

INSTITUTIONAL FRAMEWORK AND PRACTICAL DEVELOPMENTS IN ANTI-CORRUPTION: PERSPECTIVES FROM SINGAPORE'S EXPERIENCE IN COMBATING CORRUPTION

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I. INTRODUCTION

Singapore is well regarded globally as one of the few countries in the world with a low incidence of corruption. In 2016, Transparency International's Corruption Perceptions Index (TI-CPI) ranked Singapore as the 7th least corrupt country in the world and the least corrupt Asian country with a score of 84 out of 100¹. The Political and Economic Risk Consultancy (PERC) also ranked Singapore as the least corrupt country in Asia in 2016², a position Singapore held since 1995. The results of a recent Public Perception Survey conducted from May to June 2016 to measure the general public's perception on the level of corruption in Singapore, understanding of corruption and awareness of the Corrupt Practices Investigation Bureau's (CPIB) work showed that fewer respondents perceived corruption as common in Singapore as well as in the public and private sectors in 2016 (24%) compared to 2013 (34%). Almost 90% of the respondents rated Singapore positively on its efforts in controlling the corruption situation in the country in 2016³.

II. AN INSTITUTIONAL PERSPECTIVE – SINGAPORE'S CORRUPTION CONTROL FRAMEWORK

Over the years, Singapore has established an effective anti-corruption framework, which has seen it transform from a country rampant with corruption to one of the least corrupt countries in the world. Singapore's strategy on anti-corruption can be illustrated through the following diagram, which consists of four pillars of corruption control, underpinned by strong political will.



Diagram: Singapore's corruption control framework

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¹ Refer to: https://www.transparency.org/news/feature/corruption_perceptions_index_2016

² Refer to: <https://www.cpi.gov.sg/research-room/political-economic-risk-consultancy>

³ Refer to: https://www.cpi.gov.sg/sites/cpi.gov.sg/files/CPIB_Annual%20Report_2016.pdf

A. Political Will

The political will to eradicate corruption was established by Singapore's founding Prime Minister, Mr Lee Kuan Yew, when the People's Action Party (PAP) was elected into government in 1959. The PAP was determined to build an incorruptible and meritocratic government and took decisive and comprehensive action to stamp out corruption from all levels of Singapore's society. As a result of the government's unwavering commitment and leadership, a culture of zero tolerance against corruption became ingrained in the Singaporean psyche and way of life.

B. Effective Laws

Singapore relies on two key legislations to fight corruption; the Prevention of Corruption Act (PCA), and the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (CDSA). The PCA has a wide scope which applies to persons who give or receive bribes in both the public and private sector. The CDSA, when invoked, confiscates ill-gotten gains from corrupt offenders. Together, the two laws ensure that corruption remains a high-risk low-rewards activity. Upon the conclusion of investigations by the CPIB, all alleged corruption cases will be handed over to the Attorney-General's Chambers (AGC), which is responsible for prosecuting criminal offences in Singapore, for legal assessment of the available evidence before deciding whether to charge the accused person(s) formally in Court. Any direction to charge an accused person under the PCA or CDSA must be accompanied with a consent in writing from the Public Prosecutor.

C. Independent Judiciary

In Singapore, an independent judiciary provides insulation from political interference. The Chief Justice is appointed by the President on advice from the Prime Minister and the Council of Presidential Advisers. District judges and magistrates are appointed by the President with advice from the Chief Justice. Various provisions of the Constitution also guarantee the independence of the Supreme Court judiciary. Transparent and objective in its administration of the rule of law, the judiciary recognises the seriousness of corruption and adopts a stance of deterrence by meting out stiff fines and imprisonment towards corrupt offenders.

