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Anticorruption and organization of public offices

SIAC 2019 – Transparency and legality of the civil servant activities: Legislative and economic outlines from the EU-anticorruption experiences.

Stabilization and Integration Policies for the BIH Public Administration System

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Agenda

- **Part 1:** Awareness raising
- **Part 2:** Preventing corruption
- **Part 3:** You can fight corruption
- **Part 4:** Corruption and leadership

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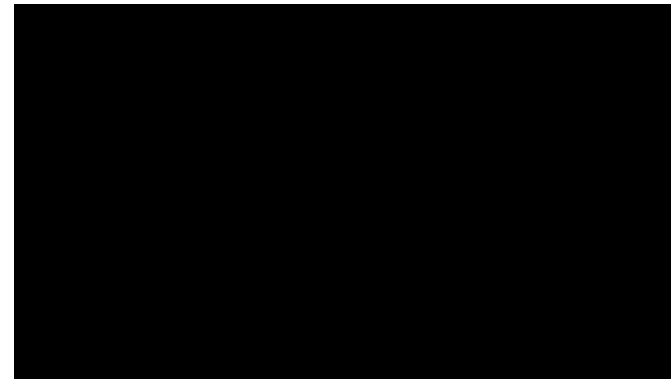
Part 1 Awareness raising

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Icebreaking

What is corruption?

<https://www.youtube.com/watch?v=q2Vs9yPCHs0>



Case study

Peter had practiced his driving skills with his instructor for months. It was now days before his test, and he felt he was ready for it. He stopped the car and waited for final feedback from his teacher.

What came next was not what he had expected. The driving instructor told him that if he wanted to pass his test, he would need to bribe the examiner. If Peter would give 100 dollars to the instructor, he would happily act as go-between, making sure the examiner received his money before the test began.

- What do you think of this situation?
- What would you do?

Case study

Your daughter was hit by a car and rushed to the nearest hospital. You pay a lot of money for surgery, treatment, medication and a hospital room.

The seriousness of her injuries requires that she stay in hospital for at least a week. Despite having already paid for her care, your daughter complains that the nurses don't help her when asked. You know that if you give the nurse a few extra dollars a day she will take care of your daughter.

- How do you feel about this situation?
- Would it be wrong to pay the nurses extra?
- What could you do in this situation?
- What would you do in this situation?

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Stories

In what ways have you experienced or heard about corruption?

- Personal examples
- Second-hand examples
- Experiences with the government, religious organizations, NGOs and international organizations
- In businesses or with other organizations

What is corruption?

Sample definitions of corruption:

- The abuse of power for private and personal advantage.
- To get or take advantage by means which are illegitimate, immoral and/or inconsistent with one's duty or the rights of others.
- The word corrupt means "utterly broken". The word was first used by Aristotle and later by Cicero who added the terms "bribe and abandonment of good habits".

What is corruption?

Why is Corruption Harmful?

- is unfair and harms those without power
- results in a loss of values and morality
- results in financial loss
- results in loss of trust in government, justice and public services
- results in illegal activities, encourages organized crime
- creates an inefficient society
- creates fear and insecurity

“I believe that corruption kills more people across the globe than terrorism”

(Lugolobi, Executive Director of Transparency International)

Case study

One day you are riding your motorcycle and a police car stops you on the motorway because you are not wearing your helmet. (*The law in your country is that everyone who drives a motorcycle must wear a helmet.*) The police officer tells you to pay a fine of 100 USD, but will ignore the violation if you pay him 20 USD.

- Should you pay the policeman?
- Would it make a difference if the policeman only asked for 5 USD?

Levels of corruption

- **Grand corruption:** takes place at higher levels of government, large companies and NGOs, and involves mismanagement of large amounts of money - for example, diverting funds from a social program for personal use.
- **Petty corruption:** small incidences of corruption, often on a local level, by people like policemen and judges. This type of corruption affects the poor most directly. An example of corruption at the local level is the need to pay bribes to public servants/local officials.

