cooperation with comparable institutions of other governments in the common effort to promote clean and honest government.

Prof. Enrico Zanelli
University of Genoa
Italy

The text of an outline and list of issues for discussion provided by Prof. Zanelli may be found in the Appendix. The following is a summary of Prof. Zanelli's remarks.

Like the Founding Fathers of the United States, I am engaged in an errand into the wilderness, in this instance a mission against corruption. Speaking as a professor of law and a corporate lawyer, I suggest a need to move back to basics in the legal system to achieve ethics in the public sector. I will address the issue of corruption in the broader perspective of a relationship between economic leverage, political power, conflicts of interest, and undue influence trickling down from government and political leaders to justice and security officials. The system of public ethics in the United States is superior to any other known model. While obviously not perfect, it is worthy of emulation, provided it is realized that this holds true in the context of the particular civic tradition and constitutional culture present in the United States, which is not always present in all countries.

A year before, at a conference in Bucharest on morality in government, the President of Romania correctly noted that both Nicolo Machiavelli and Giovanni Sartori of Colombia University correlate the amount of corruption in any state at any given time with the foundation or basic conditions and the power of the prince, or the mechanics on which modern governments were based. In recent years, there has been a movement toward seeking to control corruption by creating institutional machinery. There has been a rise of relativistic morals, in which people feel more the masters of their own actions and have fewer restraints on their individual choices than has been the case in the past. Perhaps, as the Vice President has suggested, it is possible to bring individuals back to their moral senses. On the other hand, it is preferable not to see ethics

in government solely as an issue of individual morality. Other factors also enter importantly into this matter.

In the modern world, money represents not only gold, or the production of goods and services, but also the production of information. Economics is the key factor to fighting corruption, and the issue is how to make economics and institutional arrangements work together. Cost and benefit analysis is one approach. Neither economics nor politics by itself is sufficient as a basis to assure public ethics. There is also a need for effective rules, and most countries did not have any of those that Roman, or perhaps Islamic law provide.

The United States Ethics in Government Act of 1978 represents a model for countries still struggling to define laws and judicial procedures necessary to address the complex issues of corruption among public officials. In Italy, only a few years ago, long established interests had not needed to exchange money for

3.2 Prohibitions or restrictions on officials participating in official matters in which persons or entities with whom they are negotiating for employment have a financial interest.

favorable executive or legislative action, since the outside interests and government decisions makers had become one and the same group.] The public official had become able to carry private

economic interest into public office, where he could behave to his own private personal or group benefit. This situation arose because Italy lacked any meaningful law on conflict of interest; such a law had been prepared, but it had never proven possible to gain its approval. A country could find its entire system jeopardized unless it could develop an adequate regime of rules including conflict of interests, anti-trust laws and other rules necessary to insulate the exercise of official power or authority from the influence of individual interests. Every citizen had the right to gain and hold property, and to enjoy the benefits of it, but money gave no one the right, much less the responsibility of becoming president.

I would close by reemphasizing the importance of constitutional tradition and civic culture. For years the United States has been the paragon of both of these features and it is no coincidence that the United States has also set the leading example of how to create and enforce the standards to which political leaders must be held accountable. This achievement is best summarized by paraphrasing an observation by a former president of Germany who said that while by politics it is not possible to put new life into culture, with culture it might perhaps in some instances be possible to put new life into politics.

Elaine Kaplan
Special Counsel
Office of Special Counsel
United States

The text of Ms. Kaplan's remarks, as prepared for delivery, may be found in the Appendix. The following is a summary of those remarks.

I would like to address the concept of whistleblower protection and the role it plays in the fight against governmental corruption. Without effective protection for whistleblowers, any anticorruption effort will fail, because it denies those fighting corruption the most valuable stock of information about its existence, public employees.

Whistleblower protection laws are designed to foster an environment in which public employees feel free to publicly disclose misconduct that they discover during the course of their employment. The theory is that because of their work, public employees are uniquely placed to bring attention to official corruption, and are valuable instruments of good government. At the same time, however, unlike private citizens, public employees are uniquely vulnerable to retaliation by the officials whose corruption they disclose.

In the United States, public employees who risk their livelihoods to bring misconduct to light are called "whistleblowers". The word itself is of relatively recent origin, and seems to have come into use in the 1960s or early 1970s, and suggested a person who, like a police officer or soccer referee, makes a loud noise to bring attention to a violation of laws or rules. In some cultures, there is a negative view of blowing the whistle - whistleblowers were considered to be informers, who are generally feared and despised. However, informers differ from whistleblowers. Whistleblowers generally are anti-authoritarian, and act in the public interest, often against their own self-interest.

The United States Office of Special Counsel was established about twenty years ago. One of its primary purposes is the protection of whistleblowers. It was

8.3 Provisions to support and protect whistleblowers and aggrieved private parties.

established in the wake of well-publicized allegations of retaliation by some Federal agencies against

employees who disclosed wasteful spending and contract abuses, particularly in the defense agencies. It was felt that public employees needed legal protection and an advocate to enforce those protections.

The Office of Special Counsel receives complaints of retaliation, investigates them, and in appropriate cases, pursues legal remedies. These may include corrective action for an injured employee, for example, back pay. It may also include discipline of agency officials that engage in retaliation. An

independent agency, the Merit Systems Protection Board, resolves complaints that the Office of Special Counsel brings against other Federal agencies, with some opportunity for review in Federal courts.

The Office of Special Counsel also is a channel for employees to anonymously disclose official misconduct. Each Federal agency has an Office of Inspector General that is devoted to such disclosures, but the Office of Special Counsel has government-wide jurisdiction to receive disclosures from any agency and forward them to the head of the agency for investigation and a public report.

The Office of Special Counsel is independent of the Executive Branch. Its head is appointed by the President, with the approval of the United States Senate, but does not serve at the pleasure of the President. The Special Counsel has a fixed term of five years, and can be removed only for misconduct or malfeasance. The staff of the Office is composed largely of career Federal employees with civil service protections that prevent them from being subject to political control. The reasons for this special status is to ensure that the Office will not be subject to political influence or pressure in the conduct of its investigations or in prosecution decisions. It must be able to advocate on behalf of the lowest level employee against officials at the highest levels, including members of the Cabinet.

The laws that the Office of Special Counsel enforces cover the majority of Federal employees, including those in law enforcement administration and Federal police officers. Its jurisdiction does not extend to certain agencies whose work is exclusively related to national security, nor the Federal Bureau of Investigation, which now has its own internal set of protections for whistleblowers. Its jurisdiction extends to applicants for Federal jobs.

The laws it enforces make it illegal to take a "personnel actions" against an employee because the employee has made a protected disclosure. This law is intentionally broad, and is written to make it as easy as possible to prove a relationship between a disclosure and a personnel actions. It is fair to say that the law was written so that all doubts are resolved in favor of protecting an individual who makes a public disclosure. The disclosure may be any information relating to a violation of law, rule or regulation, a gross waste of funds, gross mismanagement, abuse of authority, or a significant and specific danger to public health or safety. A personnel action is almost any employment related decision that has an impact on an employee, including removal, denial or promotions, reassignments or the creation of a hostile work environment.

The Office of Special Counsel employs a staff of professional investigators who have the power to compel witness testimony and the production of documents. Attorneys review investigators' reports to determine whether an illegal personnel action occurred. If so, a letter is sent to the head of the agency

requesting corrective action. If the agency does not comply, the Office may prosecute the case before an administrative judge, whose decision may be reviewed by the Merit Systems Protection Board. The whistleblower may appeal decisions if he or she does not prevail, but the agency generally has no right of appeal. If the Office decides not to pursue a case, an individual may also claim relief as a whistleblower before the Merit Systems Protection Board. The Office may also seek disciplinary action against an agency official who has engaged in retaliation.

Providing legal protection to whistleblowers is a key component of any systematic effort to fight corruption in government. The United States believes that its system of legal protections, independent investigation and review of allegations of retaliation, provide whistleblowers with strong assurance against retaliation, and encourage them to come forward and speak out in the public interest. In the absence of such legal protection, the public would lose the best source of information about official corruption: the government employee with the integrity and courage to reveal it.

6. Legal Frameworks and Enforcement Authorities

4. Establish criminal laws and sanctions effectively prohibiting bribery, misuse of public property, and other improper uses of public office for private gain.
8. Ensure that criminal and civil law provide for sanctions and remedies that are sufficient to effectively and appropriately deter corrupt activity.

Eric H. Holder, Jr., Moderator Deputy Attorney General United States

The full text of Mr. Holder's remarks, as prepared for delivery, may be found in the Appendix.

The serious consequences of judicial and law enforcement corruption are often misunderstood or rationalized. The myth that public corruption is a victimless crime that harms no one is one of the biggest lies in public life today. Corruption has many victims, particularly when it involves courts and law enforcement agencies.

In some major cities in the United States in recent years, judges have been caught fixing criminal cases, and police have been found in the pay of narcotics organizations. As a result, drug dealers and dangerous criminals were released back into society. The communities threatened by these wrongly released criminals are the immediate victims of judicial and law enforcement corruption.

Corruption in a judicial system has other less obvious victims. Ensuring public safety and providing a system of justice are core functions of government. Corruption of those functions touches almost every aspect of political and economic life, and poses a powerful threat to the freedom and prosperity that the courts and police preserve. A public perception that the criminal justice system is corrupt makes the job of law enforcement harder. Witnesses who have lost faith in the system do not come forward, testify or cooperate in investigations. Judges and juries are more reluctant to convict criminals when they do not trust the police and prosecutors who present cases. Loss of public confidence in the institutions of justice can set in motion a downward spiral by deterring honest citizens from pursuing careers in public service.

Corruption in judicial and law enforcement systems also threatens the ability of the global community to respond to the growing threat of international crime, especially from international criminal organizations which often are very adept at using corrupt officials to protect their operations. With the growth of

international drug trafficking, computer crime and terrorism, it is essential that law enforcement agencies share information and work together. A perception that these agencies are corrupt and untrustworthy will prejudice effective law enforcement cooperation on an international level.

There are many way to reduce corruption. A comprehensive strategy should include a wide array of administrative and managerial practices designed to enhance integrity. However, criminal law enforcement must be the cornerstone of any strategy to control public corruption. To rid a public institution of systematic

4.1 Laws criminalizing the giving, offer or promise by any party ("active") and the receipt or solicitation by any official ("passive") of a bribe, and criminalizing or sanctioning hte giving or receiving of an improper grauity or improper gift.

corruption, especially when linked to organized crime, preventive measures are inadequate and it is necessary to use criminal law enforcement.

Public corruption cases are difficult to investigate and prosecute. Experience in the United States is that corruption cases against judges, prosecutors or police are especially difficult and present special challenges. Prosecutors are often reluctant to investigate and prosecute police officers or other prosecutors with whom they regularly associate. Police agencies sometimes cannot be trusted to investigate themselves. Judicial corruption investigations can cause judges to distort decisions in unrelated cases to affect the outcome of the investigations. Aggressive investigative techniques like undercover operations and electronic surveillance are often needed to make a

6.2 Authorizing use under accountable legal supervision of wiretaps or other interception of electronic communication, or recording devices, in investigation of corruption offenses.

provable case, but these techniques can attack the morale of honest judges, prosecutors and police. A code of silence and a culture of noncooperation frequently keeps police from coming forward with information or otherwise cooperating with investigations involving corruption by fellow officers. Decisions not to investigate or prosecute allegations of judicial or law enforcement corruption are often difficult to justify publicly and can be seen as efforts to cover up embarrassing misconduct.

5.2 Measures and systems to ensure that officials report acts of corruption, and to protect the safety, livelihood and professional situation of those who do, including protection of their identities to the extent possible under the law.

The discussion panel would address the extent to which these problems are universal, which are the most serious, and what solutions have proven the most effective in dealing with them.

Sang Cheon Park
Minister of Justice
Korea

The Government of Korea placed particular emphasis on fighting corruption. The unfair and improper enrichment of public officials was a source of great discontent and objection among the people. Besides such political aspects of corruption, the government views the collusion of bureaucrats and

4.4 Laws criminalizing improper use of official power or position, either to the detriment of the government or for personal enrichment.

businesses as one of the most dangerous aspects of this problem. Such corrupt alliances had used credit unfairly, putting loans to corrupt purposes and manipulating

exchange rates for private advantage. It was necessary to develop a free market economy and a democratic society in parallel, and such collusion was inimical to both these goals. President Kim Dae-Jung considered that the Asian financial crisis originated substantially in this collusion between bureaucrats and business. It was said that Asia's economies were controlled by the will of its rulers, rather than by the rule of law.

For this reason, the Ministry of Justice had launched a strong anticorruption initiative immediately upon the Minister's taking office. This had resulted in the prosecution of ministers, vice-minister and other corrupt officials. The Ministry was also promoting a stronger ethics regime.

The fight against corruption in Korea faced certain obstacles. One was the element of courtesy that had always been customary in Asian society.

Traditionally, it had been considered natural to thank or reward someone who

3.4 Prohibitions and limitations on the receipt of gifts or other advantages.

had provided a favor, and this was often considered an Asian virtue. However, such favors endangered the public

service, and it was necessary to make the public aware that such gifts endangered the honest functioning of government.

Second, low pay of public officials was a serious problem. There was a saying in Asia that a sufficiency of food and clothing teaches persons how to behave. When public employees were paid salaries insufficient to live, this was a permanent invitation to corruption. For the time being, in Korea's current economic circumstances, it was necessary to rely on moral suasion. For the long term, adequate public salaries were mandatory.

There was a broad consensus among the Korean public that rejected corruption, considering that it increases economic waste and reduces economic

growth. The Korean government was promoting the development of a charter of business ethics. Korean law provided severe sentences for public bribery, and special laws providing aggravated punishment, and the law extended to any official exercising a public function. Reporting requirements for financial and real estate transactions had been tightened to facilitate investigation of corruption or unexplained enrichment.

Prosecutors had the chief responsibility for investigation of criminal corruption cases, providing direction for police in development of cases. The Board of Audit and National Tax Administration, the Financial Supervisory Commission and Fair Trade Commission had oversight responsibilities in those respective areas of government activities or the financial system. An Ethics Commission administers a financial disclosure system for public officials, to disclose improper enrichment, and the government is considering establishment of an independent Anticorruption Commission, as a forum for consultation on anticorruption policy, under arrangements that would not impinge on the authority of prosecutors or the judiciary.

To eliminate environmental factors favorable to corruption, it is necessary to pursue reforms in a number of areas. Violation of public official discretion is a common aspect of corruption, and this is encouraged when public officials have wide discretion, even when this is necessary.

2.7 Systems to provide appropriate oversight of discretionary decisions and of personnel with authority to make discretionary decisions.
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Predictability is an essential component of the rule of law. The government has worked since last year on regulatory reform, to reduce or simplify regulatory provisions; these efforts have addressed over seventy percent of all government regulations.

Second, the government has proposed amendments to anticorruption laws to eliminate certain loopholes or deficiencies. Third, to enhance the level of morality in public service, the government is establishing clear guidelines as to allowed acts of courtesy that will distinguish them from acts of corruption.

Fourth, the government was moving to improve discipline within law enforcement authorities, by preventing judges or prosecutors dismissed from their positions for corruption from being admitted to the bar, and to more effectively identify and dismiss corrupt judicial officials.

Finally, the government was moving to cut the links of collusion between bureaucrats and business, and to assure the political independence of prosecutors. The Election Irregularities Prevention Act of 1994 sought to restrict the corrupting flows of extraordinary political funds. The government was considering establishment within the Supreme Prosecutor's Office of a special office responsible for corruption prosecutions, whose head would serve for a

fixed term and whose budget would be autonomous, to assure the political independence of prosecutions.

In the fight against corruption international cooperation was critical. Globalization made it necessary for all countries to cooperate in their efforts against corruption. For this reason, the OECD countries had agreed on the Anti-Bribery Convention of 1997, which Korea had ratified in December 1998 and passed legislation to implement.

However, this was insufficient. Developed countries continued to complain of the difficulty of doing business in the developing countries due to demands for corrupt payments there. Developing countries for their part complained of the corrupting impact of firms from developed countries, but required their assistance. Clearly, success against corruption required more cooperative international dialogue to address issues such as this. For that reason, Korea suggested that there should be periodic international conferences like this one, at the ministerial level, to address issues relating to corruption, consider international plans and promote dialogue and understanding among governments on this issue.

Philip B. Heymann
Harvard University School of Law
United States

The text of a paper by Dr. Heymann entitled "Democracy and Corruption" may be found in Part XVI of the Appendix.

Dr Heymann said that Minister Park had comprehensively described the problem of corruption in Korea and the measures its government was taking against that problem.

The central problem is not agreement that corruption should be punished; all agreed on this. The problem was rather how to identify and disclose corruption, because corruption was always carried out in secret. If it became known that corruption exists, the public would become angry, and something would be likely to be done about it. The central problem is what steps states are willing and able to take to find it.

What it takes are particular powers in the hands of law enforcement and management, particular organizational structures in their hands, and a seriousness of purpose. Both were required to accomplish the purpose.

It is helpful to begin by considering what is necessary for an official to take a bribe. One factor is character, which is substantially formed in childhood. The

other factor, however, relates to the situation in which an official is faced with the bribe, and this is a set of circumstances that can be dealt with. The ideal situation for a bribe includes an offer of a large bribe, in relation to the salary of the person to which it was offered. As Minister Park had noted, low salaries increased susceptibility to bribes. Second, the bribe must be likely to escape detection. And the offer must occur in a supportive social context, where the recipient could consider that “everyone does it”. Taken together, this set of circumstances would probably make it likely that a large number of people placed in them would accept a bribe.

Preventing corruption thus entails changing these conditions. To justify the offer of a large bribe, a private individual must perceive a high financial stake, with a single official source for what is needed. Reducing monopoly powers of officials, privatizing government activities, introducing competitive systems, all worked to reduce the monopoly power of single officials that would justify offer to them of large bribes. It was also necessary to work to narrow the extent of discretion of an official, through the application of rules, regulations and bureaucratic procedures entailing review of decisions and actions.

Further, it is important to enhance the visibility of bribes, in order to release public anger at corruption. There was no target for such public anger unless the bribery became visible. Those involved in corrupt transactions need each other. The official must be in a position to deliver services. The briber must be able to arrange to meet, to deliver the proceeds of a bribe, and to secure the desired result. These were all things that might be made visible, and disclosure of any part of these transactions was an essential part of fighting corruption.

9.2 Enacting laws or other measures providing a meaningful public right of access to information about corrupt activity and corruption control activities.

To accomplish this, if there is seriousness of purpose to do so, law enforcement authorities needed certain types of authorities and capabilities. They needed access to audit records. Strong inducements to witnesses to offer testimony were necessary, as are investigative techniques such as electronic surveillance, wiretapping and use of undercover agents. Many countries do not allow use of these techniques. Another strong power of prosecutors in the United States that was not available in many other countries is the power to reduce the sentence of

persons that could provide testimony to successfully prosecute more serious crimes. Persons arrested for other offenses, such as drug dealing, were always aware that the

6.4 Employing where appropriate systems whereby persons charged with corruption or other corruption-related criminal offenses may secure more advantageous treatment in recognition of assisting in the disclosure and prosecution of corruption offenses.

United States government considered acceptance of bribes by officials as a very serious offense. Within government agencies, it was important that management

take early action to identify exposures to corruption, through use of audits and appropriate organizational and bureaucratic procedures, and to use management powers where corruption occurred. Managers must be held accountable for any

2.8 Systems that hold supervisors responsible for corruption control.

visible corruption that took place within their area of responsibility. Even if a corrupt official, or one

unwilling to act aggressively against corruption, could not be successfully prosecuted and imprisoned, that official need not be kept in office.

It was important that government organization include, as Minister Park had described, specialized prosecutors and police able to pursue such complex corruption investigations, and specialized management units that understood the organization in which the investigation was being carried out.

7.2 Systems to promote the specialization and professionalization of persons and organizations in charge of fighting corruption.

To have organizations with the proper powers necessary to make corruption visible would accomplish nothing without high-level support, from the highest level government officials. It is not natural for a leader of an organization to want to investigate his subordinates vigorously. Staff may object. It may involve people he likes, and is not anxious to punish them. Senior officials were uncomfortable with corruption investigations near them. Thus, necessary high-level support cannot be taken for granted. However, it is very natural for the public to be very angry at corruption. The public would rather see a government that cared about them and was not democratic, than one that was democratic but was making all decisions for money.

The public will create the conditions that require support for organizations and activities against corruption, unless it becomes too cynical. The best means to change such cynicism is to initiate cases against the highest level officials that are corrupt. Only when that occurs will the public accept that the government is serious about eliminating corruption among its officials.

Vasyl Durdynets
Director
National Bureau of Investigation
Ukraine

The text of Mr. Durdynets' remarks, as prepared for delivery, may be found in the Appendix.

Globalization of organized crime posed a growing threat to all governments. Ukraine supports enhanced international cooperation to jointly seek ways and legal frameworks to act against corruption and organized crime.

Two sets of factors substantially affected the problem of corruption in Ukraine. First, Ukraine is in an unfinished process of social transformation. It is still entering the international market economy, reform processes were still underway and social transformations were incomplete. This created substantial crises in economic and social life. Second, the legislative basis and administrative structures necessary to uphold the principles of integrity and civility were still being developed. These factors were conducive to the spread of corruption and organized crime.

Corruption is deeply rooted in Ukraine's totalitarian past. However, the level of corruption is less than what media and some foreign experts sought to lead the international community to believe. Anticorruption measures taken in recent years have somewhat reduced the danger of corruption and limited its development.

Ukraine has developed an organizational and practical system for combating white collar crime, especially bribery of officials of law enforcement, tax and judicial agencies. A national program to combat corruption has been developed, with a system for monitoring its implementation on a monthly basis. Active work is in progress to refine the legal basis to act against corruption and organized crime, with several draft laws awaiting presentation to parliament. Efforts to combat corruption are concentrated on eliminating causes or factors which promote it, including deregulation of the economy and reducing the legal space for bureaucratic intervention in economic affairs. Special attention is given to the transparency of government activities, their accountability and mechanisms of effective control over government activity.

The Ministry of Interior, Security Service, State Tax Administration and Customs Service of Ukraine have all created special anticorruption units, and work is in progress on a code of ethics for public officials. The National Bureau of Investigation deals with corruption in all state institutions, and organized crime. A special state coordinating committee on combating corruption and organized crime has been organized that is directly responsible to the President. The media, schools and training institutions are employed to establish a climate of integrity based on clear moral principles.

The government pays special attention to the experience of other countries in fighting corruption. Ukraine is party to eight international conventions on crime and 14 treaties on legal

12.1 Becoming parties, as appropriate, to applicable multilateral legal instruments containing provisions to address corruption.
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assistance, has ten bilateral treaties and 40 interagency agreements on these subjects. He wished to express special appreciation for useful and substantial assistance provided by the United States, under the aegis of the Ukrainian-American Binational Commission, under whose auspices work on a program of cooperation in combating corruption was in its concluding stages. International cooperation was very important in stopping laundering of criminal funds in offshore jurisdictions and preventing criminals from finding any safe haven abroad.

In the last three years, the number of bribery cases uncovered has increased by 32%, and 1100 criminal cases have been filed with courts for the past three years,. In 1996-98, 20,000 officials were dismissed from agencies of the Ministry of Interior, and rotation of other serving laws enforcement officials has been actively promoted. A Supreme Council of Justice has been organized to be responsible for bribery and corruption among the judiciary and prosecutors, which has uncovered a number of cases.

One case of particular concern involved former Ukrainian prime minister Pavlo Lazarenko. He had been indicted for corruption with the approval of a two-thirds majority of the parliament. His extradition to face these charges was viewed by Ukraine as a crucial practical test of the effectiveness of the current system of international and regional cooperation against corruption and organized crime.

Ingrida Labucka
Minister of Justice
Latvia

Preventing corruption has been a main priority of the government of Latvia since its independence in 1990, when it was recognized that corruption created great problems for the development of democratic institutions. In 1995, Latvia enacted its first anticorruption law, and had since then enacted a number of related measures including appropriate amendments to the criminal code, the administrative law, and codes of ethics for judges, police and prosecutors.

Because of the persistence of the problem of corruption, on September 27, 1997, the government established the cabinet-level Corruption Prevention Council, whose purpose was to provide political leadership for the implementation of the national anticorruption strategy. Ukraine's statement had described many aspects of the problem of corruption in terms similar to the circumstances that existed in Latvia.

At this time, the government anticorruption effort emphasized the further modernization of its legislative system and rigorous enforcement of the laws against official corruption, combined with an active effort to educate the society

and inform the public of the work being done against corruption by their government. International cooperation and sharing of experiences through for a such as this conference was also a valuable assistance to the implementation of the Latvian government's anticorruption program.

7. Upholding Integrity Among Justice and Security Forces

1. Establish and maintain systems of government hiring of justice and security officials that assure openness, equity and efficiency and promote hiring of individuals of the highest levels of competence and integrity.
11. Promote, encourage and support continued research and public discussion in all aspects of the issue of upholding integrity and preventing corruption among justice and security officials and other public officials whose responsibilities relate to upholding the rule of law.

Dr. Charles Moskos, Moderator
Weinberg College of Arts and Sciences
Northwestern University
United States

The text of a paper by Dr. Moskos entitled “De-Corrupting Justice and Security Forces” may be found in part XVI of the Appendix.

Dr. Moskos said that the presence of so many participants at this conference demonstrates the strength today of interest in the issue of whether anything can be done to stop things like “narco-corruption” or “kleptocracy”, new words that had entered the international lexicon.

There has been a good deal of research done on corruption involving business and economic interests. Very little has been done on judges and security officials. This is surprising, since punishing other criminals depends on having honest courts and officials to try them.

It had been said at this meeting that a decent salary and pension were necessary for security officials to be honest. Yet there was little valid information on earnings of police officers in most of the world. It is certain that far too many do not enjoy a decent living on their official salaries. Yet even in countries where police were relatively well-compensated, like the United States, police corruption still exists. Obviously, an adequate salary was a necessary, but not a sufficient, condition for official probity. Does every man have his price? Clearly, a number of factors entered into the answer. However, an adequate salary, and pension to provide assurance of retirement, were requirements.

1.1 Systems for equitable compensation adequate to sustain appropriate livelihood without corruption.

If one asked most people in the world whether they would rather be immensely rich as a drug lord, or have a decent living as an honest person, how would they reply? He offered the proposition that enough people would prefer a decent honest living to immense criminal wealth to sustain a system of public official integrity.

What constitutes a decent living? This might have a number of answers. He suggested that one test should be that a senior police or military official should have at least as much income as a plumber. In most societies, plumbers were reasonably well-off. Yet in too many, senior officials of security forces actually earned less than a man that fixes toilets.

Participants at this meeting had been asked to consider success stories in fighting official corruption. A number of such successes clearly exist. In the United States during the 1920's, the period of Prohibition, when alcoholic beverages had been illegal, had led to substantial corruption of law enforcement officers. Yet in Chicago, his native city, this had been followed by replacement of political hacks with career officials, increases in salaries combined with sustained investigation and prosecution of corrupt officials. While much about Elliott Ness was legend, that man had been a real official, who was instrumental in cleaning up official corruption in Prohibition Chicago. Chicago residents had been amazed when ultimately, the best-known Chicagoan of his time, the crime boss Al Capone, was brought down by honest Federal law enforcement agents.

Outside the United States, success stories existed in Hong Kong, whose example had been substantially emulated with similar success in Singapore. In Haiti, with training and economic subsidies provided by the United States, a new police force now included many of the best-paid officials in the country. It was not perfect, but assurance of a decent salary and adequate professional training have provided Haiti with what is generally recognized as the most honest and efficient police force in the country's history. As the Director had observed at this conference, Panama had substantially reduced corruption in its immigration agency, and one means of doing so had been to hire more women to fill jobs previously held by men.

This raised the interesting question for research of whether women were innately more honest than men? Researchers had noted that male police officers were typically resistant to accepting women in comparable jobs, and that one of the reasons for such resistance was that women were less likely to be susceptible to bribery than men. Ms. Yam of Hong Kong had noted that one indicator of the extent of corruption among male officials was the number of mistresses they maintained. Might one reason for the relatively lesser susceptibility to corruption among women be their relatively lesser involvement in affairs of this nature?

What, then, were the cultural factors that predisposed officials to honesty or corruption? He suggested three levels of analysis.

At the individual level, he suggested that it was necessary to go beyond the accepted models of economic man to determine the factors that influenced behavior, since it was often difficult or impossible to adequately quantify or place an economic value on factors like ethics or integrity. Yet non-economic values clearly existed and were potent influences on human behavior. Consider for example the fact that virtually all people dealt with members of their families differently than with others. How many, for instance, would turn in a family member, even for corruption or other serious crime? Even the deadly Unibomber's having been given up to authorities by a family member had struck many people as unusual and noteworthy. This had no demonstrable economically determined basis, but factors of this nature clearly entered importantly into official behavior.

At an organizational level, it is important that practices such as personnel recruitment, training, promotion and advancement policies, be structured to promote integrity. Taking some issue with a concept popular in the United States today, he suggested that the idea of "vetting" foreign law enforcement personnel, then providing extensive specialized training, was insufficient. Without further personnel policies and measures, including continuing adequate compensation, all that such procedures did was to create officials, many of whom would ultimately employ the training they had acquired to earn better compensation from criminal organizations. Rather, one might perhaps examine the feasibility of some sort of internationally guaranteed hard-currency pension system, perhaps in cooperation with the World Bank. This could provide law enforcement officials with an assurance of a hard-currency retirement income, as was the practice of the United Nations for its employees. United States Secretary of Energy Richardson had recently suggested that the Russian officials responsible for providing security for Russian nuclear weapons might be paid by the United States. It might be more acceptable to examine the feasibility of some multilateral approach, but innovative approaches to assured personnel compensation were one very important area for further study.

