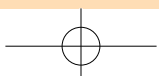
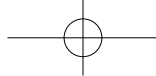


## **ACRC KOREA Annual Report 2012**

We will make a fair and just society  
focusing on field-oriented administration





**ACRC KOREA Annual Report 2012**

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focusing on field-oriented administration



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## Foreword



The Anti-Corruption and Civil Rights Commission of Korea (ACRC) is aiming at enhancing the credibility of the public administration and protecting the rights of the people, by monitoring and correcting illegal and unfair administrative measures and corruption in the public sector from the perspective of the citizens.

The ACRC has addressed about 30,000 administrative appeals and civil petitions against government agencies respectively and 2,500 reports on corruption, and provided counseling service for 2.2 million civil petitions filed to the 110 Government Call Center, taking the lead in realizing good governance.

For foreigners who have difficulties in filing complaints due to the language barrier, the ACRC launched the complaint filing service in foreign language in 2008, starting with English, Japanese and Chinese. Currently, this service is provided in 11 languages, with Sri Lankan newly added in 2012. We are also handling complaints by visiting migrant workers and multicultural families.

The ACRC is also increasing its efforts to enhance the integrity of public officials and social trust, which are the foundation for sustainable development. To this end, we have strived for the enactment and enforcement of the Act on the Protection of Public Interest Whistleblowers, the reinforcement of anti-corruption education based on life-

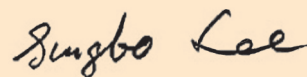


cycle by opening the Anti-Corruption Training Institute, and the legislation of the Bill on the Prevention of Illegal Solicitations and Conflict of Interest.

While the demand for effective and corruption-free public services is continuously increasing across the globe, wrongdoing and adverse effects by government agencies are still plaguing people. At this moment, the ACRC is doing its best to respond to the people's expectation for us to fully devote itself to the enhancement of people's rights and interests, rather than to remain merely one of many government agencies.

This annual report for 2012 contains all the efforts we have undertaken to fight corruption and to protect the rights of the people over the last year. I hope that this book will provide useful information that can be used by all those who share an interest in the activities of the ACRC.

March 2013



*Sungbo Lee*

**Sungbo Lee**

Chairman

Anti-Corruption & Civil Rights Commission

# Overview

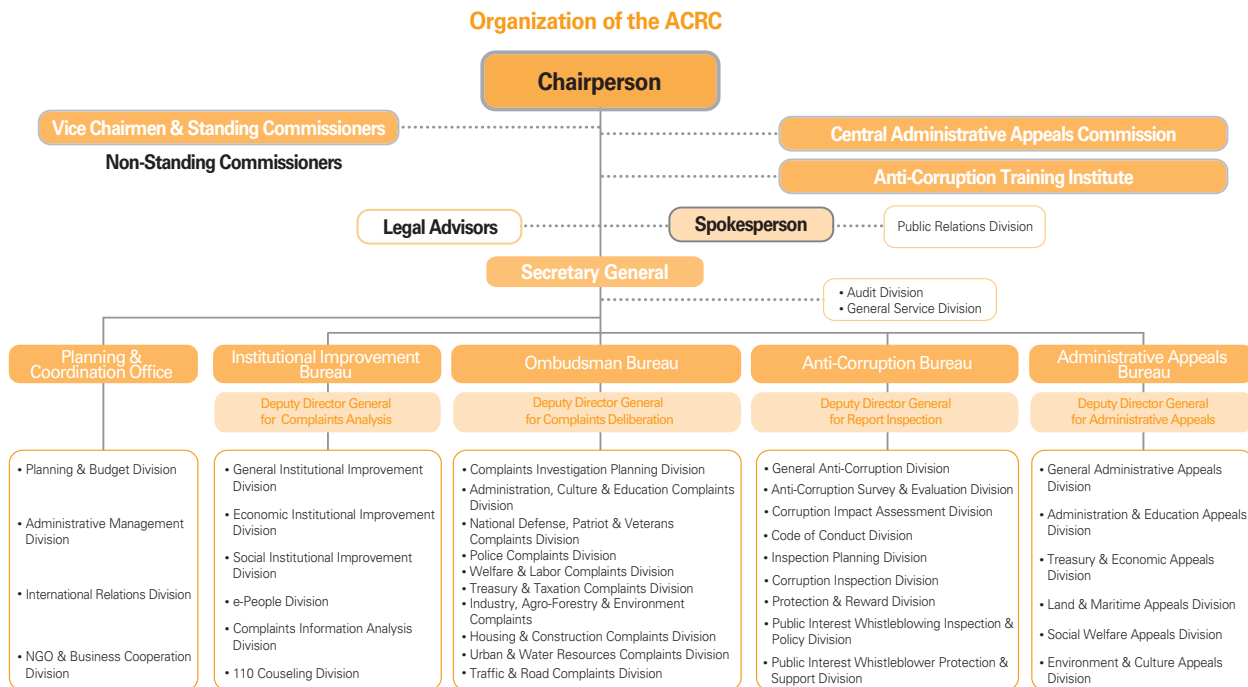
## About ACRC

The Anti-Corruption and Civil Rights Commission (ACRC) was launched on February 29, 2008 by the integration of the Ombudsman of Korea, the Korea Independent Commission Against Corruption and the Administrative Appeals Commission.

With the consolidation of these three organizations, citizens can be provided with one-stop service of addressing public complaints, filing administrative appeals and fighting corruption by a single organization in a speedier and more convenient manner.

The ACRC overhauls a legal and institutional framework to offer more convenient and efficient public service to the people, resolves people's grievances, and seeks to spread a culture of integrity throughout the society.

The decision-making body of the ACRC consists of fifteen Commissioners including 1 Chairperson (minister-level), 3 Vice-Chairmen (vice minister-level), 3 Standing Commissioners and 8 Non-standing Commissioners, all of whom are appointed by the President. Each member serves a three year term and may be reappointed for an additional term. The ACRC's Commissioners are granted independence in fulfilling their duties and guaranteed their public positions.



The Secretariat of the ACRC is comprised of Policy and Coordination Office, Ombudsman Bureau, Anti-Corruption Bureau, Administrative Appeals Bureau, and Institutional Improvement Bureau. As of February 2013, the ACRC employs 479 public servants.

## Major Functions of the ACRC

### Handling Complaints

#### Receiving complaints

Citizens may file complaints with the ACRC on illegal and unfair practices of administrative agencies, infringed rights and grievances caused by the lack of appropriate systems and policies.

#### Investigation

Investigators of the ACRC may demand that the administrative agencies concerned give explanation on the filed complaints and submit relevant materials and documents. They may also request attendance and testimony of complainants, stakeholders, reference persons and relevant staff members. The ACRC investigators may also conduct on-site investigations at the agencies concerned.

#### Deliberation & decision-making

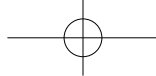
Upon the completion of investigation, the ACRC deliberates opinions and evidence submitted. Based on the deliberation results, it recommends corrective measures or issues official opinions on the complaints or the relevant laws, institutions, and policies.

#### Improving ineffective systems

The ACRC seeks to root out the cause of people's grievances by identifying systems and policies that burden the people. Based on the analysis of complaints, review of suggestions made by citizens, and media monitoring, the ACRC recommends institutional improvements or issues official opinions to relevant government agencies. Furthermore, the ACRC reviews the implementation of its recommendations on a regular basis to make sure that the recommended improvements are incorporated into the legal and institutional framework.

#### “e-People” ([www.epeople.go.kr](http://www.epeople.go.kr))

“E-People” is the system handling civil complaints online at the pan-governmental level to provide people easier access to public service. The online government portal connects all the 43 national administrative organizations, all the 244 local government agencies, 26 major public companies, and 144 overseas missions. Using e-People, citizens



and foreigners living in Korea can submit grievances, proposals, reports of corruption, and administrative appeals related to government service. The automatic classification feature allows received complaints to be sent to the suitable agencies that can most effectively deal with these complaints. Currently, the multilingual service of e-People is provided in 7 languages: Chinese, English, Indonesian, Japanese, Mongolian, Thai and Vietnamese.

### **“110 Government Call Center”**

Those who have enquiries about civil services provided by any administrative agencies can call 110 anywhere in Korea. The public organizations connected to this call center include 56 central administrative agencies, 16 metropolitan and provincial governments, and 234 municipalities. The center also provides text message counseling service, and operates the video counseling system for those with hearing disabilities.

## **Fighting Corruption**

Coordinating nationwide anti-corruption initiatives The ACRC formulates national anti-corruption policies to be implemented at every level of government. And, it discusses and coordinates government-wide measures designed to prevent corruption in the long term. Every year, the ACRC conducts the Integrity Assessment to measure the levels of integrity of public sector organizations, as well as the Anti-Corruption Competitiveness Evaluation. The fundamental objective of these assessments is to encourage public organizations to make voluntary efforts to tackle corruption.

### **Removing corruption risks from laws and systems**

The ACRC makes recommendations to help government agencies to amend ambiguous, corruption-prone laws and institutions, and regularly checks the implementation of ACRC's recommendations. Under the Corruption Impact Assessment system, the ACRC examines every proposed enactment and amendment for any factors that could contribute to the occurrence of corrupt practices.

### **Receiving and handling reports on suspected corruption**

Any person may report an act of corruption to the ACRC. If there is a need to investigate a reported case of corruption, the ACRC may refer the case to an investigative authority. Then, the investigative agency is required to notify the ACRC of the results of investigation. The ACRC may ask the agency to reinvestigate the case. Additionally, it may directly file an accusation of corruption cases involving high-ranking public officials.

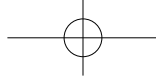
### **Monitoring the violation of the Code of Conduct for Public Officials**

The Code of Conduct for Public Officials was enacted in February 2003 as an ethical guideline for public officials. Based on this model code, public sector agencies have introduced their own codes of conduct. The ACRC monitors compliance with and investigates violations of these codes by public sector employees.

### **Protecting and rewarding reporters of corruption and public interest whistleblowers**

For those who have suffered or are expected to suffer any disadvantage due to the reporting of corruption, the ACRC guarantees their employment and takes measures to protect their physical safety. It also provides them with financial rewards in case that the reporting of corruption directly contributed to recovering or increasing revenues or reducing costs of public agencies.





The Act on the Protection of Public Interest Whistleblowers enacted in 2011 has extended the ACRC's protective measures to cover whistleblowers in the private sector. Under the Act, the Commission protects and provides rewards and relief money for those who reported violations of the public interest that impede health and safety of citizens, the environment, the interest of consumers and fair competition, including foreign bribery.

### **Raising public awareness and promoting partnerships against corruption**

The ACRC carries out a variety of public awareness programs including anti-corruption training and campaigns to encourage citizens' cooperation and participation in enhancing national integrity. It also conducts various activities to promote public-private partnership to fight corruption by lending support to the Policy Council for Transparent Society. The ACRC works closely with international organizations and anti-corruption agencies of other countries to join global efforts for fighting corruption, including the implementation of the United Nations Convention against Corruption, OECD Anti-Bribery Convention, and G20 Anti-Corruption Action Plan.

## **Adjudicating Administrative Appeals**

### **Administrative Appeals System**

The administrative appeals system is a mechanism allowing people whose legal rights have been violated or who have experienced any form of injustice by government agencies to file appeals to the agency concerned.

### **Subjects of administrative appeals**

The general public may make an administrative appeal when their legal rights have been infringed or they have experienced any form of illegal and unfair exercise of public power ("disposition") or "nonfeasance".

- "Disposition" is a legal act performed by administrative agencies directly related to the people's rights and duties. It includes granting specific rights or designating duties to people in accordance with the law.
- "Nonfeasance" is a failure to perform an act requested by the party concerned and required by law.

### **Procedures for administrative appeals**

#### **• Submission of appeals**

An appellant can submit administrative appeals to the disposition agency or the ACRC via direct visit, mail, or Internet ([www.simpan.go.kr](http://www.simpan.go.kr)).

#### **• Response to appeals**

The disposition agency writes an answer regarding the appellant's appeals within ten days after receiving his/her application, and presents it to the ACRC. Then, the Central Administrative Appeals Committee within the ACRC sends the answer to the appellants to enable them to understand the opinion of the disposition agency concerned.

#### **• Deliberation & adjudication**

The ACRC thoroughly examines statements of both sides, and sets the date for deliberation. After deliberating whether the appealed case is illegal and unfair, it notifies the results to the disposition agency and the appellant through a written document.