D. Effective Enforcement

The CPIB is the only agency authorised to investigate corruption offences under the Prevention of Corruption Act (Chapter 241) and other related offences. It is a government agency under the Prime Minister's Office, operating with functional independence and is helmed by a director who reports to the Prime Minister. The CPIB acts swiftly and vigorously to enforce the tough anti-corruption laws impartially for both public and private sector corruption. During the investigation process, the CPIB will work with various government agencies and private organisations to gather evidence and obtain information.

E. Responsive Public Service

The Singapore Public Service is guided by a Code of Conduct, which sets out the high standards of behaviour expected of public officers based on principles of integrity, incorruptibility and transparency. The practice of meritocracy in the Public Service, together with regular reviews of administrative rules and processes to improve efficiency also reduce the opportunities for corruption. The CPIB is mandated to conduct procedural reviews for government agencies which may have work procedures that can be exploited for corrupt practices.

III. PRACTICAL DEVELOPMENTS – NEW INITIATIVES AND MEASURES

While Singapore’s corruption control framework provides a solid foundation for combatting corruption, this framework is continually being complemented by new initiatives and measures to adapt to the changing risks posed by corruption.

A. Public Sector Measures

1. Enhanced Rules on Local Casino Visits

From 1 October 2013, all public officers who have visited local casinos or purchased an annual pass are required to make a declaration within seven working days. Public officers who are exposed to higher risks of being bribed (i.e. police officers, senior public officers whose misconduct will have significant reputational risks to the public service) are required to declare every casino visit.

2. Mandatory Job Rotation and Mandatory Block Leave

From 1 January 2014, public officers who are exposed to a higher risks of being bribed (i.e. those handling procurement or market sensitive information) are not allowed to serve in the same position for more than five years. These officers are subjected to mandatory job rotation and mandatory block leave.⁴

3. CPIB’s Investigation Policy Unit (IPU)

In 2014, CPIB formed the Investigation Policy Unit (IPU) to enhance the investigation policy framework of CPIB. The unit is responsible for upholding the integrity of CPIB’s corruption database, crafting investigation policies to address deficiencies uncovered in organisations during investigations as well as analysing data to detect any emerging corruption trends associated with any specific industry so that CPIB can intervene with enforcement or prevention measures to nip corruption in the bud.⁵ A deeper dive into the statistics analysed by IPU in 2016 revealed that there were two particular areas for CPIB to strengthen our anti-corruption efforts, namely, that of private sector employees prosecuted in court for corruption related offences emanating from maintenance work as well as the wholesale and retail business.⁶

4. CPIB’s Point of Contact Initiative

As part of CPIB’s efforts to strengthen the civil service governance and reporting framework, CPIB launched the Point of Contact (POC) Initiative in 2016 to establish and enhance links with government agencies and statutory boards. Each CPIB officer served as a contact point with a government agency and/or statutory board in terms of offering advice or assistance on corruption prevention matters and serving a feedback channel to CPIB. Some functions of the POC include the arrangement for anti-corruption activities, such as prevention talks and ethics day, assisting in the development of integrity management programmes and receiving referrals on corruption offences within these agencies/statutory boards.

⁴ Refer to <https://www.psd.gov.sg/press-room/speeches/speech-by-deputy-prime-minister-teo-chee-hean-at-committee-of-supply-2014>

⁵ Refer to: <https://www.cpib.gov.sg/about-us/our-work/organisational-structure>

⁶ Refer to: https://www.cpib.gov.sg/sites/cpibv2/files/CPIB_Annual%20Report_2016.pdf

B. Private Sector Measures

1. Launch of the Singapore Standard (SS) ISO 37001 on Anti-Bribery Management Systems

In April 2017, CPIB and SPRING Singapore⁷ co-launched the Singapore Standard (SS) ISO 37001 on Anti-bribery Management Systems⁸ aimed at helping companies strengthen their anti-bribery systems and processes in reducing risk and costs relating to bribery as well as ensuring compliance with anti-bribery laws. The SS ISO 37001 specifies requirements for top management leadership and commitment, anti-bribery policies and procedures, risk assessments, reporting, monitoring and investigation procedures, among several other requirements. SPRING Singapore and the Singapore Accreditation Council⁹ are also working on an accreditation scheme for certification bodies to provide SS ISO 37001 certification services by the end-2017. It is hoped that the SS ISO 37001 certification will provide Singapore companies a competitive edge over foreign firms in assuring customers and suppliers that their companies have good anti-bribery practices that were in line with global best practices.