At the "macro" society level, one must not omit consideration of the impact of efforts by self-sacrificing leaders. If a nation's leaders did not offer a visible example of public integrity, it was difficult to comprehend how lesser officials could be expected to maintain it. In Eritrea, for example, he understood that there had been a reduction in corruption in the country due in large part to the impact of the example of a president that followed a modest, unassuming lifestyle.

One must also consider what happens to officials that are discharged for corruption. The Biblical injunction to "go and sin no more" was insufficient basis

to suggest an answer to the question of whether an individual once corrupt should be considered always corrupt.

There was a need to examine the structure of organizations to provide internal checks, while recognizing that some discretion for officials is imperative. He was not attracted to the absolutist concepts implied by phrases like “zero tolerance”, for instance, as they suggested ignoring the need for some discretion. In the

2.4 Managerial mechanisms that enforce ethical and administrative standards of conduct.

Netherlands, where official corruption was not generally perceived as a major issue, authorities had introduced an “Integrity Game” to test responses of police to real-life situations. In one example, police were asked whether they should accept a modest tip offered by a motor vehicle accident victim that they had driven home. The book said no, but virtually all police said they would take the tip. The need to accommodate responses to the circumstances of the real world must be recalled.

Further to comments at the previous day’s session on whistleblowers, it was also necessary to address the issue and consequences of false accusations, and how to protect institutions and individuals from the damaging effects of personally-inspired false charges.

2.11 Mechanisms to support officials in the public sector where there is evidence that they have been unfairly or falsely accused.

With these and similar issues, he had tried to suggest some elements of an agenda for further academic and professional research and analysis on issues of integrity and corruption among justice and security officials. He hoped that governments and concerned institutions could pursue such an agenda after the conclusion of this conference. During the Cold War, the world had seen itself broadly divided between left and right. The great division of the world today was increasingly becoming recognized as that between the honest and the corrupt.

Vice President Al Gore, Chairman

The Vice President expressed appreciation to officials that had moderated conference sessions or participated in related events.

He said that Dr. Moskos’ presentation, which had just concluded, was quite similar to a written presentation of these ideas that Dr. Moskos prepared in a paper on “How to Clean Up Foreign Militaries”. Reading and thinking about this paper was one of the things that had led him to the concept of an international conference to address more broadly the questions of how to ensure corruption-free justice and security institutions of government.

Dr. Moskos had suggested that one approach to this issue was to provide adequate analysis of personnel factors such as compensation, benefits and

related issues and the manner in which they create incentives or disincentives for corruption or integrity among justice and security institutions. He looked forward to hearing more success stories of approaches that offered promise as the conference continued.

Dr. Juan Rial
PEITHO
Uruguay

Dr. Rial observed that the countries of Latin America now found themselves in what might be called the post-post-Cold War period. This was a new time, in which the new war on corruption had assumed particular prominence. There had always been corruption; he quoted Lord Acton's dictum that power corrupts, and absolute power corrupts absolutely. However, the questions of how to control or fight corruption had assumed a new prominence in recent years.

The Latin American countries found themselves economically seeking to respond to the vast technological changes. Emerging economies faced particular problems in adapting to the new circumstances of economic globalization. This was especially true in Latin America, where the period was characterized by growing recognition that the populist states of the past were impossible to sustain. This created an entirely new situation for armed forces and police forces in that adapting situation.

In most of Latin America, most people saw petty bribery, for example paying a policeman to avoid a traffic ticket, as normal. It is contradictory that people are at the same time unwilling to tolerate the larger-scale corruption that once characterized political leaders, senior army officers and the like, but this is nonetheless the case. In part, the perception of corruption as a greater problem in recent years is an artifact of the increasing freedom of the press. For a free press in a market economy, good news is no news – the press must find scandal to sell. To some extent, the perception of spreading corruption may be a factor of its sensational presentation by the media.

However, when confronted by the challenges of a global market economy without durable public welfare institutions, the people of a country could face a major problem. In Denmark, for example, there was an assurance of real welfare for the majority of the population. That was not true of Latin America, where the institutions that seemed to be those of a welfare state in the past were disappearing. Nevertheless, the region must continue to adapt to the new context of global capitalism.

In Latin America, it is necessary to recognize a substantial difference between armed forces and police, even where these institutions might be parts of

the same entities of governments, and the military forces were generally in a situational crisis. Wars between states in the region has become rare or nonexistent – even the recent military confrontation between Peru and Ecuador had been little more than a border skirmish. Hence, the traditional missions of armed forces were increasingly not relevant, but armed forces wished to continue to exist. For this reason, they found it necessary to redefine their missions. The new missions normally related to guerillas, but in Latin America, those guerillas very often were a new form of criminal guerillas. By comparison with traditional missions, the temptation for armed forces engaged in such new missions to become involved in corruption greatly increased.

A further factor affecting Latin America is the fact that the region has become heavily and increasingly urbanized, in huge metropolitan areas like Sao Paulo or Mexico City. In Peru, fully a third of all Peruvians lived in Lima. In these huge urban areas, criminal activity dramatically increased, and this increase showed no signs of abating.

Moreover, new missions for armed forces and activities of police often involved people who did not think their activities were criminal. Peasants in the Huallaga region of Peru, or in Bolivia, who grew coca, for example, considered this a part of their normal way of life. They considered that the criminal element entered into the process at the next stage, of actual drug trafficking. It became a serious problem for armed forces or police to have to repress people under such circumstances.

As one consequence of the adjustments of their national economies to new international realities, nations were often reducing government spending on all aspects of armed forces, including salaries, equipment, the pension system, social programs and the like. Consequently, the best people no longer sought positions in the armed forces or police; increasingly, applicants came from the lowest socio-economic categories, and very often they sought not to serve their countries but to get a job. This made it impossible to sustain the orientation of a force whose original purpose called for service to the country.

Very significant disparities have arisen between the compensation of senior officers of armed forces and that of comparable civilian capacities. He cited a study by an accounting firm that reported that in Argentina, the general manager of a major commercial enterprise had average annual earnings of approximately \$250,000, earnings of a computer systems manager averaged \$100,000, the commander-in-chief of one of the armed services about \$40-50,000 and the chief of police \$35-40,000. In Bolivia, the general manager of a major enterprise had annual earnings of about \$55,000, the commander of the army about \$15,000 and the chief of police \$10,000. In Nicaragua, the president of the country's annual salary was about \$10,000, that of the army commander \$500, a captain in the army \$280 and a private \$50. Such disparities in earnings contributed to the incidence of corruption.

One suggestion to address the problem of corruption among armed forces and police in Latin America might well be to consider the idea suggested by Dr. Moskos, the creation of an international fund for pensions for such officials.

1.2 Systems which provide assurance of a dignified retirement without recourse to corruption.

Latin America had growing experience with regionalization, in institutions such as Mercosur, NAFTA and others. The region offered a good prospect of serving as a trial area for the establishment of such a regional security forces pension concept that could contribute substantially to the struggle against corruption.

Finally, he recommended strongly that the need be addressed to more generally rebuild the depleted social capital of the region, through investing strongly in education and the promotion of free and active media.

Prof. Dr. Anton Bebler
Faculty of Sociology
University of Ljubljana
Slovenia

Dr. Bebler said that a decade ago, when it was recognized that the centrally planned economies that had characterized the countries of Eastern Europe had to go, there had been some hope that many of the abuses and problems of the authoritarian systems, including corruption, would be eliminated with them. This hope had not proven well founded. Corruption was alive and well in Eastern Europe.

It was not possible to say with precision whether corruption had actually increased following the end of the Communist systems. There was a general perception that there had been an increase, but much of this was probably due to the new freedom of the media to expose corruption, and its competitive incentive to do so. In terms of perceived corruption, in indices like that prepared by Transparency International, Eastern Europe appeared more corrupt than Southern Europe, and only somewhat less so than the Middle East, North Africa or Latin America. However, there were substantial divergences among individual countries in the region, some of which were perceived as comparable to the countries of Western Europe, while others were close to the world champions of corruption.

In the current situation of corruption in this region, there were elements of both continuity and discontinuity with the Communist regimes that had been superceded. Some current abuses resulted from elements of continuity with the previous regimes involving preserved structural aspects of authoritarianism, that had assumed a democratic disguise and adjusted to conform to the new

environment of pluralism. These included bureaucratic structures of control, excessive controls on economic activities, and weak traditions of accountability for official actions within executive branches and to parliaments and publics. Some aspects of cultural or social norms that tolerated an underlying structure of petty corruption actually antedated the Communist regimes and continued to exist. In other respects there were substantial discontinuities. The result was in many respects contradictory.

Some types of corruption had lost importance or disappeared in the new situation. These included corruption related to bureaucratic abuses of chronic shortages of material goods, or severe restrictions on travel, entrepreneurship and communication. In other respects, privatization and marketization increased the temptation of officials to corruption. Increasing ease of interstate communication made it far easier to export or conceal the proceeds of corruption. The hunger for expensive material goods and quick enrichment was amplified by a decay of traditional social norms, religious and ethical structures, and by the elimination of the rigid value systems of the Communist regimes. Replacement of those strictures by a raw form of capitalism and materialism strengthened the proclivity to corruption, especially among lower-paid state officials.

10.3 Systems to facilitate and accelerate international seizure and repatriation of forfeitable assets associated with corruption violations.

Turning to political aspects of corruption, there had been a change. Formerly, the region had been characterized by concealed, bureaucratic abuses by one-party systems. Now, multiparty participants in democratic systems competitively engaged in corruption. Whether this was progress he left to the listener.

The most disturbing new phenomenon in the region was the widespread growth of organized crime and its increasing impact on police and security forces. Drug trafficking, introduction of foreign corrupt business practices in the course of free market economic activity, organized trafficking in migrants, babies, human organs and other forms of organized crime had ceased to be rare. There was a general greater leniency in the application of criminal sanctions by judicial authorities. In part, this was intended to compensate for the effects of previous harsh repressive regimes, but it had also created a more hospitable climate for corruption and organized crime.

8.2 Laws providing for substantial incarceration and appropriate forfeiture of assets as a potential penalty for serious corruption offenses.

Moreover, the proliferation of small private enterprises in fields where the expertise of security forces personnel is relevant had increased the alternatives available to members of the security forces to find alternative employment if dismissed removed the previous fear of being caught in corruption. There was also a feeling of psychological income deprivation. Salaries for security officials

in the region generally ranged between \$300 and \$1500 monthly, but had been supplemented by a wide range of fringe benefits. There had been reductions in those fringe benefits, without corresponding increase in cash compensation. This led to an increasing feeling of financial deprivation, especially by comparison with an increasingly well-off private sector. Moreover, reduction in security budgets combined with increased opportunities in the private sector had led to mass resignations from the security forces, particularly in Hungary and the Czech Republic.

The greatest opportunities for large-scale corruption in the region generally arose from state activities relating to the privatization of state property. Of the justice and security officials, only customs officials generally had functions that placed them close to these processes. This accounted for the fact that in one Eastern European country, an individual reportedly must pay about \$10,000 for appointment to a position whose monthly salary was about \$300, making it obvious that the funds for the payment were recouped by corruption.

Moreover, the rise and fall of security forces and the status of their personnel was inevitably related to political issues including the rise and fall of states. Within a decade, several states and their security forces had disappeared. There had been armed violence and sanctions. Each of these events had led directly to increased traffic in illegal arms and munitions, drugs and other contraband, with resulting opportunities for corruption. Economic and social stability were highly desirable for fighting corruption, and this was not the circumstance that had prevailed.

In some states of the region, there had been disturbing indications that police forces had become systematically penetrated by corrupt association with organized crime. Transnational car theft, for example, was functioning so efficiently in some countries as to clearly suggest collusion between the criminals and the country's police authorities.

Armed forces were institutionally more remote from these forms of corruption, but individual members of armed forces often engaged in acts of corruption such as the diversion or sale of material, fuel or other property, often to criminal organizations. Moreover, there were substantial opportunities for corruption in public procurement, and military procurement was often a fruitful source of corruption for senior generals or civilians responsible for the process. Most countries of the region had coalition governments, and participants in those coalitions often sought control of defense ministries precisely to position themselves to exploit these opportunities.

3.5 Prohibitions on improper personal use of government property and resources.

The difficulties of corruption in Eastern Europe were only partly a consequence of the tensions and imbalances of post-Communist transition. This

was evident from the extent of variation among countries in the region of the incidence of corruption. There was also great variation in the extent to which corruption in different countries was recognized as a problem in societal and governmental terms. Moreover, there had been no coordination of efforts against corruption at the level of the region. There had been some coordination on legal aspects in some multinational organizations, such as the World Trade Organization or Council of Europe. There had been some overviews at this conference of the various instruments that might be used, but there appeared to be little empirical study of the relative actual effects of corruption on the various states in the region.

Taking account of circumstances that exist and measures already in place, the following were sets of measures that could be recommended to enhance anticorruption efforts in justice and security forces of the region:

- (1) Raise public awareness, and strengthen controls over security forces by accountability to parliaments, publics and the media, sustain an active free press, including enhanced attention to research on corruption;
- (2) Assure that entrance conditions, training, career development practices strengthen devotion to duty, morale and the ethic of service to country that led to individual and corporate integrity;

2.5 Systems for recognizing employees who exhibit high personal integrity or contribute to the anti-corruption objectives of their institution.
- (3) Reduce incentives for corruption by improving work conditions, providing decent salaries, appropriately adjusted for inflation, and assuring maintenance or substitution in nonmonetary rewards including fringe benefits, providing adequate conditions for individual professional satisfaction and individual and corporate self-esteem, maintaining retirement benefits (in contrast to a recent effort in Poland to lower such benefits);
- (4) Strengthening systems of internal controls and audits, practicing regular and unanticipated rotation of officials, restrict business opportunities for security officials and prevent lucrative second career opportunities for those dismissed due to corruption;

3.3 Limitations on activities of former officials in representing private or personal interests...using confidential knowledge or information gained during their previous employment as an official.
- (5) Enact codes of conduct for all state officials, and induce political parties and chambers of commerce to adhere to anticorruption codes;
- (6) Punish more severely for bribery and corruption;

- (7) Establish specialized agencies and groups of officials responsible for combating corruption in the security forces and the public sector, providing political autonomy and exercising special vigilance to avoid the introduction of corruption into these bodies;
- (8) Completing and strengthening the regime of international conventions against corruption;
- (9) Strengthening regional day-to-day practical cooperation by executive branches for action against corruption, and establish a system for relationships among specialized anticorruption bodies, perhaps similar to the design of the Egmont group in money laundering;
- (10) Provide international technical assistance to countries in the region to strengthen the capability to identify and punish corruption.

8. Religious Values and the Struggle Against Corruption

Judge John T. Noonan, Jr., Moderator Ninth Circuit Court of Appeals United States

The text of Judge Noonan's remarks, as prepared for delivery, may be found in the Appendix.

Judge Noonan asked what values does every major religion cherish? Trust between human beings, honesty in communication, integrity of soul. Why are these values cherished religiously? In a religious conception of life, human beings are not predators, but cooperators in a communal endeavor. In most religious traditions, there is a Creator who is good, who calls humans to goodness. Bribery distorts and destroys this goodness.

There cannot be a bribe unless a public official betrays a trust, is persuaded to act for a private purpose, subordinating the common good to individual gain. A bribe means a private interest hides what is paid, and a public official hides what is received. Lies are the necessary envelopes of bribes. A bribe means a public official is divided, half looking to the office he is supposed to perform, half looking to his own enrichment. Integrity is snapped by avarice.

By breaking trust, lying to hide that breach, spoiling his integrity by yielding to greed, the corrupted public official violates the values that religion protects and fosters. That official is by definition unjust, sells favors for cash and in a very corrupt regime, invites revolution against a government of thieves. Peace, friendship and justice, goods promoted by religion, are harmed. The bribe giver is the joint cause of the harm the corruption inflicts.

The terms that religious-moral tradition has used to describe the officeholder who takes bribes are harsh. Dante's Divine Comedy devotes more space in hell to the bribetakers and bribegivers, both secular and religious, than to any other type of sin. In metaphors to signify the spiritual state of these souls, Dante sees them as frogs under sticky pitch. Dante supplies the most comprehensive possible definition of the act of bribery: it is when "No becomes Yes for money."

The Yes purchased in this fashion violates integrity, truth and justice. The Yes of religion is Yes to a life of honest communication, fair communal cooperation, and undivided fidelity to the trust imposed by public office.

Dr. Alan Geyer
Canon Ecumenist
Washington National Cathedral
United States

The full text of Dr. Geyer's paper "Christianity, Corruption, and Democracy" may be found in the Appendix.

Dr. Geyer said that before proceeding to some positive perspectives of the Christian faith on the subject of this conference, he wished to offer some words of confession. The historic record of Christianity in relation to democracy is, at best, ambiguous. Until the 18th Century, the dominant theologians and ecclesiastical institutions of Christianity tended to give priority to order over justice, while democratic thought and practice gave priority to the latter. In practice, Christianity, as well as other religions, is implicated in some of history's most violent and bitter conflicts, international and domestic. Further, Christian institutions are not strangers to the problems of corruption in their own life. They have held properties and investments that have exploited poor people, and often attempted to conceal such facts, and have coveted special political privileges contrary to the integrity of democratic institutions.

However, in a deeper sense, the seriousness of Christianity about human sinfulness teaches much about corruption. While modern persons might cringe at the mention of notions such as original sin and human depravity, the history of this century demonstrates that human beings are capable of inhuman things. Democratic institutions must be structured with reference not only to the positive capacities of persons for self-government, but also to the propensity of persons to greed, hostility, cruelty and corruption. It is not enough to say that corruption threatens democracy. It must also be said that democracy will soberly expect corruption, but will design governmental structures and public strategies to cope with it.

Some fundamentally positive perspectives deeply grounded in the Christian faith may help equip democratic leaders in efforts to combat corruption.

Consider first the place of government in the providence of God. If government is viewed in essentially negative terms, rather than as the positive instrument of the common good, citizens are likely to be disposed toward cynicism and distrust. This in turn leads to temptations to manipulation and corruption of government. American political culture since 1800 has been largely shaped by the view that business is good, government bad. Such an orientation denies the essential dignity of government as an "order of creation", a providential institution for the preservation, nurturing and enhancement of life. Christianity professes a deep fundamental respect for the rule of law and the unique responsibilities of government as the one institution authorized to act for

the whole of society, and to transcend any particular or special interest. Corruption is likely to flourish when either the leaders of government or the aggressors of special interests, or combinations of the two, fail to share this respect for the transcendent legitimacy of government.

A related concept nurtured especially by Protestant Christianity but much honored in practice by Roman Catholicism is that of vocation, the sacredness of secular callings. This can mean celebrating politics and public service as vocations, even daring to suggest that politics is holy ground. The power of this concept is its challenge to anti-political attitudes that undercut the public health of the civil society that a democratic nation requires. Some churches have also done much to lift the dignity of business as a sacred calling. Political and business leaders holding this conviction of the sacredness of their vocation, supported by a citizenry educated to that same sense of public responsibility, will have formidable defenses against temptations to corruption.

The core virtue of public responsibility is justice, a word also at the heart of the sacred vocabulary of all three faiths in the Abrahamic tradition. There are many contrasting meanings of justice, but the people's confidence in the integrity of government depends not only on impartial law enforcement and equitable criminal justice systems, but also on the assurance that public policy serves the common good and the special needs of the disadvantaged. Doing justice to the poor who tend to suffer most from corruption is one of the most important religious motivations for fighting corruption.

Finally, justice is absolutely dependent on the personal and public virtue of truthfulness. In the Christian faith, the lack of truthfulness is the essence of corruption. Dishonesty destroys communication, trust and confidence. Truthfulness is both a principle of personal morality, and the cornerstone of democratic government.

Rabbi Burton J. Visotzky
Appleman Chair of Midrash and Interreligious Studies
Jewish Theological Seminary
United States

The full text of Rabbi Visotzky's remarks as prepared for delivery may be found in the Appendix.

Rabbi Visotzky said his first point was that religious values are against corruption. He quoted from the Torah, in which Moses is commanded: "You shall appoint magistrates and officials for your tribes...and they shall govern the people with due justice... you shall not take bribes, for bribes blind the eyes of the discerning and upset the plea of the just." (Deut. 16:18-20) The Jewish

rabbinical tradition holds that one must pursue justice through just means, and that when appointed to office, one no longer may be one's own, but must serve God and the people.

The Torah specifically commands the Israelites of old to have the same standard of justice for the stranger. This proposition is repeated many times, probably due to the temptation to favor their own against the stranger. However, the Bible recognizes that law alone is not enough to insure against corruption. Indeed, law, transparency, a free press, and even international conferences convened by the Vice President are insufficient to prevent corrupt practice in the administration of justice. Even with all laws, there will still be those open to corruption, and those willing to corrupt.

The law is too ungainly a tool to be successful alone in suppressing corruption in government. The ideal of fairness, and therefore intolerance for corruption, must be a manifest part of society at large. In all parts of the world, for Jewish, Christian, Hindu, Muslim or other religions, the ideals of fairness and honest service must be a part of the fabric of society. People of good will may disagree honestly about what God commands, but we must follow the sense of the commandment to justice because it serves us well as humans, and we must teach our children to follow it as well.

People must study together. This may be the Bible, Old or New Testament, the Quran, the Gitas or any other sacred text of the various traditions, or even Shakespeare, Norse myth, Chinese legend or even the daily newspaper, so long as that study leads to discussion of what is right and moral and ethical and just. Only when speaking of justice is part of the daily round is there a chance of eliminating corruption.

The kind of study he suggests takes a moral dilemma and allows people to achieve moral development through debate and discussion over how it might be resolved. As they articulate the reasons behind answers, people grow to think in moral and ethical ways. Experience of discussing other people's moral dilemmas and the exposure to varying points of view teaches the necessity for moral thinking as part of one's daily intellectual apparatus. The ideal outcome is moral thinking when one is confronted with a moral dilemma in one's own life.

So long as corruption is seen as a means to achieving fairness in society, then it will persist. Only when societies reflect fairness that lack of corruption implies can laws, the media and transparency codes have a chance to eliminate corruption. When there is a life of justice and security for all, there may be a hope to eradicate corruption among officers of justice and security. To eliminate corruption in government, the ethos of society must be changed so that the will to govern is the will to serve the people and the ideals of justice and security for all, and in those many places where such sovereignty is recognized, to serve God.

He closed quoting the prophet Micah (6:8): "What does God require of you? But to do justice, love fairness, and walk humbly with your God."

Archbishop Oscar Andres Rodriguez
Tegucigalpa, Honduras
President, Latin American Episcopal Council

The text of the "Ethical Declaration against Corruption" approved by the Latin American Episcopal Council in Santiago, Chile on May 22, 1997 may be found in part XV of the Appendix.

Archbishop Rodriguez said that corruption respects no boundaries. The practice of corruption encourages lack of trust in public institutions, and prevents prosecution of the unjust. Extradition of such offenders, and international cooperation to enforce the laws against corruption, are imperative.

The American continent is marked by competition and materialism. Citizens must have processes available to protect against excesses, and transparency in governance is an important protection for the weakest in society. There is a strong affinity between the secular terms of the 1996 Inter-American Convention Against Corruption, and the Catholic Church's strong denunciations of corruption. There is an urgent need to train young people, in keeping with the tenets of their faith, to direct themselves to public life and engage for the public good. The Catholic Church, on a grassroots level, plays an important role in strengthening civic values that demand honesty and transparency in public life.

Dr. Nurcholish Madjid
Rector, University of Paramadinamulya
Indonesia

The full text of Dr. Madjid's statement, as prepared for delivery, may be found in the Appendix.

Dr. Madjid said that to speak about Islam and corruption as related to the Indonesian case is to speak about the largest Muslim country in the world, which has also been reputed as being one of the most corrupt. The irony of this is that such corruption occurs, especially among government officials, in a country of two hundred twenty million people, ninety percent of whom profess to be Muslim. The Indonesian case shows that there may be no relationship between adherence to a religion and corruption, conforming to the skepticism of the social scientist about the role of religions in human life. However, participants in this

discussion believe that there should be some kind of relationship between religious values and the struggle against corruption, since it is a given that all religions are absolutely against corruption as a wrong done to humanity.

Islam is a religion of ethical monotheism. It demands that its followers recognize the absolute unity of The God. Man's salvation can be attained only by true faith, and sincerity in doing righteous and good deeds. The value of deeds is a central theme in the Qur'an. Further, true faith and righteous conduct are not enough unless the community is open to moral advice as to what is really right for society.

The concept of man in Islam is that man is the Vice-regent of God on earth. His main duty is to promote the quality of life by reforming the earth and safeguarding it from destruction and corruption. For this God gave man reason to understand the natural world. To understand the law of nature and to use the world on the basis of that law is the kernel of man's duty.

The prophet Muhammad gave a good example for believers in putting Islamic principles into reality by establishing "Madinah" (a word meaning "city", but in context denoting "system of obedience or lawfulness"). "Madinah" means a pattern of human life in a social system characterized by obedience to rule and law that results in the establishment of civilization. The American social scientist Robert N. Bellah had characterized this as "...a remarkable leap forward in social complexity and political capacity... It is modern in the degree of commitment, involvement and participation expected from the rank-and-file members of the community. It is modern in the openness of its leadership positions to ability judged on universalistic grounds, and symbolized in the attempt to institutionalize a nonhereditary top leadership."

After discussion of the basic teachings of Islam, and considering this judgement by Bellah of the nature of Madinah, the speaker suggested the conclusion that the failure of Indonesian Islam is that Muslims still show a grievous discrepancy between faith and action. These Muslims had deprived themselves of the Prophet's exemplary experiment in creating Madinah, a modern social system with a high degree of commitment, involvement and participation from members of the community, in an equalitarian participant nationalism.

In other words, Indonesia has failed to establish a true participatory democracy. This mistake for the fifty years since independence has ended with social, political and economic disaster. Fortunately, the reform movement attained the momentum of success last year, and the road to true democracy is now open, but the process of experimentation continued. The coming general election in June would be Indonesia's most important attempt to experiment with true democracy, by eliminating those corrupt political, social and economic systems from which it has been suffering for a half century.

Dr. Yasuo Sakakibara
Daioji Temple, Kyoto
Japan

Dr. Sakakibara said he would address the moral principles of Buddhism.

Buddhism differed from most Western religions, in that in Buddhism, commandments were not given by God. Codes of behavior were laid down by Buddha to help monks and nuns achieve enlightenment. If those codes were observed, enlightenment might be achieved; if not, the individual had no chance of attaining it. Those codes of behavior were thus not contracts with God. They depended on the free will and self-discipline of the individual to observe them, although strict observance was an essential requirement. Initiation as a Buddhist monk or nun was a solemn promise by an individual to observe those commandments.

From the time that the first limited number of commandments were given by the Buddha, it took a thousand years for Buddhism to arrive in Japan. When it did, it had acquired elements also from many other religions on its way, and thus by that time consisted of some 10,000 sutras, which were not only a religion or philosophy, but rather a whole body of knowledge in volumes that addressed the universe and all in it. Japan accepted Buddhism not as a religion, but as an entire civilization. There had also been in Japan an indigenous religion, Shinto. Buddhism and Shinto had arrived at a division of labor; as an example, marriages in Japan were celebrated in Shinto or Christian ceremonies, funerals in Buddhist temples. Japanese Buddhism also included considerable elements of Confucius relating to society and social life.

There had been no change from this in the fact that honesty is the basic moral principle of Buddhism, but to whom must one be honest? Buddhism believes that everyone has the good of nature in his heart, and on that basis can reach enlightenment through meditation and reading the sutras. Thus, the most basic requirement was that one be honest to oneself.

Because Japanese Buddhism had incorporated some elements of the Confucian moral code, and partly also because Japan had a feudalistic society, some had considered that Buddhism extended to a principle of group loyalty, in which it was acceptable to lie to save the face of one's master. Some few in Japan carried this to the extent of belief in suicide in the name of the group.

Most Japanese tried themselves to be individually honest, and to teach their children the value and virtue of honesty. In government, however, and at higher levels in businesses or organizations, transparency is lacking. Confucius once said "to govern people well, do not let them know, let them depend."

Moreover, Westerners tended to use language with an intent to seek precision, while Japanese normally preferred to leave things somewhat ambiguous, leaving room for human wisdom to play a role in interpretation.

The combination of lack of transparency and lack of clear definition are the reason for many cases of corruption. Many cases of tax evasion, for example, were caused largely by lack of clear definition of regulations.

Buddhist traditionally has emphasized detachment from this world and its affairs. For this reason, Buddhist colleges and universities were normally weak in social sciences, and had generally not analyzed today's society from the Buddhist point of view, except to conclude that this world was full of sin, crime and distress. Consequently, one could not expect Buddhists to organize group activities against corruption. The role of ordained priests in Buddhism was to read the sutras and perform rites to help the people maintain spiritual and psychological health; teaching Buddhist values by preaching and instruction; making themselves available for consultation on spiritual or family matters. While he could not speak for all of Japanese Buddhism, he could not expect Buddhists to act collectively against corruption.

However, by emphasizing the original Buddhist codes of values and beliefs, Buddhism may be able to contribute quietly to fighting against the virus in human behavior that was corruption.

Sudaba Hasanova
Minister of Justice
Azerbaijan

More extensive statements submitted by the delegation of Azerbaijan may be found in the Appendix.

