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**The anti-corruption bill****The anti-corruption bill with pros and cons**

The anti-corruption bill passed the National Assembly on June 28, 2001, after more than five years of deliberations over the much-talked-about law. The law, which will provide a legal basis for efforts to eradicate corruption in Korean society, will go into effect in January of next year.

Before the bill passed there had been so many critics on the proposals of both government party and opposition party by civic groups like TI Korea and PSPD, etc. Though the anti-corruption bill were passed, there still are many pros and cons concerning it.

Some legal experts say that the enactment of the law is significant in that it allows every citizen to participate in activities to control corruption, which before were mainly conducted by law-enforcement authorities such as the prosecution, police and the Bureau of Audit and Inspection. But others are criticizing it, because the new commission, which will be established on the basis of anti-corruption law, has no right of investigation into corruption cases, and the protection provided by the new law for the whistleblowers is too weak to guarantee their safeness. This controversy around the new bill seems to be not easily settled.

**The main features of anti-corruption bill**

Since the 1980s, successive Korean governments have tried to eradicate corruption by introducing institutional frameworks such as the Public Servants' Ethics Law, the Freedom of Information Act and the Real-Name Financial Transaction System. However, the government's anti-corruption efforts have been largely limited to the investigation and punishment of individual offenders. Preventive measures as well as a strong political will to fight corruption have been weak or completely absent at times. In this light, the anti-corruption bill is therefore one of the most important ambitious works to curb the corruption. Formally, with the enactment of this law Korea has now been nearly perfected.

Under the law, every citizen can now submit a written report in his or her real name on corruption cases to the authorities along with evidence.

The law defines "corruption" as acts by public officials seeking personal gain or benefits for a third person by abusing his or her position of power, or of violating laws in connection with his or her duties. Acts causing financial losses in the process of budget execution, asset acquisition, management or liquidation of properties of public institutions or in the process of executing contracts are also punishable under the new law.

The law calls for the installation of an anti-corruption committee under the President. The committee will consist of nine members appointed by the President,

including one committee chairman and two full-time members. The National Assembly and the Chief Justice of the Supreme Court will nominate three members each for appointment. The President will select the chairman and two full-time members.

The committee will be in charge of establishing and coordinating the government's anti-corruption policies and programs, monitoring the progress of those measures and evaluations and referring reported cases of corruption to the pertinent authorities. The committee will be convened in January of next year.

Other important provisions of the law include stipulations to protect informers and whistleblowers; provisions to introduce so-called "citizen auditors" and "citizen petitions" for enhanced inspection and audit of government activities; provisions to reinforce criminal punishment against corrupt government officials; and strict limits to the availability of pardons and reinstatements for those found guilty of corruption.

In order to protect informers or whistleblowers, the law strictly protects the identity of the informer and proscribes severe punishment for those who retaliate against informers or commit perjury.

The law also mandates the committee to lodge complaints with the prosecution for cases involving high-ranking public officials above the vice-minister level, mayors of metropolitan cities, police officers above superintendent, judges and prosecutors, high-ranking military officers and legislators. If the prosecution fails to prosecute the case, the committee can directly bring the case to an appellate court.

Under the law, any individual above the age of 20 can petition the Board of Audit and Inspection to inspect and audit government activities, when, in the process of handling administrative affairs at public offices, acts in violation of the law or cases of corruption are detected.

The law also prohibits government officials, who were dismissed or forced to retire for corruption in office, from being employed in private-sector jobs related to their former capacity as government officials for 5 years.

### **The Anti-Corruption Bill: paper tiger?**

"The definition of corruption in the Anti-Corruption Bill reflects just one part of 'corruption equation' " said Geo Sung Kim, secretary general of TI Korea.

"The corruption consists not only of consumer but also of supplier. It is a transaction including purchase and sale. The new law, however, ignores or excludes, with this very confined definition of corruption, the supplier' side. The anti-corruption policies based on such a definition or law might be concentrated only upon the public officials, while the corruption in private sector and civil society still remains untouched. Anti-corruption measures threaten to be restricted on the punishment(or corruption) of public officials without any measures regulating the corruption in private sector and civil society and any efforts to improve the corrupt culture to the clean", added Kim.

An activist from PSPD (People's Solidarity for Participatory Democracy) said, "The name of new law, prevention law against corruption, is absurd, because it contains not the comprehensive anti-corruption measures but just articles for the anti-corruption commission. In reality this law is the one only for the anti-corruption commission, that because it is not understandable for me why this law "pretends" to be comprehensive anti-corruption law and why the politicians pretend to have done their best to curb corruption by passing this 'law only for the anti-corruption commission'. They say as if we could almost perfectly get rid of corruption with this law."

His critic of the new law is not groundless at all. The core of the messages and the proposals from the Korean civic groups was seldom reflected in the new anti-corruption law. Though civic groups demanded 'permanent establishment of **special prosecutor**' so that it can thoroughly investigate corrupt scandals of senior officers and high levels politicians in the place of prosecutor that was and is still blamed for being easily influenced by them.

On the contrary to the demands from civic groups, the anti-corruption commission, established based upon the new regulations, has no legal right of investigation into corruption affairs.

Also the introduction of public official's ethics codes in the new anti-corruption law was not accepted.