2. PACT: A Practical Anti-Corruption Guide for Businesses in Singapore

CPIB developed an easy to comprehend guidebook titled PACT: “A Practical Anti-Corruption Guide for Businesses in Singapore” to assist business owners to implement an anti-corruption system within their companies. PACT’s four-step framework is as follows:¹⁰

- (i) Pledge - Companies are encouraged to implement their own anti-corruption policy and to create a code of conduct that employees can refer to in order to safeguard themselves from falling foul of the law;
- (ii) Assess - Companies are encouraged to identify areas of high corruption risks and to conduct periodical risk assessments focusing on vulnerable job functions and processes;
- (iii) Control & Communicate - Companies are encouraged to keep accurate records and having clear operating procedures, with audit checks carried out periodically as well as a robust reporting or whistle-blowing systems. Companies should communicate the anti-corruption policy, code of conduct, internal control and reporting system to all its employees, business partners and other stakeholders, if any;
- (iv) Track – Companies are encourage to review their company’s anti-corruption systems in a timely manner following company re-organisation, expansion in operations, new legal/national/international anti-bribery standards, and shifts in the business operating environment.

⁷ SPRING Singapore is an agency under the Ministry of Trade and Industry responsible for helping Singapore enterprises grow and building trust in Singapore products and services. As the enterprise development agency, SPRING works with partners to help enterprises in financing, capability and management development, technology and innovation, and access to markets. As the national standards and accreditation body, SPRING develops and promotes an internationally-recognised standards and quality assurance infrastructure.

⁸ The (SS) ISO 37001 was Singapore’s adaptation of ISO 37001 Anti-Bribery Management Systems that was launched on 15 October 2016. CPIB had led the working group from Singapore in the negotiation of the ISO 37001.

⁹ The Singapore Accreditation council (SAC) is the national authority for the independent accreditation of conformity assessments services, such as testing, calibration, certification and inspections. The industry-led SAC is manage under the aegis of SPRING Singapore.

¹⁰ Refer to: <https://www.cpiib.gov.sg/sites/cpiibv2/files/PACT%20A%20Practical%20Anti-Corruption%20Guide%20For%20Businesses%20in%20Singapore.pdf>

C. Public Education and Community Outreach Efforts

As part of the CPIB's public education and community outreach efforts to spread its anti-corruption message, CPIB initiated the following initiatives in recent years:

1. CPIB Open House in conjunction with International Anti-Corruption Day

On 9 December 2012, CPIB held its first open house, which coincided with the International Anti-Corruption Day. Members of the public had the opportunity to tour CPIB's premises, attend educational talks and guided heritage tours promulgating corruption issues and the pitfalls of corruption.¹¹

2. "Unite Against Corruption: You are the Solution" Road Show

On 13 December 2014, CPIB held an annual road show titled "Unite Against Corruption, You are the Solution" at the Toa Payoh Hub Mall Atrium. A wide range of activities, including a skit, games and quizzes were organized to educate the public on the topic of corruption. There was also an exhibition giving the public a glimpse of CPIB's history as well as significant cases that CPIB had dealt with.¹² At the roadshow, CPIB also took presented awards to 35 winners from secondary and tertiary institutions, who participated in CPIB "Unite Against Corruption" video competition.