Ms. Hasanova said that corruption was a basic social problem that undermined moral and religious values, and impaired political and economic development. In Islamic, Christian and Jewish religions alike, profit from a bribe was recognized as a sin. Communism had ignored these religious values, considering them to be the opiate of the people, and thus had lost the benefit of ethical values against corruption. Since the end of the Communist system, Azerbaijan had been seeking to take effective measures against social ills, and against corruption.

In this regard, the post-Communist situation created political conditions that were favorable to corruption, undermining the values of society. For example, in one case, instead of fighting organized crime and corruption, a deputy minister of justice and prosecutor had actually become the head of a

criminal group based in his government institution. In another instance, a major tycoon had stolen \$75-million from the government, using part of the money to bribe senior officials. These and other corrupt criminals had fled and found safe haven in other countries, where they misrepresented themselves as having had political motivations for their actions. She called on other countries to extradite such criminals, and for the adoption of an international convention on extradition, to keep criminals of this nature from having any place to hide.

Last year, Azerbaijan requested the assistance of the World Bank to develop a national program against corruption. This had been done, and the plan was now in the stage of implementation. One way to combat corruption was to pay officials higher salaries, but this course of action was closed to Azerbaijan due to the reduction in government income caused by the occupation of a part of its territory by Armenia.

The Koran outlaws bribery and corruption. Azerbaijan had chosen to follow the secular model, but intended to be a law-abiding state. It was a young state, and badly needed to learn from the experience of other countries participating in this conference regarding the most effective ways to combat corruption.

Dr. Veena Das
Professor of Sociology
University of Delhi
India

Dr. Das said she would offer some comments regarding the statements by others at this session, and some observations prompted by her own Hindu tradition.

The most important point which she observed in the discussion was that all participants were finding common ground in religious ethics of their various traditions to combat corruption. This was especially the case for that corruption that is seen as eroding the legitimacy of governance, thus attacking the basis for democracy in all parts of the world. Speakers did not wish to accept many of the old divisions that had once been seen among religions, as for example the division between world religions and local custom, or that between true religion and what was called superstition. There was rather a recognition that religious values once dismissed could in fact be very important in some cases, in what they could offer in response to the various forms of crisis that affected the world. She thought for example of African religions once dismissed as “animism” that were now recognized as relevant to values important in the world’s environmental crisis. To speak of religious values implies a temporal orientation, in which evaluation of values may be revised as needs evolve.

She referred to the best known exemplar of the Hindu tradition, Mahatma Gandhi. Gandhi had lived both within that tradition and outside of it. His attack on untouchability had been carried out at the level of both religious ideas and practical deeds. His example showed that engagement of religious values need not be static, but provides the possibility of critical challenge to the same tradition. Gandhi's approach to ethics had nothing of the flight from the world normally implied by use of the term mysticism that was supposedly characteristic of Eastern religions. Rather, he had accepted from those values the responsibility to engage in the political process. These formulations of Gandhi had much to offer in combating corruption.

It was necessary to balance visions of ethics at the level of large institutions against the local moral ethics at the level people lived. Those local moral ethics were often not identical to ethics as they had come to be understood in the context of United Nations covenants or principles of good governance. The answer was not to seek to exclude one or the other approach, but to seek to bring these two moral visions toward each other.

Every time money is removed from the system of public distribution, every time only 10% of development assistance actually reaches the poor for whom it is intended, the result of this is the exclusion of large communities from the democratic process. Gandhi realized the need to reformulate religious ethics to combat corruption at its root, in these local moral societies. She suggested further analysis of the intersecting relationships among democracy, corruption and religious values, not only at the international or national level but also at the level of local moral societies, and how people were excluded from participation in their society by corruption.

This discussion had included many examples of where it is that religious commands emanate from. This suggested the possibility of a formulation in which human conduct need not necessarily be considered unethical because it does not arise from superior commands. Ethical conduct could also arise from human beings and how they evolve their conduct in the exercise of their own human freedom.

Gandhi had adopted the approach of the Hindu householder, one that chose to engage the world, rather than withdraw from it. This sort of engagement was too often lacking at the present day. Democracy is the ability to sustain a conversation, to expand the notion of the "we" to include those who are excluded from the group but are living moral lives. The idea of honesty in public life can only be sustained in the long run not only by having laws which delineate rules, but by the kind of urge toward moral perfectionism that does not allow a climate in which such public corruption may flourish.

In the United States, she thought often of the works of Emerson and Thoreau, two people who were most familiar with Indian thought and tradition.

One cannot think about religious values as though they were perfected in religions that were some kind of separated entities between which there can be some sort of interfaith dialogue. Rather, all must seek means also to listen to those who had been excluded. This is one of the most important steps to ultimately have an impact on the overall ethical environment of the society, in which corruption becomes simply not part of the climate, and does not have to be regulated by laws. This is not to say that laws are not important, but that law by itself, unless it can have the legitimacy from society, can go only so far, and no further.

9a. Integrity and Corruption Issues Specific to National Security Forces

Rodrigo Lloreda Caicedo, Co-Chairman
Minister of Defense
Colombia

Louis Caldera, Co-Chairman
Secretary of the Army
United States

Dr. Armando Blasco
Secretary for Military Affairs
Argentina

Gen. Benedito Onofre Bezerra Leonel
Chief, Armed Forces Joint Staff
Brazil

Gen. Teerawat Putamanonda
Director, Policy and Planning Office
Ministry of Defense
Thailand

Maj. Gen. Mousa Moh'd Azouqa
Director of Armed Forces Officers Affairs
Jordan

Col. Kim Carter
Acting Director of Military Prosecutions
Canada

The Specialty Session on Integrity and Corruption Issues Specific to National Security Forces met at the National Defense University, Fort McNair, Washington. Opening remarks were offered by Dr. John J. Hamre, Deputy Secretary of Defense, and by the Co-Chairmen. The session was hosted by Deputy Assistant Secretary of Defense for Drug Enforcement Policy and Support Ana Maria Salazar, who delivered welcoming remarks. Approximately 100 participants from at least 40 countries attended, including senior military and civilian defense officials.

The full texts of prepared presentations by Dr. Blasco, Gen. Leonel, Gen. Putamanonda, and Col. Carter may be found in the Appendix.

Panelists addressed: integrity and corruption issues relating to national security forces; mechanisms to foster cooperation to combat corruption in national security forces institutions; and mechanisms to recognize, prevent and respond to corruption which targets national security forces institutions in national and multilateral context. The discussion had three central themes:

- (1) the role of national security forces in society and the aspects of that role that produce vulnerability to corruption;
- (2) types of corruption typically encountered in national security forces; and
- (3) mechanisms to identify, prevent and respond to corruption.

All participants agreed that no universal solution exists to the problem of corruption in national security forces. Enhanced sharing of information, regional meetings to address the issue of corruption in the context of drug trafficking, organized crime and illegal weapons trafficking; and additional meetings of this group, were recommended.

National Security Forces: Societal Role and Vulnerability to Corruption

Panelists stressed that the role of the national security forces in societies varies from nation to nation. In many nations, the military role in society centers primarily on dealing with external threats to national security. In others, the national security forces may assume a broader societal role in such areas as law enforcement and internal security; counterdrug operations; customs or border patrol operations; public works; disaster relief; and management of state industries. Panelists agreed that the vulnerability of national security forces institutions to corrupting influences is largely determined by the role such institutions play in a society. Thus, understanding the nature of the national security forces' role in a society is essential for the development of mechanisms designed to address specific threats of corruption faced by individual nations. As the roles and missions of national security forces are likely to change in coming

decades, endeavors to combat corruption in national security forces institutions must be an ongoing dynamic process.

One viewpoint suggested that in many instances, military institutions may be less susceptible to corruption than civil service institutions, particularly in cases where the injection of the military role into civil matters is kept to a minimum. In systems where most national security forces personnel do not routinely take actions that affect the civilian population on a day-to-day basis, they are less likely to be approached by persons offering bribes. Also, in many nations, the national security forces are the traditional repository of the nation's honor. In this sense, the often-cited characterization of military organizations as distinct, separate and closed subcultures works to the benefit of those who seek to minimize corrupting influences on the institutions.

Nevertheless, it was repeatedly pointed out that corruption in the national security forces can have devastating consequences far beyond financial losses incurred by overpayment for goods or services or waste of physical resources. The institution becomes less responsive as an operating entity, and the national security force loses the honor and esteem in which it is held and which binds its soldiers together. Strong concern was voiced over the global expansion of transnational criminal activity and the growing attractiveness of national security forces as targets for corruption by drug trafficking or other organized crime groups. It was stressed that corruption "corrodes" or "rusts" the national security forces machinery. Corruption breeds public cynicism over the role of the national security forces, and damages the national security forces ability to accomplish its basic mission: the protection of the state. In extreme circumstances, a war may be lost and the state in its current form may be compromised or destroyed.

Types of Corruption Typically Encountered

In discussion of this topic, panelists continued to stress that the types of corruption typically encountered vary from nation to nation, and are to some degree dependent on the extent and nature of involvement of the national security forces in the civilian sector. National security forces responsibilities widely recognized as the objects of corruption included:

- (1) control over funding, i.e. procurement;
- (2) control over property, including the concept of property as "inside" or privileged information; and
- (3) control over decision making authority which influences courses of action the organization or individuals therein may, or may not, adopt.

Misuse of existing legal and regulatory systems to provide unauthorized goods and services was cited as a common form of corruption. Targeting of individuals such as personnel of national security forces when the national security forces

have a mission against illegal drug trafficking, and thus come into contact with parties that have a strong interest in corrupting them, was cited as a concern. It is also necessary to ensure that weapons under the control of national security forces are not diverted into illegal arms traffic. The potential for national security forces organizations to hide behind the chain of command so that actions are not questioned by lower ranking members, and the potential to "classify" weakness or conceal corruption by security protection practices, were also raised.

Participants discussed the potential for use of insider information, intelligence or organizational power to:

- (1) benefit the organization or individual members of it;
- (2) influence decision making of those who may be in investigative positions; and
- (3) influence national security forces personnel or units not to respond in an active, timely or effective manner, when those forces have counterdrug missions.

Revolving "door-to-door" unduly close relationships with defense contractors were cited with the concern that such practices have the potential to result in:

- (1) overordering;
- (2) overpayment; and
- (3) ordering of unnecessary, substandard or nonfunctional equipment.

The opportunity to mask criminal activity in highly secret operations carried on by elite units outside normal review systems was also noted.

Mechanisms to Identify, Prevent and Respond to Corruption

Numerous approaches and mechanisms were discussed, all with the caveat that what may be applicable or successful in one societal context may not necessarily be applicable or implementable with the same prospects for success in another. It was agreed that mechanisms that minimize corruption, provide incentives against it, and expose and punish it, were central to success. A system of both internal and external oversight and control mechanisms ("checks and balances") was suggested as an important tool in combating corruption. Transparency, to the degree that national security is not compromised, was also cited as a mechanism which may prove useful in deterring or detecting corruption. Organizational emphasis on promoting integrity, international conventions against corruption, a reward system for information on corruption, non-governmental "watchdog" public policy monitoring institutions, and a free press, were all cited as elements contributing to transparency. In the procurement field, giving competing contractors the opportunity to complain about irregularities in awards was noted as an option with merit. Internal policy

review mechanisms which identify categories of cases encountered over extended time periods, may prove helpful in identifying endemic problems or policy response weaknesses.

Participants discussed mechanisms to prevent and respond to corruption, including:

- (1) promotion of an organizational ethic that places a high premium on personal honor and honesty;
- (2) widespread, repetitive and ongoing training programs with a strong ethical component;
- (3) a personnel management system in which "honesty" is a core value for promotion and retention;
- (4) funding to provide adequate resources for the national security forces establishment, so that a "solid" wage is provided at all levels of authority;
- (5) effective investigative and oversight authority and institutions;
- (5) legal/judicial authority and institutions to prosecute and punish instances of malfeasance; and
- (7) institutional/political/societal willingness to enforce the law.

Emphasis on religious values that are hostile to corruption was cited as an important mechanism in some societies.

In the area of training, participants stressed that training in standards of conduct is ideally an ongoing integral process at the recruitment or entry level; at the career course level; and at the advanced course level. Specialized training in detecting fraud and abuse was another option identified as worthy of consideration. In the area of personnel management, the importance of "honesty" was emphasized as a criterion and major control tool in personnel evaluation systems designed to weed out corruption. Consideration was given to pros and cons of employing a personnel management system that would include elements directed at:

- (1) screening recruits for ethical suitability;
- (3) instituting a regular evaluation and promotion system that includes "honesty" as a core value for retention and promotion;
- (3) minimizing nepotism;
- (4) prohibiting "revolving door" re-employment of personnel by defense contractors; and
- (5) rotating key personnel in positions known to be the target of corrupting elements.

The need for rigorous and ongoing testing of equipment procured under contract was cited as an important mechanism to deter and detect fraud in procurement systems. The need for drug testing within national security forces was also cited,

particularly in instances where the national security forces assume counterdrug missions.

Options for investigative and oversight authority and mechanisms as well as legal/judicial authority and mechanisms subject to discussion included:

- (1) property control procedures based on the principle of accountability for property;
- (2) periodic audits;
- (3) protection of persons who report misfeasance or malfeasance by superior officers in the organization;
- (4) personnel and investigative security procedures that identify evidence of unexplained enrichment and require periodic financial disclosure;
- (5) a respected military justice code and system which includes an independent Inspector General (IG) process within the services; and
- (6) a civilian justice system and oversight process which complements the military system, yet has the power to hold the national security forces accountable.

Assigning civil/criminal liability to contractors who engage in fraudulent practices was another option that was discussed.

Finally, it was repeatedly stressed that to the maximum extent possible, members of national security forces establishments should be provided adequate compensation in the form of a living wage and retirement benefits to isolate them from the need for supplemental and often illicit income to support themselves and their families.

Conclusion

At the conclusion of the National Security Forces session, participants overwhelmingly agreed that no universal solution exists to the problems of integrity and corruption issues specific to national security forces. The group recommended sharing information; regional meetings to address the issues of corruption in the context of drug trafficking, organized crime, and illegal weapons trafficking; and additional meetings of this group on Integrity and Corruption Issues Specific to National Security Forces.

9b. Integrity and Corruption Issues Specific to Other Security Forces

6. Provide criminal investigators and prosecutors sufficient and appropriate powers and resources to effectively uncover and prosecute corruption crimes.

Michael de Feo, Moderator
Assistant Director
Office of Professional Responsibility
Federal Bureau of Investigation
United States

The Specialty Session on Integrity and Corruption issues Specific to Other Security Forces met at the headquarters of the Federal Bureau of Investigation. For the purposes of this session, "other security forces" were meant to include police and other investigative or law enforcement agencies of any type not included in the specialty sessions on "National Security Forces" or other specific groups addressed by other Specialty Sessions at the Global Forum.

Mr. De Feo described some strategies that have not been successful in reducing corruption among police forces, including limiting the budgets of police forces, inattention to internal controls, reliance on using the judicial and legislative branches to regulate police, and allowing minor misconduct to be tolerated within police forces so long as there is no public scandal. He introduced other panelists, who described methods that had enjoyed success in their countries.

Lily Yam
Commissioner
Independent Commission Against Corruption
Hong Kong

Ms. Yam said that wherever she traveled, she was asked about the Hong Kong model for fighting corruption. She would not take credit for the success of the ICAC, but would share successful strategies with other participants. The road of the fight against corruption is long and the gateposts must be staffed. One never knew when one had reached the destination, because the methods and faces of corruption are constantly changing.

Why is corruption within law enforcement agencies bad? Because corruption within law enforcement undermines the authority of a government and threatens the internal security of a nation.

How can one protect against this situation? Twenty-five years ago Hong Kong decided to focus on and take action against police corruption. The ICAC also deals with corruption among customs officials and with enforcement of intellectual property laws. The history of the ICAC's actions is also a history of how the nature of police corruption changes. If, in the countries of other participants, corruption seems a hopeless situation, participants should not be disheartened. In the recent past, Hong Kong law enforcement officials were among the worst. There were often reports of money being openly tossed into the police cars as the police patrolled certain districts. In the early 1970s, inspectors would give new police officers an envelope with \$100 on their first day of work. If the officer accepted it, his career as an honest policeman was finished on the first day.

When the ICAC work began, one of the first officers to be arrested--a detective sergeant on the vice squad--told the Commission that he was not concerned about a jail sentence, because he had already amassed enough money to take care of his family for five generations. Many persons in Hong Kong were aware of the situation, but did not know what to do. There had been a bland law on the books since 1970, the "Prevention of Bribery" law, but few attempts to enforce it. In 1974 the ICAC was established and given broad powers to both investigate and prosecute suspected cases of corruption. Section 10 of the new law required any civil servant found to have assets to explain the source(s) of those assets.

The goal of ICAC for the first three years of its existence was to root out corruption among the police. Nearly all complaints came from the public. The ICAC has a very thorough system to track and monitor complaints to determine which are bona fide. The investigations revealed that the corruption was well organized. Three hundred officers controlled this organization, collected money, and divided up the receipts. They even kept detailed accounts of where the money was collected and how it was distributed. Such syndicates existed in all the police districts. A "good" district to be assigned to was one with a high income from bribes. Officers had to bribe senior officers in order to get promoted or transferred. The police were carefree, with no fear of getting caught.

From 1974 to 1977, investigations were completed, arrests were made, and the jails began to overflow. There were protests and demonstrations against the ICAC by the police themselves, and even physical attacks on the ICAC members. Finally, to control the situation the Governor declared amnesty for all those still awaiting trial. Calm returned, many police officers were freed, but transferred to new districts. The corruption rings were altered; the syndicates no longer existed, but new methods of corruption evolved.

Why is corruption within the police force the most serious? It is because police forces:

- 1) have statutory power.
- 2) interface with the public
- 3) deal with criminals
- 4) use informants
- 5) rely on their partners
- 6) need to have a strong internal “esprit du corps” to be effective.

Corruption invades and destroys all of the above.

The view of the ICAC is that corruption can never be eradicated, only substantially reduced. This is because the very nature of corruption is secretive and new methods to detect corruption must always be devised. The days of the Hong Kong police keeping accounts of the collections and distributions are long gone. Now assets are divided into bank accounts all over the world in an attempt to have unaccounted for large sums of money go undetected.

(This concluded Ms. Yam's introductory remarks. Later, in discussion, she responded to questions about the exact structure of the ICAC, the use of undercover agents in investigating corruption in Hong Kong, and who are the “watchdogs” of the ICAC itself.)

Richard Pennington
Chief of Police
New Orleans, Louisiana
United States

The ICAC was successful in effecting institutional change and also a change in public attitude. In the United States, there was a similar situation that occurred with the Police of the city of New Orleans. Reforming the New Orleans police department—one of the most troubled in our country—has been a clear lesson in fighting corruption. To put the situation in perspective, Chief Richard Pennington said he would describe in some detail what he found in New Orleans when he accepted the position of Chief of Police in October 1994.

In 1994, New Orleans was the lowest paid police force in the United States--\$14,000 per year, versus the national average of \$26,000 per year. The New Orleans police had one of the highest rates of police brutality and one of the highest rates of Equal Employment Opportunity (race relations) complaints. In addition, the city of New Orleans had the highest homicide rate in the country.

Many police officers worked during off-duty hours in the French Quarter as security or “bouncers” for bars and strip joints. The officers were allowed to work in all these places. There was no requirement for the officers to report their annual income. Most of these off-duty police were paid under the table. There was no in-service training for police. Nepotism was rampant. Members of the same family—brothers, cousins, even on occasion father and son, worked in the same patrol districts and protected one another.

Chief Pennington assumed his office in late October 1994. In the first week of December, he began to receive letters and packages addressed to “The Chief” that contained large sums of cash: \$200, \$500, even \$1000. When one of the sergeants saw his shocked expression upon opening these envelopes, the sergeant asked: “Didn’t they send enough?” Apparently for years, the Chief had been receiving these “Christmas presents”. Chief Pennington immediately sent them all back, and declared this practice would stop immediately and not be tolerated. It had been standard practice for years for the officers to “buy” assignments and promotions, by giving large cash gifts to supervisors and to the Chief.

In the police department, there was an office of Internal Affairs, responsible for investigating corruption. When Chief Pennington took his job, there had been no arrests for 18 months. He found that in an incident the previous year, a woman who complained to Internal Affairs about corrupt police, had been murdered, allegedly a police officer. The investigation into that murder was going nowhere. When he began to see the full picture, Chief Pennington said, he realized that he would need assistance to effect real change in the New Orleans police department.

As a first step, he abolished the entire Internal Affairs Division. He asked FBI Director Louis Freeh to send a public integrity unit to New Orleans to investigate the murder, and allegations that the New Orleans police were involved with drug gangs. He initiated a toll-free 1-800 “hot line”, so complaints against the police could be registered anonymously. Within the first week, there were numerous calls with complaints about or reports of corrupt police officers. By the end of the week, 130 names were on the list of officers alleged to be involved in corrupt activities. The total police force at that time was 1400 officers. Reports ranged from selling illegal drugs, to being kingpins in drug distribution networks, to involvement in prostitution rings and extortion.

Over the next six months, 38 police officers were arrested. The former Office of Internal Affairs was recreated in a new form. The old Office had been located in the police station. Citizens would not come there for fear of being seen. Police officers would note license plate tag numbers, and often there was retribution, including the egregious murder case.

The new Office of Internal Affairs was in an independent location. Citizens felt comfortable to go there and report. During the investigation of the 130 police officers against whom complaints had been made, the murder case was given top priority. In the third month, Officer Lenny Davis was arrested. He was subsequently convicted of murder and of being a kingpin a drug gang, which involved 11 other members of the New Orleans Police Department. Davis is currently in prison after having been sentenced to death.

2.3 Training addressed to issues of brutality and other civil rights violations that often correlate with corrupt activity among justice and security officials.

A female police officer was also in prison after having been sentenced to death. Antoinette Frank was convicted of murdering a police officer and two employees in a restaurant while a witness hid in the refrigerator. The motivation was that the murdered officer had failed to give Frank \$10,000 that was her share of a drug deal.

To date, 80 police officers who were members of the force when Chief Pennington assumed his position in 1994 have been arrested on charges including murder, rape, theft and extortion. Chief Pennington said his policy has been to aggressively investigate and pursue all allegations. This has dramatically changed the code of silence that formerly existed in the New Orleans police force. Previously, no one ever came forward with information on "dirty" or corrupt officers. In 1998, one young officer stepped forward to report on two brothers named Singleton, both officers on the New Orleans police force. They were alleged to have been running a cocaine ring, selling drugs from a police car. By 1998, an "early warning" system was in place. A computer database of complaints was established, which enabled computer tracking of the activities of specific officers. An investigative team was established to talk to people on the streets. The allegations thus could be verified relatively quickly, and the Singleton brothers were arrested shortly afterwards..

In the past, superior officers of the New Orleans police department had taken money and turned their heads. The Department was completely out of control. There was almost no accountability. Subsequent investigations had documented an amazing scheme in which one officer had made over one million dollars. Many motion pictures are filmed on location in New Orleans, often involving police or police chase scenes. One supervisor had set up a system through which he offered to rent police cars and uniforms to the crews, and allowed them to use city equipment, pocketing all the proceeds for himself.

Tax evasion was also rampant. Each officer sought his or her own way to make money, to carve out a "niche". In the French Quarter, police would cruise the streets, but "close their eyes." One officer could easily make \$500 a night in pay-offs. Since relatives often worked in the same patrol, they would protect one another. Once the niche or "detail" was carved out, the officers made sure it

stayed in the family, handing it over to a brother or cousin if he moved to a new assignment.

At present, in the New Orleans Police Department:

(1) No relatives can work in the same patrol or the same area of the city.

(2) Police officers may not work off duty at nightclubs, massage parlors, strip joints, discos or dance halls.

(3) Hiring practices have changed:

- no one who has a criminal record can be hired (when Chief Pennington took office, many recruits in the police academy had criminal records).

1.4 Systems for thorough screening of all employees for sensitive positions.

- civil service rules must be followed, reducing nepotism.

(4) The Department has been completely reorganized:

- it has been decentralized, with more branch police stations. officers are rotated regularly (previously, an officer might have the same assignment for as long as 20 years).

2.6 Personnel systems that include regular rotation of assignments to reduce insularity that fosters corruption.

- supervisors, managers, and officers are all rotated, making it extremely difficult to carve out a “niche”.

(5) Salaries of police officers have doubled:

- the Office of Professionalism must approve all off-duty jobs.
- all details of the job are closely examined before approval.
- no officer can work more than 24 hours off duty per week.

(6) The New Orleans Police Department has random “integrity checks”, with the assistance of a special unit from the FBI.

- checks are similar to a “sting” operation: undercover police pose as citizens, to offer money, drug sales, etc. to the police officers and see what they do.
- these integrity checks will continue into the foreseeable future.

(7) one-third of the New Orleans Police Department has been replaced by new personnel:

- of 500 officers who are gone, 80 were arrested, 100 were fired, and the remainder retired or resigned.
- 200 other officers have been disciplined, and are closely monitored as they try to meet the standards of all the reforms

The results since January 1995, the four-year period that Chief Pennington has been cooperating closely with the FBI to clean up the New Orleans Police Department, are dramatic:

- Last year (1998), there was a 24 per cent reduction in crime in New Orleans.
- The murder rate for the city of New Orleans in 1998 was lowered by 50%.

The “best practices” described by Chief Pennington, coupled with the citizen “hot line” and constant vigilance, are bringing a new day to the police force of New Orleans.

Gen. (Ret.) H. Ahmed Tantawi
Director
Administrative Control Authority
Egypt

A working paper provided by the Administrative Control Authority of Egypt on corruption among justice and security officials may be found in the appendix.

Mr. Tantawi provided an explanation of extensive checks and balances within that agency, which has been the watchdog of the Egyptian civil service since 1964. He outlined the clear code of conduct that government employees must abide by, as well as describing how the Administrative Control Authority itself is monitored by a Special Operations Department.

Peter Tufo
United States Ambassador to Hungary

Sandor Pinter
Minister of Interior
Hungary

Ambassador Tufo emphasized that to successfully attack corruption, the target must be clear and attainable. In Hungary, the central element is to attack corruption related to Russian-speaking organized crime rings.

Minister Pinter outlined steps his government had taken, and the importance of international cooperation in order to share and gain insight to new methods of fighting corruption.

A question-answer and discussion period of some 30 minutes followed the prepared presentations, which included questions on details of approaches described by panelists as well as suggestions for more advanced anticorruption strategies appropriate to the electronic information age.

9c. Integrity and Corruption Issues Specific to Customs Services

William Keefer, Moderator
Assistant Commissioner for Internal Affairs
United States Customs Service

The Specialty Session on Integrity and Corruption Issues Specific to Customs Services met at the headquarters of the United States Customs Service.

Areas of common concern identified by the moderator, panelists and participants in discussion included the passage of new legislation, modernization of public administration, equipment upgrades, the hiring of inspectors and outside consultants, effective and committed leadership, and the periodic transfer of staff to avoid potential pockets of corruption at the source.

Michel Danet
Secretary General
World Customs Organization

An informational fact sheet concerning activities of the World Customs Organization may be found in the Appendix.

Mr. Danet opened the discussion by addressing the issue of global trade. The rapid growth of trade, the accelerating pace of development, and new information technology, challenge the moral fabric and integrity under which Customs Services operate. The World Customs Organization and the international customs community are aware of the importance of integrity and their obligation to protect the public against illegal activity in law enforcement organizations.

Michael Roche
Deputy Chief Executive Officer
Australian Customs Service

Mr. Roche addressed the levels of corruption within a government system, and the vulnerabilities faced by Customs officials. Corruption is a pervasive problem, which needs to be seen in the context of the whole organization rather than one level at a time. The development and implementation of client service

charters, developing integrity strategies, the use of external accountants and a comprehensive performance management system, all serve as a basis to prevent the presence of corruption within the public sector. Additionally, reforms in legislation, spot inspections, frequent discussions with international monetary organizations, and modernization of enterprise, can serve a useful purpose in developing and maintaining integrity in the workplace.

Enrique Fanta

Director

National Customs Service of Chile

Mr. Fanta addressed the issue of progressive change, measures of effectiveness, a system of auditing, pre-employment background investigations, and a clear policy with regard to revenues and tax controls. He said that Chile appears just under the United States in the Transparency International global anticorruption list. The elements of integrity in Chilean Customs include community service, newer technologies, a clear policy of integrity and accountability, a management by results system which has a bearing on salary, improving interoffice communication, and reinventing or simplifying customs procedures which reduce paperwork.

9d. Integrity and Corruption Issues Specific to Financial Regulatory Officials

5. Adopt laws, management practices and auditing procedures that make corruption more visible and thereby promote the detection and reporting of corrupt activity.

Eugene Ludwig, Moderator United States

The Specialty Session on Integrity and Corruption Issues Specific to Financial Regulatory Officials met at the U.S. Department of the Treasury.

While most financial regulatory and supervisory officials are examples of high integrity, regulators are often thrust into positions where unscrupulous banking or securities companies may seek special advantages in the form of licensing or rulings. Regulators may be subject to offers of bribes or intimidation by institutions that are experiencing financial difficulties and want the regulators to ignore or permit certain financial operations or positions that prudent supervision would preclude. The panel of presenters at this Specialty Session sought to identify remedies for such problems, which may be especially evident in financial systems under significant stress and change and where financial institutions are weak and regulators lack sufficient training.

