

Building a Corruption-free City: ICAC and You

Speaker: Mr. Lawrence Chiu

Introduction

Corruption was very common in Hong Kong after the Second World War. Every government agency required “monetary lubrication” to facilitate matter. A common phrase in Chinese was “No water (cash), (無水) then lets disperse (散水) whenever there was a fire in a building. When Governor Sir Crawford Murray MacLehose started his campaign against corruption in the police force and formed the Independent Commission Against Corruption (ICAC), there was a physical confrontation between the members of the Police Force and officers of the ICAC at the ICAC Head Quarters. This was settled when the Government decided not to take action against past corruption but to take action only with future cases. The situation was exacerbated when senior police officer Godbar secretly escaped to Malta when he was charged with corruption. Subsequently he was brought back, charged and convicted of corruption and was sentenced to jail. The ICAC was officially set up by law in February 1974 with Jack Cater as the first Commissioner.

Hong Kong Situation with ICAC

Organizational Set-up

(i) Execution Section (1,000 employees) – accepts complaints. Confidentiality is important, because some informants may be employed in the companies of the complaints and exposure may prove dangerous.

(ii) Prevention Section – this provides suggestion to government agencies or private enterprises or companies on “best policy” set-up to prevent possible venues for corruption.

(iii) Education Section (200 employees) – the officers in this section establish contact with different communities in our society and provide speakers for schools, owners association and the social clubs. They also organize TV programmes promoting the work and image of the ICAC.

(a) Standing – In 2017, an international survey of 188 countries or regions by “Transparency International” places Hong Kong at the 13th position of clean government. In Asia, Hong Kong places second after Singapore and ahead of Japan.

(b) Public support – recent self-survey of the Hong Kong public shows that
99.2% (of persons asked) considers ICAC as important.
98.5% - no contact with corruption
96.2% - public support
80.1% - ICAC is effective
78.1% - willing to report corruption cases

(c) Tolerance – On a scale of 0 to 10 for tolerance of corruption (0 means no tolerance, 10 means tolerance), Hong Kong public is rated as 0.7.

(d) Work load – the annual work load of ICAC is around 2,000 – 3,000 (2,835 cases in 2017) with 300 cases requiring further investigation followed by

prosecution with a successful prosecution of 80%. Of these cases, 28% against public institutions and 67% against private institutions or individuals.

Common targets of complaints are:-

Housing estate owners association (approx. 40% of total), with others relating to finance, construction, public transport, medical institutions and educational institutions.

(e) Legal aspects

This usually comes under Prevention of Corruption Ordinance Article 9 (covering private institutions also) – Four requisites are needed:-

- (i) Agent (representative, agent or employee)
- (ii) Approval (action without approval of employer or principal party)
- (iii) Advantage (money, gifts, service, convenience or special consideration)
- (iv) Act (connection with principal party)

Once convicted a penalty of HK\$500,000.- or 7 years imprisonment is the maximum punishment.

Actual Cases in the Past

(i) Case I involved a female bank branch manager and a company director from China. The company wished to open a company account with a bank branch, but he did not have all the necessary documentation. A few days later, he again called on the branch manager and brought along a bottle of expensive perfume. The bank manager refused to oblige. The company director again called back in a few days' time with the same gift. The female bank manager reported this to her superior in the bank. The ICAC took action and the company director was prosecuted and convicted and sentenced to 6 months imprisonment.

(ii) Case II involved a Chinese herbal tea (涼茶) supplier and a Chinese herbal tea manufacturer. The supplier asked the manufacturer to lend \$16,000.- to his wife in return for ordering Chinese herbal teas from the manufacturer. This was reported to the ICAC and the supplier was convicted and sentenced to 9 months imprisonment.

The Agent was the Chinese herbal tea supplier; the advantage was the loan of \$16,000.-; the act was to ask for the loan – and this was done without the approval of the superior of the supplier.

Q & A about ICAC

For interested organizations or management of private companies, the ICAC can provide:-

- (i) Recommend procedures to prevent or eliminate corruption
- (ii) In-house training for office staff
- (iii) Provide suggestions on day-to-day office protocol
- (iv) Different teaching materials to cover different situations

Reporting corruption can be done:-

- (i) In person – confidentially
- (ii) By mail to P.O. box 1000
- (iii) By telephone to 24 hour hot line

Hong Kong citizens can join “Friend of ICAC (廉政之友).