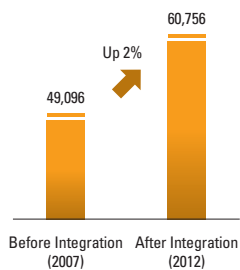
## 1. ACRC: Five Years of Achievement

The Anti-Corruption and Civil Rights Commission (ACRC) marked its fifth anniversary in February 2013. The Commission was launched through the integration of three former organizations: the Ombudsman of Korea, the Korea Independent Commission Against Corruption, and the Administrative Appeals Commission. The tasks of preventing complaints, preventing corruption and adjudicating administrative appeals, which used to be managed by different organizations, were integrated for the purpose of providing a one-stop service for the protection of the people's rights. Over the past five years, the ACRC has established and developed a foundation for carrying out policies for the people.

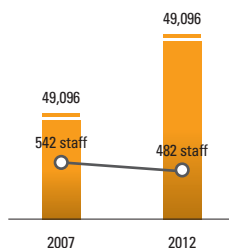
The e-People is the government's representative complaint-submission window operated by the ACRC that receives and handles civil complaints, reports of alleged corruption, administrative appeals and public proposals. A total of 1.25 million complaints were filed via e-People in 2012. The complaints filed under the e-People system are passed on to the relevant organizations to be handled, and the ACRC offers follow-up services every year by evaluating the compliance rate and the satisfaction level within the period set for handling the complaints. The ACRC also operates an integrated government call service hub called "the 110 Government Call Center" in order to counsel and consult about public administrative works of 317 bodies, including the central government, local governments and public organizations. The call center handled 2.14 million cases in 2012.

The ACRC is able to receive and deal with many complaints because the tasks of complaint handling, anti-corruption and administrative appeal that were used to be divided amongst the three former organizations -- the Ombudsman of Korea, the Korea Independent Commission Against Corruption, and the Administrative Appeals Commission -- were integrated and managed under the same roof. Consequently, the efficiency of the one-stop service has significantly improved. In 2007, prior to the integration, there were 49,096 cases of complaint handling, alleged corruption reports and administrative appeals, all of which contributed to protecting the people's rights. After the launch of the ACRC, however, the figure constantly grew and reached 60,756 in 2012 (up 24%). The satisfaction level of the public also increased from 66 in 2008 to 85.6 in 2012 for public complaints, and from 62 in 2008 to 72.9 in 2012 for administrative appeal. In addition, the efficiency of administrative work also increased; while 542 staff handled 49,096 complaints in 2007, 482 staff handled 60,756 complaints in 2012.

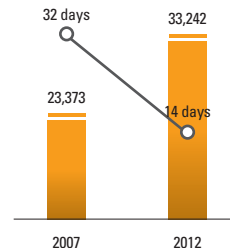
**Increasing Cases of the Protection of People's Rights**  
(Complaint + Corruption Report + Administrative Appeal)



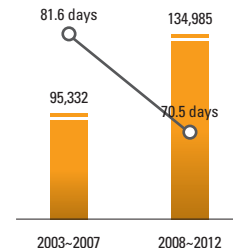
**Number of the ACRC Staff and Handled Cases**



**Number of Handled Complaints and Handling Period**



**Number of Handled Administrative Appeals and Handling Period**



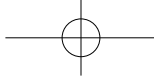


For the past five years, the ACRC has listened to the people's voice and handled complaints on site in a prompt manner under the principle "The answer lies on site." In this way, the Commission has increased the people's trust in the government's administration. The Onsite Outreach Program, through which the ACRC visits the site and listens to the people's complaints, was operated in 178 regions, and a total of 139 long-pending complaints were resolved through onsite mediation. The complaint handling period was reduced from 32 days in 2007 to 14 days in 2012. The administrative appeal was operated fairly and promptly in order to have the people's rights protected conveniently at a small charge. The applicants' claims were accepted particularly in the areas of administrative appeals for securing livelihood, such as subsidies for the disabled, government grants for promoting new employment and various subsidies for small and medium-sized companies. Also, the ACRC started taking charge of the judgment on administrative appeals, and the handling period decreased by over 10 days (from 81.6 days in 2007 to 70.5 days in 2012). The rights of applicants were strengthened by the interim relief measure so that the disadvantages for applicants can be reduced even before the completion of the administrative appeal.

The ACRC has taken the initiative in improving the credibility of the government through anti-corruption and integrity policies.

Firstly, the scope of integrity assessment on public organizations was expanded from 381 organizations to include 662 organizations. The Commission has also promoted voluntary anti-corruption efforts. In addition, the Anti-Corruption Training Institute was opened to provide integrity education during the transition period for public officials and education for every stage of the life cycle. Integrity education was offered not only to public officials but also to the civil society, entrepreneurs and foreign public officials. As a part of the efforts for anti-corruption and integrity, the Act on the Protection of Public Interest Whistleblowers was enacted in September 2011. After the enactment, 1,443 reports were made of which 1,337 were handled (112 reports were notified to the concerned authorities and 674 reports were forwarded). This signified that a national monitoring system in the fields of health, safety and environment was established. As follow-up actions, counseling service for corruption via a call center 1398 became more active, reports of corruption were strictly handled, and compensation for whistleblowers was reinforced. In February 2011, 15 assemblies enforced a code of conduct for local council members in an attempt to remove the link of corruption in the regions. At the 2012 United Nations Public Service Awards (UNPSA), the ACRC's Integrity Assessment Program received first prize in the category of Preventing and Combating Corruption in the Public Service. The program also contributed to enhancing the image of integrity of Korea along with the Anti-Corruption Action Plan that was adopted by the 2010 G20 Summit held in Seoul.

Lastly, when discussing the five years of achievement of the ACRC, the institutional improvement that contributed to eradicating unrealistic, outdated practices and the causes of infringement of rights must be mentioned. One of the cases of institutional improvement is the simplification of driving license issuance that started in 2008 to reduce the burden of the people. Also, the ACRC suggested "a systematic improvement plan for preventing the evasion of obligatory military service" to the Military Manpower Administration in 2011 so that any cases of evading military duty for reasons of having a below basic educational level or a mental disease can be prevented. In 2012, the Commission proposed "an institutional improvement for protecting rights of workers in special employment" with the aim to resolve difficulties of contract laborers like caddies or chauffeur service drivers who are in the blind spot of worker



protection. In addition to these cases, the ACRC has promoted institutional improvement for the chronic corruption-prone areas (105 cases), the prevention of difficulties that cause inconvenience in daily life (355 cases), and the revision of administrative rules that burden the people's livelihood (1,684 cases).

## 2. Future Direction of the ACRC

The Park Geun-hye administration proposes three keywords: the government for the people's livelihood; national integration and clean government; and happiness for all the people. These keywords are directly related to the policy goals and functions of the ACRC.

First off, the integrated measures for the protection of the people's rights should be continuously promoted to realize a government that protects the people's livelihood. The tasks of complaint handling, administrative appeals and reports of alleged corruption should be managed by e-People en bloc. Faithful counseling for all kinds of complaints related to the government should be made via the 110 Government Call Center. Any system or act that causes inconvenience to the people should be improved under a one-stop system. The Commission's role as a mediator with an objective viewpoint will also be reinforced for the purpose of national integration and clean government. The Commission should take the initiative in building a credible government that befits the national prestige by arbitrating and mediating any unnecessary social conflicts and conflicts between the people and the administrative bodies from the view of the third party and by ensuring the anti-corruption system. The realization of the people's happiness is also crucial. In particular, preventing the infringement of public interests such as health and safety as well as ensuring the foundation for the protection of public interest whistleblowers should be prioritized in order to allow the people to live in security. Such a high-level of the protection of the people's rights should be promoted with the following detailed policies:

First, a clean government that is free from illegalities and corruption should be realized. A clean government is possible only when preventive measures, such as the assurance of public service ethics and the eradication of causes of corruption, and post-control measures, such as the improvement of penalties, work organically.

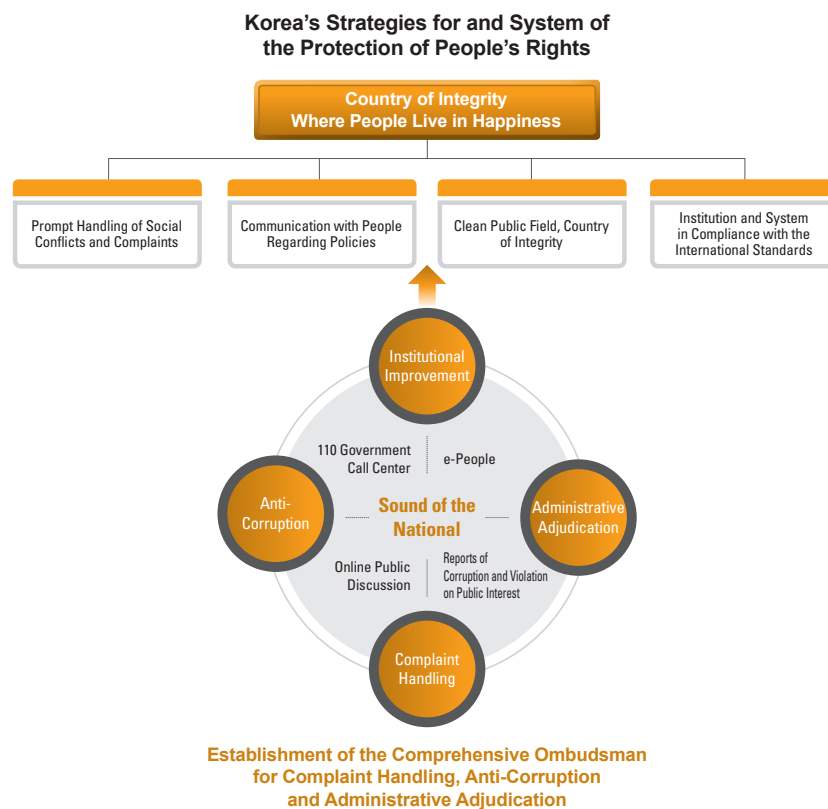
To do so and to ensure credible public service ethics, the system related to the reemployment of retired public officials should be revised and the integration of ineffective work for administrative ethics that are handled by different organizations should be considered. In addition, the Act on the Prevention of Illegal Solicitations and Conflicts of Interest should be enacted so that ▲ the blind spot of punishment and corruption, such as solicitation chains and unjust pursuit of one's own interest, can be eliminated, ▲ integrity and a moral mindset can spread throughout society via the Anti-Corruption Training Institute, ▲ and the scope of public interest whistleblower protection can be expanded to include not only consumer interests and fair competition but also corruption in businesses and livelihood. If these policies are successfully promoted, not only can the government gain the trust of the people but it can also improve the national integrity level from the present 45th place to the level of developed countries in the OECD (top 20).

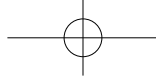
Second, the ACRC should drive the communication about policies and national integration through e-People and online public discussion. The trend of civil complaints should be analyzed and reflected on major policies in order

to respond to complaints beforehand. Policies should also be monitored to incorporate the people's opinions and improve the quality of policies. The e-People and the online public discussion is a real-time two-way discussion venue that both the public and experts participate in. They should be used to collect in-depth opinions on major policy issues such as education, employment and safety from different generations and different social strata and to actively lead the improvement at the government level.

Third, the active measures for the protection of the people's rights that reach closer to the people's livelihood to resolve their difficulties should be promoted. The e-People, public complaint, administrative adjudication and institutional improvement should be organizationally linked for issues that are small but strongly felt by the people so that issues for the socially vulnerable, common people and small and medium-sized businesses can be resolved and a foundation for joint growth can be laid. This is one of the priorities that should be promoted by the ACRC. Additionally, the Onsite Outreach Program that has been close to the public and resolved their inconveniences should be further expanded for the vulnerable strata, and onsite mediation should be actively practiced for long-pending complaints. In the case of administrative appeal, the fact that it is a low-cost way of protecting the people's rights should be actively promoted. For common people and the vulnerable social group, additional services such as assistance in writing an application form for administrative appeal, the temporary handling system like the suspension of execution and the establishment of an online hub system are required.

Lastly, conflicts over public policies cause much social and economic inefficiency; hence, measure in which the ACRC has extensive expertise and knowledge in resolving collective complaints should be promoted in a prospective manner.