Mr. Ludwig, Vice Chairman of Bankers' Trust and former Comptroller of the Currency of the United States, offered introductory remarks highlighting the main areas of concern. He noted some of the most notorious recent cases of financial fraud and corruption, distinguishing between private sector malfeasance and the role of regulatory officials. He also distinguished between active involvement in corruption, passive or inadequate supervisory action, and inadequate communication and cooperation with law enforcement bodies. He emphasized the structural and institutional damage created by individual acts of corruption by regulators. He stated that corruption is not merely an ethical issue, but also an issue with profound economic implications. He emphasized that while mechanisms and safeguards must be created in regulatory bodies, a "culture of integrity" must also be developed as the best assurance for such bodies against corruption.

Dr. Won-Bae Yoon Vice Chairman Financial Supervision Commission Republic of Korea

Dr. Yoon spoke from the perspective of an advanced developing country with a relatively well established banking system and securities market. He noted that the problem of corruption in Korea is closely linked to the economic restructuring in process in that country in 1998-99. Free and open competition are essential to revitalize Korea's economy and to discourage corruption. Dr. Yoon warned against government involvement in banking other than providing prudential supervision.

Dr. Patricia Armandariz
Vice President
National Banking and Stock Market Commission
Mexico

Dr. Armandariz, speaking similarly from the perspective of an advanced developing country with a relatively well established banking system and securities market, stressed the importance of:

preventing undue exposure of financial regulators to corruption;
controlling and supervising financial regulators; and
improving transparency in the financial regulators' actions.

Ronald K. Noble
Associate Professor
School of Law
New York University

Prof. Noble, former Under Secretary of the Treasury for Enforcement, addressed the issue of cooperation between regulatory and enforcement officials. He discussed the role of international groups such as the Financial Action Task Force and INTERPOL to combat official corruption originating with criminal elements engaged in money laundering and other illicit activities. He identified ways for financial regulators to identify potential bribery and corruption, and to cooperate with law enforcement in the apprehension of culpable individuals and entities. He emphasized the need for a limited number of clearly understood rules and regulations, and the need for transparent enforcement outcomes and processes.

Danielle Nouy
Basle Committee on Bank Supervision
Bank for International Settlements

Ms. Nouy explained what her Committee is doing to encourage adoption of best practices and techniques for mitigating corruption in the financial sector by banking regulatory authorities in many countries. She discussed how to protect against use of the banking system for criminal or corrupt practices.

Barbara B. Hannigan
Ethics Counsel
Office of General Counsel
Securities and Exchange Commission
United States

Ms. Hannigan discussed the role of the Ethics Counsel at the United States Securities and Exchange Commission. She explained how the Securities and Exchange Commission seeks to ensure that its regulatory and enforcement officers are fully trained and prepared to function with the utmost integrity. She explained the law and administrative procedures put in place to address not only public official impropriety, but appearances that would threaten public confidence.

Yehoyada Masakhalia
Ministry of Finance
Kenya

Mr. Masakhalia was recognized by the Moderator to review steps that Kenya is taking to address corruption and reform its financial sector, including:

- (1) full liberalization of the financial sector;
- (2) establishment of a Deposit Protection Fund;
- (3) improved management;
- (4) required audit committees and full disclosures of accounts;
- (5) observance of ethical standards in financial institutions;
- (6) codes of conduct for supervisors and inspectors; and
- (7) legal capacity to ensure compliance.

9e. Integrity and Corruption Issues Specific to Procurement Officials

Donald Strombom, Moderator
United States

The Specialty Session on Integrity and Corruption Issues Specific to Procurement Officials met at the U.S. Department of the Treasury.

This session concentrated on how the awarding of public sector contracts for goods and services might be corrupted by suppliers, contractors and government officials, and on ways to combat these abuses and create integrity in the system. Panelists presented international cases and experience to highlight specific points of vulnerability and warning indicators of corruption in procurement. Discussion then proceeded to measures to be taken within the procurement process itself and in related areas of laws and regulations, public information and citizen involvement, auditing and law enforcement to reduce corruption and its attendant costs to society.

5.7 Appropriately transparent procedures for public procurement that promote fair competition and deter corrupt activity.

Mr. Strombom, former Chief of Procurement at the World Bank, observed there is more awareness of corruption in procurement activities today than previously. The scandals associated with the International Olympic Committee and reports of corruption in many countries reflect the many forms corruption takes and the urgent need to move beyond ethical and moral platitudes to analyze and quantify the corrosive effects on development and societies. Corruption in procurement undermines the rule of law, wastes financial resources, and destroys trust and confidence in government.

Adalberto Giavarini
Secretary of Finance
Government of the City of Buenos Aires
Argentina

Mr. Giavarini discussed the experiences of his municipal government in improving the procurement process and reducing corruption. When Buenos Aires introduced simplified and transparent rules and increased use of open public bidding, the number of bidding companies and the level of competition increased. The results included a sharply reduced incidence of corruption, and also reduced costs and increased savings for the government.

Theodore Nkodo
Director of Central Operations Department
African Development Bank

Mr. Nkodo stressed that good governance is an essential condition for sustained economic development and thus an important subject for development banks. The AfDB is seeking to eliminate corruption in bank-financed projects, increase assistance to member countries to pursue civil service and judicial reforms, and increase knowledge and awareness of corruption and its adverse effects. The Bank is modernizing its procurement regulations, standardizing its documents and providing training for procurement officials. The AfDB held a conference to sensitize its members to the problems of corruption and to promote competition in Africa.

Laura Rojas
Advisor to the Minister of Industry and Commerce
Venezuela

Ms. Rojas, who is active in World Trade Organization affairs, discussed the WTO procurement code and attempts to introduce provisions for transparency, accessibility and non-discrimination. She said the objective is to gain consensus on accountability and procurement rules that would permit the use of WTO trade policy reviews and its dispute settlement mechanism to identify trade distortions and discrimination associated with corruption, thus leading to required steps by countries to deal with corruption.

Joe Sutton
President and Chief Executive Officer
Enron International

Mr. Sutton emphasized that corruption increases the costs and the unpredictability of doing business. He stressed that senior management should take the lead to promote self-governance and increased use of independent auditors and investigators, confidential channels for whistle blowers, and severe punishment for violators of anticorruption laws and regulations. He called for privatization of government-owned enterprises and mandatory antibribery pledges by firms to be qualified to negotiate contracts. Several other panelists

and participants at the Session questioned the wisdom of negotiated contracts for infrastructure concessions and spoke strongly in favor of open international competitive bidding as the best defense against corruption.

Howard Wilson
Ethics Counselor
Government of Canada

Mr. Wilson echoed Secretary of the Treasury Rubin's remark earlier that day (see section 16) that corruption is primarily an economic issue and not simply a criminal or governmental matter. He endorsed competitive bidding and limiting discretion in procurement. He also advocated the use of electronic advertising and discussed various procedures and decision-making criteria that seem to work best in preventing and discouraging corruption.

9f. Integrity and Corruption Issues Specific to the Judiciary

7. Ensure that investigators, prosecutors and judicial personnel are sufficiently impartial to fairly and effectively enforce laws against corruption.

Russ Wheeler, Moderator
Deputy Director
Federal Judicial Center
United States

The Specialty Session on Integrity and Corruption Issues Specific to the Judiciary was held at the Department of State. The Moderator introduced the following presentations:

Justice Sandra Day O'Connor
United States Supreme Court

Justice O'Connor stressed every nation's need for a fair and equitable judiciary. Decisions should be based on law, not on personal gain, politics or fear. Endemic corruption threatens this equitable application and enforcement of the law. She suggested the solution to the problem is structural independence of the judiciary. She indicated a number of features of the United States model which are successful in this regard: lifetime tenure of judges, salaries which are set constitutionally, not by another branch of the government; impeachment as the sole means for removing judges. She said judges must not be afraid to enforce the law and they must make decisions based entirely on the law, not influenced by public opinion or threats. Judges must have the power and courage to make decisions which provoke public outcry.

Justice Stephen Breyer
United States Supreme Court

Justice Breyer agreed that structural independence is the foundation for a judicial system free of corruption. He suggested that governments must take strides to ensure that judges will not be dismissed, threatened or removed for their decisions. He also stressed that the judges themselves have obligations to maintain the effectiveness, accessibility and honesty of the system. The public must have faith in the honesty of the system, leading the system to reinforce

itself. He noted that United States judges must publicly disclose gifts and income.

Robert Kastenmeier
United States

Former Congressman Robert Kastenmeier was Chairman of the National Commission on Judicial Discipline and Removal, 1991-1993. He reiterated the importance of lifetime appointments of federal judges. He also indicated that the screening process is extremely important and that the system created by which judges review their colleagues for corruption has been successful.

Michael Mihm
United States District Judge
Central District of Illinois

Judge Mihm suggested five reasons for the success of the United States federal judiciary in avoiding and countering corruption: the exhaustive screening process; the transparency of the legal process and openness of proceedings; adequacy of compensation; personal judicial commitment to honesty; and the ability to obtain advisory opinions from other judges regarding possibly corrupt behavior.

Paul Sheridan
Chief Judge
Circuit Court of Arlington, Virginia
United States

Judge Sheridan discussed the Virginia commission which oversees the judiciary. He stressed that it was a secret process geared toward protection of the identity of those accusing judges of wrongdoing. He noted that the system had been quite successful in dealing with possible issues of corruption among state judges.

10. Global and Regional Anticorruption Frameworks

10. Develop to the widest extent possible international cooperation in all areas of the fight against corruption.

12. Encourage activities of regional and other multilateral organizations in anticorruption efforts.

Alan P. Larson, Moderator Assistant Secretary of State for Economic and Business Affairs United States

The Specialty Session on Global and Regional Anticorruption Frameworks met at the Department of State.

The purpose of this session was to review key global anticorruption instruments, such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (contained in the Source Book of the Global Forum), and regional initiatives, including the Inter-American Convention Against Corruption (contained in the Source Book of the Global Forum) and proposals for activities in Africa and Asia.

Following individual presentations by members of the discussion panel, the group further discussed the merits of global versus regional approaches. The lack of an international mechanism was an obstacle to enforcement. There appeared to be consensus that progress at all levels -- international, regional and national -- was critical to success.

Prof. Dr. Mark Pieth University of Basel Switzerland

The full text of Dr. Pieth's paper "International Efforts to Combat Corruption" may be found in the Appendix.

Dr. Pieth said that Europeans had long wondered why the United States had been so persistently seeking to internationalize the Foreign Corrupt Practices Act (FCPA). This was seen as either an act of moralism, or acceptance of a short-term disadvantage to gain a long-term competitive

advantage by forcing companies to win contracts without bribes. Until 1994, Europe was entirely concerned that a more or less hidden trade agenda prompted this policy.

With globalization of the world economy, however, corruption abroad became more evident to Europeans, who also now perceived corruption as creating irrational trade barriers that negatively affected their own trade opportunities. This worldwide change of perception, especially in industrialized countries, was essential for the current broadening of the international coalition against corruption, including international organizations, governments, multilateral development banks, the business community, trade unions and non-governmental organizations. There was dramatic development of intergovernmental programs and standards during the second half of the nineties. All European countries

10.4 Inclusion of provisions on combating corruption in appropriate bilateral and multilateral instruments.

were in the process of preparing legislation to ratify and implement between two and six instruments against corruption: the OECD Recommendation and Convention of 1997; the Council of Europe Convention of 1998; and for members of the European Union, the four Treaties and Protocols of the EU on the protection of financial interests of the community. The question now was how to coordinate this quantity of prescriptive material: do concepts fit together, or will they lead to competitive action by agencies and legal chaos?

The speaker would concentrate in this presentation on instruments of the OECD, the Council of Europe and the European Union, and mention initiatives in the Organization of American States and United Nations. He would not address in detail very essential work also done by the multilateral development banks and the International Chamber of Commerce.

The OECD instruments, the "Revised Recommendation" of May 1997 and the Convention of November 1997, have a narrow objective and limited goals. They are oriented to the supply side of bribery, intending to reduce corrupt payments into foreign, predominantly developing or emerging, markets by sanctioning those who give or offer bribes and their accomplices, as well as by prescribing preventative measures. The behavior of foreign officials that accept bribes is not addressed by the OECD. This concept is clearly influenced by the United States approach since 1977, but does not merely replicate the FCPA. However, importantly, it creates an international process with follow-up mechanisms and outreach capability.

Since the European Union itself has no powers to directly enact criminal law, the issue of corruption is approached through international treaties that are ratified and implemented nationally. The "First Protocol" of 1996 addresses criminalization of transnational bribery within the EU that endangers the community's economic interests. The 1997 Convention on Bribery (contained in

the Source Book of the Global Forum) moves one step further by eliminating the requirement of endangering the community's interests. The European Commission is also seeking to develop supranational law against corruption in the context of community law based on competence outside criminal law, such as the tax treatment of bribes and rules on accounting and auditing. Significantly, the EU is also moving to regulate commercial corruption involving only private parties. These steps within the EU are limited in geographic scope, and may be seen as steps on the way to supranationality.

The purpose of the Council of Europe is to address legal harmonization and protection of human rights, and in particular to foster the legal integration of Eastern Europe. Its Heads of State adopted twenty "Guiding Principles" in October 1997. The Council of Europe has also prepared a Criminal Law Convention on Corruption, which was adopted by the Committee of Ministers in November 1998. This differs from other initiatives in that it adopts a very broad approach to corruption, requiring the criminalization of both giving or offer ("active") and solicitation or receipt ("passive") bribery, and trading in influence, domestically and internationally, of all sorts of officials and commercial bribery of private persons. This links with previous work by the Council of Europe on mutual legal assistance and extradition, as well as more recent work on money laundering and confiscation of assets. Both the Council of Europe and the EU have developed elaborate follow-up mechanisms.

The aims of the OAS Inter-American Convention Against Corruption are close to those of the Council of Europe, but its methods are somewhat different. This does not yet have a follow-up mechanism, although the OAS is developing more comprehensive action against corruption, including non-criminal measures. The United Nations approved two General Assembly resolutions on corruption in 1996 (contained in the Source Book of the Global Forum), and is initiating work on use of offshore financial centers in connection with corruption.

The speaker then discussed several key issues of criminal law relating to the criminalization of transnational bribery, including the methodology employed in criminalization obligations, definition of public officials and broader issues in the definition of the offense of bribery, the responsibility of legal persons and sanctions against companies, issues of jurisdiction, enforcement, money laundering and accounting offenses. It was important to realize that none of these organizations is interested in sending as many managers to prison as possible. Rather, they desired to motivate a change in attitude and to introduce sound internal rules and controls down to operational level to prevent acts of bribery and corruption from taking place.

Judge William H. Heath
Head, Heath Special Investigating Unit
South Africa

The full text of Judge Heath's prepared presentation "Corruption in Africa: A South African Perspective" may be found in the Appendix.

Judge Heath said that in South Africa, corruption is treated on a much wider basis than just bribery of an official. It includes maladministration and mismanagement. Corruption is rife in South Africa, but other African countries faced larger problems.

Probably the most typical example of corruption in Africa is bribery of state officials. This has led to economic hardship for many African countries, and to lack of substantial investment and development. Failure to control corruption has also contributed to turmoil in many so-called "democratic" African countries.

There are serious problems with the criminal justice system in South Africa, causing many to lose confidence in the system and fail to inform authorities of corruption. In many cases, this results from lack of experience on the part of people involved in the criminal justice system, which allows criminals to escape prosecution. There is a particular serious problem of corruption among police. This led to the recent establishment of the Special Anti-Corruption Unit, which has already had substantial success. A recent change in prosecuting procedures now affords leadership to a National Prosecuting Authority, but this novel concept has not yet had opportunity to prove itself.

7.3 Establishment of an independent mechanism within judicial and security agencies with the duty to investigate corruption allegations, and with the power to compel statements and obtain documents from all agency personnel.

In addition to criminal prosecution, the South African Government has established two bodies for the recovery and protection of state assets, a Special Tribunal and a Special Investigating Unit for investigating corruption, fraud and maladministration. This differs from criminal prosecution; after investigation, the Special Investigative Unit pursues civil litigation before the Special Tribunal to

7.5 Systems that allow for the appointment, where appropriate, of special authorities or commissions to handle or oversee corruption investigations and prosecutions.

stop loss of state assets or recover them, greatly expediting this process. The Special Investigative Unit may require all public or private parties to provide documents or appear to

testify, and has the power of search and seizure. The Unit consists of experts in various fields including forensic auditors, accountants, investigators, and a sophisticated computer system. The Head of the Unit is authorized to appoint experts in any field necessary to an investigation. During 1998, this Unit recovered or protected assets to the value of over 840 million Rand, and has cases being investigated to the value of over nine billion Rand.

Jorge Garcia Gonzalez
Organization of American States

Mr. Gonzalez discussed progress in meaningful implementation of the Inter-American Convention Against Corruption by the Organization of American States. He discussed this with specific reference to addressing corrupt business practices in the Western Hemisphere.

Guy de Vel
Director of Legal Affairs
Council of Europe

The text of Mr. de Vel's prepared speaking notes for his presentation may be found in the Appendix.

Mr. de Vel described the Council of Europe and its activities to promote democracy, the rule of law, individual rights and freedoms, and social progress. Since the end of the Cold War, the Council of Europe has become a truly paneuropean organization.

In the 1990's, countries in all parts of Europe and the world were shaken by huge corruption scandals. Corruption is a subject well suited for international cooperation, as it is shared by most if not all Council of Europe member states, and most serious forms of corruption contain transnational elements. Efforts by the Council of Europe against corruption had considerable political impetus as one of the highest priorities for the organization and its member states. These efforts were multidisciplinary. All were linked with the monitoring mechanism provided by the agreement known as GRECO, the Group of States Against Corruption, which has been modeled on mutual evaluation methods employed by the Financial Action Task Force. The Council of Europe seeks to address all forms of corrupt behavior, with a full range of international law measures against corruption. Countries could chose to accept instruments appropriate to their circumstances, with the GRECO monitoring mechanism applying flexibly to all.

The speaker described the origin and content of the "20 Guiding Principles for the Fight Against Corruption" (contained in the Source Book of the Global Forum), the agreement establishing the GRECO, and the Criminal Law Convention on Corruption (contained in the Source Book of the Global Forum). He also described the draft civil law convention on corruption, which is in preparation, and the Model Code of Conduct for Public Officials, which it was hoped would be complete during the present year.

Ramon Cardenas
Senior Deputy Executive Secretary
Office of the President
Philippines

Mr. Cardenas emphasized the importance of political will and concrete action in the Philippines' approach to corruption issues.

Andrew J. Pincus
General Counsel
Department of Commerce
United States

The full text of Mr. Pincus' remarks, as prepared for delivery, may be found in the Appendix.

Mr. Pincus said that before the United States law banning foreign bribery, investigations by the United States Securities and Exchange Commission in the mid-1970's revealed that over 400 United States companies admitted to making questionable or illegal payments in excess of \$300 million to foreign government officials, politicians or political parties. Scandals in Japan, Italy and Mexico damaged the reputation of American companies throughout the world, and led to enactment of the Foreign Corrupt Practices Act of 1977. This requires all United States business entities and citizens to refrain from making any unlawful payments to foreign public officials, political parties, party officials, or candidates for public office for the purpose of obtaining or retaining business.

After passage of the FCPA, United States companies complained of disadvantage when foreign competitors were able to offer bribes. The United States was gratified that criminalization of bribery of foreign public officials is now embodied in a global convention sponsored by the OECD and signed by 34 of the world's major exporting nations.

Monitoring implementation of the OECD Convention was one of the highest priorities of the United States. The United States would urge that the OECD Secretariat be provided with resources sufficient to support the Working Group on Bribery to carry out monitoring activities.

To implement the OECD Convention, the United States has amended its law to include officials of international agencies in its definition of foreign public official, eliminate disparities between penalties imposed on United States nationals and non-national employees or agents, to cover all foreign natural and

legal persons while in United States territory, and to prohibit bribes made for the purpose of securing "any improper advantage", as required by the Convention.

In order not to lose momentum, it is necessary to follow the Convention by continuing to address outstanding issues, such as bribes to political parties, candidates or party officials. Many signatories had not yet completed ratification and passage of implementing legislation. Several OECD member countries still allow tax deduction for bribes paid to foreign officials.

The United States would also be pursuing other anticorruption efforts. The OAS Convention is an important vehicle, and the Secretary of Commerce has given priority to working with the private sector and the United States Senate to promote understanding of it. The United States applauds the initiative of the members of the Council of Europe for its Criminal Law Convention. The United States is working closely with the private sector on an agenda in the Asia-Pacific Economic Cooperation Forum (APEC) that will address bribery, corruption and transparency. The United States hoped to conclude an agreement on transparency in government procurement in the World Trade Organization during the present year. The United States fully supports the initiative of the Global Coalition for Africa and 11 African countries in cooperation with the World Bank to promote a possible African anticorruption agreement.

The Commercial Law Development Program is an initiative of the United States Department of Commerce, Office of the General Counsel, funded in part by the U.S. Agency for International Development. It provides "rule of law" training and consultative services for lawmakers, regulators, judges, lawyers and educators seeking assistance in the evaluation, revision and implementation of evolving legal systems. In the area of corruption, this program assists foreign governments to address such areas as government procurement, reform of the judiciary, government ethics issues, transparency and regulatory reform.

11. Internal Oversight

Jacquelyn L. Williams-Bridgers, Moderator
Inspector General
Department of State
United States of America

Michael Bromwich
Inspector General
Department of Justice
United States of America

Rodrigo Moraga Guerrero
Chairman, General Government Internal Audit Council
Chile

Miria R. K. Matembe
Minister of Ethics and Integrity
Republic of Uganda

George Baramidze
Minister of Parliament
Chairman of the Anticorruption Investigations Commission
Republic of Georgia

The Specialty Session on Internal Oversight: Prevention, Detection and Investigation met at the Department of State.

This Specialty Session offered an international perspective on internal government oversight mechanisms. Discussion included strategies to prevent, detect and investigate fraud, waste and misconduct, as well as common challenges in the oversight process.

The text of remarks summarized below by George Baramidze of Georgia, the text of the prepared statement by Miria R. K. Matembe of Uganda, delivered at the Plenary Session on “Ethics Regimes in the Public Sector;” and a paper prepared by Rodrigo Moraga Guerrero on “Actions to Strengthen Government Policy in the Area of Public Transparency and Integrity,” may be

found in the appendix.

Jacquelyn Williams-Bridgers, the Moderator, offered a brief discussion of the role of the United States offices of Inspectors General to assist the executive and legislative branches of government in maintaining the public trust.

Other participants provided brief overviews of their national organizations, including mission and responsibilities, scope of authorities, reporting channels of the Executive, Legislative or Judicial branches of government, and a discussion of their independence from potential impediments, to integrity and products. Following their brief overview, the panelists engaged in general discussion on internal oversight from their unique perspective.

Overview of National Structure by Panelists

A. Michael Bromwich, Inspector General, Department of Justice, United States of America.

Inspector General Michael Bromwich outlined the general framework and functions of Inspectors General in the Federal government. There are some 27 Inspectors General appointed by the President and confirmed by the Senate serving in each of the major cabinet level departments and agencies. These Inspectors General can only be fired by the President upon a showing of cause to the Congress. This is one aspect of ensuring the independence of Inspectors General in addition to a number of other aspects of their operations such as having a separate appropriation and dual reporting responsibilities both to the Congress and to the head of the agency in which they serve. Mr. Bromwich's office, for example, reports both to the Congress and to the Attorney General.

The major functions of each of these Inspectors General include audit, investigative and, in many cases, an inspection like functions somewhat akin to an audit but which may not adhere to Yellow Book standards of an audit and have a somewhat different policy review focus. The Department of Justice (DOJ) Office of Inspector General (OIG) also has a special investigations review unit that handles more complex investigations utilizing multi-disciplinary teams of auditors, investigators, and lawyers.

The principal mission of the OIG at the Department of Justice is to detect and deter fraud, waste and abuse in programs and operations, and fraud or misconduct on the part of DOJ employees. All federal lawyers in DOJ are included in the scope of the OIG mandate –approximately 110,000 employees nationwide. There are roughly 400 employees in the Office of Inspector General. Most of their work involves field investigations and includes criminal and administrative reviews. In addition, the OIG has audit entities throughout the country and an inspection division. Part of an OIG function is to investigate and

serve as a fact finder. A dual investigative function is to work with DOJ prosecutors to develop the cases for prosecution as well as to provide oversight for the employees of DOJ.

B. Rodrigo Moraga Guerrero, Chairman, General Government Internal Audit Council and Special Advisor To the President of Chile.

Mr. Moraga briefly described the governmental structure in Chile which is an executive or Presidential system of government. There are 29 ministries and 95 thousand public employees with a “small” public sector. He explained that “small” means that the public sector is only 20 percent of the economy. The balance, 80%, is in the private sector. As in the United States, the role of the central government is principally regulatory. Its major function is to provide services. Processes and practices in providing these services in Chile are not necessarily standardized. It would be beneficial to have uniform national standards for processes and services and a system of internal government controls. The system of internal auditing in each of the major ministries of government provides a mechanism to identify problems and evaluate the systems in place to see how we could operate more efficiently. The reports of the internal auditors, or ministry auditors, go to the President to ensure that programs will be developed that will address the systemic problems.

Each year the President establishes a broad set of areas for focus or review by the internal auditors. These are usually based on problems identified in previous years or new initiatives to address programs of the government that need to be changed or adjusted in terms of their practices and processes for delivery of government services. The legislature also receives copies of these reports and may request the Ministers to come forward to answer questions that the legislature may have. The primary force for change in government programs, however, is through the comprehensive programs established by the President.

C. Ms. Miria R. K. Matembe, Minister of Ethics and Integrity, Republic of Uganda.

The recently established Minister of Ethics and Integrity is a new approach to encourage adherence to codes of conduct in Uganda. After 10 years of working on laws to establish a legal framework and a judicial structure to hold people accountable for any corrupt activities, a new directorate was instituted to address the underlying structure of corruption. The directorate was developed as a model to fight the decadence and reinforce the moral fiber in Uganda and foster adherence to codes of conduct. The ministry serves as a structure to establish standards and codes of conduct for public officials, and to instill ethical values through formal and informal education.

The Ministry is part of the Ugandan government. Its mission is to help minimize opportunities for corruption and create a corruption free society. Its mandate is to restore systems and institutions that were destroyed during the war, and to reestablish standards and uniform policies that were once governing Ugandan society and guiding Ugandan professionals. The Ministry has several functions. First, to formulate policy and a governmental framework to fight corruption. Second, to put this strategy and structure in place. Third, to ensure compliance with recommendations to fight corruption. For example, the legislature may recommend that a Minister does “xyz”, but if that does not happen, our ministry must follow-up with that person at the highest levels of government. Fourth, the Ministry coordinates all the activities - all recommendations of all organizations have a focal point for actions to happen. Fifth, it is the Ministry’s job to put out information for government officials and to reach them in the mainstream with a coherent and consistent interpretation of the various laws concerning codes of conduct and adherence to ethical standards. The Ministry coordinates anticorruption laws, educates the public and provides it with core assistance in anticorruption programs. Attempting to reinvigorate the values once held by Africans before the Continent was broken apart by colonization – to identify a core system of values as Ugandans and network with other civil societies to share best practices – is critical.

D. Mr. George Baramidze, Minister of Parliament and Chairman of the Anticorruption Investigations Commission of the Republic of Georgia.

Mr. Baramidze served two years as Chairman of the Anticorruption Investigations Commission established by the Parliament in 1996. The Commission is authorized to summon and question any government official, to receive any materials and information necessary to investigate corruption practices, and instruct Ministries. The Commission may investigate individual corruption cases. Final reports are given to the legislature and the media. In cases involving ministers and other high level officials, the Commission is authorized to begin impeachment procedures as appropriate. Investigation materials could also be sent to the corresponding Minister for prosecution through the judicial system.

The Commission can receive information from non-governmental organizations, not just from government officials. The primary goal of the Commission is to carry out work on behalf of the Parliament, however, it can undertake whatever other investigations are appropriate. The Commission participated in the resignation process of five Ministers that were initiated by Parliament and the impeachment of the Ministers of Communication, Energy, and Finance among others. It is also involved in fighting corruption in private companies when, for example, they have ignored procurement regulations which are required to ensure appropriate competition in contracting. Depending on the

complexity of cases, the working group is composed of three to six members, by one or two experts, with an administrative staff of ten.

General Discussion

Mr. Bromwich opened the general discussion on how Inspectors General decide what work to do and how to develop both criminal and administrative cases. He then discussed special investigative teams to handle large complex topics and then closed his presentation with a discussion of the manner in which Inspectors General report their findings and the overall importance of this public disclosure to the work of their office. He noted that first and foremost, an Inspector General must have independence in determining what issues to pursue. Indeed, he pointed out, it is very rare that an agency head could start or finish OIG work. For example, only the threat of compromising national security or interference with another criminal investigation would cause his office to refrain from starting or completing an ongoing investigation. This happened only once in his career. In this instance, intervention by the Attorney General in ongoing work of the OIG resulted in a notification to Congress.

Mr. Bromwich pointed out that, not unlike other OIGs, he solicits ideas from other agencies as to what programs would be of greatest value to review. This is very important since managers often have a clearer picture of problem areas or patterns in operations or functions that may suggest an area ripe for review. Mr. Bromwich considers agency suggestions seriously for the OIG work plan. Concerning the unusual dual-reporting requirement in the Inspector General statute, i.e. that Inspectors General report both to the agency head and to Congress, Mr. Bromwich noted that the reporting relationship with Congress ensures independence. In addition, Congressional oversight can assist in the compliance process since Congressional committees may use OIG reports during hearings and during their consideration of budgets and appropriations for the various offices. Congress wants to know whether these managers are managing their resources in an efficient and effective manner. The Inspector General statute requires each Inspector General to prepare a Semi-Annual Report to the Congress and each IG must publish reports on the Internet for the public as well. Congress holds hearings on OIG reports and OIGs reserve the right to take this information directly to the public as well, when appropriate, on issues of public interest.

