

Graft under control but vigilance continues

Of the cases investigated last year, a minority involved public sector officials, while the rest were private sector individuals, says CPIB in inaugural annual statistics report

By Teh Shi Ning

tshining@sph.com.sg

@TehShiNingBT

DESPITE high-profile instances of graft in recent years, corruption complaints and investigations in Singapore fell to a 30-year low in 2014.

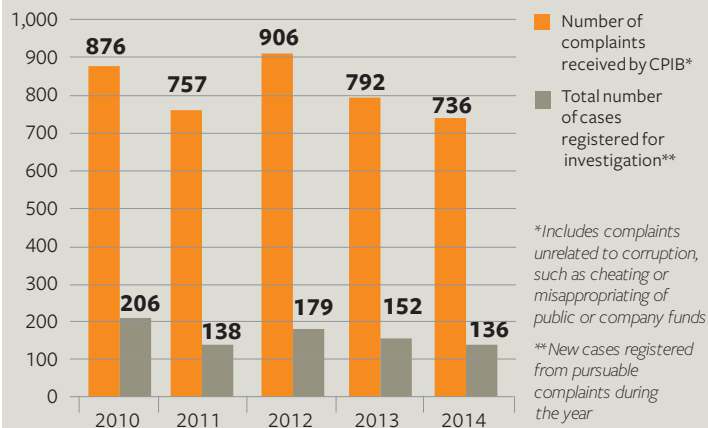
And though the headline-grabbing scandals involved public servants, individuals from the private sector made up the majority of cases, the Corrupt Practices Investigation Bureau (CPIB) said on Thursday in its first detailed corruption statistics report.

This will be released annually from now on as part of CPIB's efforts to boost transparency and "promote a culture of zero tolerance against corruption", said the agency, which reports directly to the Prime Minister's Office. The latest figures show that Singapore's corruption situation is stable and under control, CPIB said.

Last year, it received 736 complaints, including ones not strictly corruption-related such as cheating and misappropriation of public or company funds, which it refers to other authorities. This was 7 per cent down from 792 in 2013 and the lowest it has been since 1984.

All corruption complaints, anonymous or not, are evaluated by a CPIB committee to determine whether there is sufficient in-

Fighting corruption



Source: Corrupt Practices Investigation Bureau

formation for investigation or other follow-up actions. The number of cases that made it past evaluation to investigation also fell to its lowest in three decades last year – 136 of the 736 complaints made in 2014 were investigated, 11 per cent down from 152 cases in 2013.

Of the cases investigated, a minority of 15 per cent involved public sector officials, CPIB said. The rest were private sector individuals giving, offering or receiving bribes.

In 13 per cent of the cases, bribes were offered to public officers, who rejected them.

The number of people prosecuted in court as a result of CPIB investigations stood at 168 last year, compared to 179 in 2013. Of these, 88 per cent were from the private sector. Public sector employees made up the remaining 12 per cent, above the last three years' average of 9 per cent.

CPIB's report flagged a few areas of concern from cases prosecuted for corruption last year. In the construction sector, bribes were offered for more lenient work inspections or awarding contracts. In department stores selling household goods, front-line employees were bribed to promote certain brands above others. And in warehouse and logistics services, bribes were given to obtain contracts.

Continued on Page 3 >>>

Graft under control but vigilance continues

◀◀ Continued from Page 1

NUS Business School associate professor Mak Yuen Teen, a corporate governance advocate, said these trends are not surprising given the government's "very strong and consistent signals" on enforcement. But he noted that it can be difficult to compare trends over time, as numbers may depend on whether the criteria for opening investigations have changed, willingness to report has declined, or the resources available for investigation and enforcement.

Also, the picture may be very different when it comes to bribery and corruption by Singaporeans and Singapore companies overseas. "I suspect that has increased over time and beyond the investigatory resources of CPIB, and through indirect methods like using agents and third parties," Prof Mak said.

"Companies doing business in China, India, Africa and South America are particularly vulnerable. I think corporates and boards need to pay more attention to how they do business overseas," he added.

Lawyer Wilson Ang, who heads the Singapore regulatory compliance and investigations practice at Norton Rose Fulbright, agrees that the extra-territorial scope of current laws are narrowly focused on Singapore

citizens and can be broadened to include all Singapore residents and corporations. Singapore is currently reviewing its 55-year-old Prevention of Corruption Act (PCA), enacted in 1960.

Currently, under the PCA, a person convicted of corruption can be fined up to S\$100,000, jailed up to five years or both. Offences involving a government contract or bribery of a member of parliament could be punished with a longer jail term of up to seven years. Conviction rates for cases charged by the CPIB for corruption and other related offences has remained above the 95 per cent mark over the past three years.

Prof Mak thinks that the PCA may be strengthened to impose stronger obligations on companies, management and boards to prevent corruption – not just punishing the employees who may feel pressured to pay bribes to

keep their jobs and bonuses. He would also like to see legislation protecting whistleblowers.

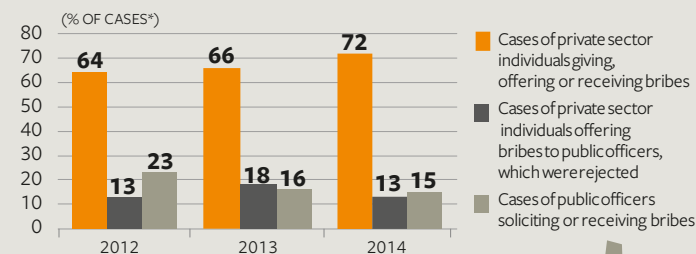
"CPIB could also look into more private sector outreach initiatives. There are many multinationals with compliance programmes but the challenge is how to localise and implement programmes in this part of the world. For SMEs, the problem is having a programme at all – they would want to save costs," Mr Ang added.

CPIB's first release of such a report comes after Singapore slipped two places to rank seventh least corrupt on Transparency International's 2014 Corruption Perception Index. In 2010, Singapore tied for first place with Denmark and New Zealand.

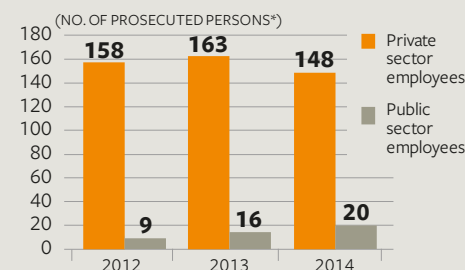
Acknowledging the shift in perception, Prime Minister Lee Hsien Loong said in January that apart from the review of the PCA, the government would set up a

Fighting corruption

Public vs private



*Classified based on pursuable complaints received during the year, before investigations are carried out



*Based on AGC's prosecutorial decisions made in each year



BT Graphics Source: Corrupt Practices Investigation Bureau

new centre in the city for whistleblowers to file reports easily and discreetly, and would also boost CPIB's manpower by 20 per cent.

In 2014, the CPIB handled a total of 541 cases: 136 new ones reg-

istered during the year, 217 added in the course of investigation and 188 brought forward from the previous year. Of these, 77 per cent of those investigations were completed by year-end.