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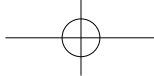
We will make a fair and just society focusing on field-oriented administration

# Part 1

## Major Cooperative Activities to Protect People's Rights

- **Chapter 1** Public-Private Partnership
- **Chapter 2** International Cooperation
- **Chapter 3** Public Relations





# Part 1

## Major Cooperative Activities to Protect People's Rights

### Chapter 1 Public-Private Partnership

#### 1. Strengthening Cooperation and Communication across Society

##### Operation of the Policy Council for Transparent Society

The Policy Council for Transparent Society, launched on December 9th, 2009, is a private consultative body. In an attempt to support anti-corruption efforts and to improve integrity across the nation, the Council has played a major role of exploring and suggesting policy agenda for each field, sharing business plans, facilitating the network and collecting opinions about related acts and institutional improvement.

Since its establishment, the Council has developed agenda and promoted cooperative projects in various fields, such as the "Clean Korea Campaign(2010)" and 7 symposiums including "The Anti-Corruption Policies for Realizing a Country of Integrity(2009-2012)," and co-hosted workshops on business ethics (2010-2012). As of December 2012, 26 organizations and bodies in 9 different fields, including public service, politics, economy and civil society, are the participants of the Council.

##### Listening to Voices Onsite through Communication with Civil Society Organizations

In 2012, provincial touring policy-related discussions were held in three local areas (Youngnam, Choongcheong and Honam) and anti-corruption roundtables in which the heads of 5 major anti-corruption organizations participated took place in order to facilitate communication amongst public-private governances.

Economic organizations, such as the Federation of Korean Industries and the Korea Chamber of Commerce and Industries, and professional groups, such as the Korean Institute of Certified Public Accountants and the Korean Bar Association, were invited to a meeting to discuss and suggest opinions about major policies, including "Act on the Protection of Public Interest Whistleblowers" and the bill for "Act on the Prevention of Illegal Solicitations and Conflict of Interest". They talked about mutual public-private partnerships and have strived for their opinions to be reflected in policies.

##### Improving Professionalism in the Protection of the People's Rights Based on MOUs Signed with Professional Associations

In 2009, the ACRC signed MOUs with the Korean Bar Association and the Korean Medical Association in order to enhance professionalism and credibility in the



process of handling public complaints, administrative appeals, and reports of alleged corruption and to give legal support to the socially vulnerable.

To date, there have been 159 counseling cases. In 2012, the health and welfare field recorded the highest number of counseling with 12 cases (80%) of the 15 cases in total.

## 2. Promotion of Government-Subsidized Private Competition Projects

Since 2007, the ACRC has invited private organizations that have designed creative and autonomous programs to a competition to provide them with government subsidies. Excellent programs that can complement and connect to policies to strengthen the people's rights are selected to receive support.

Through collaboration with private competition projects, "Clean Korea Campaign" was conducted in Daegu, Gunpo, Busan, Gyeongnam and Chuncheon area in 2012, which consequently contributed to spreading the awareness of the importance of anti-corruption and integrity culture and to laying a foundation for cooperation amongst local anti-corruption private organizations, local governments and public service-related organizations.

The budget of such activities increased to KRW 341 million in 2012 (from KRW 90 million in 2011) to support 23 projects in a total of 6 fields, including

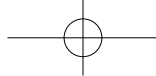
the promotion of the public interest whistleblower protection system.

## 3. Support for Autonomous Corporate Ethical Management

As transparency and ethical management of companies have emerged as key elements for their survival and competitiveness along with the announcement of the Guidance on Social Responsibility (ISO26000) and the introduction of the International Financial Reporting Standards (IFRS), the ACRC has reinforced supportive projects to help ethical management settle in companies.

Since 2005, the monthly online magazine "Business Ethics Brief," which contains the latest issues relating to ethical management in and out of Korea, has been distributed via e-mail to 2,179 people (up 38.2% from 1,577 people 2011) in companies and the academia. In 2012, the magazine was sent to group customers (497) through whom there are significant ripple effects. The ACRC's educational program that started in 2009 was held 6 times for 335 people in 2012 due to the growing demand for the education. (5 times for 246 people in 2011)

Also, the Commission provided visiting education for two organizations with a high demand for education: the Mine Reclamation Corporation and the Korea Teachers Pension.



In addition, in 2012, the ACRC developed “Business Ethical Management Models by Industry” that incorporate the latest international standards and characteristics of industries and provided a guideline for the establishment of an ethical management system.

In April 2012, the Commission signed an MOU with the Korea Chamber of Commerce and Industries and laid the groundwork for mutual cooperation to provide systemic support for corporate ethical management.

## Chapter 2 International Cooperation

### 1. Overview

In 2012, the ACRC’s integrity Assessment won first place in the UN Public Service Awards, recognized for its significance in the international community. The Commission also actively engaged in the activities of the International Ombudsman Institute (IOI) and Asian Ombudsman Association (AOA) and promoted the Korean Ombudsman system.

As the head of Korean government delegation for the G20 Anti-Corruption Working Group, the ACRC operated a working-level meeting dedicated to the implementation of the G20 Anti-Corruption Action Plan jointly with 9 other authorities, including the Ministry of Justice and the Ministry of Foreign Affairs and Trade. It also held high-level meetings to urge the concerned ministries to pay attention and to implement anti-corruption action plans by sector.

Korea received a positive evaluation from the OECD regarding Korea’s implementation of phase 3 recommendations of the OECD Anti-Bribery Convention in October 2012. The Commission also

faithfully responded to the implementation review of the UN Convention against Corruption (UNCAC) with the Ministry of Justice and the Ministry of Foreign Affairs and Trade, successfully completing the written questionnaires.

The ACRC signed an MOU with the Korea International Cooperation Agency (KOICA) in April 2011 to expand anti-corruption technical assistance for developing countries. In 2012, it held a cooperative meeting to consult with KOICA and reflected the results in its plan to promote education for foreign officials. In particular, it provided an anti-corruption capacity building seminar for Colombian public officials. In addition, the ACRC provided technical assistance tailored to the demands of bilateral MOU counterparts, including Indonesia, Thailand, Vietnam, and Mongolia, so that Korea’s major anti-corruption policies such as the Integrity Assessment and the Anti-Corruption Competitiveness Evaluation can be introduced to these countries.

As a national Ombudsman to protect civil rights from unjust and illegal administrative measures, the ACRC has promoted the Korean ombudsman system by actively taking part in various international activities. In November 2012, the ACRC delegation attended and presented Korea’s complaint-handling portal system, e-People, at the 10th IOI General Assembly and the 10th World Conference of IOI in Wellington, New Zealand.

As the AOA treasurer, the chairperson attended the 14th AOA Board Meeting held in June 2012 in Baku, Azerbaijan. At the board meeting, the ACRC proposed to conclude a multilateral MOU amongst AOA members, and made a presentation about the ACRC’s projects to protect foreign residents residing in Korea at the 10th Baku International Conference of Ombudsman.



The ACRC has signed MOUs with the foreign ombudsman institutions as a way to help the difficulties faced by Korean nationals living abroad and Korean companies running businesses overseas. Since 2011, the ACRC has consulted about the plans to establish a cooperative system with the ombudsmen of Uzbekistan and the Philippines, and signed MOUs with them in September 6 and September 7, 2012, respectively, to make more efforts to protect the rights of Korean nationals living in those countries.

Furthermore, for the sake of Corruption Perceptions Index(CPI) assessment organizations and other related organizations, the ACRC strives to improve understanding of the integrity policies of Korea and has set forth its strong willingness to participate in anti-corruption efforts. Also, for foreign businesses in Korea, the Commission delivered Korea's integrity policies and political willingness to enhance the overall integrity in Korea.

## 2. Major Accomplishments in 2012

### Participation in the G20 Anti-corruption Agenda

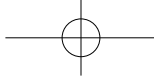
The leaders of the G20 shared the idea that it was necessary to prevent and eradicate corruption, and adopted the Action Plans as an Annex at the 5th G20 Summit held in Seoul in 2010, clearly showing that they would play a leading role in the anti-corruption agenda.

The G20 Anti-corruption Action Plan calls on the G20 countries to join the major international conventions relating to anti-corruption and includes important issues such as international cooperation and public-private partnerships for anti-corruption and the whistleblower protection of corruption reporters. In 2011, after the launch of the G20 Anti-corruption Working Group, the ACRC, as a head of Korean delegation, has monitored the overall anti-Corruption

regulations and policies in Korea and made efforts to improve them to actively implement the Action Plans. The ACRC has also run a G20 consultative body with the concerned agencies such as the Ministry of Justice and the Ministry of Foreign Affairs and Trade. In 2012, The Commission held a high-level meeting to implement the Action Plans, and urged the concerned agencies to pay attention and to implement anti-corruption policies by sector. Moreover, the ACRC collected data on how Korea is working to implement the G20 Anti-corruption Action Plan, and actively took part in writing the 2nd monitoring report for the G20 Anti-Corruption Action Plan, to reflect the outcome of the systems or policies of the Korean government.

### Active Response to the Global Anti-Corruption Rounds

Korea enacted the UNCAC in 2004, and the National Assembly verified the convention by passing the act to implement the convention, the Act on Special Cases Concerning the Confiscation and Return of Property Acquired through Corruption Practices, on February 29, 2008. After the verification of the convention, the ACRC attended the Conference of State Parties, showing Korea's will for the implementation of the convention. In addition, it also participated in the meeting of the Implementation Review Group of the UNCAC in June 2012, and had working-level meetings with the delegations from reviewer countries of Korea, Bulgaria, and India, as well as the UNODC, the Secretariat of the convention. The ACRC delegation also learned the international trends of the review system at the meeting. In November 2012, the Commission closely cooperated with the concerned agencies, including the Ministry of Justice and the Ministry of Foreign Affairs and Trade, to fill in and submit the self-assessment checklist. It is also planning to actively respond to the country visit, which is scheduled for the first half of 2013.



The International Anti-Corruption Academy (IACA) is an international organization in charge of research, education and training related to preventing and eliminating corruption. The IACA shares the theoretical achievements gained from its research and best practices of anti-corruption collected from member countries in an attempt to enhance professionalism and efficiency in anti-corruption efforts at the working level. The IACA achieved the status of an international organization in March 2011, and the IACA now (as of December 2012) has a total of 61 member countries, including 35 parties. On March 27, 2012, the ACRC and IACA signed an MOU to share anti-corruption knowledge and expertise, and promised to cooperate in anti-corruption education and research and exchange of human resources. In November 2012, at the 1st Assembly of Parties held in Austria, Chairperson Young-ran Kim was elected as one of the board members.

In the meantime, the ACRC Vice-Chairperson Choi was invited as a speaker to the 15th International Anti-Corruption Conference (IACC) held in Brazil in November 2012. The ACRC delegation made a presentation under the theme of "Efforts to Eradicate Illegal Lobbying Practices in Korea- Focusing on the Act on Prevention of Illegal Solicitation and Conflict of Interest." At the conference, the ACRC presented the Korean government's strong will to establish strict standards of public officials in terms of integrity and the ethics of the public sector. During the conference, the ACRC delegation had a bilateral meeting with the Transparency International(TI) president, and actively promoted the anti-corruption efforts and achievements of the Korean government.

### **Technical Assistance to Enhance the Anti-corruption Capability of Developing Countries**

As the ACRC's technical assistance, which started in 2007 with Indonesia and Bhutan, have successfully

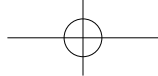
been pushed forward, many other countries have requested the ACRC to provide technical assistance for them, and the UN and other international organizations have also paid attention to Korea as their partner for anti-corruption technical assistance. In particular, the ACRC's Integrity Assessment has been successfully implemented in Indonesia, Thailand, and Mongolia. These countries represent the outstanding cases of implementation of Korean anti-corruption policies to the international community.

#### **(1) MOUs on Anti-Corruption Cooperation**

The ACRC signed MOUs on anti-corruption cooperation with Indonesia, Thailand, Vietnam, and Mongolia, respectively, and agreed on cooperative activities to build anti-corruption capacity and transfer anti-corruption policies to those countries.

The Korea-Indonesia Anti-corruption MOU was the first of its kind to be signed by Korea with a foreign government. Under the MOU, the ACRC has shared various programs with Indonesia since 2007 such as Integrity Assessment, anti-corruption Competitiveness Evaluation, and Corruption Impact Assessment, targeting the central and local governments and the public corporations of Indonesia since 2008.

In 2012, the ACRC held a training seminar on the improvement of the Integrity Assessment system and the introduction of the Codes of Conduct for Public Officials, for the officials of the Indonesian Anti-corruption Commission (KPK) for 2 weeks from June 18. Moreover, from November 27, it held a two-day consultation for Indonesia to implement the transferred anti-corruption policies in the country. The ACRC and the KPK consulted on future plans, and as a result of the consultation, the cooperative areas will be expanded to prohibition of bribery, institutional improvement in anti-corruption, and other areas.