Mr. Bromwich discussed the way in which his office develops cases. His office received approximately 7,000 complaints last year. With only 400 in his office and only 104 in the investigations office, they must look carefully at complaints. These complaints come from a wide variety of sources, from agency employees, from managers, or from individuals outside DOJ who have contact with employees who believe that DOJ employees have been involved in some form of misconduct. Complaints may also come from Congress, from Members

and committee staff, and from the media. They may see stories in the press that describe serious misconduct which his office would then look into. Mr. Bromwich noted that his office must assess these complaints and consider them for possible criminal prosecution. His office also tries to analyze these complaints and compare them to other allegations received to see if there is a pattern to complaints. He noted that Inspectors General are different than other investigative entities in that they look for patterns to address systemic problems, not just individual cases. His office undertakes this analysis so that he can make recommendations that will fix or eliminate the potential for corruption. In this manner, his office hopes to address the more systemic problems and contribute to making government function better.

The Department of Justice OIG has 17 field offices in major cities, with agents trained to handle both criminal and administrative cases. The agents have full law enforcement authority including executing search warrants. The office oversees a wide range of cases including bribery of officials, smuggling of narcotics, management of federal prisons or other kinds of prison corruption, and immigration issues.

Inspectors General work closely with prosecutors. IGs do not prosecute cases; Department of Justice Assistant US Attorneys (AUSA's) prosecute cases. IGs are required to report to the Justice Department when they deem there is reasonable grounds to believe that a law has been violated. IG agents meet early on with the prosecutor to ensure that cases are worth pursuing, and to ensure that the information an AUSA needs to prosecute is gathered and that the case is developed in a manner that is most useful to the prosecutor. An IG may also pursue these as non-criminal administrative cases if the case is declined for prosecution. In these instances, employee misconduct is not prosecuted, but the employee is punished by agency disciplinary action based on an IG referral of the matter. IG offices spend a great deal of time on administrative cases. These cases are not necessarily criminal matters insofar as they may involve violations of regulations, but these cases are important since they uphold accountability for the standards of conduct.

It is also important to remember that IGs do not impose sanctions. IGs collect information and conduct investigations. They are finders of fact, not judge or jury. An IG may sometimes be asked what an appropriate punishment would be and an IG would respond with a range of typical sanctions from other cases.

IG's are unique insofar as type of professional/multidisciplinary capabilities that they have in an OIG office. In special investigations, this multidisciplinary approach is particularly effective. These special investigations provide a special dedication of resources, people and time and are particularly important in improving agencies insofar as they bring to bear the joint expertise of audit, legal and investigative disciplines. As an example, Mr. Bromwich cited an 18-month investigation of a Federal Bureau of Investigation (FBI) crime lab. In addition to

citing poor scientific work, the IG accused the FBI of lying and fabricating evidence in the lab for testimony before Congress. The IG was able to recruit scientists from around the globe and Canada to provide a full assessment of scientific concerns. The IG did not substantiate the allegations of fabricating evidence, but issued 40 recommendations regarding the operation of the lab. The FBI accepted and implemented all of the recommendations.

Public disclosure of the results of IG work and IG's reporting requirements to Congress sometimes puts the IG at odds with the agency's management. It is, however, extremely important that the public be informed when allegations are made publicly that the issues are being addressed and appropriately handled. The Semi-Annual Report to Congress includes all aspects of the IG work and ensures that these activities are published and publicized on a regular basis. Additionally, audit and inspection reports are generally available to the public in hard copy and on the Internet unless there is a reason to withhold information under the Freedom Of Information/Privacy Act statute.

The more difficult issues involve misconduct that is not disclosed by virtue of the public prosecution process. Where an administrative case results in administrative action, the Privacy Act places restrictions on disclosure of investigations of low level personnel whose actions are not deemed to be public figures in the same way higher ranking officials would be. This is a difficult balance because there is a strong interest in privacy particularly if it is minor misconduct by low ranking officials. The IG community continues to re-examine this but the general rule allows for disclosure. With 20 years of IGs in the Federal government, since 1978, and with 10 years at the Department of Justice, the independent work of the IGs has been of enormous value in upholding the integrity of government officials and improving the processes of our government.

A question was posed to Mr. Bromwich concerning disclosure, for example, in the case of the FBI's counterterrorism mandate where there might be information that is sensitive but is not protected by a national security exemption. Mr. Bromwich noted that the FBI has its own internal disclosure process, however, the IG has limited jurisdiction over the FBI. The IG determines whether the IG or FBI should conduct an investigation. The IG may do the investigation that involves a classified matter. On two occasions the Attorney General asked the IG to complete the investigation and do the report. In these cases, the dissemination of the report is controlled. Following completion of the work, the OIG provided the information to the decision-makers and to Congress for purposes of oversight, but the reports were not publicly disclosed.

A second question was asked about the process after a case is submitted to a prosecutor but the case is not accepted for prosecution. What happens if the prosecutor does not want to pursue the case? Mr. Bromwich responded that it depends on the particulars of the case and how strongly the prosecutor feels about the case. The OIG works with prosecutors to persuade them as to the

merits and deterrent value of a case. Particularly in public corruption cases or embezzlement, the actual dollar amount may be small, but OIG may argue the importance of prosecution as a deterrent to the breach of public trust by the person in this position. Ultimately, however, it is the prosecutor's decision whether or not to prosecute a case, but IGs can discuss and try to help them see the merits and importance of a case.

Mr. Moraga provided an overview of the internal control framework in the national government of Chile. There are two systems: one external and one internal. The external system has three elements of control: (1) the laws passed by Parliament, or regulations; (2) administrative controls by the Comptroller General who is independent of the executive; and (3) the publication of information and pressure exerted by the public on the government.

The Chilean public services are not accustomed to publicizing corruption. Yet, the best manner of getting rid of corruption is to publicize it. Public servants are normal people who are basically honest. However, there is small fraud and transactions that are not transparent to the public. Even though they may be providing good public services, there still may be problems of corruption or inefficiencies within the system.

The President of the Republic has used instruments of internal control to address transparency issues. For example, each year the President sends an order with a broad framework for programs for all parts of government to each of the Ministries, e.g., all purchases for a given item are to be done in a certain way. Often, there is a wide range of existing regulations with a patchwork of confusing or conflicting guidelines to do the same thing. The President wanted to establish uniform procedures for all types of contracts and wanted a law to make it simpler. In 1997 he used outside consultants to establish procurement regulations and publicized the findings of a review of contracting procedures. He asked the ministries to look more closely at the small transactions that were occurring and to identify patterns that could lead to identifying systemic problems in procurement. External auditors then developed recommendations.

Last year the internal control system was implemented. This year the President asked how this procurement review project turned out. The Ministers presented their responses. The Ministers all responded with their programs, presented their reports to the President and included all of the work. The Ministries gave these reports to the President with a great deal of confidence in their findings because of the process of external auditors bringing outside expertise to the process. In another example of using outside expertise, in April 1998, Chile signed a Memorandum of Understanding with the Secretary of State for a cooperative exchange of information and expertise with the State Department Inspector General.

Chile has an Executive based system which is distinct from the US system of Inspectors General who report to the Congress as well as to the Executive. The Chilean Ministry auditors are part of the government, reporting to the President. This is a serious difference between the two systems. If fraud is found in a Ministry, it is the responsibility of the Minister to address the fraud and to inform the President. If Minister "X" commits fraud and if the Minister does not report fraud, the President can remove the Minister. The Executive based system of government in Chile operates differently than the Inspector General concept, but it arrives at the same end of improving the functions of government.

Ms. Matembe said that the views, aspirations, and challenges of the Ministry of Ethics and Integrity of the Republic of Uganda are similar to those of the Office of Government Ethics in the United States. When the office was initially established, it was received enthusiastically. Those who established the office thought that this is really something that will bring justice and catch all those who are doing something wrong. There were great expectations that the office would do a great deal and catch all the money being taken from the government.

The Ministry wanted to work differently from other government organizations because it wanted to have the trust of the people. The office wanted to build a civil society and public activism to enable results. In order to establish trust the public was asked to define its goals during a three-day brainstorming workshop.

Another major challenge is to define the operation of the office with the knowledge that it is not possible to fight corruption alone. In addition to the Ministry of Ethics and Integrity, other independent agencies exist as well as an anticorruption office in the Office of the President. The Ethics and Integrity office is independent of the President's office.

The Judiciary must be independent. The Ministry can arrest people, but when they go to court, the court can release the person on bail. Movement is being made to collaborate with the Judiciary so that there is a more united effort in anticorruption efforts.

The real challenge is to find leadership. Ethics is on the agenda. Before the Ministry was established, there was little attention to ethics. Ministers are now taking notice of the power of the Ministry and know that they will not be spared if they are unethical. This is a big challenge and the Ministry must act without fear or favoritism. Leadership is key, people must be hired who are not corrupt.

There are constraints on the activities of the office due to limits on resources such as staff and equipment. Resources are needed to conduct investigations. People are working very hard just to get food to eat. So it is

difficult to design programs and write all policies, and find skilled people and equipment. There is no doubt that the country has the political will, but resources are lacking. The spirit is willing, but the body, that is the economic body, is weak.

The big challenge is that the norm now is all too often what is unethical. Bribery is widely accepted. It is difficult to reverse this trend. The people need to internalize anticorruption messages and give it the right name. People would say that everyone is corrupt. But if you call someone a thief, this is not acceptable. The right vocabulary needs to be used so unethical conduct is not acceptable.

Poor leadership by corrupt leaders is a real problem. If public property is taken, and if the stolen public property is shared with the people in the village, the thief is well received. This is because government property is seen as belonging to the people, to everyone. Theft from the government may be misperceived as being good. Theft of a neighbor's property, however, is bad. The challenge is to teach people that property belonging to the government must be protected and not given back to people.

The Ministry's responsibility is to educate citizens and to explain that accepting stolen government property constitutes corruption and if they participate, they are assisting corruption. Public affairs is an important aspect of work. The public needs to know that if money is stolen from the government, there will be a corresponding reduction in public services. Corruption must be linked to services that the public will not receive because government money was stolen. The public needs to know that the government is working for them.

Mr. Baramidze noted that in 1990, independence was restored to Georgia after being part of the Soviet Union. During the period before independence, the public learned not to respect the government because it was not "our state." So there was a problem similar to what Ms. Matembe described, in the concept of understanding why an anticorruption program was needed. There was long a sense that whatever was government property should be returned to the people. As Ms. Matembe described, everyone wanted to have government property returned to the people.

Steps need to be taken to cure the corrupt system. Indeed, the best way is to strengthen democracy, to establish open society. Transparency is important in all aspects of government and the legislature. The public must have information about the government's functions and there must be open public hearings in the legislature as well.

Mr. Baramidze referred to one major case brought against corrupt practices in one Ministry where people lost lives as well as their jobs. This case was unusual and a turning point for Georgia since before 1990, it was impossible to say bad things about Ministers. So this case was a catharsis and gave the government credibility. Moreover, the case had a positive impact on the public

acceptance of my anticorruption commission. This case established a basis of public support for our efforts. With the publicity surrounding this case, the independent newspapers became established and heightened the impact of this case.

The Georgian Cabinet is considering increased transparency. The President has initiated legislation that is being considered to focus on small organizations. Public support is essential to change the overall culture of ethics in government. Indeed, public opinion is as important as any law to provide support from citizens to solve problems of corruption. Otherwise corruption is really a threat to national security.

Mr. Baramidze noted that while political, economic and social reforms had provided rapid growth with moderate inflation over the past five years, a high level of corruption has prevented Georgia from maintaining economic indicators at these levels. The President acknowledged that corruption represents a major threat to national security, and reform measures have been implemented by one of the most reform-minded parliaments of Eastern Europe and Central Asia, with the enthusiastic support of the population.

The Anticorruption Investigations Commission of the Parliament, which Mr. Baramidze chaired for two years, was created in 1996, as a part of the legislative branch accountable to Parliament. It has authority to summon and question any government official, and require production of materials or information necessary to investigate corrupt practices. Working groups in the committee manage individual investigations. In the case of corruption involving ministers or other senior officials, the committee is authorized to initiate impeachment procedures; in other cases, committee resolutions and substantiating materials are delivered to the Office of the Public Prosecutor and law enforcement ministries.

The Commission uses information from various sources, including government agencies, non-governmental organizations, citizens and the media. The most important case considered by the Commission involved decisions by a former Prime Minister and two Vice Prime Ministers. Another Commission investigation led to dismissal of the Chairman and the Gas Department.

Transparency in this Commission had increased government credibility and promoted popular interest in fighting corruption. As Chairman of the Commission, Mr. Baramidze implemented a project with the United Nations and World Bank which created the "Center for Corruption Investigation," a non-governmental organization. As a result of its advocacy efforts, the parliament had at the beginning of this year overwhelmingly enacted Georgia's first conflict of interest law. This Center also assisted in preparation and passage of a 1998 law on lobbying. Anticorruption efforts in the Commission involved both majority and opposition parties; although its procedures provided for majority vote, in

practice the Commission had always operated by consensus. The President was now considering a further legislative initiative to establish a special institution to fight corruption.

A representative of the Ministry of Solicitor General in Canada reflected on the comments by Ms. Matembe and Mr. Moraga. He noted that we can't just look at government corruption, because this only eliminates one player in corruption. He noted that in Canada, the same problems with government officials are found in the private sector. For example kickbacks in private companies cause a problem especially if these private companies are involved in government procurements. So it is behavior patterns overall that need to be addressed. Corruption in the corporate sector may be concealed since corporate leaders don't want shareholders or people who purchase goods produced by these companies to know about corruption.

We need to do more in government than in private sector, but we need to work equally vigorously with private sector. The private sector is fragmented and difficult to identify. If you de-regulate, you have a proliferation of problems. There needs to be regulation of the private sector as well. When you see a bank system collapse, it is very indicative of pain and price that the public pays. This is an observation and theme.

Mr. Moraga responded: You are absolutely right. In context of corruption, unfortunately, this is associated as if it is a function only of public officials, but there is certainly fraud or corruption in private sector as well. Whatever its form, corruption needs to be rooted out. If you eliminate the government, you don't eliminate corruption or fraud. We are criminalizing corruption in the public sector and so one is susceptible to being someone who is corrupt or a thief. We need to address the systemic problems with internal controls that make it difficult to accomplish fraud on the government. In this sense, we need to get talented and competent people and keep them honest. There is also a danger that government can become so over regulated that a person cannot manage a government program because there are so many rules and regulations. If that person can't properly manage a program, then you are really destroying the ability of the government to serve the public or to govern. So this is a matter of balance.

Ms. Matembe added that the private sector is also involved in corrupt activities. However, corrupt activities are easier to identify in a state with regulations. If production is moved to the private sector, corruption is more difficult to detect. A private person is wooed in the same way as public official to affect the exercise of their discretion as say in the area of contracts. This is a corrupting behavior with the same effect on all parties. The government can be more transparent than the private sector. The point is that moving the problem off the plate of government won't necessarily clear up the problem.

Ms. Matembe added that the definition of corruption is perhaps wrong and should be broadened to include the public sector. Clearly, a public officer has a special contract of public trust since the officer is employed and paid by public to serve the public. Hopefully a public officer is aware that they are employed to improve the lives of the citizens. It is precisely because of this contractual relationship that the concept of public corruption arose. As the role of the state has diminished and is increasingly taken over by transnational entities governments need to rethink their approach. Developing countries need the help of developed countries in this regard.

Panel Findings

Participants in this session reported the following findings:

1. To serve the people, government must operate free from the waste and uncertainty that fraud and corruption creates.
2. In countries where large-scale privatization is replacing government-provided services, anticorruption efforts must also encompass the private sector.
3. In newly independent nations an additional challenge to anticorruption efforts is to build a sense of ownership where there was once widespread distrust of a government that had been externally imposed.
4. Whatever a government's structure, transparency in government functions is essential to creating and maintaining the public's confidence in government and in the integrity of public officials.
5. In countries where bribery has become a way of life, and graft is perceived as a necessary way of sustaining a family, corruption must be linked to a loss of public services that the government can provide.
6. International cooperation against corruption is essential to ensure there is no safe haven or financial advantage for the gains associated with corrupt practices.

12. Non-Governmental Organizations

Frank E. Loy, Moderator
Under Secretary of State for Global Affairs
United States

The Specialty Session for representatives of non-governmental organizations represented at the Global Forum met at the Department of State. A list of non-governmental organizations that were represented at the Global Forum is a part of the List of Participants in section 19 below. Additional materials provided by several of the non-governmental organizations may be found in the Appendix. At the Session, the Moderator distributed to those present copies of the United States Government International Strategy Against Corruption, the text of which may be found in the Appendix.

The purpose of this session was to initiate a dialogue between government and non-governmental organizations on the issues of corruption and the rule of law, and to discuss how governments and non-governmental organizations can work together on these issues.

Participants found that as representatives of civil society, non-governmental organizations are integral participants in the fight against corruption. There is a wide range of non-governmental organizations with an interest in anticorruption efforts. Some work directly on the issue of corruption, others are human rights organizations, business and professional associations, and academic organizations. These groups need to work together and with governments to strengthen anticorruption policies and legislation, educate the public, and help shape and inform debate within countries and internationally.

In many cases, non-governmental organizations have been fighting corruption longer than governments or businesses. It is clear that at this Forum, the non-governmental organization presence was not fully exploited. As governments create strategies for combating corruption, they must seek to incorporate the views and experiences of non-governmental organizations from the beginning. Non-governmental organizations can and do play many roles in fighting corruption. They broaden public interest and bring together interested parties and experts with government officials to discuss particular issues. They help governments design legislation and programs to implement domestic strategies and international conventions. They help make government and society more transparent and accountable, and create an environment in which fraud and corruption cannot thrive.

Participants suggested a number of concrete ways in which governments and non-governmental organizations can work together to fight corruption. They

can work together to make information about governments more accessible to the public. Non-governmental organizations play a key role in collecting and disseminating information on what legislation exists, and how it is being implemented; on responsible government officials; and on issues that need to be addressed. Government and non-governmental organizations can work together to promote, create and implement independent audit organizations, whistleblower laws, and other mechanisms designed to hold government institutions accountable. They can work to create government and business standards, which both serve as a measure of an organization's commitment to fighting corruption and help create a process within organizations for addressing corruption and ethics issues. They can work together internationally to share and compare experiences on what strategies have been effective in fighting corruption and promoting the rule of law. In exchanging information, non-governmental organizations and governments will be able to increase and improve ideas for addressing specific problems.

11.2 Supporting the efforts of ... non-governmental organizations to promote public integrity and prevent corruption.

Non-governmental organization participants highlighted an important warning as the Forum closed. To talk about the issue of corruption, to admit shortcomings and to confess that governments and societies struggle with corruption is a good first step. However, if this step is not followed with concrete action, it will only serve to increase public cynicism, and to undermine the rule of law that governments seek to promote.

13. Strategies for Making Corruption Visible

9. Ensure that the general public and the media have freedom to receive and impart information on corruption matters, subject only to limitations or restrictions which are necessary in a democratic society.

Penn Kemble, Moderator
Director
United States Information Agency

Mr. Kemble said this session would not be about distant principles, but rather would consist of case studies in which people and communities had brought corruption to light and waged a successful campaign against it. In his opening statement, Vice President Gore had argued persuasively that corruption flourishes only where there is darkness. This discussion would be devoted to ways in which society could shed light into areas where corruption breeds, in order to keep it from ever taking root.

The three invited panelists each had, in their own countries, those who loved them, and those who hated them. However, all of them were universally held in awe, as figures with not only professional competence, but also great personal courage and tenacity. Those who expose corruption face danger from the corrupt. These guests are those who have faced danger as they fought to bring down corruption in public life.

One of the main ways in which corruption is brought to light is investigation and reporting by the media. Such reporting on corruption is very difficult work, especially in those areas where great expertise is needed, as for instance to address the complexities of financial records, or complex business transactions. Reporting on corruption can also be very dangerous. The Committee to Protect Journalists had reported that in the last year, hundreds of journalists throughout the world had been killed as a result of their professional activities. While much depends on the media, there were also corrupt journalists, those who were paid to kill stories or to attack the innocent or honest for corruption. Reporters, editors and broadcasters with integrity and professionalism were necessary for a free media to play its proper role in the fight against corruption.

Another great need was for systems and regulations that provide the public with full access to information needed to hold officials accountable for their actions. Where such information was not available, it was necessary to ask

9.1 Establishing public reporting requirements for justice and security agencies that include disclosure about efforts to promote integrity and combat corruption.

why not? With today's information technology, it had become possible to offer wide access to information at modest cost in virtually any country. The burden of information sharing was losing its utility as an excuse to prevent the public from gaining access to information.

There was a continuing need for competent auditors and accountants to maintain oversight over officials. According to reports, enrollment in accounting courses was declining, as young people saw greater opportunities in business, banking and finance. However, if there were not a sufficiency of auditors and accountants needed to maintain transparency in business and government, there would be increased exposure to considerable financial losses. Other professions needed to take into account the necessity to sustain the costs of maintaining public accounting capabilities.

A professional civil service that is competent and well oriented to management was a continuing necessity. In the United States as in other countries, people had been subjected to a barrage of rhetoric attacking government and its officials, as barriers to attaining economic prosperity. Admittedly, government could be an obstacle, but there were even greater difficulties encountered when government was not adequate to its task of providing regulation and oversight to achieve economic prosperity. Government is not the problem. Bad government is the problem, and the answer to it is good government, which is a necessary part of creation of the circumstances in which the private economic sector could create economic prosperity for all.

It is necessary not only for the public to have information about corruption, but to comprehend its rights and responsibilities as a democratic community in the fight against corruption. If all that is done is to expose to people the existence of corruption, there is the risk that people will slip into cynicism and adopt the attitude that corruption is rampant, pervasive and simply a part of the conditions of life. Unless people are aware of what they can, and must do in the struggle against corruption, there is the risk that apathy and cynicism will pervade society.

This is a function of education and leadership. The role of educators in the struggle against corruption had been neglected in some respects. It is necessary to bring educators and religious leaders also into the struggle against corruption. Participation by these groups in this conference reflected the need to bring civil society fully into that struggle.

A major difficulty of many anticorruption efforts is that law enforcement officials directly engaged against corruption feel isolated from the rest of society. The great democratization movement of the 1990's had brought democratic governments to growing numbers of countries in the world. However, many people, reflecting perceptions from the past, still saw law enforcement as an enemy of the common good, in its former role as an instrument of racism or

repression. In many instances, law enforcement was a center of corruption in its own right. All of these factors contributed to difficulty in fully enlisting the public in efforts against corruption. There is a need to help the public understand that the survival of democracy, and the protection of human rights, depends on their cooperation with law enforcement officials. Law enforcement sometimes also needs help to understand that it must conduct itself in such a way as to earn public respect. Civil society is the ultimate source of the authority of police and law enforcement institutions to carry out their functions. It is necessary to help citizens understand that they have the responsibilities to help by obedience to the law, and by cooperating with law enforcement in fighting corruption in their own communities. Countries, publics and law enforcement institutions must understand their respective responsibilities in the new culture to fight corruption in a democratic world.

The participants in this conference session offered exemplary demonstrations that corruption can be fought in a reasonable period of time. Their experiences showed that not only is it possible to fight corruption without creating a police state, but that efforts against corruption proceed best in conditions of flourishing democratic civil order and responsibility.

Tymon M. Kathlholo

Director

Directorate on Corruption and Economic Crime

Botswana

The text of Mr. Kathlholo's statement may be found in the Appendix.

Mr. Kathlholo said that many participants at this conference had addressed the issue of corruption in terms of a collapse in political and economic structures. He wished to approach the subject slightly differently, based on experience in Botswana. He noted that even the most successful national economies and democracies had also suffered from corruption in one way or another.

Botswana is a young country with a small population but a long history of democracy, accountable government and good governance. At independence in 1966, it adopted a system of multiparty democracy and put in place control measures against corruption, including the Parliamentary Public Accounts Committee, an independent office of Auditor General, an independent judiciary and separation of powers of the legislative and executive branches. The government also had transparent procurement procedures that included open and public tenders, which have been revised from time to time to keep pace with changing circumstances.

At independence, Botswana was one of the poorest countries in the world, but discovery of minerals, in particular diamonds, changed its economic structure to one of a comparatively wealthy country with substantial foreign reserves. The government maintained a steady program of development and at the same time restricted outflow of foreign reserves, building the country's assets. However, in more recent years, restrictions were relaxed to attract foreign investment and participation in major development projects. As these activities increased, so did opportunities for corruption. Problems with the Botswana Housing Corporation in 1992 resulted in loss of millions through mismanagement or illicit activities. This scandal arose from a situation where demand for services exceeded supply. Procurement control measures were overlooked, relaxed or avoided, in attempts to expedite production. This was the worst mistake ever committed in Botswana.

To deal with these problems, whose extent was only gradually recognized, in 1994 the Corruption and Economic Crime Act established the Directorate on Corruption and Economic Crime. In this Act, Botswana adopted a coordinated three-element strategy including investigation, preventing corruption, and public education. These strategies are intended to make corruption visible by creating a culture of reporting wherever corruption is suspected. Botswana's experience

5.3 Measures and systems that protect private citizens who, in good faith, report acts of official corruption.

is that strategies to limit corruption must be realistic and achievable, and should meet the needs of the nation. Overambitious efforts that cannot deliver results can be

counterproductive. Policies to address corruption must be implemented over the long term, because these offenses are essentially governance issues. They thrive because of opportunities created by weakness in management systems, which must be eliminated. Opportunity is a hybrid factor, consisting of human and organizational factors, so to detect or eliminate corruption, one must isolate its causes.

To combat corruption thus requires positive educational and preventive strategies, reinforced by fear of detection and punishment. Offenses will not be eradicated until society refuses to tolerate them, and individuals are prepared to question or oppose criminal conduct of those in power.

Public education programs were being developed with the objectives of educating the public against the evils of corruption, and to enlist and foster public support. The government has developed systematic community participation programs, which encourage positive attitudes toward enhanced ethical standards in the workplace. Community participation is also enhanced by public information concerning the work of the Directorate, its services, and how work is handled. Work is explained often in detail, including the spirit and provisions of the Corruption and Economic Crime Act. A favorable public image is promoted for the Directorate by greater public awareness of the consequences of higher moral and ethical standards. These are integrated with corruption prevention

issues such as the manager's role in minimizing corruption through quality management. The Directorate also organizes and funds joint activities with local organizations (governmental, parastatal, private or voluntary agencies, sports and cultural bodies. By these means, the Directorate's acceptance and recognition are enhanced. Public opinion surveys, and increased reports of corruption to authorities also demonstrate increased public consciousness of the organization and its missions.

The Directorate is responsible to advise government departments and public bodies to secure changes in their procedures or practices to reduce the likelihood of corruption. This service is available free of charge to the private sector, but is offered on request. The Directorate's strategy is also designed to advance the idea that preventing corruption is ultimately a management responsibility, and can be achieved when senior staff apply proper quality management principles. After studies of an enterprise to this end, the Directorate publishes the report by holding a major seminar with all stakeholders . It then monitors the effectiveness of any agreed recommendations, and of any policy or procedural changes involved. Finally, a large percentage of the Directorate's resources are devoted to the Directorate's enforcement role, since there must also be deterrence. The overall strategy is to focus public education, prevention and enforcement into a meaningful attack on the whole problem, not just part of it.

He applauded action by the OECD in global antibribery efforts. That leaders of many international corporations pay bribes has been acknowledged by those firms for a long time, but there has been a perception that corruption was a problem only for developing countries perceived to be on the demand side. Botswana welcomed the shift in mind-set. Corruption is a two-way process which involves a giver and a receiver. Botswana supported measures by OECD to address the supply side, and for its part would continue its efforts to act against the demand side of this process.

Jose Luis Simon
Director, "El Dia"
Paraguay

The text of a paper by Mr. Simon entitled "Una Aproximacion al Problema de la Corrupcion (Desde la Perspectiva de una Sociedad en Transicion a la Democracia Amenazada por un Proyecto Neoautoritario que Puede dar Origen a un Modelo Politico "Cleptonarcocratico")" and speaking notes prepared for use in his presentation may be found in the Appendix.

Mr. Simon said this Forum offered the opportunity to learn much about an evil which had become distressingly endemic and epidemic in the world,

particularly in his country, Paraguay. According to Transparency International, Paraguay was second in corruption in the world only to a country in Africa, and citizens of Paraguay ironically explained that Paraguay was not number one only because its representative had sold first place to the African country in exchange for a bribe.

There are systemic problems of corruption in Paraguay, what Mariano Montona called the state of corruption. That is, there are structures that prevent individual actions to fight against corruption from being more than an individual sacrifice. The press does not denounce major corruption, in part because many of the leading individuals in the country owned media of mass communication and used those media to prevent serious attack. At most, there were attacks on corruption used as weapons against individuals.

In university classes, students would admit that pervasive corruption was wrong and a mistake, but they would then return to their luxurious cars and drive away. While individual conscience is important, social and public measures were required. He wished to describe the situation of corruption in Paraguay, because other countries had not yet reached that level and still might have time to act to prevent that from happening.