3. Roving Exhibition and Mobile Application

On 7 April 2016, Prime Minister Lee Hsien Loong launched CPIB's first ever roving exhibition and mobile heritage trail application titled "Declassified: Corruption Matters" and "The Graftbusters Trail" respectively, at the National Library. The exhibition featured CPIB's declassified case archives and illustrated the transformation of corruption-ridden Singapore in the early days to its current status of being one of the least corrupt countries in the world. The exhibition subsequently roved to other regional libraries as well as to tertiary institutions. "The Graftbusters Trail" mobile application featured seven prominent landmarks that had witnessed the development and establishment of key legislative and operational measures in the fight against corruption. Users can unlock a quiz while visiting each landmark to learn about Singapore's experience in combatting corruption.¹³

4. Corruption Reporting and Heritage Centre

The CPIB's Corruption Reporting and Heritage Centre (CRHC) was officially opened by Prime Minister Lee Hsien Loong on 6 June 2017. Located close to the city, the CRHC allows members of public to report corruption complaints in a more convenient and discreet manner. The CHRC also houses a heritage gallery, where members of the public can learn about corruption matters through interactive multimedia gallery tours, featuring oral interviews of past and present CPIB officers and preserved case exhibits and artefacts.¹⁴

D. International Engagement

The CPIB is a founding member of the new international Anti-Corruption Coordination Centre (IACCC) launched in July 2017 alongside other law enforcement agencies from Australia, Canada, New Zealand, the UK and the US. The IACCC serves to improve information sharing and coordinate law enforcement actions between law enforcement officers from respective countries by gathering together in a single location to combat grand corruption. Participation in the IACCC strengthened Singapore's existing framework for international

¹¹ Refer to: <https://www.cpiib.gov.sg/press-room/events/cpiib-open-house>

¹² Refer to: <https://www.cpiib.gov.sg/press-room/press-releases/unite-against-corruption-you-are-solution>

¹³ Refer to: <https://www.cpiib.gov.sg/trailapp>

¹⁴ Refer to: <https://www.cpiib.gov.sg/press-room/events/corruption-reporting-heritage-centre>

cooperation with foreign law enforcement agencies, given that corruption has become increasingly transnational in nature, which severely affects national interests.¹⁵

III. CASE STUDIES

Singapore's corruption control framework and cross-cutting anti-corruption initiatives aim to make the environment for committing a corrupt act in Singapore one of high risk and low reward. Despite these measures, however, there are some who opportunistically seek to test the system. The following case studies demonstrate the robustness of Singapore's anti-corruption system against those who seek to test the system:

A. Rejection of Bribes by Public Officers

In 2013, two police officers interviewed the occupants of a lodging house in the Geylang vicinity as part of Singapore Police Force (SPF) efforts to detect vice activity. During the interview, one of the occupants, a female Chinese National, offered a S\$50 note to one police officer, and subsequently offered the rest of her monies in her handbag to another police officer so that both officers would not arrest her for immigration related offences. However, both officers rejected the bribes and the case was subsequently referred to CPIB for investigations. The accused was shortly charged and sentenced to 10 weeks' imprisonment.¹⁶ This case was a positive demonstration of the value of integrity and incorruptibility among Singapore public officers.

B. Inter-agency Cooperation on GST Tourist Refund Scheme Fraud

In 2013, the Inland Revenue Authority of Singapore (IRAS), using its data analytics tool, detected several suspicious GST refund claims via its electronic Tourist Refund Scheme, ("eTRS")¹⁷. Subsequent investigations by IRAS, Singapore Customs and CPIB uncovered that on various occasions between January 2013 and January 2014, four Indian National tourists made fraudulent claims amounting to \$493,858.67 in GST refunds with the assistance of a Customs officer, who received bribes amounting to \$11,400 for approving these GST refund claims.¹⁸