With the proposal of Vietnam, the ACRC signed a Korea-Vietnam Ombudsman MOU with the Office of the Central Steering Committee for the Anti-Corruption of Vietnam (OSCAC) on February 3, 2010, and agreed to exchange information on successful anti-corruption policies. Joint workshops have been held twice a year to share and exchange information in the anti-corruption area.

From July 24, 2012, an anti-corruption workshop was held in Seoul for a week to transfer Korea's anti-corruption laws and regulations and corruption prevention measures in public procurement. In addition, the ACRC and the OSCAC discussed their anti-corruption policies such as Korea's policy to increase the integrity level of high-ranking officials and Vietnam's corruption prevention activities, at the two-day workshop held in Vietnam on October 25 to 26. As a result of the discussion on future plans of the cooperative MOU on anti-corruption from 2013 to 2015, both agencies agreed on 3 main cooperative areas for future cooperation: OECD Anti-Bribery Convention, Anti-corruption in the economic sector, and Integrity Assessment.

The ACRC concluded an MOU on anti-corruption cooperation with the Mongolian anti-corruption commission on February 26, and transferred its Integrity Assessment to Mongolia. In 2012, the Commission held a workshop for 4 days from August 28, and transferred its Anti-corruption Competitiveness Evaluation to the Mongolian delegation. In addition, a joint seminar was held for 3 days in Mongolia from November 14 under the themes of "prevention of conflict of interest," "Corruption assessment system," and "Judicial Assistance."

## (2) Enhancing the Anti-corruption Capability of Countries in Cooperation with the KOICA

As the first cooperative project with KOICA based on

the Agreement on the Coordination for Anti-corruption and Ombudsman Policies and Technical Assistance for Developing Countries signed with KOICA in 2011, the ACRC invited public officials of Indonesia (June) and Bangladesh (October) to provide a training program on how to strengthen anti-corruption capabilities.

In 2012, with KOICA, the ACRC co-organized the Joint Seminar for Anti-corruption Practitioners of Colombia for 2 weeks from July 2. This training seminar was held with the cooperation of the related agencies in Korea, including the Ministry of Public Administration and Safety, the Supreme Prosecutors' Office, and the Public Procurement Service, to build anti-corruption capabilities in various fields.

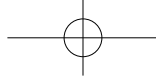
At the training seminar, 15 Colombian public officials learned Korea's anti-corruption strategies and system, protection of whistleblowers, Integrity Assessment, Integrity education, codes of conduct, public-private cooperation, investigation of corruption cases, and corruption prevention in the public procurement area. The trainees said that they would make proposals to the Colombian government to adopt Korea's whistleblower protection and e-procurement system in their country.



ACRC-KOICA Joint Seminar for Anti-Corruption Practitioners of Colombia (July 2-13, 2012)

## Participating in International Conferences on Ombudsman

The International Ombudsman Institute (IOI) is a non-profit corporation consisting of 149 Ombudsman institutions from about 100 countries. It was



established in 1978 for the purpose of disseminating the concept of the protection of people's rights. The ACRC has worked as a board member of the IOI Asian Region since joining the IOI in 1996, and suggested and created a by-law of the IOI Asian Region. It has made efforts to coordinate the stance and opinions of the Asian region and reflect them in the IOI agenda.

At the IOI board meeting in November 2012, the board members deliberated the admission of 10 new member institutions, including Korea's Small and Medium Business Ombudsman (SMBO). As the IOI secretary general had submitted his opinion to the board of directors that the SMBO should be accepted as an associate member, not an institutional member, the ACRC delegation supported the SMBO's admission as an institutional member on grounds of the SMBO's legal grounds on the appointment and authority of the Ombudsman and its independency. The IOI board members, however, decided to accept the SMBO as an associate member because it did not have the authority to report the National Assembly. Despite the active participation of Korea's national ombudsman in the Asian region since 1999, there have been few activities by Korea's local or special ombudsmen in international organizations. In that sense, the admission of the SMBO to the IOI as an associate member can be considered as a positive achievement.

The Asian Ombudsman Association (AOA) was established in 1966 for the purpose of disseminating and developing ombudsman systems to the Asian region. The AOA consists of 28 Ombudsman institutions from about 18 countries such as Korea, China, Japan, Pakistan, and Thailand. The ACRC is a founding member of the AOA and has worked as treasurer since 2003.

The ACRC delegation suggested concluding a "multilateral MOU on protecting overseas nationals

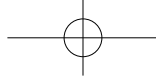
among AOA members" at the 14th Board Meeting held in Baku, Azerbaijan, in June 2012. ACRC Chairperson Kim also participated in the 10th Baku International Conference of Ombudsman Conference as a speaker and made a presentation under the title of "The ACRC's proposal for the protection of equal rights of foreign residents." This presentation was highly evaluated by participants, especially regarding the Korean government's diverse initiatives to protect foreign residents, who are social minors.



Presentation at the 10th Baku International Conference of Ombudsman (June 18, 2012)

### Signing Additional MOUs for Expanded Ombudsman Cooperation

The ACRC promotes cooperation with the ombudsman organizations of other countries to expand the tasks carried out by ombudsman, protect the rights of overseas residents and companies that entered the foreign markets, and handle the complaints they make. The ombudsman organizations of both countries between which an MOU has been signed should actively cooperate to help resolving complaints or inconveniences experienced by overseas residents (including companies) in the other country. If a resident of a partnering country files a complaint to the administrative body, the result will be reported to the resident, and an administrative will visit a company, a worker or a multi-cultural family to offer consulting services to resolve their complaints. In addition, 2 countries provide a language service that residents of a partnering country can file a complaint and communicate in their languages, and share the results.



In February 2012, the ACRC signed the first MOU with the Ombudsman of Indonesia, a country in which a significant number of Korean people are living and companies are conducting business. In April 2012, Indonesian Ombudsman visited the ACRC to attend the Korea-Indonesia Ombudsman Cooperation Meeting, to discuss ways to further cooperate in expanding complaint-windows for complainants in both countries and enhancing the functions of complaint handling. Prior to the Meeting, the ACRC-Indonesian delegation visited the Ansan City Foreign Residents' Center to consult and handle difficulties experienced by Indonesian workers such as pension problems and the late disbursement of wages to hold an onsite outreach program.

In the meantime, the ombudsmen of Korea and Thailand signed an MOU in December 2011 in Tokyo, where the AOA General Assembly was held. The ACRC delegation visited the Thai Ombudsman office and discussed the implementation plans for the MOU. During this visit, both agencies held a counselling session for Korean complainants, and the Thai Ombudsman answered 3 questions at the session and promised that the Thai government would solve the other 5 complaints.

Of note in 2012, the ACRC additionally concluded MOUs with Uzbekistan and the Philippine Ombudsmen. With the expansion of MOUs, it is expected to see closer cooperation with foreign ombudsmen to protect the rights of Korean nationals and solve their difficulties.



Signing of Korea-Uzbekistan Ombudsman MOU (September 6, 2012)

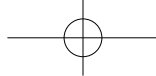
### 3. Future Plans

For the purpose of enhancing integrity across the country, the ACRC plans to put more effort into bringing itself into compliance with the global standards proposed on rounds of global anti-corruption, such as the UN Anti-corruption Convention and the OECD Anti-bribery Convention. In addition, the Commission aims to facilitate the operation of the G20 Anti-corruption Action Plan Working Group in close cooperation with the Ministry of Justice and the Ministry of Foreign Affairs and Trade. As a member of the IACA, the ACRC will actively participate in educational programs to create an occasion to upgrade its capabilities as an organization dealing exclusively with anti-corruption. Moreover, the Commission will cooperate further with the IACA so that its policies can be introduced in the regular course of the Academy.

The ACRC plans to continuously promote anti-corruption policies and technical assistance projects for those countries which signed an MOU with the Commission, and at the same time cooperate with the KOICA to expand its technical assistance to African countries and upgrade the training program on anti-corruption for the public officials of developing countries through the 1st Integrity Training Course for Foreign Public Officials in 2013.

Furthermore, the ACRC will provide technical assistance to the international community with the introduction of e-People and the 110 Governmental Call Center by sharing major policies and investigational techniques. It will also sign additional MOUs with other leading educational and training institutes to learn their advanced investigation techniques and complaint handling methods.

The ACRC will further promote activities that will enhance national integrity. For example, the

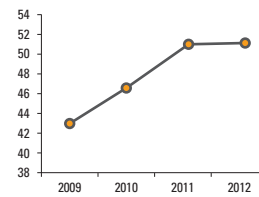


Commission will try to promote its major policies and projects such as the Act the Protection of Public Interest Whistleblowers and the e-People via the newsletters of major ombudsman or anti-corruption related organizations around the world, and will utilize its website and newspapers in English language, an e-mail newsletter and publications of foreign economic organizations to spread word about its anti-corruption efforts and those of ombudsmen. Furthermore, the ACRC plans to produce promotional materials for non-English-speaking Asian countries. The ACRC will also hold briefing sessions on major policies for foreign entrepreneurs so that their difficulties can be heard and they can be made aware of the improvements made by anti-corruption activities in Korea as well as the willingness and effort to build a transparent society and a favourable environment for companies.

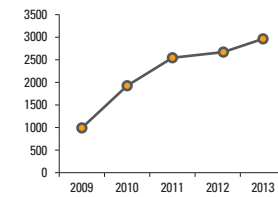
Lastly, the ACRC will follow up the recent discussions of international organizations and the new trends in system and policy in developed countries and utilize collected data when dealing with policies on complaint handling, anti-corruption and administrative appeals.

### Chapter 3 Public Relations

Over the past five years since its establishment in 2008, the ACRC has engaged in a wide spectrum of promotional activities, including media publicity, in order to raise public awareness and the credibility of the Commission. As a result, the awareness of the Commission has been on the rise, and its exposure to the media also significantly increased.



Awareness of the ACRC per Year (%)



Exposure to Major Newspapers and TV per Year (No. of cases)

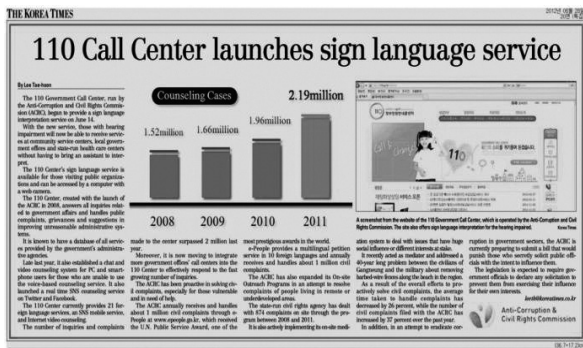
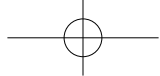
#### 1. Press Reports and Policy Marketing

The ACRC's promotional activities went beyond the passive approach of the past in distributing press releases to the media. The Commission gradually changed to market policies by reinforcing project promotion and onsite coverage. Consequently, the number of distributed press releases steadily increased, and the exposure to the major media is also continuously growing.

With an aim to create more opportunities to communicate with the people, the ACRC has diversified its promotional channels to various media sources, including free newspapers or English newspapers, in addition to the major media sources. In particular, prior to the announcement of major issues, the Commission released featured articles and conducted joint campaigns with the press to maximize the promotion effect.

In addition, the ACRC marketed "onsite" which is the strength of the Commission's outreach program. The ACRC supported the coverage of the Onsite Outreach Program under which the staff visited local regions and foreign countries to consult about complaints. The Commission also supported the Onsite Mediation Meeting through which collective complaints are mediated onsite. In particular, press conferences were held beforehand to strengthen cooperative relations with the media in certain regions so that onsite coverage and reports can be expanded.





Special Article in the Korea Times

The ACRC has promoted radio advertising through Munhwa Broadcasting Corporation (MBC) and traffic radio stations to improve public awareness and draw the public to use its services. Moreover, the Commission has placed English advertisements in newspapers such as the Korea Herald and the Korea Times. In addition to paid advertising, the ACRC has also delivered free public campaign advertisements via public transportation, including railroad and subway.

## 2. Promotion of Policies through Newspaper, Broadcasting and Subway Advertising

The policy advertising of the ACRC can be categorized into two types: paid advertising such as newspaper and broadcasting, and free advertising that uses public transportation such as railroad and subway.

The ACRC has advertised via newspaper, TV and radio since the beginning of its establishment.

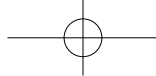
Since 2008, the Commission has continuously placed policy advertisements in newspapers. At the initial stage, image advertising that demonstrates the vision of the ACRC appeared in major national daily newspapers. Since 2010, new advertising for the purpose of information delivery has been placed in local newspapers through cooperation with the regions that the Onsite Outreach Program visits.