Types of corruption

- **Bribery:** money or services offered illegally to get something in return
- **Active:** When you offer a bribe
- **Passive:** When you accept or demand a bribe
- **Kickback:** illegal form of commission
- **Nepotism:** favoritism granted to family, relatives or friends
- **Facilitation payments:** asking for money for legally free services
- **Collusion:** secret agreements by at least two parties for illegal gain
- **Embezzlement:** misuse of someone else's money
- **Abuse of power**

Potential Signs of Corruption in an Individual

- **A lifestyle that is not in line with income**
- **Deliberately working alone, or always with the same colleague**
- **Secretive phone calls**
- **Many discrepancies in the petty cash, round figures**
- **Lots of incorrect or missing invoices, cash tickets etc.**
- **Irritability, suspiciousness or defensiveness**
- **Control issues: unwillingness to share duties**
- **Unusually close association with vendor/customer**
- **Etc.**

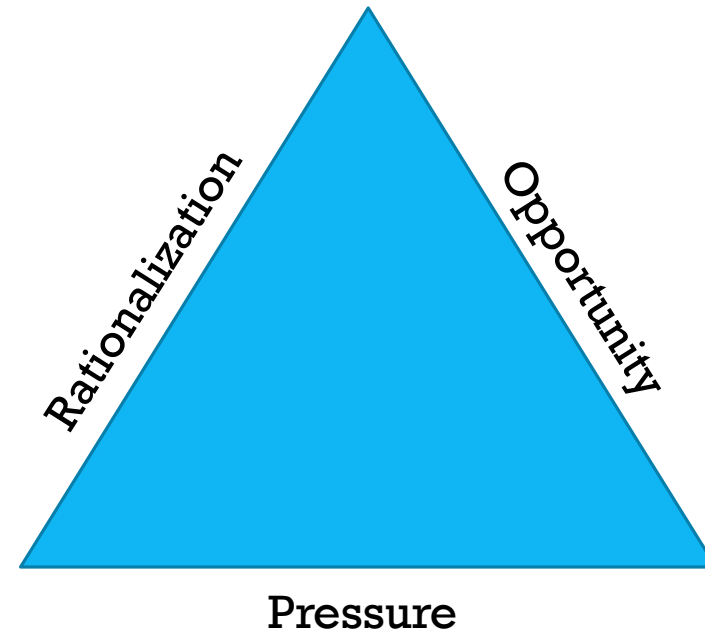
Potential Signs of Corruption in an Organization

- **Poor, unclear financial administration could hide:** “Double-dipping”- looking for or accepting funds from more than one donor for a project that is already funded; Inflated, duplicate, or fictional invoices for goods and services.
- **Policies and procedures are not present or not respected, these could hide:** Kickbacks : the person in charge of buying or hiring makes deals so that he/she gets part of the money personally; Extortion of bribes or other benefits (including sexual favours) from beneficiaries.
- **Strange or late reporting (such as copy/paste from previous reports, activities not agreed on, no problems) can hide:** Double dipping; The fact that no activities took place; Other problems.
- **Unexpected departure of personnel:** Corruption was found, an employee was dismissed but the case was not reported; Employee found corruption and decided to leave.

What are reasons that a person working for an organization might get involved in corruption?

- **The Fraud Triangle**

In the 1950s the criminologist Donald R. Casey developed a theory that is now known as the Fraud Triangle.

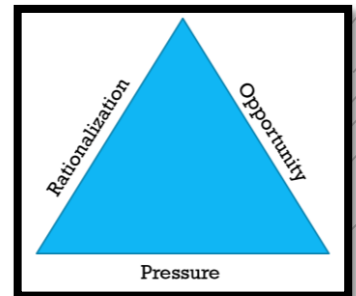


What are reasons that a person working for an organization might get involved in corruption?

PRESSURE

A person feels the need to do something corrupt because of pressure. Pressures can include:

- Financial problems
- Medical bills
- Need for more security, for example, securing a pension
- The need for status
- Not being paid enough to meet your needs
- Family or friends expect help

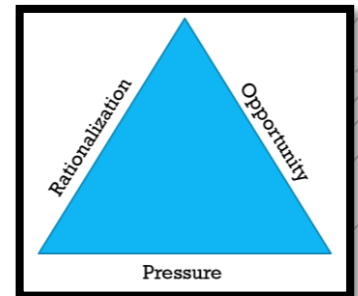


What are reasons that a person working for an organization might get involved in corruption?