The President of the World Bank had spoken a “mea culpa” about corruption and the global community having left it unrecognized for so long. That was proper. For decades during the Cold War, authoritarian regimes had allowed corruption to flourish, while the primary consideration of the international community was not whether those regimes held any democratic values, but whether they supported the international position of the United States. Between 1954 and 1989, during the Cold War and under the Stroessner regime, corruption had grown and values had been eliminated that it had not yet been possible to replace. What had developed could be called a “kleptonarcocracy”, a combination of the concept of a kleptocracy, with that of narco-democracy. This combination was likely to emerge, unless it was possible to eliminate corruption in the country.

To prevent corruption, it is not enough to have a democracy. Paraguay has a low-quality democracy. The press daily denounces everyday corruption, but does not investigate and denounce the large-scale core corruption that springs from narcotics trafficking. When revelations by the press do not have the objective of attacking corruption, they become instead the instruments by which corruption maintains itself. There had, nevertheless, been some successes in the research and investigations undertaken by the press and civil society. Now, it was necessary to follow this by judicial investigations to enforce the law. Recently, a former general implicated in a coup attempt had refused to accept a ten-year prison sentence. So long as this occurred, corruption would remain.

Mr. Simon hoped that the ideas developed in this and other international fora would exert pressure on political leaders. The first step in Paraguay is to obtain an effective strategy for the struggle against corruption. To do this, it is necessary to maintain the democratic opening that began in 1989, and to prevent a “klepto-narco-democracy” regime from becoming established.

Leoluca Orlando
Mayor of Palermo, Sicily
Italy

Introducing Mayor Orlando, the Moderator reviewed and paid special tribute to the central role he had played in marshalling public opinion and creating a civic culture of lawfulness in opposition to the Mafia in Italy, often at great risk to his own safety.

Mayor Orlando expressed thanks for support extended by the U.S. Information Agency and other United States and foreign agencies for civic education efforts in Palermo, and for the opportunity to participate in this conference. He recalled that George Bernard Shaw had called experience the name we give to our mistakes. From this standpoint, he acknowledged great experience in the fight against corruption, because efforts in Palermo had also included a great many mistakes that had been learned from.

In June 1999, Palermo would be the host to a global conference on the culture of lawfulness. Ten years ago, that would have been an impossibility. Ten years ago, Palermo had a democratic constitution but no democracy. It had a formal free market system but no free market. It is impossible to have democracy and a true free market when all aspects of society were in the hands of organized crime, and ten years ago, all aspects of civic life in Palermo were dominated by the criminal activities of the Mafia. Ten years ago, there had been 240 murders in Palermo, most of them related to organized crime. Last year, there were seven, none related to organized crime. While even seven murders was too many, the difference was dramatic. Something had changed in Palermo

The fight against the Mafia resembled a two-wheeled cart. One wheel represented the efforts of law enforcement, the other the impact of civic education in creating a culture of lawfulness in society. Success required both of these wheels to move in tandem; if either moved faster than the other, the cart would simply move in a circle. For too long, efforts in Palermo against the Mafia were heavily concentrated in law enforcement. The men responsible for law enforcement had been isolated, and lay open to corruption. Little progress was visible. When he became involved in efforts against the Mafia, it was as a prosecutor. After the wheel of law enforcement had been put well into motion, he realized that there was a great need to promote civic education.

He concentrated his civic education efforts as Mayor on two themes. First, he never declared that he was against the Mafia. Rather, he declared they were against him. If he had taken the former line, he would have isolated himself from the people. With the latter, the instinct of people in the same circumstances as he was in Palermo was to respond with the feeling “me, too!” because every citizen should have the right to live a normal life in a normal city without the Mafia. Second, he argued that Palermo should be less rich. This seemed a paradoxical position for a Mayor, but he argued that the city should be less rich, but more free. Now, with the Mafia isolated from the society and their influence waning, investment, riches and culture were returning, this time to the benefit of the citizens.

Five years ago, while in New York, he had been advised by his home press office in Palermo that for the first time, Palermo no longer figured on the list of the ten most violent cities in Italy, when it had historically been among the most violent cities not only in Italy but in the world. The cultural change away from criminal influence had tremendous economic importance. Once in Palermo it had been said that the city should be first rich, then educated. Then, only a few Mafia bosses had become rich, and nobody was educated. By concentrating first on education instead, the city had created the conditions in which riches could return. The situation was similar with respect to culture, as Palermo was returning to the mainstream of European culture.

Building and operating schools had been central to educating for this culture of lawfulness. When he became Mayor, he had found one school in Palermo, a public school named for the courageous Judge Falcone who had died fighting the Mafia, had been located in a building owned by a Mafia boss. Changing this culture was indispensable to building the culture of lawfulness. As a member of the European Parliament, he had been tremendously struck as it passed measures which he had proposed against organized crime. Once, Palermo had been the major exporter of this disease to all of Europe. Now, perhaps, it had become an exporter of the cure.

He closed with two anecdotes. First, he told of a boy who approached him at church, and spoke of having told a teacher that another student was responsible for something that happened. The other student had called him a “dirty cop”. The boy said he had replied that he would rather be a cop than in prison, like his father, a mafiosi. He asked the Mayor if he had replied correctly. The Mayor said the fact that he had acted as he did was a good illustration of how the image of “cop” in popular culture in Palermo had changed. The second lay in the fact that forty victims who lost homes in recent flooding in the Palermo vicinity were housed today in a building that had belonged to a former Mayor of Palermo, a mafia leader. He said that if the culture of Palermo today had not turned decisively against the Mafia, he would be the former Mayor of Palermo.

Since he stood before the conference as Mayor, this was the best evidence that Palermo had rejected its Mafia past.

Dr. Roy Godson
National Strategy Information Center
Georgetown University
United States

The text of a paper by Dr. Godson entitled “Enhancing the Integrity of Justice and Security Officials: the Crucial Role of Society and Culture” may be found in the Appendix.

Dr. Godson said it was an honor to be present at a meeting with others who had so much experience in actually combating crime and corruption. The examples of success described at the conference illustrated the truth of the figure of the fight against crime and corruption as a two-wheeled cart. Most discussion at this meeting had been devoted to the wheel of law enforcement and regulatory activities. The importance of the second wheel has been alluded to from time to time, in various sessions. His purpose was to discuss this second wheel, the role of society, culture and the average person, which must be brought together with the wheel of law enforcement to lead to success. Without both wheels moving harmoniously, a law enforcement strategy by itself would fail. Based on experiences, where there had been examples of success, they existed where the people in general had participated in that success. He and his experts had traveled the world looking for examples of situations in which cultures of corruption and organized crime had been powerful, but had been successfully beaten back. In virtually every case they had studied, society as a whole had participated substantially in pushing back organized crime.

He noted the case of Palermo, described during this session by its Mayor. There were other cases, some well-known and some less so. In Hong Kong, there had been a twenty year effort that was one of the major examples of success, described by Ms. Yam of the Independent Commission Against Corruption at a session the previous day. In discussions of this example, most attention typically was given to the investigative, legal, regulatory and police aspects of the work of the ICAC. However, from the time when the ICAC was conceived in the 1970's, one of its most brilliant aspects was the fact that from the outset, it had included an active community relations program of outreach to the community. This example had been adapted to other cases, for example that of Botswana, but in all successful cases this element of community outreach was an essential part of the success.

Three conditions were the critical keys to success in fighting corruption on the societal side. The first was freedom of speech and information, and physical

protection for those using that freedom to speak, investigate and expose. There was a need for systems to protect people who did so; if there were no witness protection programs or other mechanisms to protect individuals who came forward with information on corruption, it would be very difficult to continue to expose it.

Second, there was a need for heroes, role models and leaders, both within and outside the government. For example, one critical element in the success of efforts in Palermo against the Mafia had come in 1982, when a clerical leader had said publicly, for the first time, that there was such a thing as the Mafia. In the past, no one had spoken openly of it. In 1985, the Pope had similarly addressed it in public, and this public recognition of the problem had been indispensable to success against it. The role of religious, trade union, business and political leaders, and even academics, was vital to offer support to those engaged in the day-to-day law enforcement activities of fighting corruption. Non-governmental and civic organizations like Transparency International or the Civitas movement could also play important roles in reinforcing the efforts of law enforcement officers.

Third, there was an imperative continuing requirement for school-based education. Some might object that this is a long-term solution to a problem in which rapid action is needed. However, long-term sustainment of success was not possible without programs to keep children in school, provide teachers and curricula, and educate them not only in academic subjects but in civic values. This had been one of the elements of success in cases like those of Hong Kong or Sicily. As a result of continuing school-based education, surveys had documented sustained changes in attitudes for decades into the future. Such attitudinal changes were vital to provide support to the continuing efforts of police and security officials, and to offer them the assistance of a cooperative and sympathetic public as they maintained their permanent efforts against corruption.

11.3 Promoting efforts to educate the public about the dangers of corruption and the importance of general public involvement in government efforts to control corrupt activity.

Nancy Zucker Boswell
Managing Director
Transparency International USA
United States

The text of Ms. Boswell's presentation, as prepared for delivery, may be found in the Appendix.

Ms. Boswell expressed appreciation for being invited to participate, and admiration for the passion of the many participants whose efforts would determine the success or failure of efforts against corruption in their countries. She said it was highly unusual for a representative of a non-governmental organization to join so many representatives of governments in discussing a subject like corruption.

This panel drew attention to the role of those outside government to combat corruption, including the media, educators, and civic groups like Transparency International. Inclusion of this discussion at a conference on the role of justice and security officials might seem puzzling, but it was an important acknowledgement that government officials alone cannot solve the problem of corruption. They must act in collaboration with non-governmental stakeholders.

It was also a recognition of the power of information in fighting corruption. Corruption must be made visible in order to attack it. At the same time, government information must be made more transparent in order to prevent it. These two principles have guided the anticorruption movement and contributed to its success to date, and will continue to play a meaningful role as this movement goes forward.

Corruption persists despite many anticorruption laws and regulations that already exist. This conference has demonstrated the need to do more to develop trained, independent prosecutors who will bring cases, and independent judges who will convict violators. The success of such officials will in turn depend on the society in which they operate, the “second wheel” of previous speakers’ examples. There must be political leadership from the top, but there must also be broadly-based public pressure and public support for leaders.

Reporting by the press on corruption scandals exposes malfeasance, raises public awareness and enrages public opinion. However, it has been more problematic to maintain the momentum for systemic reform. One reason for this is that journalism generally favors “breaking” news. For example, the Asian economic crisis had provoked many descriptions of the contribution to it of corruption and crony capitalism. This caused an immediate reaction among investors and donors and, in the short term, elicited commitments by borrowers to improve governance. However, as time passes and press attention turns elsewhere, there is concern that commitments will not be honored. Collecting evidence is also a problem. Allegations of corruption must be substantiated before they are published, but since the allegations concern practices that are, by definition, secret, proof is often difficult to obtain.

Press coverage may also be inhibited by the threat of expensive libel suits or fear of physical intimidation or even murder. There must be protections for journalists, publishers and sources. The conference might consider who it could support a global network to highlight these difficulties and provide protection.

The press itself must also be responsible and free from corruption. The public must be able to rely on fair and impartial reporting that is not tainted by political loyalties or financial interests of media owners. But this must not become a pretext for stifling publication of unflattering information. The United States has struggled to set standards on how far journalists can go in printing allegations. In United States case law, there is greater press scrutiny permitted of persons who enter public life than of ordinary citizens. This has not always pleased those in public life, but it has served the citizens well.

7.6 Standards governing the initiation of corruption investigations to ensure that public officials are not targeted for investigation for political reasons.

The press has potential to be a catalyst for reform beyond national borders. With global communications, local stories are often covered by outlets with an international audience, increasing external pressure for change. This had led to pressure for systemic reform which, in turn, adds impetus to existing local demand for reform. The press can also play an important role in moving politicians to do the right thing. In the United States, for example, it was the press, alerted by non-governmental organizations, that had drawn public attention necessary to ensure passage of laws necessary for proper implementation of the OECD Bribery Convention.

There is a point where the role of the press ends, and that of civic groups takes over. The press does not generally address systemic failures that caused particular scandals, and the remedial steps that must be taken. Transparency International was only one of a large number of civic groups at this conference that were partners and allies in this effort. Their role in collecting and disseminating information deepens understanding and enables stakeholders to develop plans for action tailored to local conditions.

Transparency International itself, for those not familiar with it, was strictly non-partisan in its efforts. It rigidly avoided involving itself with individual corruption cases or scandals, addressing its efforts rather to the larger issues of systemic reform. Transparency International believed that there were both supply and demand sides of corruption, and that both must be addressed, as the presentation by the representative of Botswana had observed. The entry into force of the OECD Convention provided an important instrument to limit the supply-side availability of corruption, and Transparency International, through its chapters in many countries, would give priority to monitoring implementation of and compliance with this Convention. Transparency International chapters would also continue to work actively in individual countries to identify problems and promote systemic anticorruption reforms.

Meaningful citizen oversight of government operations depends on having adequate information. Leaders at the 1994 Miami Summit of the Americas had recognized this fact. Governments should take certain basic actions to this end:

- Government agencies should publish budgets and other information promptly and predictably;
- Governments should provide a right to request information not regularly available, employing freedom of information and sunshine laws.
- Governments should hold public hearings and receive written submissions from the public.
- Governments should publish laws, regulations and judicial decisions, and make them accessible, to provide greater predictability and reduce official discretion to demand bribes.
- Parliaments should consider establishing web sites, posting existing and draft laws, and e-mail links to enable citizens to comment directly on proposed laws and policies.
- As Justice Breyer had said the previous day, assets of leading public officials and their families should be published, to determine if there are increases that cannot be explained.
- As the presentation of Botswana discussed, there must be a culture of reporting, and protection of those who gave information on corruption from retribution.
- Finally, government should provide a hospitable environment in which non-governmental organizations advocating anticorruption reforms can operate. Historically, many such organizations had been part of the political opposition. Allegations of corruption had been misused to unseat ruling parties. Advocacy organizations involving in fighting corruption might in some places find it difficult to operate. However, such organizations had a responsibility to avoid charges of partisanship, and to offer accountability and good governance.

Transparency International was greatly interested in the suggestion by the Vice President of establishing some interactive Internet-based mechanism whereby non-governmental organizations and others could participate in monitoring the implementation of international anticorruption agreements like the OECD Anti-Bribery Convention. This would enhance the effectiveness of such monitoring and contribute to the success of international efforts. Taking these steps would allow governments and non-governmental organizations together to maximize the window of opportunity that is now open against corruption.

Discussion

The participant from Kenya described the Kenyan government's view of the destructive impact of corruption, and emphasized the strength of Kenya's commitment to fight against it, within the country and in Africa. Considering the significance of the subject which this meeting had addressed, and the importance of the gathering of officials to do this, he urged that participants should agree on

some declaration or formal statement to record their discussions and their common commitment to the fight against corruption.

The participant from France emphasized the importance of multidisciplinary training to identify corruption, and suggested that the Guiding Principles working document gave insufficient recognition to this. He noted that all participating countries would find in that document what they each could or could not do. He urged that participants not try to do everything and nothing at the same time, and that they use caution in considering follow-up mechanisms in order not to add to activities already under way at the time.

The Moderator said he had been impressed by the common view among all participants as to the significance of the problem of corruption among justice and security officials, and the importance of governments acting against it.

14. Heads of Delegation Round Table

Vice President Al Gore, Moderator

The Round Table session moderated by the Vice President and including all heads of government delegations to the Global Forum, was held in the Benjamin Franklin Room on the 8th floor of the Department of State. The session was available to other members of delegations by closed circuit video transmission to the Loy Henderson international conference room.

Vice President Gore offered condolences of the entire group to South African Minister of Public Service Zola Skweiya, a participant at this conference and the one in January on re-inventing government. Minister Skweiya's two-year old son was hit by an automobile and died the previous day. The Minister had departed to return to South Africa. The session opened with a moment of silence.

The Vice President said that during the conference, he had heard many new ideas and interesting concepts, and he hoped others would similarly take useful ideas away. He had heard suggestions from several participants about ways in which the activities begun at this conference might be continued, and hoped to explore those ideas during this discussion. He noted that summaries of the specialty sessions held the previous afternoon were distributed to all heads of delegation, and he expressed appreciation to those who had chaired and participated in those sessions. (Copies of these summaries may be found in the Appendix.) He invited heads of delegation present at this session to offer their observations as to lessons they would carry home from this conference, beginning with officials who had been unable to speak due to lack of time during the first session of the conference.

David Simons **Attorney General** **Barbados**

Mr. Simons felt that nations in the Caribbean needed greater sensitization to issues of corruption. It was insufficient to have laws on the books, or to rotate officials. Speaking as co-chairman of the Joint United States-Caribbean Subcommittee on Justice and Security Issues that developed the Plan of Action signed by President Clinton and the Caribbean heads of government in 1997, he had called for a conference such as this. To point the way forward from that Plan of Action, he offered the suggestion that the issue of corruption be approached by the countries of the Americas in a manner similar to that employed for money laundering through the Caribbean Financial Action Task Force. That would

include processes of self assessment, mutual evaluation, and regular typology exercises, which would provide opportunity for regular exchange of technical assistance. All countries should make an early determination regarding accession to the Inter-American Convention Against Corruption. Third, those of the English-speaking Caribbean should study, with a view to

12.2 Cooperating in carrying out programs of systematic follow-up to monitor and promote the full implementation of appropriate measures to combat corruption, through mutual assessment by governments of their legal and practical measures to combat corruption, as established by pertinent international agreements.

implementation, the draft Integrity Code in Public Office developed as a result of work of Commonwealth law ministers by the Commonwealth Secretariat. This provides an essential framework, building on United Nations and other codes, that is of particular relevance to the nations of the Eastern Caribbean. The overriding attribute of a public official must be integrity, and this must be founded on a highly developed individual ethical value system, without which it would be impossible to eliminate corruption.

Mario Tagarinski
Minister of Public Administration
Bulgaria

The text of a paper entitled "Republic of Bulgaria: The Quality of Governance -- The Challenge of the New Millennium" presented by Minister Tagarinski may be found in the Appendix.

Corruption entails particular problems for the transition processes of the countries of Central and Eastern Europe, problems from which Bulgaria had not been spared. The Bulgarian government was taking action in three main directions. First is limiting opportunities for corruption through structural reforms and the establishment of adequate modern institutional arrangements of government. This included reform of the justice sector and establishment of a modern judicial system. The medium term goal is to establish control over corruption, and change the public attitude toward it.

Second, the government was undertaking diagnostic surveys of the incidence of corruption as perceived by the private business sector, and seeking to monitor and improve relationships between entrepreneurs and the public sector. International cooperation and the sharing of international experience in fighting corruption through competent organizations and fora was crucially important.

Both democratic governance and economic stability and growth depend on the establishment and maintenance of policies and institutions that will to the

maximum possible extent confine opportunities for corruption in society and reduce its adverse effects.

Vasha Lordkipanidze
State Minister
Georgia

The text of Minister Lordkipanidze's remarks as prepared for delivery may be found in the Appendix.

The beginnings of nation-building in Georgia have brought turmoil and bloodshed, and the nation is beset also by ethnic conflicts. President Shevardnadze has declared combating corruption to be among the high priorities of the Georgian government.

One conclusion drawn from this conference is that corruption is a systemic disease which cannot be suppressed by repressive measures alone. For this reason, Georgia was implementing restructuring and reform in its governmental institutions, and was seeking actively to involve the non-governmental sector, the media and civil society in efforts against corruption. The parliament and executive branch had cooperated to enact new laws against corruption, and reform of the judiciary was in process.

Great importance is attached to regional cooperation, since within the former Soviet Union there is a need for much cooperation along borders. Georgia wished to propose establishing a high-level forum to discuss corruption issues on a regional basis, and suggested the establishment of an international center for study of this issue. Georgia would be prepared to serve as host for such a conference and for such an international center.

Bonaya Adhi Godana
Minister of Foreign Affairs
Kenya

The Minister recalled his intervention at the plenary session immediately preceding this roundtable, in which he had described actions by the Government of Kenya to prevent and fight corruption. The discussions at the conference had demonstrated the universal consensus as to the need to seize the current opportunity to fight corruption. The conference had proceeded as an academic discussion of a vital subject, but before they returned, he felt that it would be important to add moral force to the activities of the conference by participants agreeing to a declaration. This need not necessitate agreement on binding

commitments, but it should be possible to agree on two or three paragraphs to reflect the conclusions and commitments that participants had reached.

The Vice President noted the Foreign Minister's recognition that fighting corruption was no longer seen as a political issue, but rather had come to be recognized universally as a common imperative. He said the staff would make an effort to rapidly prepare a statement of the nature suggested by the Foreign Minister for consideration by participants before the end of the next session.

Jorge Madrazo
Attorney General
Mexico

Mexico emerged from this conference persuaded that global problems must be addressed by multilateral actions, and the approach of unilateralism had been for Mexico completely discredited. Corruption is something morally reprehensible and should be prosecuted, but when it occurs within the judiciary, this is doubly reprehensible. It was unacceptable for law enforcement authorities to violate the law for their own benefit. This turned the force of the law against its own originators, society at large. The one thing that must not be allowed was impunity for corruption; any act of corruption must be punished. States must work to change the environment in which acts of corruption take place. That means a change in the general conditions of society, including promotion of democracy and human rights, and the development of a climate in which free expression may flourish. It was also necessary to change the conditions in which law enforcement personnel operated, to afford them the opportunity to decorously and honestly earn a living, or it would never be possible to eliminate corruption.

Aziz El Houssine
Minister of Public Service and Administrative Reform
Morocco

The text of Minister El Houssine's prepared presentation may be found in the Appendix.

The Government of Morocco has acted against corruption, but its current government is determined to improve upon the efforts of the past. To be practical, the government is currently implementing a project which has both a preventive and a deterrent aspect. Regarding prevention, the government is establishing a major program based on good management. The concept is to provide ethics orientation for all civil servants, so that government will no longer

act in an authoritarian manner, but will be at the service of the citizen. The intention is to make all citizens aware of this problem, through involving civil society in media discussions on the issue. The government is also seeking to identify requirements which can be satisfied directly through the civil service. With regard to deterrence, the government is considering a range of new legislation. One measure, which is to be submitted within the week, calls for punishment of any civil servant responsible for unjustified procedural delays. He recalled that on December 13-15, 1998, in Rabat, a conference involving 34 ministers of civil service in Africa had been held on the same subject of the prevention and control of corruption. This demonstrated the seriousness of the nations of Africa to act in this regard.

Vladimir Strashkov
First Deputy Minister of Internal Affairs
Russian Federation

Combating corruption and organized crime has become a very important priority for the Russian Federation, in particular because of the close association of corruption, organized crime and terrorism. It is important to thoroughly study the origins of corruption, and proceed against it based on realities. It is necessary to acknowledge that corruption has progressed with unanticipated speed in penetrating the Russian economy and society. Discussions at this meeting had demonstrated that there were many approaches in other countries similar to those employed in Russia, and it was helpful to know the experience of other countries. He hoped that bilateral cooperation between Russia and the United States in efforts against crime and corruption would continue to progress, including early conclusion of treaties on extradition and mutual legal assistance. Russia shared the concern at money laundering, in particular the laundering of illegally gained proceeds, and favored expediting the recovery of such assets.

8.1 Laws providing substantial criminal penalties for the laundering of the proceeds of public corruption violations.

Stanislaus Sangweni
Public Service Commission
South Africa

As a young country in transition, South Africa was experiencing the problems of corruption as a nation, and had learned much from discussions at this conference. Mr. Sangweni particularly appreciated the session on Religious Values, believing that success against corruption required the creation of space to enter into a meaningful partnership with the people in this fight, and

engagement of ethical and religious values was very important in this respect. South Africa's process of transition had encountered several specific problems which contributed to engendering corruption, including the need to incorporate the public services of the former autonomous "bantustan" administrations, and to include public servants whose loyalty to the government was a matter of some doubt. These people had occupied positions of trust, and exercised control over enormous government resources, creating an environment conducive to corruption.

The government had launched a campaign against corruption, including all areas discussed at this meeting, education and enforcement as well as preventive programs. The special investigative unit named after Judge Heath, who heads it, was a step of particular value, and South Africa appreciated the positive attention to this measure at this meeting. Cooperation among government agencies responsible to act against corruption was highly important, and South Africa had created an inter-ministerial committee and initiated it at a major conference of the public sector, to promote such coordination.

This conference dealt in particular with the justice and security systems, areas in which South Africa had experienced special problems. Actions being taken to respond to these problems included improvement and expedition of the criminal justice system. The government recognized a need to strengthen and expand whistleblower and witness protection programs. Discussion at this meeting had validated a great deal of South Africa's program, and it looked forward to continuing to participate at future meetings to advance international cooperation in this process.

South Africa would be unable to attend the African regional meeting that was to follow the Global Forum, but wished to assure the Vice President and other participants that the declaration of principles that had been agreed to by the participating African nations was fully accepted by South Africa. South Africa looked forward to implementing its declaration of intent into a subregional convention against corruption, and ultimately into a convention for the entire continent.

Sandor Pinter
Minister of Interior
Hungary

The Vice President had asked what this conference had given to participants. Before Hungary came, it knew about the major elements of corruption, and its history. At this conference, Hungary had encountered those who knew the most, and the most recent things, about corruption in the world today, and what was being done against it. Participants knew the latest and

most effective legal and technical tools to employ against corruption. It would be helpful if this knowledge could be compiled and published to be available worldwide. Hungary had gained some successes against organized crime, establishing special strike forces that had been prepared and trained with assistance from the United States. However, this conference, even followed by a publication, is not enough. Fighting corruption is an ongoing process every day toward the day when the people would reject the idea of corruption.

Vice President Gore said that it was intended shortly to publish the proceedings of the conference, beginning with the principles that participants had discussed and which experience had shown to be effective in fighting or preventing corruption. The Vice President then had distributed a draft that had been quickly prepared in response to the suggestion of the Foreign Minister of Kenya. He invited those present to consider and comment on it, in order to decide before the end of the session whether there was sufficient consensus for the conference participants to adopt it.

Gabriel Castro Suarez
Comptroller General
Panama

The importance of this conference lay in the principle that the first step in curing a disease was to recognize that one had the disease. The important fact of this conference was its recognition that corruption was a problem that affected all countries. In Panama, albeit with scant resources, the Office of the Comptroller General had initiated an anticorruption program some years ago. This was based, as any anticorruption program must be, on three principles. The first was morality, which must be inculcated from earliest childhood in every individual. The second was the will to prosecute and punish all crimes. The third and most important was to maintain a climate of free expression, for in these circumstances, every citizen of the country could become as well an individual prosecutor in the fight against corruption.

Dato W. Steenhuis
Procurator General
Netherlands

So far, almost none of the countries ranked in the top ten of the Transparency International corruption perception index had yet taken the floor in plenary sessions. He did not know why this was. It might be that they were too self-satisfied to speak up. It might well be the opposite. Therefore, he was

somewhat reluctant to take the floor, but nevertheless also wanted very much to do so.

The Netherlands wished to use the momentum which the conference had created so far to the maximum extent possible. The Guiding Principles in the Source Book of the conference included at least sixty important measures for the fight against corruption. The Netherlands, although it ranks near the top of the Transparency International index, had so far implemented only about 55% of these measures, and is preparing to implement only another 15%. The Netherlands delegation therefore proposed that all countries take stock of their implementation of measures in these Guiding principles. Four positions were possible.

A country could take the view that it had implemented these measures. It could take the position that it had not and would not. It could take the view that it was preparing to implement them. And finally, it could take the view that the Netherlands representative said was his: that it did not know whether or not it had implemented these measures, and would not know without a more extensive inventory and analysis to what extent it might do so. Accordingly, the Netherlands suggested that each country carry out such an inventory of its national response to these principles, and send that inventory to the organizing committee of this conference, or to the United Nations. Second, let there be a follow-up to this conference, in a year to a year and a half. Third, let countries prepare a new inventory of their response to these Guiding Principles as of that time. Fourth, ask Transparency International to repeat their corruption perception index in years to come, and to consider expanding this useful instrument to the public sector. Finally, discuss the results of this new survey at the next conference.

12.3 Participating actively in future international conferences on promoting integrity and combating corruption among justice and security officials.

The Netherlands declaration said it could also agree with the draft declaration that had been distributed.

Vice President Gore, speaking for the United States, said the United States would be proud to join with the Netherlands as a co-sponsor of the second Global Forum to be held in the Netherlands, and to urge all participants to complete the assessments suggested by the Netherlands in time for the second Global Forum. The United States would join with the Netherlands to issue Invitations to all who had participated in this conference. During the time before the Second Global Forum, the process of communication could be continued, employing the Web site that had been established on the Internet.

In the draft declaration, the Vice President suggested addition to the distributed text of reference to the second Global Forum to be held in the Netherlands.

Dr. Carlos Federico Ruckhauf
Vice President
Argentina

The Vice President of Argentina expressed appreciation to Vice President Gore and the United States for having organized a conference that would send him home with a wide range of new experiences. He expressed appreciation to the United States Office of Government Ethics and its Director, and to the United States Information Agency, for the assistance they had provided in the establishment of the Argentine national public ethics agency, and the definition of its code of public ethics. International cooperation was an essential tool in working toward a world in which there was no opportunity for corruption, and he appreciated this opportunity of participating.