In an attempt to raise public awareness more efficiently, the ACRC started TV advertising in 2009, which has a bigger ripple effect. At the outset, image advertising showing the major functions of the Commission appeared on major broadcasting channels and key electronic display boards in Seoul. In addition to image advertising, in 2010, the ACRC produced a policy advertisement to promote “the 110 Government Call Center” and has placed the advertisement on major broadcasting channels and DMB.

## 3. Publication of Bimonthly Newsletter “the ACRC Quarterly”

The ACRC has published “the ACRC Quarterly” since its launch in 2008 in order to share the Commission’s activities and newest updates. The newsletter is produced every two months, with a total of 14,000 copies printed for each issue and distributed to the central government, local governments, public organizations, education offices, public service centers in libraries and policy customers. A total of 29 volumes (November + December 2012) have been produced since the release of the first issue in March 2008. Moreover, the English edition of “the ACRC Quarterly” has been published on a quarterly basis to be distributed to major official residences, foreign reporters and foreign CEOs. In particular, the ACRC’s newsletter received “the Clean Content Award” at the 2012 Korea Business Communications Awards.

Starting in 2012, “the ACRC Quarterly” has been shared through mobile applications and online bookstore websites so that more people can access the news of the Commission.



"ACRC Quarterly": English Edition of the ACRC Quarterly

#### 4. Promotion Using New Media Sources Such as SNSs

The ACRC opened a blog on the Internet portal Daum in May 2009 and additional blogs on other portals like Naver and Yahoo in order to strengthen the mutual communication channels with the people.

Along with the increased use of smart phones, new media sources such as SNS (Social Network Service) have come into the spotlight as new ways for communicating with the young generation. With

the aim to further communicate with the young generation as policy prosumers, the ACRC has strengthened communication channels that use SNSs such as Twitter, Facebook and WikiTree since 2010.

Furthermore, the ACRC has reinforced cooperation with major internet portal sites, including Naver and Daum, so that people have greater access to the main services provided by the Commission such as e-People.

Up to 2012, the number of contents posted on the Commission's official blog, the center of online policy promotion, recorded 5,562, and the number of visitors reached 3,635,267. In addition, the number of SNS policy customers is 100,779 and is continuously increasing. The figure has constantly grown to rank the ACRC in second place in terms of number of SNS policy customers amongst 40 central administrative organizations. Through active online promotion, the ACRC was given the grand prize at the 2012 Korea Business Communications Awards.





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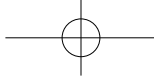
We will make a fair and just society focusing on field-oriented administration

# Part 2

## Complaint Handling

- **Chapter 1** Overview of Complaint Handling in 2012
- **Chapter 2** Investigation of Complaints
- **Chapter 3** Active Horizontal Policy Communication with the People





## Part 2

### Complaint Handling



#### Chapter 1

##### Overview of Complaint Handling in 2012

#### 1. Functions for Complaint Handling

##### Corrective Recommendations and Expression of Opinion about Illegal/Unfair Administrative Measures

The ACRC receives and handles “public complaints,” which refer to (general) complaints such as opinions, suggestions and proposals from the people to the government, especially the cases in which the infringement of the people’s rights, inconvenience or grievance occur because of illegal, unfair or passive practices (including factum and nonfeasance) of the administrative organizations. When an investigation of a case concludes that there is a probable reason to recognize that the practices of the administrative organization were illegal or unfair, corrective recommendations are made to the related administrative organizations. When it is judged that a filer’s claim has a probable reason even though the measures taken by the administrative organization were not found to be illegal or unfair, opinions will be delivered to the related administrative organizations.

##### Improvement Recommendations and Expression of Opinion about Unreasonable Ordinances and Systems

When it is recognized during the process of investigating/handling a complaint that it is necessary to improve ordinances, systems or policies, recommendations for reasonable improvement or opinions are delivered to the heads of the related organizations. Such an act aims to prevent the recurrence of the same complaints.

##### Counselling for Civil Complaints

As the ultimate and final complaint handling body of the government, the ACRC also acts as counsellor for various inquiries relating to administrative work, including ordinance, system, procedure and responsible organizations. To this end, the Commission receives support from not only its own investigators, but also experts in various fields, such as lawyers, judicial scriveners, loss adjusters, and certified labor lawyers, as well as complaint handling related organizations, such as the Korea Legal Aid Corporation, the Financial Supervisory Service, and the Korea Consumer Agency. In this way, the Commission is able to provide appropriate guidance and services to the people.

### **Operation of e-People and the Government Call Center**

The ACRC operates “e-People,” which integrated an online complaint window and a proposal window of the people. The service has resolved the inconveniences that the people suffered when they did not know where to file complaints in the past and has expanded a communication channel for the people to participate in policy discussions. Furthermore, the ACRC runs “the 110 Government Call Center” that provides guidance and counselling about complaints against the government. All of the services play a role in connecting the administration and the people both online and offline.

### **Cooperation with, Support and Training for Local Ombudsmen**

With an aim to promote the establishment of local ombudsmen, the ACRC has designed various supporting measures and offered the Commission’s knowledge and data about complaint handling. In this way, the local ombudsmen will be able to carry out their role as an ombudsman that protects the rights of the local residents.

## **2. Policy Direction for Complaint Handling**

Since its launch in 2008, the ACRC has strived by stages to establish policies and take pre-emptive actions for complaint handling, which is the key to

improving the people’s rights. At the beginning of its establishment in 2008 and 2009, the ACRC laid a foundation for complaint handling by revising the complaint handling process such as strengthening the search service for complaints. In 2010 and 2011, in order to get closer to the people and to improve the level of their satisfaction, the Commission expanded the scope of field-centered complaint handling and provided consultation to local governments in order to reduce the number of complaints. In 2012, the Commission strengthened its ability of complaint handling by establishing policies for complaint handling and focused on strengthening the protection of people’s rights by providing pre-emptive services.

Moreover, the ACRC continuously strived to improve the work process to handle the annually increasing amount of complaints in a prompt and faithful manner. In 2011, the ACRC formed a team dedicated to long-pending complaints to improve the efficiency of complaint handling efforts. Various steps were taken to facilitate the complaint handling process.

## **3. Major Accomplishments**

### **Enhancement of Core Value of Complaint Handling**

One of the most basic and important aspects that the ACRC has promoted for the past 5 years is the promptness in complaint handling and the improvement of key values for customers, such as the

acceptance rate and the level of satisfaction. First, the ACRC has strived to promptly and faithfully handle complaints that have been increasing rapidly since the launch of the current government, due to the improved national consciousness about the people's rights and the diversified complaint filing channels.

Since the launch of the current government, the ACRC has handled approximately 30,000 cases every year on average, which is a 31% increase from the 23,373 cases handled per year before the integration in 2007. Considering that the ACRC's organizational size and number of staff have significantly decreased under the current government, it can be analyzed that the ACRC has handled more complaints with a smaller body and less staff. The handling period per complaint has also decreased by 18 days on average compared to the figure prior to the integration. The handling period per complaint was 32 days on average in 2007, but decreased every year to 29 days in 2008, 23 days in 2009, 21 days in 2010, 17 days in 2011, and ultimately to 14 days this year.

To this end, the Commission upgraded customized training programs that are designed based on the levels and characteristics of the investigators, and provided focused training for new employees or dispatched workers so that they can better adapt to their work. Best Practice Competitions were held on a regular basis for complaint handling departments and investigators to share the best practices of complaint handling. To improve the acceptance rate, where complaints were reviewed before being transferred in the order of director-adviser-investigator to suggest an appropriate complaint handling process.

"The Pre-Review System" was adopted for the first time. In order to improve the satisfaction level of the people, the re-deliberating process for complaints that were re-filed was revised, and the Standardized Service System was introduced for different stages of complaint handling. The Complaint Special Investigation Team was created in July 2011 to take responsibility for long-pending complaints so that the efficiency of the complaint handling departments can be enhanced.

#### Complaint Handling Statistics between 2007 and 2012

Year	Received	Handled	Average Handling Period	Complaint			Simple Query
				Total	Accepted	Not Accepted	
2007	23,681	23,373	32 days	23,373	4,533 (19.4%)	18,840	-
2008	27,372	27,509	29 days	26,046	5,725 (22.0%)	20,321	1,463
2009	29,716	28,163	23 days	24,060	4,821 (20.0%)	19,239	4,103
2010	32,584	34,510	21 days	27,043	4,033 (14.9%)	23,010	7,467
2011	32,351	32,082	17 days	20,152	3,014 (15.0%)	17,138	11,930
2012	34,347	33,242	15 days	20,170	3,620 (17.9%)	16,550	13,072

※ Simple query: Complaints that are not applicable to "public complaints" in Article 2 Subparagraph 5 of the Anti-Corruption and Civil Rights Commission Act, such as unclear claims, simple discontents and personal opinions

The ACRC has improved the abilities of its investigators and revised the complaint handling process so that the Commission can improve the core values such as the acceptance rate and the level of satisfaction to the level of its customers, the people.

In addition, the ACRC has made the utmost efforts in the follow-up management so that corrective recommendations can be accepted by the competent organizations. The Commission approached in steps from 1) the complaint handling department

that promoted corrective recommendations, 2) the Complaints Investigation Planning Division that has the overall responsibility, and 3) senior officials encourage the implementation, to 4) organizations that have not accepted recommendations being made public through the media. At the same time, the ACRC has cooperated with the Ministry of Finance and Strategy and the Ministry of Security and Public Administration, which are the authorities in charge of the evaluation on public enterprises, so that the acceptance and implementation rates can be incorporated when evaluating public enterprises.

Consequently, the acceptance rate, which once dropped to 14.9%, rebounded to 17.9% in 2012. The level of satisfaction was as low as 66 in 2008, but continuously increased every year and finally recorded 85.6 in 2012. The complaint acceptance rate remained in the range of 90% after 2008, but rose to 93.1% this year.

#### Major Indicators of Complaint Handling After the Launch of the Current Government

Category	2008	2009	2010	2011	2012	
Acceptance Rate (Accumulated)	90.9%	92.0%	92.8%	93.0%	93.1%	
Satisfaction Level	Total	66.0	72.1	79.3	86.5	85.6
	Accepted	77.4	82.7	87.2	90.3	88.5
	Not Accepted	54.6	61.5	66.0	72.6	74.5

#### Realization of Field-centered Complaint Handling

One of the innovations that the ACRC has accomplished under the current government is the realization of field-centered complaint handling through onsite investigation and the Onsite Outreach Program. The ACRC has strived to handle complaints on site by expanding the onsite investigation on complaints. The onsite investigation is one of the most

significant processes in complaint handling in which investigators visit the areas where the complaints occurred to find the factual grounds and causes for the complaints. The onsite complaint handling rate, the fairness in complaint handling and the resolution rate are correlated, and for this reason, the ACRC is increasing the onsite complaint handling rate every year. As a result, the rate that was merely 14.2% in 2008 jumped to 24.8% in 2012.

#### Increase of Onsite Investigation Rate

Category	2008	2009	2010	2011	2012
Onsite Investigation Rate (%)	14.2%	15.3%	18.5%	19.2%	24.8%

The Onsite Outreach Program also contributed to realizing field-centered complaint handling. It is one of the onsite resolution programs through which a team of investigators of the Commission visits a region or a group of people who are left behind in the blind spot of the protection of the people's rights in order to listen to and to resolve the complaints on site.

For the past 5 years since its establishment in 2008, the ACRC has visited 178 regions, consulted 6,441 complaints, and resolved 1,206 cases on site. Such an accomplishment was a great improvement from the performance of the Onsite Outreach Program before the launch of the ACRC (55 regions, 1,453 cases filed and consulted). Onsite visits increased by 3.3 times, and the number of complaints consulted and filed was up 4.4 times. The most notable is the onsite resolution rate. Under the former government, consulting and complaint filing were the keys in the operation of the Onsite Outreach Program. There was therefore no record regarding the onsite resolution rate. The current government, however, has prioritized onsite resolution and strived to improve the rate every year

### Onsite Outreach Program Statistics

Category		Total	'08.	'09.	'10.	'11.	'12.
No. of Visited Regions		178	20	28	33	46	51
No. of Consultations	Onsite Agreement	1,206	96	244	290	244	332
	Complaint Filed	882	86	272	199	129	196
	Guidance	4,353	381	1,004	1,000	865	1,103
	Total	6,441	563	1,520	1,489	1,238	1,631

In conclusion, the Onsite Outreach Program began in 2003 under the former government in order to facilitate onsite complaint handling, but the current government made the system take root and started to produce tangible results.