OPPORTUNITY

Opportunity is the ability to act corruptly without being caught. Some issues that can create opportunities include:

- Weak internal controls
- Poor management oversight
- Being in a position of leadership and authority
- Inadequate procedures to detect corrupt activities.

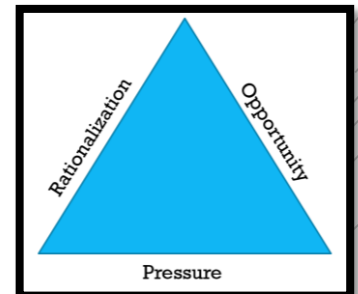


What are reasons that a person working for an organization might get involved in corruption?

RATIONALIZATION

Rationalisation is how an individual or an organization finds reasons or excuses for acting corruptly. Some common reasons include:

- Everybody does it.
- It comes with the job; you deserve it.
- It's not really corruption, but cultural; it's just the way we do things here.
- It's going to help somebody, so it's not really so bad.



If my organization
is guilty, am I
guilty too?

- **Not everyone working in a corrupt organization is corrupt.**
- **At the end of the day, the leadership of an organization has the most responsibility to keep corruption out.**
- **However, it's your job to resist corruption as much as you can.**

Conclusion Part 1, what have we learned?

- A better understanding of corruption is the first step to fight it!
- Before we can fight corruption, we must understand some of its roots.

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Part 2 Preventing corruption

What are some personal characteristics that can prevent an individual from becoming corrupt?

Good Personal Attributes & Behaviour

- Be honest
- Use your power for officially authorized and justified purposes only
- Be trustworthy
- Be transparent
- Abide by the law: respect the rules, regulations, statutes and laws of local and civil authorities
- Be accountable to others in the organization, the board and others in authority

What can an organization do to prevent corruption from happening?

Positive organizational policies

An organization needs a standard set of policies like:

- Code of conduct
- Set of rules to prevent corruption
- Procedure re. internal monitoring and evaluation
- Reporting guidelines and routines
- Have a safe procedure in place to report corruption
- Sanctions for those who act corruptly
- Clear policies & procedures for project asset ownership and transfer

What can an organization do to prevent corruption from happening?

Positive organizational standards

Financial Transparency & Good Practice in:

- Decision making
- Monitoring & Reporting
- Accounting
- Spending

Proper Human Resources management

- Fair compensation/salaries & other employee benefits
- Clear and detailed job descriptions
- Documented career advancement strategies

Management & Power

- Prepared to answer questions, admit mistakes and, where possible, rectify any errors

What can an organization do to prevent corruption from happening?

- Policies and procedures can be written by the **management** and should be approved by the board of the organization.
- The **management** of the organization ensures that the rules are respected. They report to the board, who should follow up on all issues according to national law.

Case study

All project staff attend a 3 day capacity building conference. The organiser pays for the hotel and three meals a day for all participants. At the end of the three days, the project manager starts paying allowance covering accommodation, food and transport to all the project employees. One of the employees says that the allowance should be reduced since accommodation and food was free. He is told by the others to keep silent. The project manager says that full allowance should be paid out because no one will ever find out. The project manager is clearly trying to stay on good terms with his employees.

- What is wrong here?
- What are some possible negative consequences?

Conclusion Part 2, what have we learned?

Good standards will have a positive impact on you and your organization!

- Good characteristics and behaviour for individuals
- organizational standards

Words followed by action prevent corruption!

- The importance of good policies and procedures.

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Part 3

You Can Fight Corruption

The «team» role

The first fundamental rule:

- **working with other people.**

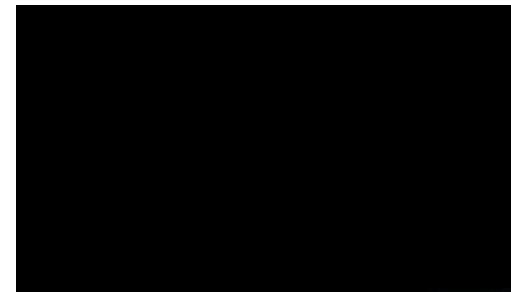
Working together reduces the chances of free riding and of engaging in inappropriate behavior.