Brian E.R. Kinney
Criminal Policy Directorate
Home Office
United Kingdom

Corruption is often hidden and difficult to prove, as many speakers had observed. Many people would not be aware of having been victimized by it. There was therefore a need for systems that could cover, and uncover, unethical behavior of all forms, to the criminal offenses of corruption. Public servants of every nature faced temptation, and where there was unsupervised discretion, the opportunities for corruption increased. Combating corruption created the need for as much transparency as was consistent with efficiency. This meeting had addressed two main goals, promoting integrity among public officials, and deterring corruption. There is a need for a range of responses to these issues, and no single solutions. The United Kingdom is examining this issue under two main headings. One is effective institutional arrangements, including codes of ethics and conduct, independent investigative bodies, systems to encourage reporting of acts of corruption, and importantly, visible effective leadership. Also, there was a need for a comprehensive legal framework to prosecute and punish acts of public and private sector corruption. It is important also to protect those that would disclose acts of corruption. The United Kingdom is reviewing its domestic legislation, taking into account seven principles of public life restated by

11.1 Appointment of independent commissions or other bodies to study and report on the effectiveness of efforts to combat corruption in particular agencies involved in justice and security matters.

a committee on standards in public life that has been serving for five years. These are: selflessness, integrity, objectivity, accountability, openness, honesty and visible leadership. There

are many good examples of success in combating corruption. A recent one from the London Metropolitan Police bears the title "Integrity is Non-Negotiable". The United Kingdom looked forward to documenting additional examples of success in the conference report.

N. Vittal
Central Vigilance Commissioner
India

A statement of the experience of the Indian government in combating corruption may be found in the Appendix.

India had found it particularly beneficial to hear of the successful experiences of Hong Kong, South Africa and Palermo in fighting corruption. As the Vice President had observed at the outset, steps for fighting corruption and steps for re-inventing government often coincided. The same coincidence could be found with respect to measures that served to promote global trade, to fight terrorism, and to fight narco-terrorism. He suggested that future activities might consider how synergies might be developed in measures against these other global issues. With respect to the draft declaration, his delegation agreed in principle, but since in India, as in the United States, the judiciary were an independent institution, he could only accept the declaration with respect to the rest of the government and refer it to his authorities with respect to the judiciary.

Yed Esaie Angoran
Inspector General
Cote d'Ivoire

Cote d'Ivoire received its invitation to this conference while its President had been presiding over a first national congress on governance. This had addressed governance issues broadly, and resulted in a series of specific recommendations that the government would implement. Sharing international experience and cooperation, it would be possible to gain success against corruption. Cote d'Ivoire welcomed the Netherlands invitation to a meeting in a year, as this forum against corruption needed to be institutionalized, and with cooperation, the new century could be one of success against corruption.

Senator Luis Alfonso Davila
President of the Congress
Venezuela

Dr. Moskos had commented to the meeting that governments, like stairways, need to be cleaned from the top down. When one could not start at

the very top, it was necessary to consider how to begin the cleaning further down, without breaking the stairway. Venezuela had begun such a process, in a peaceful, democratic revolutionary transformation. Ninety percent of the people of Venezuela supported the President's effort to uproot corruption that had impoverished the Venezuelan people. This revolution was founded on principles taught by the Liberator, Simon Bolivar, which had in later years been forgotten. By means of a constitutional convention, Venezuela sought a political, social, territorial, economic and international balance, and provide new organization for its society. Internationally, Venezuela sought understanding and cooperation with the process which it was carrying out.

Vice President Gore announced that due to lateness of the hour, no further regular speakers would be recognized. He read additions to the language of the draft declaration to refer to the Netherlands offer to host a second Global Forum in a year, and to the proposal by Korea that this should be followed by consideration of annual global forums at the ministerial level on fighting corruption. The Vice President then asked that if there were no objection, he could take it that as the Chairman of the Global Forum, participants were agreeable to his releasing the Declaration to the media on their behalf. No objection being heard, he thanked participants and called on the final speaker.

Ibrahim Boubakar Keita
Prime Minister
Mali

The Prime Minister said that everyone present agreed that this Forum had come at an opportune time, and provided an unusual opportunity. Speaking for himself, and on behalf of all participants, he had found it most fruitful. A great effort is being invested, with international assistance, in providing more efficient systems in Mali for preventing corruption and promoting transparency and accountability. No country wanted to acknowledge transgressions against its moral and ethical foundations. Mali had surmounted this inhibition, and was seeking to openly address and resolve the problems it faced that were caused by corruption. There is no better way to break the vicious circle of poverty and establish the virtuous circle of development. Mali was one of the poorest countries in the world, but as one of its emerging democracies, and would welcome a future meeting of this forum.

Vice President Gore thanked all participants and adjourned the roundtable session.

15. Closing Address by Vice President Gore

The full text of Vice President Gore's closing remarks to the Global Forum on Fighting Corruption may be found in the Appendix.

Vice President Gore said that Forum participants from ninety countries had traveled more than a million collective miles. They had done this because official corruption imposes a painful cost on the quality of their nations' lives, and because of their belief that if there is cooperation to fight it, the costs of corruption to countries and communities can be reduced.

Presentations at the conference left no doubt that corruption accelerates crime, hurts investment, stalls growth, bleeds national budgets, and undermines faith in freedom. Corruption is an enemy of democracy, because democracy lives on trust and corruption destroys trust. However, the Forum assembled because of its belief that corruption can be fought, and had heard success stories in that fight.

The head of the police force in Colombia began with surveys and background checks in a corrupt department, then fired a large number of corrupt officers. He selected candidates for ethical values for enrollment in a well-paid special force against drug trafficking. Officers in that force regularly report the bribes they have rejected. The chief, recognizing that a new culture cannot be built on one person, created an outside review board of prominent members of society to monitor the honesty and effectiveness of the police.

Over three days, the Forum participants had discussed many of the principles and practices that underlie this and other successes against official corruption. To get honesty from government, it was first necessary to have honest justice and security officials. To have honest police, they must be paid an honest wage. While no fight against corruption can succeed if it requires police to be moral heroes, conscience is also essential to honest public service. No government salary can ever satisfy greed, so candidates for justice and security positions must be selected for their ethical values.

At the same time, the clergy can help anticorruption efforts immensely, if its voice can be heard around the world through interfaith statements on fighting corruption. The clergy are the public's conscience, and their support would strengthen those fighting for more ethical government.

The Forum had also discussed the importance of government reinvention and reform, including fewer, clearer laws, more measurable results, disinterested economic decision-making, strong and independent judiciaries, and strong ethics and financial disclosure rules.

As military forces move toward nontraditional defense roles such as counterdrug efforts and border protection, their vulnerabilities to corruption increase. There is a need to respond decisively with strong, clean leadership, appropriate training and strong emphasis on the principles of military professionalism.

There has been much discussion about the importance of openness and transparency, and the value of information. Many are convinced that a major positive force in the fight against corruption is today's ever-expanding access to information. But information alone is not enough. The core of accountability is the fusion of information and action, on the part of public officials, private citizens, business and non-governmental organizations. The latter are a core component of civil society, and bear a great share in holding governments accountable.

These themes represent international norms for fighting corruption. If leaders are committed to these norms, governments should ratify and implement the international conventions that embody them, such as the OECD and OAS Conventions. He also recognized the fact that earlier that week, ministers from eleven African nations had approved a set of 25 principles on anticorruption, good governance and accountability, and were taking these principles to their governments for consideration.

As governments seek to ratify and implement anticorruption conventions, they should take advantage of known anticorruption principles and effective practices. A set of guiding principles has been distributed at the Global Forum. (The text of these Guiding Principles for Fighting Corruption and Safeguarding Integrity Among Justice and Security Officials may be found before part 1 of this Report.) These have been compiled, reviewed, written and edited by a broad cross section of experts, and represent the first major effort to articulate a set of comprehensive global principles for fighting official corruption. He urged that participants take these Principles home, talk about them, test them, see if they can be used. The Vice President said he would present these Principles to President Clinton for discussion by the G8 at the Koln Summit in the summer. He hoped they would make a difference in the efforts of all nations undertaking anticorruption efforts.

In addition to general principles for fighting corruption, participants had heard of several new tools to help countries gather data, identify priorities and apply the principles necessary to fight corruption. The United States will work closely with the World Bank, local organizations, civil society and other international donors and non-governmental organizations to support the use of diagnostic surveys. Countries that adopted this approach had seen the dynamic impact of information. When overwhelming evidence of a problem is presented to the public in an open forum, government inaction is no longer an option.

The past three days had also included enthusiastic discussions about the promise of mutual evaluations. The Vice President was pleased to hear from those eager to pursue an Internet-based reporting device like that he had proposed at the Forum opening, and from those that support offering individual citizens and business persons the opportunity to serve as evaluators.

The Vice President said he was immensely proud of the work of this conference. He was not alone in the view that such a conference could not have happened ten years before. Then, if nations had been able to overcome the implicit self-criticism to convene about corruption, there might have been so much discussion of the source of the problem that there would have been little time to discuss solutions. Very possibly, lines would have divided north from south, east from west, rich from poor. Countries might have fought over who was worse, the bribemaker or the bribetaker. Much has changed in ten years. Good will is almost a physical feature of this meeting. Conversations have been marked by honesty that expresses trust and builds trust.

An hour ago, the Netherlands' chief delegate proposed to follow this event with a second Global Forum, to be held in the Netherlands next year. On behalf of the United States, the Vice President thanked the Netherlands for its initiative and hospitality, and was honored to offer the services of the United States as co-sponsor. The Korean delegation had proposed an annual global ministerial forum on fighting corruption. Heads of delegation accepted this idea, and the Vice President hoped to see it come to fruition.

Finally, the delegate from Kenya had urged that participants agree to a declaration expressing the common sense of urgency about the problem of corruption and their commitment to continue the dialogue begun in this Forum. (The text of that Declaration may be found before part 1 of this Report.)

In the past, upright and moral men had often felt alone in their moral struggle. Today, they must have help as more and more worked to change culture and customs, to turn corrupt into outcasts and expose them as criminals. As corruption is uncovered and the corrupt expelled, the people will sense their own growing power to eject it, and will quicken their efforts to do so. More will see that official corruption is theft from the nation, which means theft from the weakest, the poor, old, disabled, sick, children, newborns. It is for these weakest that participants in this Forum gathered, and pledge their common commitment to honest government.

The Vice President quoted President Abraham Lincoln: "The only thing necessary for the triumph of evil is for good people to do nothing." He asked participants, in departing, to pledge themselves to this cause, for if they do not lead, no one else will, because no one else can. He thanked those present for having attended the Global Forum.

16. Other Events

Participants in the Global Forum met, in addition to the Plenary and Specialty Sessions, at two luncheons and one dinner in the Benjamin Franklin Room of the Department of State. At these events, statements pertinent to the subject of the Forum were also offered. This section provides a summary of those statements, the full texts of all of which may be found in the Appendix.

Robert E. Rubin Secretary of the Treasury United States

Secretary of the Treasury Robert E. Rubin delivered an address during a luncheon on Wednesday, February 24.

Secretary Rubin said that the fact that so many world leaders, representing so many countries and organizations, had gathered to discuss combating corruption demonstrates the importance of that issue. Not long ago, discussing corruption in any conference of this nature would have been unthinkable. As a result of the work of the Vice President and others in the United States Administration, organizations like the World Bank, the International Monetary Fund and the OECD, and groups such as Transparency International, there is an increased international awareness of the corrosive effect of corruption and focus on strategies to combat it.

Corruption is a social and political issue. An accountable, responsive and honest government is central to its legitimacy and ultimately to political and social stability. There are many instances of governments that lost public support in part because of corruption. Corruption is also very much an economic issue, which sovereign nations in the developing and industrial world and through international institutions can address.

The background for these observations is the development of the global economy. A central lesson of this is that nations must be able to attract capital to foster growth. Among the factors that are important to attracting private capital is good governance, and in particular, effectively combating corruption. Corruption disrupts normal business and public policy decision-making. It distorts allocation of financial and human resources to inefficient uses often inconsistent with national needs. It discourages small business, entrepreneurs and consumers. It discourages foreign investment. It damages respect for laws and public and financial institutions, and creates an environment conducive to crime, including organized crime.

The economic dimension of corruption has been demonstrated by the world financial crisis. In some countries, corruption increased vulnerability to crisis. In others, corruption was a significant impediment to implementing necessary responses and an obstacle to restoring confidence. In some countries, corruption is so pervasive that it is a threshold economic issue that undermines the country's ability to succeed in the global economy.

Corruption exists everywhere, but is especially troubling in developing countries, because it diverts scarce resources in economies where such diversion has much greater impact. There are at least five elements critical to effectively combating corruption. Nations must have good, clear laws and regulations that can be easily and reliably enforced. This requires independent and adequately funded courts and law enforcement. Nations must eliminate unnecessary controls and reduce state involvement in the economy. They must create a well-supervised, soundly regulated, competitive financial system that is not subject to credit decisions based on personal or political connections. The transparency and accountability of government operations and decision-making should be increased. Finally, nations must create sound civil service systems

1.2 Systems for open and merit based hiring and promotion with objective standards.

with strict conflict of interest rules, appropriate sanctions for malfeasance, and adequate

compensation for employees. A key part of strengthening civil service systems is to create strong, independent anticorruption investigative units. The United States has placed strong emphasis on creating units such as Inspectors General to prevent and combat corruption.

Much of the responsibility for putting these five elements into place rests with developing nations, but the industrial world can support this effort.

Developed countries must deal with their involvement in corruption. Several OECD countries have not ended tax deductibility of bribes, and they should do so. There should be vigorous monitoring of implementation of the OECD

5.4 Government revenue collection systems that deter corruption, in particular by denying tax deductibility for bribes or other expenses linked to corruption offenses.

Convention. The United States would favor more work in the OECD Export Credit Participants Group to encourage increased efforts by official export credit agencies to eliminate bribery. Industrial nations can provide technical assistance to developing nations that are establishing institutions that combat corruption. The IMF should include more explicit consideration of weakness in governance in all Fund programs, and provide assistance conditioned on efforts to confront corruption. The multilateral development banks need to establish clearer and more uniform procurement rules.

Finally, the international community is gaining consensus that it is important for the international financial institutions to direct development assistance to countries that can use it best. Corruption must be an increasingly

important factor for IFI's in making decisions about assistance. It is very important for IFI's to cut off assistance when corruption undermines the viability and effectiveness of reform programs. Scarce development resources should not be wasted in countries that are not prepared to confront and combat corruption seriously, but rather should be channeled to countries that will use the assistance most effectively.

Janet Reno
Attorney General
United States

Attorney General Reno delivered remarks at a dinner on Wednesday, February 24.

Corruption, especially judicial and law enforcement corruption, is one of the most invidious threats to the political and economic health of a nation and its people. What is at stake is not just the personal reputations of judicial and law enforcement officials, but their success and credibility as leaders in the fight against crime and the pursuit of justice.

Although the challenge is great, there is much that can be done, individually and cooperatively. The principles and practices contained in the statement of Guiding Principles for Fighting Corruption that was developed for the Global Forum sample the great diversity of actions different countries have taken. This document can help establish international standards for preventing and combating governmental corruption.

As that document makes clear, there is no one prescription that will stop judicial and law enforcement corruption in all places. Each country must define its own approaches to the problem that are comprehensive, yet appropriately respond to the political, legal, economic and cultural conditions of each country.

Together, participants should continue to work at the highest levels to define and implement complementary strategies to address corruption. Most importantly, they must mobilize public condemnation of corruption and graft in government, so that these are never viewed as acceptable.

Fostering international cooperation and the rule of law is one of the top priorities of the United States International Crime Control Strategy. This emphasizes the need for cooperative efforts between United States and other law enforcement agencies around the world. In the fight against judicial and police corruption, criminals often have a sophisticated understanding of the criminal justice system, or may have ties to organized crime. There is thus

10.2 Systems to enhance international legal assistance to governments seeking to investigate and prosecute corruption violations.

particularly strong need for rapid mutual access to evidence,

witnesses and fugitives, as well as the other tools necessary for effective criminal investigations. It is necessary to continue to negotiate new bilateral and multilateral agreements to create a seamless web for prompt location, arrest and prosecution of international fugitives. It is critically important that nations collectively deny safe havens to international criminals who corrupt public institutions, and exploit national borders to escape justice and enjoy ill-gotten gains.

10.1 Systems for swift and effective extradition so that corrupt public officials can face judicial process.

Gatherings like this Global Forum afford an opportunity to learn from each other, to raise international consciousness of this issue, and generate the political energy needed to continue the campaign against corruption, domestically and internationally. The Attorney General hoped that this would mark the beginning of regular international gatherings at senior levels to follow through on things that were discussed during this Global Forum.

Frank E. Loy
Under Secretary of State for Global Affairs
United States

Under Secretary Loy offered remarks at a luncheon on Thursday, February 25.

For the past two days, participants had been discussing corruption and how to fight it. Under Secretary Loy wished to address the broader subject of the rule of law and its importance.

No anticorruption strategy can succeed without broader commitment to two larger requirements. The first is an independent judiciary based on a rule of law regime, including the concept of due process and the principle that the rule of law applies equally to all. The second requirement is a government that is open, accountable and transparent.

In the International Crime Control Strategy last year, the President specified a series of specific goals, one of which is to foster international cooperation and the rule of law. The Under Secretary of State for Global Affairs has responsibility for rule of law policies. The objectives prescribed in the Strategy for attaining this goal include: establishment of accepted global standards for fighting international and trans-border crime; improving law enforcement collaboration with foreign governments; and strengthening the position of the rule of law as the foundation of democratic governments and free market economies that are as free as possible from corruption.

The last objective has particular significance for emerging democracies or countries seeking to rebuild democratic institutions in the aftermath of civil conflict. Such countries were particularly vulnerable to corruption and trans-border crime. The theme common to all these objectives is that laws and institutions are insufficient as barriers to corruption in a society that lacks a culture of trust and an atmosphere of openness and accountability. The United States, although its system was not perfect, could share 200 years' experience with other countries that shared the United States commitment to the rule of law.

Secretary of State Albright has made the rule of law a central feature of United States foreign policy. She understands the centrality of rule of law to other important foreign policy goals, such as promoting democracy and human rights, building free and fair markets, fighting international crime and terrorism. Moreover, a growing proportion of United States international assistance is being devoted to rule of law objectives, including training law enforcement agencies, assisting judicial reform, providing advice on legislation, but there is not yet a coherent strategy for applying this assistance. For that reason, a new position had been created at the Department of State for a Senior Coordinator for the Rule of Law, which had been filled by Mr. Joseph Onek.

He will be responsible to coordinate rule of law efforts of various bureaus in the Department of State and of other United States government agencies. He will develop rule of law strategies for a few specific countries. He will serve as the Department's principal liaison on these issues with the non-governmental organization community, business and other governments that share United States goals.

This new position follows decades of international activity in this subject by the United States. In some Latin American nations, the United States has supported efforts to make the criminal justice system more effective. In 1996, the Organization of American States sponsored the Inter-American Convention Against Corruption, which requires parties to criminalize trans-border bribery of public officials. The United States hopes to ratify this Convention soon. Last year's Santiago Summit of the Americas agreed on a plan of action against corruption in this hemisphere. Rule of law assistance programs were being carried out in the newly independent states of the former Soviet Union and the former Eastern Bloc. In Bosnia, the United States contributed policy to a United Nations force that monitors local police and instructs them in democratic police procedures. The United States was cooperating closely with Mayor Orlando of Palermo to advance the global "Civitas" movement in support of civic education against corruption.

In Specialty Sessions following this luncheon, the speaker suggested the following questions that might be discussed: how could governments cooperate to promote change? what concrete steps could they take following this

conference? how does each participant address corruption, domestically and internationally?

Stephen Breyer
Associate Justice
Supreme Court of the United States

Justice Breyer also offered remarks at the luncheon on Thursday, February 25.

Years ago, in a statement that summarized the motivating goals for this meeting, President Kennedy said:

There can be no dissent from the principle that all officials must act with unwavering integrity, absolute impartiality and complete devotion to the public interest.

Today, participants are asking how to achieve such integrity in practice, and as important, how to convince the citizens of their nations that they had done so. This was necessary if governments are to maintain the public trust that underlies the proper functioning of democratic institutions.

A growing number of nations throughout the world now understand that both the liberty and the prosperity of their citizens depend on the development and maintenance of a strong independent judiciary. Globalization of communications has led to broader understanding of how independent judges guarantee basic human rights, and globalization of industry has led to greater insistence by business and consumers on honest, efficient court systems.

"Judicial independence", a critical element of a strong judicial system, imposes obligations on other branches of government and on judges. Independence requires judges whose services do not depend on political officials, whose salaries cannot be reduced because of unpopular decisions, and who have resources adequate to perform their duties. The judiciary must be able to assure the public that it is honest and effective, including freedom from corruption.

No single set of laws can guarantee judicial integrity. Building an honest, independent judiciary is easier said than done. The independence of the United States judiciary has been built slowly over 200 years, and this task is never done.

While no specific set of laws can guarantee honesty, certain laws do help. Laws requiring financial disclosure of judges, when combined with a free press, provide public assurance of confidence in the judiciary's integrity.

5.1 Systems to promote transparency, such as through disclosing the financial circumstances of senior officials.

Evaluation is an important aspect of the problem of judicial integrity. It is, however, often difficult, because of the difficulty of measuring such things as the "quality" of a national judicial system. Yet evaluations do exist, by human rights organizations. While evaluations of judicial systems have not been as frequent by potential investors, it may become more common for private efforts to address the quality of a judicial system as part of a measurement of investment risk. Such evaluations might be made in ways that could provide an appropriate incentive for change. In evaluating potential new member countries, the European Union had attached an important priority to effective and corruption-free judicial institutions. This EU experience might be examined.

Developing and maintaining the integrity of any judiciary, including that of the United States, is a complex task, requiring time to build habits and expectations. This means, however, that each small improvement helps, because it builds upon itself by changing expectations and producing expectations of further improvements. Once achieved, the integrity of a judicial system is a national treasure, and is a necessary condition for that judicial independence which protects basic human liberties and promotes the prosperity of citizens of all nations.

17. Synthesis

The following is a summary of themes which arose repeatedly or generally in the record of discussion during the Global Forum plenary and specialty sessions, and related events, recorded above.

1. "Unthinkable." Virtually every participant expressed the view that a conference of this magnitude involving senior political and official leaders from 90 countries to address corruption among justice and security officials would have been unthinkable only a very few years ago. International dialogue, and domestic policy in virtually all countries, has changed dramatically. Once, most governments and intergovernmental organizations would have sought to ignore or distance themselves from this subject. Now, there was, with very few exceptions, visible global intensity to address and resolve corruption issues.

2. New Theme. Bribery in commercial transactions and bribery of officials to secure commercial advantage, particularly in emerging or transitional economies, have been studied, especially in the OECD, for some time. The Global Forum addressed instead corruption and integrity issues from the standpoint of the official who was the taker of a bribe. Participants agreed that this approach had not been substantially elaborated in international discussion before this conference, and that it represented an important advance that this was done.

3. Universality. Virtually every participant expressed in one way or another the appreciation that corruption among justice and security officials, and other government officials responsible for upholding the rule of law, was a problem common to every government. While the extent and severity of corruption varied, the variation did not correspond directly to political, socio-economic or other categorizations. Some of the poorest countries in the world had been among those successful against corruption, while some advanced countries are among those with very serious official corruption problems. "Industrialized" and "developing" categories generally fail to relate to discussion of corruption and how to prevent or control it.

4. Realism. There was a general sense of global recognition that corruption is neither an inevitable consequence of the human condition, nor a fact of nature that cannot be escaped. Rather, as the Global Form Declaration stated, it corruption is made by the actions of men and women. Governments and people can act successfully against it, if they have the will and determination to do so.

5. Practicality. There was a general sense among all participants that despite the severity of official corruption in many countries, the current constellation of circumstances in the international community offered legitimate reason to consider that it is practicable for governments to prevent and fight it. Technological factors like new information technologies, and political or

economic factors like the widespread advance of democratic and free market systems, combine to offer positive opportunities for governments.

6. Values. There was wide recognition that while corruption is a structural and institutional economic issue, promoting public integrity and fighting official corruption is also linked importantly to social and individual values. Several participants emphasized that in their countries, it was very important that programs to promote official integrity recognize and affirmatively employ social and individual ethical and religious values, as well as addressing economic motivations and structural or institutional issues.

7. Religious Values. The plenary session panel on Religious Values and the Struggle Against Corruption demonstrated that official corruption is invariably incompatible with the fundamental ethical values of all major world religions, Protestant and Roman Catholic Christianity, Judaism, Islam, Buddhism and Hinduism.

8. Guiding Principles and Effective Practices. Discussion during the Global Forum addressed all of the 12 Guiding Principles elaborated as a working document (which may be found at the front of this report), and touched at one point or another on virtually every one of the sixty effective practices associated with those principles. The Netherlands suggested that self-assessment by governments of the extent to which they found these practices appropriate to their national anticorruption requirements might be a helpful preparation for the second Global Forum.

9. International Cooperation. In the Declaration agreed to by the heads of participating delegations, governments were called on to cooperate in appropriate regional and global bodies to adopt effective anticorruption principles and practices, and to create ways to assist each other in their implementation through mutual evaluation. All participants expressed the view that it was important to continue such international cooperation to further elaborate a comprehensive global regime of accepted norms for promoting public integrity and fighting officials corruption.

10. Continuation. The Netherlands offered to host a second Global Forum on Fighting Corruption in a year in the Netherlands. The United States offered to assist as a co-sponsor for this event. The Korean delegation suggested that this be followed by annual global ministerial meetings on fighting corruption. Virtually all participants expressed their eagerness to participate in future activities of this nature.

18. Acknowledgements

The preparation, organization, conduct and documentation of an international event of the scope of this Global Forum necessarily involved the collective efforts of a very large number of dedicated people from many governments and all walks of life. It is not possible to enumerate and appropriately recognize every one of these individuals, without all of whom the Global Forum would not have been possible.

This said, the Secretary General and the Global Forum Secretariat wish at this point in this Final Report to express their recognition and profound appreciation for the assistance of the following individuals, whose contributions were indispensable to the success of this event.

The Moderators of each of the Global Forum sessions are indicated in the parts of this Report dealing with those sessions. Each of these sessions was developed, arranged and organized by an office or agency of the United States Government. The Secretariat extends its gratitude to each of the individual managers of the sessions for their dedicated work over many months before the Global Forum: Jeffrey Bialos, Special Adviser to the Under Secretary of State for Economic, Business and Agricultural Affairs; Dr. Stuart Gilman, Special Assistant to the Director, U.S. Office of Government Ethics; Stephen Bunnell, Special Assistant to the Assistant Attorney General, Criminal Division, Department of Justice; Dr. Charles Moskos, Anderson Chair, Weinberg College of Arts and Sciences, Northwestern University; Richard Werksman, Office of the General Counsel, U.S. Information Agency; Cdr. Robert Winneg, Office of the Assistant Secretary of Defense for Drug Enforcement Policy and Support, Department of Defense; Dr. Michael De Feo, Assistant Director, Office of Professional Responsibility, Federal Bureau of Investigation; Jerry Worley and Geraldine Baker, U.S. Customs Service liaison officers at the Bureau of International Narcotics and Law Enforcement Affairs, Department of State; Carl Lohmann, Office of the Assistant Secretary for International Affairs, Department of the Treasury; Tamara Faulkner, Office of Inspector General, Department of State; William McGlynn, Special Assistant to the Assistant Secretary of State for Economic and Business Affairs; Dr. Harvey Richikoff, Legal Counsel to the Deputy Director, Federal Bureau of Investigation; Stephen Liston, Special Assistant to the Under Secretary of State for Global Affairs; Cynthia Farrell Johnson, Senior Adviser for Justice and Law Enforcement, U.S. Information Agency; Sebastian Libertore, Bureau of International Narcotics and Law Enforcement Affairs, Department of State.

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Shortly after the Global Forum was held, the Secretariat was joined by David M. Luna, who was responsible for the analysis and development of the comprehensive Appendix containing all documentation of the Global Forum in the CD-ROM format that is included with this Final Report. Finally, the Secretary General expresses his deep appreciation to Sherman Hinson and James Vigil, Jr., who have carried out Secretariat functions from the beginning of preparations through the completion of this Final Report.

Jonathan M. Winer
Deputy Assistant Secretary of State
for International Narcotics
and Law Enforcement Affairs
Secretary General

Global Forum on Fighting Corruption

Safeguarding Integrity Among Justice and Security Officials

February 24-26, 1999, Washington, D.C.

Foreign Attendance

Angola

Antonio Dos Santos Franca (Head of Delegation).

Argentina

Carlos Ruckauf, Vice President (Head of Delegation); Armando Blasco, Secretary for Military Affairs, Ministry of Defense; Luis Nicolas Ferreira, Director, National Public Ethics Office; Daniel Castruccio, Subsecretary for Institutional Affairs; Mario Baizan, Subsecretary for Programming, Ministry of the Interior; Alberto de Nunez, Minister; Jorge Osella, Minister; Admiral Leonidas Jesus Llano; Eduardo Acevedo Diaz, Advisor to the Minister of Defense.

Australia

Howard Keith Whitton, Queensland Department of the Premier and Cabinet (Head of Delegation); Michael Roche, Deputy Chief Executive Officer, Customs Service.

Austria

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Azerbaijan

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Brazil

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Dato W. Steenhuis, Procurator-General (Head of Delegation) H.J. Haverkamp, Director, FIOD; P.P. Reimer, Legal Adviser, Ministry of Interior Affairs; G.C. Klinkhamer, Chief, Protective Security Department, Dutch Security Service; J. Lunneker, Director, Tax and Customs Administration; Iduna Brink, Policy Advisor, Ministry of Justice; Peter J.H.M. Brouns, Senior Legal Advisor, Judge of the Court of Appeal of the Hague; Rear Admiral P. Kok.