### Expansion of Role in Mediating Collective Conflicts

Under the current government, the ACRC has continuously expanded the work of onsite mediation<sup>1)</sup> to resolve long-pending collective complaints. Since the launch of the current government, the ACRC has identified and resolved over 20 cases every year and made the great accomplishment of solving a total of 144 collective conflicts in the past 5 years. Only in 2012, the number of mediated cases was 42, which is close to the 57 cases of mediation under the former government for 5 years.

Based on the Anti-Corruption and Civil Rights Commission Act (Article 12 Subparagraph 18 & Article 25 Clause 1), the ACRC can play the role of mediator for conflicts that involve multiple persons. The mediation should be conducted in the presence of the Chairperson or members of the Commission (Enforcement Article 47). When the mediation is completed, reconciliation becomes effective under civil law. (Article 45 Clause 3)

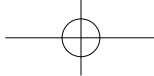
### Mediation of Collective Complaints

Year	2008	2009	2010	2011	2012
No. of Mediated Cases	33	26	19	24	42

For the conflicts that were unlikely to be resolved by mediation, the ACRC created a conflict mediation meeting in which stakeholders could participate so that conflicts would not be deepened. Some examples are “the conflict mediation meeting for the Baekma shooting range in Goyang (June 8th, 2010)” and “the working-level meeting for the compensation of damages in the fishery industry at Gangjin Bay (July 2011).” The ACRC established the meetings to prevent collective conflicts from becoming social conflicts and actively controlled the conflicts.

Lastly, with an aim to go beyond collective conflicts and to expand its role as the third party mediator for common conflicts in society, the ACRC formed a cooperative system with the Prime Minister’s Office in 2012 for conflict mediation. Such an effort resulted in resolving “an opposition against the cancellation of the construction of a new Jeongeup station and underground roads for Honam High Speed Rail” which was filed by over 70,000 citizens of 7 cities, including Jeongeup. In addition, six large-scale collective conflicts were successfully completed through cooperation. Today, in order to further systemize and specialize the conflict mediating process, the ACRC is





making the utmost efforts to improve its investigators' abilities in conflict mediation with training programs in cooperation with the Korea Institute of Public Administration.

### Prevention of Complaints

In addition to handling filed complaints, the ACRC has carried out policy-formulating role for the administrative organizations in order to prevent complaints. This measure was taken upon the conclusion that handling complaints after they are filed to the ACRC is not a sufficient response in a situation where the demand for complaint handling is remarkably increasing every year.

Based on the Anti-Corruption and Civil Rights Commission Act (Article 12 Subparagraph 1), the ACRC has carried out a partially political function such as consulting on complaints and surveys on complaint handling in an attempt to prevent the rise of complaints. But in order for the ACRC to play a more active role for the administrative organizations, institutional improvements are necessary, including the realignment of relations with the Civil Affairs Treatment Act. The issue will be further discussed in Chapter 4. Development of the National Ombudsman.

The political functions that the ACRC has carried out under the current government can be categorized into the prevention of complaints, the improvement of the complaint handling abilities of organizations, and the reinforcement of responsibilities in complaint handling.

#### (1) Prevention of Complaints

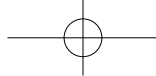
The first action the ACRC took in order to prevent the complaints against the administrative organizations was consulting service. The ACRC selected and visited organizations that received the highest

number of corrective recommendations or had the highest non-acceptance rate in order to diagnose the overall process of complaint handling, including the foundation of complaint managing, complaint handling, institutional improvement and customer management. By doing so, the ACRC proposed reform measures. The comprehensive consulting service started in 2009. The ACRC chose 4 organizations, including the Ministry of Land, Transport and Maritime Affairs for a pilot consultation in 2009, and expanded the service to 10 organizations in 2010, including the Korea Water Resources Corporation and Gangdong-gu of Seoul. It also chose 16 organizations in 2011, including the Korea Land and Housing Corporation (LH), the SH Corporation, and the Offices of Education.

In response to the requests for consulting services regarding the complaints without clear causes of handling, the ACRC introduced "the Advisory System for Prior-Complaint Handling" in 2012 through which similar complaints and experiences are shared, and the "New Decision Alarm System amongst Related Organizations," which requires the Commission to notify accepted cases to the related authorities so that similar complaints can be prevented.

#### (2) Improvement of Abilities in Complaint Handling

The ACRC has conducted various activities to enable organizations to acquire the appropriate abilities to resolve complaints by themselves. First, in 2009, the ACRC started to draw out guidance on complaint handling, which contains ways to handle complaints, and distributed it to organizations of different levels. The Commission also encouraged organizations to form a separate team dedicated to complaint handling. According to a survey that the ACRC conducted from February to April 2012, 65% of the central government, local governments and public organizations have separate teams in charge of complaint handling within the organizations. A total of



28 central government bodies, 8 local governments, 154 lower-level local governments, 11 offices of education and 27 public organizations have dedicated teams for complaint handling.

Furthermore, the ACRC has a policy goal of establishing a framework for the protection of people's rights with which local ombudsmen can handle complaints that arise inside the local areas by themselves. With the goal in mind, the ACRC has promoted the establishment of ombudsmen in local governments through the enactment of related ordinances, support for the selection of ombudsmen, and education.

### (3) Reinforcement of Responsibility in Complaint Handling

In order for an administrative body to establish a system by which it can handle complaints by itself, the responsibility of the body and the willingness of its head are significant factors. Hence, in order to reinforce the responsibility for complaint handling and to facilitate the voluntary efforts to reduce complaints, in 2012, the ACRC introduced "the survey on complaint handling status" and "excellent complaint handling organization certification."

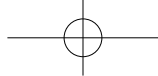
The survey on complaint handling status is one of the major policy projects designed to help organizations diagnose their complaint handling system and the handling status and to make improvements by themselves based on the detailed indicators of the prevention of complaints, resolution of complaints, and management foundation of complaints that were developed by the ACRC. The administrative organizations can have access to related online systems and input data per indicator. The ACRC then reviews and evaluates the factual grounds based on inputs, and provides consulting services to organizations with lower scores. The ACRC opened

the online management system for the first time this year and carried out trials for 16 provinces and cities. The Commission plans to gradually expand the scope of evaluation to local governments and to include all administrative organizations in the near future.

Moreover, in an attempt to set an exemplary complaint handling model, the ACRC selected and accredited excellent organizations in terms of complaint handling and spread the best practices to other organizations. This year, the Commission adopted "excellent complaint handling organization certification." The evaluation indicators are the same as those of the survey on complaint handling status. Though it was the first year since the implementation of the program, the certification received such positive responses from many authorities that 17 organizations applied for the certification, including 4 central government bodies, 8 local governments, and 5 public organizations. The ACRC formed a certification judging committee, which consists of experts from and outside of the Commission. A total of 7 organizations, including Seodaemun-gu, Gangdong-gu, and Anyang-city, were awarded with the certification after going through written examinations and onsite inspections.

### Response to Pending Complaints

Recently, the number of pending complaints that are repeatedly and unreasonably filed by people who are discontent about complaint handling is on the rise. Such cases cause an excessive waste in administrative work as well as stressful conditions for certain public officials. For example, one citizen who was dissatisfied about not being recognized as a person of merit by the Ministry of Patriots and Veterans Affairs filed the same complaint more than 5,300 times over the course of 6 years.



Accordingly, with an aim to systematically analyze and resolve pending complaints and to reduce any waste of administrative work, the ACRC created Special Team for Pending Complaints. The Special Team has received 50 cases transferred from complaint handling departments and resolved 36 cases to date. Also, the ACRC has developed and distributed a response manual for such chronic complaints to share its experience and knowledge in resolving such complaints and to help the relevant organizations respond in a reasonable manner. The Commission also held briefing sessions on such issues.

## Chapter 2 Investigation of Complaints

### Section 1. Complaint Handling Statistics for 2012

Investigating and handling complaints refers to the handling of any complaints related to the infringement of the people's rights and inconvenience or grievance of the people caused by illegal, unfair or passive practices of the administrative/public organizations and irrational administrative systems.

To put it concretely, the bases for a complaint can be classified into four categories: first, illegal/ unfair practices (including factum) or nonfeasance of the administrative organizations, which result in the infringement of the people's rights, inconvenience or grievance; second, passive administrative actions or nonfeasance of the administrative organizations such as ambiguous standards or processing delay; third, the infringement of the people's rights, inconvenience or grievance because of unreasonable administrative systems, ordinances or policies; and fourth, other violations of the people's rights or unfair treatment experienced by the people due to the administration.

Despite the increasing number of complaints filed since its establishment, the ACRC has strived to play an active role as the final complaint handling body within the government. As a result, the Commission succeeded in expanding onsite investigations, shortening the handling period, increasing the accumulative acceptance rate of corrective recommendations, and enhancing the satisfaction level among the people. Compared to the figures collected prior to the establishment of the ACRC, the number of complaints filed and handled increased on average by 32.2% and 33.1%, respectively, in the past 4 years. The average handling period was reduced by 11 days from 32 days to 21 days. Also, the accumulative acceptance rate of corrective recommendations was up 0.9%p, and the satisfaction level jumped to 15.1, which all demonstrated the quantitatively and qualitatively remarkable improvements.

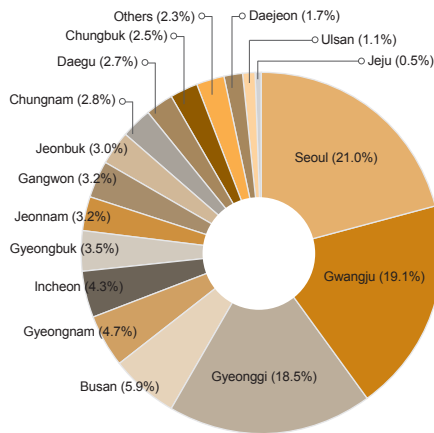
#### Comparison of Key Indicators Before and After the Launch of the ACRC

Category	Before Integration (2007)	5-year Average after Integration (2008-2012)	Comparison
Filed Complaints	23,681	31,311	Up 32.2%
Handled Complaints	23,373	31,101	Up 33.1%
Accumulative Acceptance Rate of Corrective Recommendations (1994-2012)	92.2%	93.1%	Up 0.9%p
Average Handling Period	32 days	21 days	Reduced by 11 days
Satisfaction Level	62.8 * (Q1, 2008)	77.9	Up 15.1

The yearly statistics after 2008 show that the total number of filed and handled complaints increased in step with the development of the internet infrastructure, changes in the social environment and level of national consciousness. Such a phenomenon can be attributed to the convenience of filing complaints via e-People and the people's improved notion for claiming their rights. In addition, there is a higher ratio of simple queries, such as personal views.

The statistics based on the regions that filed complaints for the past 5 years from 2008 to October 2012 showed that Seoul recorded 21.0%, Gwangju 18.5%, Gyeonggi 20.8%, and Busan 5.9%. The metropolitan area that includes Seoul, Gyeonggi, and Incheon showed the highest rate of filed complaints at 43.8%. Also, group complaints have continuously been on the rise since 2009, which requires the ACRC to play a bigger role in resolving big social conflicts.

### The Ratio of Complaints Filed by Region for the Past 5 Years



Seoul, Gwangju, Gyeonggi, Busan, Gyeongnam, Incheon, Gyeongbuk, Jeonnam, Gangwon, Jeonbuk, Chungnam, Daegu, Chungbuk, Others, Daejeon, Ulsan, Jeju

The most remarkable aspects of the complaint filing and handling trend for the 5 years between 2008 and 2012 are that the average handling period was reduced despite the continuously increasing number

of complaints filed and handled, and the people's complaints were resolved in a more active way by seeking various solutions. For example, the acceptance rate repeatedly fluctuated depending on the level of administrative work of organizations, and external factors such as the launch of large-scale development projects and the revision of acts and systems, but "opinion expression" and reinforced "mediation and agreement" helped to resolve more complaints.

Moreover, "the Pre-Review System," which helps to find a way of complaint handling at the outset, and "the Standardized Service System," which guarantees the even quality of services, were introduced. Monitoring throughout the complaint handling process and the overall satisfaction level were strengthened, and the core value of complaint handling was enhanced in this way.