During the period of offence, the four Indian nationals bought receipts from genuine shoppers who had purchased jewellery and obtained eTRS tickets from the jewellery retailers. Thereafter, they approached the Customs officer who was on-duty at the airport's inspection counter and presented the jewellery as well as the eTRS tickets to him to support their GST refund claims. The Customs officer went on to approve the GST refund claims despite the fact that the jewellery did not match the goods description shown on the eTRS tickets. The four Indian nationals presented the eTRS notification slips at the Central Refund Counter, located in the airport's departure transit lounge. After receiving the GST refunds in cash, the four

¹⁵ Refer to: <https://www.cpiib.gov.sg/press-room/press-releases/cpiib-and-international-authorities-launch-multinational-centre-fight>

¹⁶ Refer to: <https://www.cpiib.gov.sg/case-studies/stories-integrity/zero-tolerance-bribery>>

¹⁷ Tourists can claim GST refund on goods they have purchased and brought out of Singapore. A person who did not purchase the goods and yet sought or obtained a GST refund under the tourist refund scheme would have committed an offence under the GST Act. Under eTRS, a tourist receives a receipt of goods purchased and an eTRS ticket when he buys goods from a GST-registered retailer participating in eTRS. The tourist then uses the eTRS ticket or the credit card with which he purchased the goods to make a GST refund claim via the eTRS self-help kiosk at the Changi airport. As a control measure, physical inspection of the goods may be carried out at the GST refund counter by Singapore Customs officers before a GST refund claim is approved.

¹⁸ Refer to: <https://www.iras.gov.sg/irashome/News-and-Events/Newsroom/Tax-Crime/2014/Four-Men-Fined-and-Sentenced-to-Jail-for-Fraudulent-GST-Tourist-Refund-Claims/>

Indian nationals spent a portion of the criminal proceeds on duty-free items, before departing Singapore for India on the same day with the remaining proceeds.¹⁹

Although the usage of data analytics tools by IRAS helped to uncover suspicious transactions, the accused persons would not have been successfully apprehended without the close collaboration between government agencies. The Singapore Customs provided CPIB with the background information, which CPIB leveraged on to gather the evidence of corruption during investigations. Additionally, the Immigration & Checkpoints Authority of Singapore provide valuable information on the travel patterns of the four Indian Nationals.

V. GOING FORWARD

Over the past decade, we have observed changes in the *modus operandi* of corrupt offenders moving away from the conventional manual records to easily concealed data storage devices, thereby hampering investigators' efforts to trace and prevent the dissipation of corrupt proceeds. The increasing ease of performing financial transactions, known as FAST fund transfers²⁰, and the possibility of overseas FAST fund transfers being available in the near future as banks compete with one another provide seamless services using the latest financial technologies available to them²¹, could also inadvertently facilitate the ease of laundering corrupt proceeds across borders.

At the same time, with the population becoming better educated, we are anticipating higher expectations and demands of faster turn-around times for the completion of corruption investigations. Law enforcement agencies including CPIB will need to find ways to expedite our investigation processes without compromising on the quality of the investigations, through leveraging on new technologies and tools, as well as amending relevant legislations on corruption to make sure they stay relevant.

While the institutional and practical developments above have resulted in a lower incidence of corruption in Singapore over the past decade, the CPIB cannot rest on its laurels and is constantly on the lookout for new developments and game-changers that will affect its ability to carry out its mandate effectively. The CPIB will continue to adopt a multi-stakeholder approach in preventing, investigating and reducing corruption both domestically and globally.

¹⁹ Refer to: <https://www.cpi.gov.sg/case-studies/public-sector/corruption-and-abetting-gst-tourist-refund-fraud>

²⁰ FAST (Fast And Secure Transfers) was launched in March 2014 - an electronic funds transfer service that enables customers of 19 participating banks to transfer Singapore Dollar funds from one bank to another almost instantly. The customer enters the recipient's bank account number and the amount, and the funds are credited.

²¹ Regulatory Sandbox for Innovative Fintech Experimentation. Refer to: <https://www.smartnation.sg/initiatives/Services/regulatory-sandbox-for-innovative-fintech-experimentation>