Panama

Gabriel Castro Suarez, Comptroller General (Head of Delegation); Mariela Sagel, Minister of Government and Justice.

Paraguay

Jose Martinez Lezcano (Head of Delegation)

Peru

Flora Adelaida Bolivar Arteaga, Supreme Attorney of the Ministry of Peru; (Head of Delegation); Jorge Freyre, Public Prosecutor, Ministry of Economy and Finances; Pedro Pablo Gutierrez Ferreyra, First Supreme Court Prosecutor for Criminal Matters; Angel Rafael Fernandez Hernani, Second Supreme Court Prosecutor for Criminal Matters; Victor Enrique Caso Lay, Comptroller General; Carlos Morelli, Vice President of the Institute of Business Administration.

Philippines

Ramon Cardenas, Senior Deputy Executive Secretary, Office of the President (Head of Delegation); Aniano Desierto, Ombudsman of the Philippines; Ronaldo Puno, Undersecretary, Department of Interior and Local Government; Jose Vitug, Associate Justice, Supreme Court.

Poland

Wojciech Brochwicz-Raduchowski, Undersecretary, Ministry of Information (Head of Delegation); Krzysztof Bondaryk, Undersecretary; W. Parafianowicz, Chief, Ministry of Finance, Banking Supervision Office; Hana Ruszkowska, Deputy Director, National Police.

Republic of Korea

Sang Cheon Park, Justice Minister (Head of Delegation); Dr. Won-Bae Yoon, Vice Chairman, Financial Supervision Commission; Chae Jung-Sug, Director, Fourth Prosecution Division; Key Chong Park, Director General for Inspection and Investigation; Kweon Ho Yun, Special Assistant to the Minister of Justice; Dr. Kap Soo Oh, Assistant Governor, Financial Supervisory Commission; Chung Hae-Sin, Secretary to the Vice Chairman; Young-Chun Park, Deputy Director, Financial Supervisory Commission.

Romania

Flavius Baias, State Secretary, Ministry of Justice (Head of Delegation); Victor Ponta, Prosecutor, Supreme Court of Justice; General Vasile Lupu, Deputy Chief, Information Service; Bujorel Iamandi, Expert, Romanian Information Service; General Virgil Ardelean, General Director, Ministry of Interior; Colonel Mitica Dan, Ministry of Interior.

Russia

General Vladimir Strashkov, First Deputy Minister of Internal Affairs (Head of Delegation); Oleg Chernov, Deputy Secretary, National Security Council.

Saudi Arabia

Motleb Al-Nafisah, Minister of State, Member of the Council of Ministers (Head of Delegation); Ibrahim Al-Juhayman, Vice President; Mohamed Alnafea, President, Control and Investigation.

Senegal

Mohammed Moustapha Diagne, Minister of the Economy (Head of Delegation); Mamadou Ndong, Economic Counselor to the President; Doudou Ndir, Director of Criminal Affairs, Ministry of Justice.

Singapore

Ng Choon Lee, Deputy Director, Corrupt Practices Investigation Bureau (Head of Delegation).

Slovakia

Ivan Miklos, Deputy Prime Minister (Head of Delegation); Jan Carnogursky, Minister of Justice; Ladislav Pittner, Minister of Interior; Milan Hanzel, General Prosecutor; Lubomir Hanus, Director of Foreign Relations; Katerina Mathernova, Advisor to the Vice Premier of the Economy; Eugen Jurzyca, Chairman, Center for Economic Development.

Slovenia

Dimitrij Rupel, Ambassador (Head of Delegation); Andrej Podvrsic, Adviser to the Prime Minister for National Security Affairs; Prof. Dr. Anton Bebler, Faculty of Social Sciences, Univ. of Ljubljana.

South Africa

Zola Skweiya, Public Service Minister (Head of Delegation); Bulelani Ngcuka, National Director for Public Prosecutions; Judge Willem Heath, Chair, Commission Against Corruption; Stanislaus Sangweni, Public Service Commission.

Spain

Rafael Conde de Saro, Deputy Chief of Mission (Head of Delegation); Marcos Vega-Gomez, Diplomatic Adviser to the Minister of Home Affairs; Francisco Bueno Arus, Technical Secretary General, Ministry of Justice; Cristina Valor Gomez, Deputy Director. General for International Legal Cooperation, Ministry of Justice.

St. Kitts

Delano Bart, Attorney General (Head of Delegation)

Sweden

Olof Huldtgren (Head of Delegation)

Tanzania

Wilson Masilingi, Minister of State (Head of Delegation); Frederick Werema, Anti-Corruption Commission.

Thailand

Akrasid Amatayakul, Charge d'Affaires (Head of Delegation)
General Teerawat Putamanonda, Director of Police and
Planning, Ministry of Defense; Captain Vorakan Hoontrakoon,
Aide de Camp to General Putamanonda.

Trinidad and Tobago

Raymond Craig, Counter Drug Crime Task Force (Head of
Delegation)

Turkey

Baki Ilkin, Ambassador (Head of Delegation)

Uganda

Gerald Ssendaula, Finance Minister (Head of Delegation);
Noel Bisamaza, Presidential Advisor; Augustine Ruzindana,
Parliamentary Public Accounts Chairman; Miria Matembe,
Minister for Ethics and Integrity.

Ukraine

Vasyl Durdynets, Director, National Bureau of Investigation
(Head of Delegation); Vasyl Malyarenko, Deputy Chairman,
Supreme Court; Olga Kolinko, Deputy Procurator General;
Mykhailo Babiy, Assistant to the Chairman of the
Coordinating Committee for Combating Corruption and
Organized Crime; Bronislaw Stychynsky, First Deputy
Minister of Justice; Gennady. Lelikov, Department of State
Administration, Cabinet of Ministers.

United Kingdom

Brian E.R. Kinney, Home Office, Criminal Policy Directorate
(Head of Delegation); Roy Penrose, National Crime Squad;
Roy Clark, Metropolitan Police Service; Jim McGregor, H.M.
Customs and Excise; Roger Gasper, National Criminal
Intelligence Service.

Uruguay

Jorge Talice, Ambassador (Head of Delegation); Antonio
Mercader, Minister, Permanent Representative to the OAS.

Uzbekistan

Sodyq Safaev (Head of Delegation)

Venezuela

Senator Luis Alfonso Davila, President of the Congress of
the Republic of Venezuela (Head of Delegation); Senator

David Paravisini; Filipo Vagnoni, General Comptroller's Office; Estela Rosenblatt, Counselor, Permanent Mission to the OAS.

Vietnam

Doan Xuan Hung, Minister Counselor (Head of Delegation)

The following governments notified the United States of their intention to attend, but are not recorded as registrants:

Bosnia-Herzegovina
Croatia
Honduras
St. Lucia

Multinational and Multilateral Organizations

African Development Bank

Theodore S. Nkodo, Director, Central Operations Department

Asian Development Bank

Yoshihiro Iwasaki, Chief, Strategy and Policy Office

Bank for International Settlements

Danielle Nouy, Basle Committee on Banking Supervision

Caribbean Community and Common Market (CARICOM)

Colonel Fairbairn Liverpool (Guyana); Gloria Richards-Johnson, Office of the Legal Counsel

Council of Europe

Guy Derville; Peter Csonka

European Commission

J.A. Fortescue, Deputy Director General; Jonathan Miller, Special Trade Assistant; Astrid Schomaker, First Secretary

Inter-American Development Bank (IADB)

Larry Harrington; James Spinner; Fernando Carillo

International Congress of Supreme Audit Institutions

Wilhem Kellner, Section Chief, Austrian Court of Audit

International Monetary Fund

Professor Yannis Spraos

Interpol

Hiroaki Takizawa, Assistant Director, Economic and Financial Crimes Sub-Directorate, General Secretariat; John Imhoff

Organization of American States

Cesar Gaviria, Secretary General; Jorge Garcia-Gonzalez, Director, Department of Legal Cooperation; Santiago Canton, Special Rapporteur for Freedom of Expression

Organization of Eastern Caribbean States

Swinburne Lestrade, Director General

Organization For Economic Development and Cooperation

Donald Johnston, Secretary General; Jean Bonvin, President, OECD Development Center; Dr. Mark Pieth, Chairman, OECD Working Group on Bribery in International Business Transactions; Anne-Marie Leroy, Head of Division for Governance and the Role of the State, Public Management Service; Enery Quinones, Head, Anti-Corruption Unit, Directorate for Financial, Fiscal and Enterprise Affairs; Charles Oman, Principal Administrator, Corporate Governance, OECD Development Center; Amy Bondurant, U.S. Ambassador to the OECD; Janos Bertok, Administrator, Ethics, OECD Public Management Service; Fadila Puma Oumaouche; Irene Hors, Policies to Improve Governance/Corruption.

Organization for Security and Cooperation in Europe (OSCE)

Leiv Lunde, State Secretary, Norwegian Ministry of Foreign Affairs; Tom Price, Coordinator, OSCE Economic and Environmental Activities; Tom Hunstad, Adviser, Ministry of Foreign Affairs, Norway.

United Nations

Pino Arlacchi, Under Secretary General of the United Nations; Francis Maertens, Chief of Staff to Mr. Arlacchi; Jean Paul Laborde, Inter-regional advisor and corruption expert; Zachariah Messitte, Office of Drug Control and Crime Prevention.

World Bank

James Wolfensohn, President; Daniel Kaufmann; Donald Stromborn; Susan Driano.

World Customs Organization

Michel Danet, Secretary General; Maureen Kidd

Non-Governmental Organizations

American Bar Association

Richard Seaman, Director, Criminal Law Program, Central and Eastern European Law Initiative (CEELI); Katherine Newcombe, Senior Project Coordinator, Criminal Law Initiative; Ron Noble, Professor, New York University School of Law; Stuart Deming.

Asia Foundation

Rudi Jeung, Assistant Director, Washington Office
Kim Ninh, Assistant Coordinator, Law and Governance

Carter Center

Jennifer McCoy, Director, Latin American Programs

Center for Public Integrity

Charles Lewis, Executive Director

Center for Research on Institutions and Social Policy

Adam Walinsky, Executive Director

Center for Strategic and International Studies

Tony Smith, Vice President

Ethics Officers Association

Edward Petry, Executive Director

Ford Foundation

Lance Lindblom; Sean Patrick Neill, Program Assistant, Human Rights and International Cooperation; Lance Lindblom

Foundation of the Americas

Jose Octavio Bordon

Freedom House

Lisa Davis; Keith Henderson

Fundacion Etica Publica

Carlos Manfroni (Argentina)

Global Coalition for Africa

Ahmedou Ould-Abdallah; Robert McNamara; Aileen Marshall

Human Rights Watch

Arvind Ganesan, Senior Researcher; Michael Jendrzeczyk,
Washington Office Director.

Institute for International Economics

Fred Bergsten, Director; Kimberly Ann Elliott, Research
Fellow.

International Association of Chiefs of Police

Ronald S. Neubauer, Chief of Police, St. Peters, Missouri,
USA

International Bar Association (London, UK)

Bruce Zagaris, Vice Chair, Criminal Law Committee

International Center for Criminal Justice

Ron Gaynor

International Chamber of Commerce

Maria Livanos Cattai, Secretary General ; Christopher
Lewis, Policy Manager, Financial Services & Insurance,
Extortion and Bribery, Department of Policy Commissions

International Human Rights Law Group

Jennifer Rasmussen, Southeast Asia Program Coordinator

International Law Association (London, UK)

Hungdah Chiu

International Law Institute

Rachel Ehrenfeld

Lawyers Committee for Human Rights

Elisa Massimono, Director, Washington Office

National Democratic Institute for International Affairs

Susan Benda, Director, Government Programs; William Nash

National District Attorneys Association

John Kaye, Past President, District Attorney for Monmouth
County, New Jersey, USA

Open Society Institute (Hungary)

Adrian Ionescu, Program Director

Rand Corporation

Dr. Bruce Hoffman, Washington Office

Social Development Network (Nairobi, Kenya)

Edward Oyugi, Coordinator

Transparency International

Jeremy Pope, Executive Director; Nancy Zucker-Boswell;
Fritz Heimann; Hansjorg Elshorst (German Chapter).

Contents of Appendix to the Final Report

A GLOBAL FORUM ON FIGHTING CORRUPTION

SAFEGUARDING INTEGRITY
AMONG JUSTICE AND SECURITY OFFICIALS

CHAired BY

VICE PRESIDENT AL GORE

FEBRUARY 24-26, 1999
WASHINGTON, D.C.

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- III. **WELCOMING AND CLOSING REMARKS BY VICE PRESIDENT AL GORE AND
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Caveat: The following Conference participants submitted copies of their statements:

- Attorney General Janet Reno, Department of Justice, United States
- Treasury Secretary Robert E. Rubin, United States
- Commerce Secretary William M. Daley, United States
- Deputy Attorney General Eric Holder Jr., Department of Justice, United States
- Ambassador Stuart E. Eizenstat, Undersecretary of State for Economic, Business & Agricultural Affairs, United States
- Frank Loy, Undersecretary for Global Affairs, United States
- Hon. Stephen Breyer, Associate Justice, Supreme Court of the United States
- Statement of the Judicial Conference of the United States
- Elaine Kaplan, Special Counsel, U.S. Office of Special Counsel, United States

- Hon. John T. Noonan, Jr., U.S. Court of Appeals (8TH Circuit)
- Andrew J. Pincus, General Counsel, U.S. Department of Commerce
- Stephen Potts, Director, U.S. Office of Government Ethics, United States
- Alan Geyer, Senior Scholar, Churches' Center for Theology and Public Policy, United States
- Dr. Roy Godson, Professor of Government, Georgetown University, United States
- Philip Heyman, Professor, Harvard School of Law, United States
- Dr. Armando Blasco, Secretary for Military Affairs, Argentina
- Dr. Luis Nicolas Ferreira, Director Oficina Nacional de Etica Publica, Republic of Argentina
- Fuadmurtuz Alasgenov, Director Department of Law Enforcement, Republic of Azerbaijan
- Fikret Mamedov, Deputy Prosecutor General, Republic of Azerbaijan
- Statement by the Delegation of Azerbaijan
- T.M. Kattholo, Director DCEC, Botswana
- Army General Benedito Onofre Bezerra Leonel, Chief of the Joint Staff of the Armed Forces, Federative Republic of Brazil
- Hon. Mario Tagarinski, Minister of Public Administration, Republic of Bulgaria
- Colonel Kim Carter, Acting Director of Military Prosecutions, Canadian Forces, Canada
- Jaroslav Fenyk, Deputy Supreme Prosecutor , Czech Republic
- Guy De Vel, Director De Vel, Council of Europe
- His Excellency Vazha Lordkipanidze, State Minister, Republic of Georgia
- Hon. Georgi Baramidze, Member of Parliament, Republic of Georgia
- Prof. Dr. Mark Pieth, Basel University, Germany
- Nurcholish Madjid, Rector, University of Paramadinamulya, Jakarta, Indonesia
- Edna Arbel, Israel State Attorney, Ministry of Justice, State of Israel
- Prof. Enrico Zanelli, University of Genoa, Italy
- -- Major General Mousa Moh'd Azouqa, Director of Armed Forces Officers Affairs, Jordan
- Dr. Fauziah Mohamed Taib, Charge d' Affaires, Malaysia
- El Houssine Aziz, Minister of Civil Service and Administrative Reform, Morocco
- Donald J. Johnston, Secretary-General, OECD
- Prof. Jose Luis Simon, Paraguay
- Statement by the Poland Delegation
- Flavius Baias, State Secretary, Justice of Ministry, Romania
- Judge W.H. Health, Head of Special Investigating Unit, South Africa
- General Teerawat Putamanonda, Director General, Office of Policy and Planning, Ministry of Defense, Thailand
- Hon. Miria R-K Matembe, Minister for Ethics and Integrity, Uganda
- Vasyl Durdynets, Director of the National Bureau of Investigation, Ukraine
- Statement by the Delegation of Uruguay
- James Wolfensohn, President, World Bank
- Dan Kaufmann, Lead Economist, World Bank (See Also Section XIII for Related Documents)
- Jeremy Pope, Transparency International
- Nancy Zucker Boswell, Transparency International

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 - E. Advancing a Demand-Side: Better Engaging American Business

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9. International Law Enforcement Academies (Bangkok, Budapest, Pretoria) and Anticorruption Training
10. Other Foreign Assistance
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11. Bilateral Cooperation, Agency-to-Agency Agreements/Understanding
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 - D. Department of the Treasury – Financial Crimes Enforcement Network (FINCEN)
 - E. U.S. Customs Service
12. International Public Diplomacy

VIII. CONFERENCE FINDINGS BY SPECIALTY SESSIONS

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- Specialty Session: Integrity and Corruption Issues as They Apply to Other Security Forces
- Specialty Session: National Customs Services
- Specialty Session: Integrity and Corruption Issues Specific to Financial Regulators
- Specialty Session: Integrity and Corruption Issues Specific to Procurement Officials
- Specialty Session: Integrity and Corruption in the Judiciary
- Specialty Session: Global and Regional Anti-Corruption Frameworks
- Specialty Session: Internal Oversight – Prevention, Detection and Investigations
- Specialty Session: Non-Governmental Organizations

IX. SOURCE BOOK: REGIONAL AND MULTILATERAL GUIDING PRINCIPLES

- Guiding Principles for Fighting Corruption and Safeguarding Integrity Among Justice and Security Officials
- Council of Europe: Committee of Ministers Twenty Recommendations Against Corruption
- Council of Europe: Criminal Law Convention on Corruption
- European Parliament: Resolution on Combating Corruption in Europe
- European Union: Convention on the Fight Against Corruption
- Organization of American States: Convention Against Corruption
- Organization For Economic Development and Cooperation: Convention on Combating Bribery of Foreign Public Officials In International Business Transactions
- United Nations: Resolution of the General Assembly Against Corruption

X. OTHER UNITED NATIONS RELEVANT DOCUMENTS ON CORRUPTION

- UNITED NATIONS OFFICE FOR DRUG CONTROL AND CRIME PREVENTION: Anti-Corruption Activities of ODCCP (February 1999)

GENERAL ASSEMBLY RESOLUTIONS

- 3414 (XXX) Measures Against Corrupt Practices of Transnational and Other Corporations, Their Intermediaries and Others Involved (15 December 1975)
- 51/59 Action Against Corruption; ANNEX: International Code of Conduct for Public Officials (12 December 1996)
- 51/191 United Nations Declaration Against Corruption and Bribery in International Commercial Transactions (16 December 1996)
- 52/87 International Cooperation Against Corruption and Bribery in International Commercial Transactions (12 December 1997)

ECOSOC RESOLUTIONS

- E/RES/2041 (LXI) Corrupt Practices, Particularly Illicit Payments, in International Commercial Transactions (11 August 1976)
- E/RES/2122 (LXIII) Corrupt Practices, Particularly Illicit Payments, in International Commercial Transactions (15 August 1977)
- 1995/14 Action Against Corruption; ANNEX: Draft International Code of Conduct for Public Office Holders (24 July 1995)
- 1996/8 Action Against Corruption (23 July 1996)
- 1997/25 International Cooperation Against Corruption and Bribery in International Commercial Transactions (21 July 1997)
- 1998/16 Action Against Corruption (28 July 1998)

DOCUMENTS

- E/5838 Transnational Corporations: Measures Against Corrupt Practices of Transnational and Other Corporations, Their Intermediaries and Others Involved - Report of the Secretary-General (11 June 1976)
- E/AC.64/3 Corrupt Practices, Particularly Illicit Payments in International Commercial Transactions: Concepts and Issues Related to the Formulation of an International Agreement - Report of the Secretariat (20 January 1977)
- E/AC.64/L.1 United States of America: Working Paper - Ideas on the Scope and Content of an International Agreement on Illicit Payments in Connection with International Commercial Transactions (2 February 1977)

- E/AC.64/4 Major Issues to be Considered in the Examination of the Problem of Corrupt Practices, in Particular Bribery, in International Commercial Transactions by Transnational and Other Corporations, Their Intermediaries and Others Involved (10 February 1977)
- E/AC.64/5 Report of the Ad Hoc Intergovernmental Working Group on the Problem of Corrupt Practices on its Second Session (16 February 1977)
- E/AC.64/7 Major Issues to be Considered in the Examination of the Problem of Corrupt Practices, in Particular Bribery, in International Commercial Transactions by Transnational and Other Corporations, Their Intermediaries and Others Involved - Annotated Outline; Report of the Secretariat (17 March 1977)
- E/6006 Report of the Ad Hoc Intergovernmental Working Group on the Problem of Corrupt Practices on its First, Second, Third and Resumed Third Sessions (5 July 1977)
- E/1978/39 Report of the Ad Hoc Intergovernmental Working Group on the Problem of Corrupt Practices on its Fourth and Fifth Sessions (24 April 1978)
- E/1978/115 Report of the Ad Hoc Intergovernmental Working Group on the Problem of Corrupt Practices on its Fourth, Fifth and Resumed Fifth Sessions (7 July 1978)
- E/AC.67/L.1 Conclusions Reached by the Committee on an International Agreement on Illicit Payments During its First Session held at Headquarters from 29 January to 9 February 1979 (28 February 1979)
- E/1979/104 Report of the Committee on an International Agreement on Illicit Payments on its First and Second Sessions; 29 January - 9 February and 7-18 May 1979 (25 May 1979)
- E/1991/31/Add.1 Report of the Commission on Transnational Corporations on its Seventeenth Session; Addendum: Efforts by the United Nations to Address the Issue of Corrupt Practices - Report of the Secretary-General (4 July 1991)
- A/CONF.169/16 Report of the Ninth United Nations Conference on the Prevention of Crime and the Treatment of Offenders: Special Sessions of the Congress in Plenary Meetings A. Experiences in Practical Measures Aimed at Combating Corruption Involving Public Officials (Cairo 29 April - 8 May 1995) (12 May 1995)
- E/CN.15/1996/5 Action Against Corruption: Report of the Secretary-General (11 April 1996)
- E/1996/99 Economic and Environmental Questions: Follow-Up to General Assembly Resolution 50/106: Business and Development; Letter Dated 19 July 1996 from Venezuela to the Secretary-General Transmitting the Inter-American Convention Against Corruption (23 September 1996)
- E/1996/106 Economic and Environmental Questions: Follow-Up to General Assembly Resolution 50/106: Business and Development; Letter Dated 5 November 1996 from the United States of America to the Secretary-General Transmitting "Implementation of the Recommendation on Bribery in International Business Transactions" (12 November 1996)
- E/CN.15/1997/3 Promotion and Maintenance of the Rule of Law and Good Governance; Action Against Corruption and Bribery: Report of the Secretary-General (5 March 1997)
- E/CN.15/1997/3/Add.1 Promotion and Maintenance of the Rule of Law and Good Governance; Action Against Corruption and Bribery: Report of the Secretary-General. Addendum: Report of the Expert Group Meeting on Corruption, held at Buenos Aires from 17-21 March 1997 (8 April 1997)

- E/CN.15/1998/6/Add.1 International Cooperation in Combating Transnational Crime; Addendum: Recommendations of the African Regional Ministerial Workshop on Organized Transnational Crime and Corruption, held at Dakar from 21 - 23 July 1997 (29 August 1997)
- E/CN.15/1998/3 Promotion and Maintenance of the Rule of Law: Action Against Corruption and Bribery - Report of the Secretary-General (23 March 1998)

XI. POSITION MATERIALS AND LEGAL DOCUMENTS SUBMITTED AT CONFERENCE BY PARTICIPATING CONFEREES

- **Africa:** Principles to Combat Corruption in African Countries (GCA)
- **Argentina:** Presidencia de la Nacion: Oficina Nacional de Etica Publica
- **Asia Foundation:** Governance and Law Programs -- 1998
- **Asian Development Bank:** Anticorruption Policy
- **Azerbaijan:** Presentation on Corruption by the Delegation
- **Azerbaijan:** Judicial-Legal Reforms in Azerbaijan. Independent judiciary – as a barrier to corruption
- **Azerbaijan:** State Program on strengthening the fight against corruption
- **Canada:** Canadian Measures Against Corruption
- **China:** Law of the People's Republic of China on Administrative Supervision
- **Council for General Internal Governmental Auditing:** Actions to Strengthen Government Policy in the Area of Public Transparency
- **Dominica, Republic of:** Plan Estrategico Nacional de Prevencion de la Corrupcion
- **Dominica, Republic of:** La Lucha Contra La Corrupcion
- **Dominica, Republic of:** Etica y Responsabilidad Penal de Iso Servidores Publicos
- **Ecuador:** Comision Anticorrupcion – Hacia Una Agenda Nacional Anticorrupcion
- **Ecuador:** Comision de Control Civico de la Corrupcion (Plan Estrategico 1998-2003)
- **Ecuador:** Informe de Actividades II (Periodo Agosto 1 de 1997 a Julio 31 de 1998)
- **Egypt:** Administrative Control Authority – Fighting Corruption Among Security & Justice Officials
- **Council of Europe:** Criminal Law Convention on Corruption
- **European Commission:** The Fight Against Corruption– European Union
- **Georgia, Republic of:** Information Issue of Anti-Corruption Temporary Investigation Commission of Parliament of Georgia
- **Germany, Federal Republic of:** Act on the Convention dated 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions
- **Germany, Federal Republic of:** Combating Corruption in Germany
- **Germany, Federal Republic of:** Excerpts from the German Criminal Code
- **Germany, Federal Republic of:** Federal Government Directive concerning the Prevention of Corruption in the Federal Administration
- **Hungary, Republic of:** Some ethical and social roots and consequences of public corruption in Hungary – experiences of the State Audit Office
- **Hungary, Republic of:** Experiences in the changing patterns of corruption and the main directions of combating corruption at the policing agencies supervised by the Minister of the Interior of the Republic of Hungary
- **Interpol:** I.C.P.O. –General Secretariat, Criminal Intelligence Directorate, What are Interpol Services.
- **Jordan:** Information on the General Intelligence Department, Anticorruption Department
- **Kazakhstan:** Press Release on Combating Corruption in the Republic of Kazakhstan
- **Maroc, Royamme Du:** Pacte de Bonne Geston
- **The Netherlands:** Integrity among public servants in the Netherlands
- **The Netherlands:** The Integrity Statute
- **The Netherlands:** Integrity Projects
- **Organization of American States:** Final Report, Symposium on Enhancement of Probity in the Hemisphere (English & Spanish)
- **Pan African Conference:** Report to the Second Biennial Pan African Conference of Ministers of Civil Service (English & French)

- **Pan African Conference:** The Rabat Declaration (English & French)
- **Poland:** Combating Corruption in Poland, current situation, legal institutions in criminal law
- **Romania:** The Judiciary System in Romania
- **Slovak Republic:** Center for Economic Development, Transparency in the Slovak Economy I
- **Slovak Republic:** Annual Report
- **South Africa:** The South African Economy
- **South Africa:** General Information on the Heath Special Investigating Unit
- **Ukraine:** Memo on the activities of Ukraine's government bodies in an effort to combat corruption
- **Ukraine:** Treaty Between the United States of America and Ukraine on Mutual Legal Assistance in Criminal Matters
- **Uruguay:** Ley No. 17.060 de 8 de Enero de 1999; Sobre el Uso Indebido del Poder Publico (Corrupcion)
- **Uruguay:** XVI Incosal Uruguay 1988 (Draft of Accords)

XII. UNITED STATES OFFICE OF GOVERNMENT ETHICS

- **Ethics Resource Materials:** Codes, Statutes and Financial Disclosure Forms
- **International Government Ethics Initiative**
- **Ethics Questionnaire**

XIII. INTERNATIONAL FINANCIAL INSTITUTIONS

- **Asian Development Bank:** A Fact Sheet
- **The World Bank:** Corruption Diagnostic Tools – An Illustration
- **The World Bank:** Helping Countries Combat Corruption – The Role of the World Bank
- **The World Bank:** Helping Countries Build Anti-Corruption Strategies
- **The World Bank:** Fighting Corruption Worldwide (English, Spanish, German, French)
- **The World Bank:** Other Supporting Documents Related to Corruption and Diagnostics

XIV. USAID

- **Center for Democracy and Governance:** A Handbook on Fighting Corruption

XV. INFORMATIONAL BROCHURES MATERIALS

- **The Asian Foundation**
- **ICC:** Rules of Conduct – Extortion and Bribery in International Business Transactions
- **The Local Government and Public Service Reform Initiative of the Open Society Institute (LGI)**
- **PUMA:** Principles for Managing Ethics in the Public Service
- **Responsabilidad Anti-Corruption:** Newsletter (Spanish)
- **Transparency International:** Informational Brochure
- **USIA:** Economic Perspectives (English, French, Spanish and Russian)
- **USIA:** An Overview of USIA
- **USOIG:** The Role and Mission of the Office of Inspector General
- **World Customs Organization:** Informational Fact Sheet
- **William L. Miller, Ase B. Grodeland, and Tatyana Y. Koshechkina:** The Use of Presents and Bribes to Influence Officials in Eastern Europe

XVI. CONFERENCE MEDIA PACK

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If you have any questions regarding information in this Final Report, or if you would like to forward new materials to the Secretariat of the Vice President Global Forum on Corruption, please call Sherman Hinson, Senior Advisor, (202) 647-0454, James Vigil, Jr., Special Assistant, (202) 647-3140, or David M. Luna, Special Advisor, (202) 647-7850. Please forward new materials to the Secretariat of the Vice President Global Forum on Corruption, Room 7811, U.S. Department of State, 2201 C Street, Washington, D.C. 20520.