## Section 2. Investigation and Handling of Complaints

### 1. Complaint Handling Statistics by Type

Among the approximately 150,000 complaints filed and handled between 2008 and 2012, the accepted cases stood at 21,213, which include corrective recommendation, expression of opinion, mediation, and agreement. The acceptance rate on average for the past 5 years posted 17.9%

### Complaint Handling by Type in the Past 5 Years

(Unit: Case)

Year	Filed	Handled	Complaint										Simple Query
			Total	Corrective Recommendation	Opinion Expression	Mediation, Agreement	Guidance, Dismissal	Rejection	Transfer, Referral	Guidance, Reply	Close	Withdrawal	
Total	156,370	155,506	117,471	3,153	1,870	16,190	18,734	4,077	1,616	34,873	28,516	8,442	38,035
'08.	27,372	27,509	26,046	1,286	454	3,985	7,703	1,232	437	4,287	4,871	1,791	1,463
'09.	29,716	28,163	24,060	702	360	3,759	4,666	945	576	6,516	5,067	1,469	4,103
'10.	32,584	34,510	27,043	480	271	3,282	3,223	912	357	10,191	6,622	1,705	7,467
'11.	32,351	32,082	20,152	349	315	2,350	1,578	526	50	5,577	7,638	1,769	11,930
'12.	34,347	33,242	20,170	336	470	2,814	1,564	462	196	8,302	4,318	1,708	13,072

\* The ACRC was ranked no. 1 among the central government bodies in terms of the level of difficulty and the acceptance rate of complaints in a survey by the Prime Minister's Office in 2010.

As the final governmental body in charge of complaint handling, the ACRC faced many difficulties in resolving complaints and controlling the satisfaction level because of the level of difficulty of the complaints. The Commission, however, succeeded in continuously improving the satisfaction level, which can be dubbed the ultimate performance indicator, due to surveys and evaluations on the satisfaction level and training programs for improving the abilities of investigators on a regular basis.

### Changes in the Satisfaction Level in the Past 5 Years

Category	2008	2009	2010	2011	2012.
Overall Satisfaction Level	66.0	72.1	79.3	86.5	85.6
Accepted	77.4	82.7	87.2	90.3	88.5
Not Accepted	54.6	61.5	66.0	72.6	74.5

※ The difference between the satisfaction level in accepted and not-accepted cases continuously reduced every year. (22.8→21.2→21.2→17.7→14.4)

※ The ACRC was chosen as the Excellent Organization that increased the satisfaction level regarding complaints in the government performance review in 2011.

## 2. Complaint Handling Statistics by Sector

The complaints filed and handled in the past 5 years from 2008 to 2012 showed both an increase and a decrease. The order is as follows: city (7.2%), police (6.8%), road (5.7%), health and welfare (5.6%), and civil cases (5.1%).

### Complaint Handling by Sector in the Past 5 Years

Category		Total	'08.	'09.	'10.	'11.	'12.
No	Total	155,506	27,509	28,163	34,510	32,082	33,242
1	Construction	4,025	1,079	789	961	528	668
2	Police	10,628	2,567	2,547	2,655	1,330	1,529
3	Education	1,512	352	331	309	161	359
4	Traffic	5,042	1,143	1,169	1,195	649	886
5	National Defense	3,245	1,152	625	501	442	525
6	Military	1,314	38	383	265	186	442
7	Labor	5,994	963	1,012	1,679	1,190	1,150
8	Agriculture and Forestry	4,347	899	741	978	790	939
9	Road	8,938	2,113	2,004	1,940	1,370	1,511
10	City	11,226	2,663	2,595	2,645	1,490	1,833
11	Culture and Tourism	1,259	501	252	215	134	157
12	Civil Case	7,907	1,535	2,071	2,302	1,349	650
13	Broadcasting and Telecommunication	1,182	284	140	246	167	345
14	Health and Welfare	8,667	1,481	1,849	1,962	1,588	1,787
15	Veterans	6,862	1,129	1,224	1,420	2,404	685
16	Industrial Source	3,505	828	548	781	627	721
17	Tax	7,866	1,477	1,443	1,934	1,671	1,341
18	Water Resources	2,294	344	462	618	468	402
19	Foreign Affairs and Unification	306	145	65	34	34	28
20	Human Resources Affairs	1,216	284	288	212	194	238
21	Finance	4,090	829	606	1,095	699	861
22	Housing	7,361	2,191	1,665	1,920	759	826
23	Maritime	520	126	62	107	78	147
24	Administration and Safety	3,896	850	829	818	615	784
25	Environment	3,569	1,039	647	715	568	600
26	Others	38,735	1,497	3,816	7,003	12,591	13,828

### Section 3. Corrective Recommendations

#### 1. Overview of Corrective Recommendations

When any illegal or unfair practices of an administrative body are discovered during an investigation into a filed complaint, the ACRC can send corrective recommendations to certain organizations in accordance with the first clause of Article 46 in the Act on Anti-corruption and the Establishment and Operation of the Anti-corruption and Civil Rights Commission. From its launch up to 2012, the ACRC has issued corrective recommendations for 2,870 cases.

#### 2. Corrective Recommendations by Type of Organization

The central administrative organizations received 1,175 corrective recommendations (40.9%), the local autonomous entities received 757 such cases (26.4%), and the public organizations and institutions 914 cases (31.8%).

Among the 1,175 corrective recommendations given to the central organizations, the National Tax Service received 460 (39.1%) and the National Police Agency 294 (25.0%), accounting for 64.1% of the total. Among 757 corrective recommendations passed onto local entities, Gyeonggi-do received the highest number of 201 (26.7%), followed by the Seoul Metropolitan Government, 160 (21.1%), Gyeongsanbuk-do, 49 (6.5%), Busan Metropolitan City, 48 (6.3%), and Gangwon-do, which received 45 (5.9%). The local governments located in the greater capital area received 361 cases, accounting for 47.7%.

Among 914 corrective recommendations given to the public organizations and institutions, Korea Land & Housing Corporation received 509 (55.7%), Korea Expressway Corporation received 83 (9.1%), and Korea Rail Network Authority, 70 (7.7%).

#### Corrective Recommendations by Type of Organization (Feb. 29, 2008 – Dec. 31, 2012)

	Total	Central Administrative Organization						Local Autonomous Entity					
		Total	National Tax Service	National Police Agency	Ministry of Land, Transport and Maritime Affairs	Ministry of Defense	Others	Total	Gyeonggi-do	Seoul Metropolitan Gov.	Gyeongsanbuk-do	Busan Metropolitan City	Others
Corrective Recommendations (case)	2,870	1,175	460	294	179	111	131	757	201	160	49	48	299
Percentage (%)	100	40.9	16.0	10.2	6.2	3.9	4.6	26.4	7.0	5.6	1.7	1.7	10.4

	Total	Public Organization or Institution					Others	
		Total	Korea Land & Housing Corporation	Korea Expressway Corporation	Korea Rail Network Authority	Others	Others.	
Corrective Recommendations (case)	914		509		83	70	252	24
Percentage (%)	31.9		17.7		2.9	2.5	8.8	0.8

※ The number of recommendations for cities and provinces includes the numbers for local district offices.

### 3. Corrective Recommendations by Sector

When classifying based on the sector, the urban & water resources sector received the highest number of recommendations at 827 (28.8%), followed by the finance & taxation sector with 518(18.8%), and the road and transportation that received 464 (16.2%), accounting for over 63.0% in total.

by public organizations and institutions. The lower acceptance rate for public organizations compared to other public and autonomous organizations shows that those organizations act in a passive way when accepting recommendations. The push for them to increase this rate has been reinforced by holding meetings with the heads of the organizations.

Corrective Recommendations by Sector (Feb. 29, 2008 – Dec. 31, 2012)

	Total	Urban & Water resources	Finance & taxation	Road and Transportation	Police	Industry, Agro-Forestry & Environment	National Defense, Patriot & Veterans	Housing & Construction	Welfare & Labor	Administration, Culture & Education
Corrective Recommendations (case)	2,870	827	518	464	308	190	188	139	137	99
Percentage (%)	100	28.8	18.0	16.2	10.7	6.6	6.6	4.8	4.8	3.4

### 4. Implementation of Corrective Recommendations

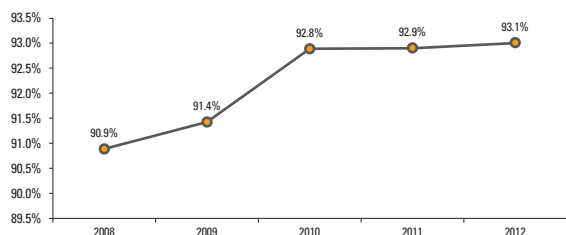
Among 2,870 corrective recommendations that have been made by the ACRC until the end of 2012, 2,623 cases (91.4%) were implemented while 202 cases (7.0%) were not implemented.

Implementation of Corrective Recommendations (Feb. 29, 2008 – Dec. 31, 2012)

	Total	Accepted		Not Accepted		Undecided
		Subtotal	Acceptance Rate	Subtotal	Non-Acceptance Rate	
Total	2,870	2,623	91.4%	202	7.0%	45
Central Administrative Organization	1,175	1,128	96.0%	45	3.8%	2
Local governments	757	686	90.6%	46	6.1%	25
Public Organization and Group	914	788	86.2%	108	11.8%	18
Others	24	21	87.5%	3	12.5%	

The accumulated acceptance rates by year since 1994 have been on the rise, from 90.0% in 2008 to 91.4% in 2009, 92.8% in 2010, 92.9% in 2011, and 93.1% in 2012.

Accumulated Acceptance Rates by Year



※ The number of recommendations for cities and provinces includes the number of local district offices.

The acceptance rates by type of organization were 96.0% by central administrative organizations, followed by 86.2% by local governments, and 86.2%

By sector, the highest implementation rate was posted by the police (99.7%), followed by national defense, patriots & veterans (96.8%), finance & taxation (87.0%), and administration, culture & education (94.9%) while the lowest implementation rate was recorded by the urban & water resources sector (86.5%), and the welfare & labor sector (80.3%).

## Implementation of Corrective Recommendations by Sector (Feb. 29, 2008 – Dec. 31, 2012)

	Total	Accepted		Not Accepted		Undecided
		Subtotal	Acceptance Rate	Subtotal	Non-Acceptance rate	
Total	2,870	2,623	91.4%	202	7.0%	45
Police	308	307	99.7%	1	0.3%	
National Defense, Patriots & Veterans	188	182	96.8%	6	3.2%	
Administration, Culture & Education	99	94	94.9%	2	2.0%	3
Finance & Taxation	518	492	95.2%	23	4.4%	2
Road and Transportation	464	429	92.5%	28	6.0%	7
Housing & Construction	139	125	89.9%	10	7.2%	4
Urban & Water Resources	827	715	86.5%	93	11.2%	19
Industry, Agro-Forestry & Environment	190	168	88.4%	15	7.9%	7
Welfare & Labor	137	110	80.3%	24	17.5%	3

### 5. Efforts to Enhance the Implementation of Corrective Recommendations

To secure effectiveness in opinion expression as well as corrective recommendations, a comprehensive review and revision was made for post-handling management statistics and a customized strategy was developed. The implementation was encouraged by working-level (4,096 cases for 495 organizations) and by high-ranking public officials (7 times, 1,750 cases for 20 organizations). In addition, meetings among 45 complaint handling related organizations were held 9 times and disclosure via the media was a closely related factor, resulting in bringing the acceptance rate of 93.1% of corrective recommendations that have been filed since 1994.

#### Secton 4. Agreement

##### 1. Overview of Agreement

The ACRC strives to address complaints in a practical way in order to satisfy those who have filed complaints. But if complaint handling is based on a related Act and merely by means of making a

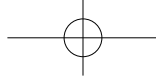
corrective recommendation or opinion expression and the administrative agencies do not accept them or it takes a long time to correct, it would be difficult to fundamentally solve the problem even though the complaint is dealt with.

To overcome such a limitation, the ACRC actively encourages using 'settlement by agreement' to handle complaints. The method of reaching an agreement is likely to solve problems in a relatively short period and is a win-win strategy that satisfies both applicants and respondents. This is particularly effective for handling a public conflict or a complaint involving multiple applicants.

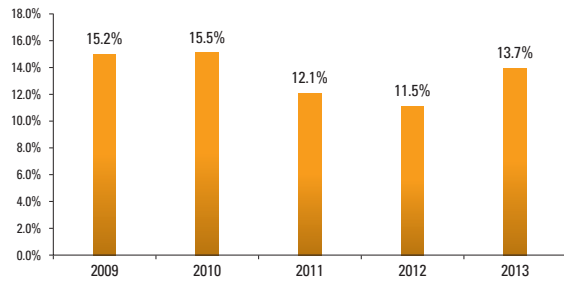
##### 2. Trends of Agreement

Out of 16,046 complaints handled from 2008 to 2012, 16,046 cases were addressed by agreement, recording an average rate of 13.2% for 5 years. This was the highest rate and was able to be reached by the ACRC's efforts to find out a compromising point between the complainant and the concerned organization. The trend has fluctuated, but is keeping its upward trend as of 2012.