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The «team» role



https://youtu.be/H0_yKBitO8M



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The «individual» role

On the other hand, by working alone, an honest person will not:

- close his eyes to corruption;
- close his ears to complaints;
- keep quiet about corruption.



The «individual» role

When you're a victim of corruption, what can you do?

- Give as many suggestions as possible for how ordinary people can fight corruption.

*“The **silence** of the good people is more **dangerous** than the **brutality** of the bad people”*

- There are many websites where people share their experiences with corruption.
- Social media can be a good way to share your story and raise awareness about how corruption hurts you and others.

Personal actions

- **Refuse to pay/accept a bribe**
- **Use my voice**
- **Ask for receipts**
- **Contact supervisor**
- **Discuss with colleagues**
- **Take pictures/videos**
- **Write down name and number**
- **Report corruption to the police**

Pledge

I pledge to...

- be a responsible and honest citizen and
- neither pay nor take bribes;
- obey the law and encourage others around me to obey the law and to treat resources respectfully;
- neither abuse any money entrusted to my care, nor any position I hold
- act with integrity in all my dealings
- always remember that public resources are intended for the benefit of the public, not for private gain.

Code of conduct

An anti-corruption code of conduct can tell you what your responsibilities are, like:

- Respect for the law
- Refusing to give or take bribes
- Safe ways to report corruption
- Not using the organization's resources for private purposes

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Three myths about corruption

https://www.ted.com/talks/afra_raymond_three_myths_about_corruption?utm_campaign=tedsread&utm_medium=referral&utm_source=tedcomshare



Conclusion Part 3, what have we learned?

Your voice and actions can make a real difference!

- Share your story!
- Act with integrity.
- Make a pledge.

By working with others you can have a powerful impact!

- Educate and raise awareness

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Part 4 Corruption and leadership

What can you as a leader do?

- **Make policies and procedures**
- **Be transparent**
- **Implement the policies and procedures**

Step 1: Developing policies and procedures

Work out what policies you need:

- Do your research. What do similar organizations have?
- What's unique to your organization?
- What are the priorities?
- Consult with people from across your organization to get their ideas and comments

Step 2: Draft, Refine and Write your Policies

- Write the policy in words that are easy to understand
- Ask the “what if” question. Does it cover all the usual and unusual?
- Talk to the people who will be enforcing policy, but also to those who have to live according to the policies.
- Test the policy by asking for the opinion of others

Step 3: Approve and Endorse Policies

- An attorney should check the wording and make sure it is according to national law.
- The board of the organization should endorse the policies.
- There should be a procedure to publicise the policies in such a way that all stakeholders have access to it.

Step 4: Approve and Endorse Policies

- Be a personal example by strictly following the rules
- Develop a training program that all staff and volunteers have to participate in
- At the end of any training or information session, ask participants to complete a short quiz to show they have understood the information
- Create posters or process charts to post around the workplace to keep key messages firmly in mind
- Regularly promote a policy or procedure in internal newsletters or at team meetings.

Step 5: Review and Refine your Policies Regularly

- **Society, people and organizations constantly change.** Make sure to set an expiry date for your policies and action plans, so that your policies remain relevant to your own organization's objectives, and remain in line with national law.

Policy example

Conflict of interest

- A staff member should avoid putting himself/herself in a position that may lead to an actual or perceived conflict of interest with the organisation. A staff member confronted with conflict of interest should report this to his/her supervisor; he or she should have no authority in the final decision making related to the area of conflict of interest.

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Leadership for preventing corruption

Regardless of the steps, the most important lesson: a leader knows how to involve her/his followers emotionally and, in this way, s/he is able to prevent corruption.

https://www.ted.com/talks/itay_talgam_lead_like_the_great_conductors/transcript



Conclusion Part 4, what have we learned?

As a leader, you have the power and responsibility to create a culture of anti-corruption! Lead by example:

- Be a person of integrity, responsible, transparent & accountable
- works to make others engaged and committed to the common cause

Good tools will empower you and others to stop corruption in its tracks!

- Creation and enforcement of policy & procedures
- Code of Conduct & Action Plan

Conclusion

“You must be the change you wish to see in the world”

Mahatma Gandhi

However, remember that you aren't alone! Corruption can be fought by working together.

Please share what you learned in this course to make the world a better, safer place!