Already concerns are raised whether the new anti-corruption law becomes wastepaper and/or whether the commission becomes impotent for curbing corruption in the next administration. Such as the mixed feelings of concern and expectation, the future of the anti-corruption law seems to be filled with success and failure. ■

### **Corruption/Anti-Corruption News in Korea (August)**

#### **Best 3 Anti-corruption News were:**

##### **1) Seoul Anti-Corruption Symposium**

The Seoul Metropolitan Government(SMG) and the United Nations Department of Economic and Social Affairs(UNDESA), with the cooperation of the Asia Foundation, held the Seoul Anti-Corruption Symposium on August 30 and 31 this year.

During his visit to the United States in May this year, Mayor Goh Kun for the Seoul Metropolitan Government has signed a Joint Statement of Cooperation with Under Secretary-General Nitin Desai acting on behalf of Kofi Annan for the United Nations, which is the first official statement between the two.

The Seoul Metropolitan Government has developed a web-based system that allows citizens to monitor corruption-prone applications for permits and approvals and to raise questions in the event any irregularities are detected. One of the initiatives taken by the City of Seoul to combat corruption is the Online Procedures Enhancement for civil application, which is known as the OPEN system.

Recognizing the OPEN system to be a successful example of an innovative approach to increasing transparency, deterring corruption, and bringing services closer to the citizen in public administration, SMG and UNDESA decide to jointly organize the Seoul Anti-Corruption Symposium 2001 with particular emphasis on the role of online procedures in promoting good governance and express mutual agreement to

closely cooperate for the success of the Symposium. High officials specifically from Central and South America and Asia and experts in international and national corruption from OECD, Transparency International and some other international organizations participated in the Symposium.

The main objective of the Symposium was to share the experience of Seoul with other major cities in order to assist them to achieve a more transparent and accountable administration. In addition, the Symposium's participants shared their own experiences on successful and not so successful anti-corruption initiatives.

**2) Introduction of enforcement ordinance for the anti-corruption law from civic groups, which includes the regulations to strengthen the reward for the whistleblowers and their protection.**

**3) Declaration of the property of public officials for the anti-corruption commission will be obligatory**

#### **Worst 3 Corruption News were:**

**1) fraud in the selection of the contractor for developing unused land around the Incheon Airport**

**2) officers of financial institutes misused about 100 million dollars in this year**

#### **Event**

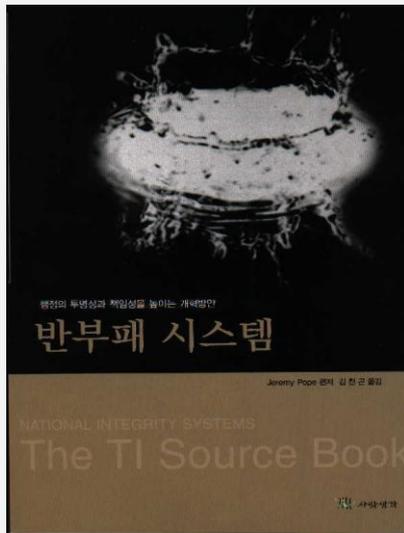
##### **7-11 October 2001, Prague, Czech Republic**

The **10<sup>th</sup> International Anti-Corruption Conference (IACC)** will include 72 hands-on workshops on money laundering, the media, corruption in aid, sport, health, education and conflict zones, and parth funding. President Vincente Fox Quesada of Mexico, Milos Zeman, Prime Minister of the Czech Republic, and justice ministers and public prosecutors from around the world will attend. For more information, please see <http://www.10iacc.org>

## Publication

### **Anti-Corruption System (TI Source Book 1999, translated into Korean)**

Confronting corruption: The Elements of National Integrity System, by Jeremy Pope translated into Korean by Chan Gon Kim. A revised and expanded edition of TI's flagship publication is now available in print format. TI's Executive Director, Jeremy Pope, builds on the innovative concept of the national integrity system and its accountability "pillars" which form the basis of a country's accountability and transparency mechanisms. Released four years after the original edition in English, the **Anti-Corruption System** offers new perspectives on containing corruption and ponders some of the lessons learned from anti-corruption efforts to date. Policy makers, anti-corruption practitioners, academics and all those with an interest in governance and transparency issues will find the **Anti-Corruption System** an invaluable reference manual. The **Anti-Corruption System** is also available in electronic format in the website <http://acatlas.org> or <http://acatlas.net>.



Copies of the **Anti-Corruption System** can be ordered from: Transparency International-Korea, #508 KEB, 136-56 Yonji-Dong Chongno-Ku, Seoul 110-740, Korea Tel: +82 2 708 5858 Fax: +82 2 708 5859, Email: [ti@ti.or.kr](mailto:ti@ti.or.kr)

## Publication

### **Global Corruption Report 2001**

Introduction by Peter Eigen, edited by Robin Hodess

The GCR is the new definitive annual overview of the state of corruption around the globe from TI. As well as expert analysis of party funding, money laundering and corruption in the diamond trade, the GCR 2001 will feature in depth regional reports from across the globe, and a comprehensive data and research section.

**Publication date: 15 October 2001.**

More information is available at

<http://www.globalcorruptionreport.org>

## Impressum

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