### Trends of Complaint Handling and Agreement for 5 Yrs.



### 3. Agreement by Sector

From 2008 to 2012, the road sector reached the highest rate of agreements with 10.9%, followed by the

urban sector 8.8%, housing 7.8%, health and welfare 7.4%, and police service 7.2%. Specifically, high rates of agreements have been seen in the following sectors: compensation for the damage caused by road constructions; installation and repair of road facilities; changes of planned municipal facilities; designation/revocation of and compensation for housing site development districts; repair of defects in multi-unit dwellings; social welfare & basic livelihood security; and general police administration and investigation.

### Agreements by Sector for 5 Years

Ranking	Sector	Total	Percentage	2008	2009	2010	2011	2012
	<b>Total</b>	<b>16,046</b>	<b>100%</b>	<b>3,952</b>	<b>3,733</b>	<b>3,263</b>	<b>2,326</b>	<b>2,772</b>
1	Road	1,745	10.9%	458	370	358	272	287
2	Urban	1,405	8.8%	326	347	316	154	262
3	Housing	1,252	7.8%	432	271	236	148	165
4	Health & Welfare	1,182	7.4%	178	265	236	239	264
5	Police	1,150	7.2%	235	304	274	159	178
6	Taxation	1,096	6.8%	189	231	245	195	236
7	Administration & Safety	948	5.9%	170	219	223	178	158
8	Transportation	790	4.9%	249	182	149	88	122
9	Construction	783	4.9%	181	171	168	117	146
10	Agr0-Forestry	720	4.5%	115	157	172	111	165
11	Environment	659	4.1%	195	170	94	79	121
12	Industry & Resources	553	3.4%	190	89	74	83	117
13	National Defense	530	3.3%	206	104	94	53	73
14	Finance	508	3.2%	147	84	77	84	116
15	Education	488	3.0%	166	149	91	27	55
16	Water Resource	455	2.8%	67	106	96	81	105
17	Broadcasting	267	1.7%	135	60	46	19	7
18	Culture & Tourism	261	1.6%	73	66	56	42	24
19	Personnel Affairs & Administration	257	1.6%	64	100	43	36	14
20	National	236	1.5%	34	46	43	63	50
21	Military	225	1.4%	15	104	51	23	32
22	Patriots & Veterans	225	1.4%	58	56	53	22	36
23	Maritime Affairs	146	0.9%	40	34	26	27	19
24	Civil Cases & Judicial Affairs	79	0.5%	-	19	34	12	14
25	Foreign Affairs & Unification	77	0.5%	26	25	8	14	4
26	Others	9	0.1%	3	4	-	-	2

## Chapter 3 Active Horizontal Policy Communication with the People

### Section 1. Operation of e-People

#### 1. One-Stop Administrative Service through e-People

The ACRC aims to faithfully carry out its duty as a communication channel between the people and the government. Under the slogan “No voice left unheard,” the Commission integrated communication channels for public complaint, suggestion and policy discussion that had been operated by different administrative organizations and created an online communication channel called “e-People.”

Starting with the integration of the complaint handling systems of 7 central administrative bodies in 2005, e-People has integrated and connected communication channels of 691 organizations, including local governments and public organizations, until 2012. Accordingly, the number of complaints filed via e-People tripled from 402,442 in 2006 to 1,247,711 in 2012.

The e-people worked to improve transparency and efficiency during the process of receiving and handling reports directly linked to the public interests and to enhance the convenience of the people. Moreover, in March 2012, e-People integrated the budget waste report centers of 284 central and local governments and established a channel to receive and handle public interest whistleblowing for health, environment and safety in December that same year.

#### 2. e-People Resolves Chronic Problems in Complaint Handling

The establishment of a one-stop complaint handling

process in e-People has helped to eradicate chronic causes of dissatisfaction in complaint handling that has been ongoing for the past 60 years since the launch of the Korean government, laying a foundation to realize the advanced administrative services for the people.

#### Improvements with Establishment of e-People

Chronic Problems	Prior to e-People	After the Establishment of e-People
Lack of one-stop service	Make inquiries to multiple organizations when unclear about the relevant organizations	Redistribute inquiries to the most appropriate organizations in real time
Lack of one-stop service	Different organizations handle the same complaint	Deal with overlapping complaints as a single complaint
Delayed complaint handling	Absence of a monitoring system on the compliance of the relevant organizations	Analyze and control delayed complaint handling through evaluation
Insincere answers	Difficult to improve the service quality through satisfaction evaluation	Require additional answers for unsatisfied complaints and conduct additional satisfaction evaluations (2nd & 3rd)
Complaint handling by public officials who caused such complaints	Pass on accusing complaints to be handled by the public officials concerned	Avoid the organization/department/public official concerned so that such complaints can be handled by upper organizations or auditing departments

Complaint handling by public officials who caused such complaints Pass on accusing complaints to be handled by the public officials concerned Avoid the organization/department/public official concerned so that such complaints can be handled by upper organizations or auditing departments

In order to respond to the rapidly changing ICT environment following the development of SNS, the ACRC has launched various mobile-based services such as smart phone applications. Such innovative efforts for services have enabled the satisfaction ratio that was merely 30% in 2005 to jump to 65.2% in 2012.

For overseas Koreans and foreign residents living in Korea, complaint handling services in 11 foreign languages were launched in a series, from English, Chinese and Japanese in June 2008 to the languages



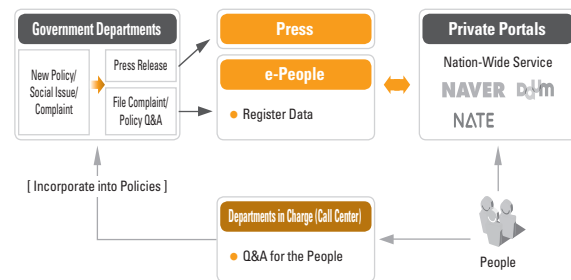
of Sri Lanka (Sinhala) in 2012. In the case of Indonesia, Uzbekistan and Thailand, the Koreans residing in these countries can submit their complaints to the government of their residing country through the joint operation of e-People. This system has significantly improved the access of overseas Koreans to the complaint handling service. The ACRC plans to cooperate with more countries for the joint operation of e-People in the future so that the protection of the people and improved mutual trust can contribute to raising the national status.

### 3. e-People Strengthens Communication with the People

In order to help people easily access the administrative information accumulated on the government-wide online portals, e-People collected “complaint-related Q&As” of different organizations and “policy-related Q&As” on major policies to launch “the e-People Complaint/Policy Q&A Service.” The Complaint/Policy Q&A Service is provided through search engines on private portal websites such as Naver, Daum and Nate. To users of e-People, previously dealt Q&As that are similar to the users’ questions are shown on the screen beforehand.

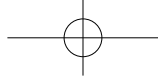
A total of 130,000 Complaint/Policy Q&As were accumulated and provided up to 2012, and approximately 80,000 questions are searched daily on private portal sites. On the e-People website, 31,018 complaints were cancelled, and consequently the administrative budget was saved by approximately KRW 3.5 billion.

#### Process of Complaint/Policy Q&A Service on Private Portals



Moreover, e-People laid the groundwork to facilitate policy-related discussions so that communication between the government and the people could be further improved. In 2012, in order to further communicate with the 2040 Generation (people between the ages of 20 and 40) who are the driving force for the future of Korea, the subjects that are close at the heart of the 2040 Generation such as infant and child care, youth employment, education reform and residential issues were chosen as the topics of policy discussion on e-People. The e-People collaborated with private portals such as Daum and Naver and expanded the online discussion channels for the people to easily participate in the discussions.

In addition, various complaints regarding the main topics filed through e-People were analyzed and integrated with the outcomes of the discussions so that the voices from the sites can be incorporated in policies. The outcomes of the discussions were passed to the Executive Office of the President, responsible organizations and mass media organizations to make the people’s voices be heard when dealing with policies. Owing to such efforts, a measure to revise policies for supporting infants and children was designed not through demonstration or assembly but through discussions, opening new opportunities for administrative work in Korea. The ACRC will strive further to promote the policy discussions on e-People to make it more active and explore appropriate topics for discussion.



#### 4. e-People Gaining Worldwide Recognition

The efforts and achievements of e-People have been recognized in the international community. The e-People has been introduced every year as the best practice case of e-government in many international events and has received prestigious awards in related evaluations.

In 2012, e-People was presented as the best form of e-government in the I.O.I. Regional Training Programme Asia and Australasia & Pacific Regions in May and the 8th MENA-OECD Conference in October. Also, the ACRC is discussing with several countries, including Tunisia and Russia, to export e-People.

Meanwhile, Korea placed first in the UN E-Government Survey for two consecutive years in 2010 and 2012. Two indexes for evaluation, namely online development and online participation, played a decisive role in putting Korea in first place.

##### Major Awards Won by e-People

- UN Public Service Awards (June 2011)
- Passed the 1st Evaluation of the ReinhardMohn 2011 (August 2010)
- Exhibition at the CeBIT Australia 2009 (May 2009)
- Best Demonstration Stand at the e-Challenge 2008 (European e-Gov and IT Conference) (October 2008)
- Best Practice at the e-government's Five-year Performance Competition, the Prime Minister Award (September 2007)
- "International Certified Brand" Prize at the Government Innovative Brand Competition (November 2006)
- Asia's Best Practice by the IOI (October 2006)
- Top 10 in the World's e-Gov Forum in France (October 2006)

#### Section 2. The 110 Government Call Center

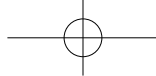
##### 1. Operation of the 110 Government Call Center

The 110 Government Call Center is an integrated government-operated call service hub that services all government-related inquiries. The phone number of "110" works everywhere across the country, improving accessibility to government services. It is not an automated voice system (ARS). Every call is received by an ACRC counsellor, resulting in minimal inconveniences for service users. General inquiries are directly dealt with by the ACRC, while complex inquiries are forwarded to the relevant organizations.

A total of 317 organizations are equipped with staff dedicated to answering calls forwarded from the 110 Call Center, including 40 central administrative agencies, 16 metropolitan or provincial organizations, 230 local governments, 16 metropolitan or provincial offices of education, and 15 public organizations.

The Call Center initiated its nationwide service on May 10, 2007, and now has 129 counsellors and operates from 8 AM to 9 PM weekdays and 9 AM to 1 PM on Saturdays. On Sundays and national holidays, incoming calls are transferred to voicemail (ARS) and dealt with in the morning of the next business day.

In addition to placing a direct call, another way to use the service is to send a text message because text message counselling is up and running. It is also possible to access the website ([www.110.go.kr](http://www.110.go.kr)) and make a reservation for call counselling. Moreover, since July 2010, the Call Center has been providing a "Smart 110 Service" for smart phone users, creating a mobile website ([m.110.go.kr](http://m.110.go.kr)) with text message counselling service, reservation service, and information about government policies in a Q&A format.



The Call Center has also been operating a video counselling system for the hearing-impaired. In order to enhance the convenience, particularly of service users who have language or hearing disabilities and internet and smart phone users, the Call Center established a chat and video counselling system for PCs and smart phones in order that people who are unable to use the voice-based counselling service can have easy access to the counselling service. In addition, a real time SNS counselling service is available on Twitter and Facebook.

## 2. Inquiries and Complaints Handled by the 110 Government Call Center

The average number of daily calls received by the 110 Call Center had been continuously increasing from 5,808 in 2007 to 5,824 in 2008, 6,251 in 2009, 7,592 in 2010, and 8,594 in 2011. In 2012, however, the number was 8,416, a 2.1% drop from the previous year.

The Call Center received a total of 2,138,659 calls in 2012. Among these, the Center responded to 1,973,672 calls and handled 2,195,028 inquiries and complaints in total. The figures show that more than one inquiry or complaint is made per call.

A survey on the satisfaction with the call service showed that the average rate of satisfaction reached about 90.3% in 2012, a 2.3% increase from the 88% of the previous year.

## 3. Improvement of the Quality of the Counselling Service and User Satisfaction

### Service Level Agreement (SLA) Signed to Improve the Outsourced Operation

SLA was signed with the outsourced-operation partner to increase the productivity and the efficiency of the 110 Government Call Center. Specific criteria

were laid down to check their performance, such as the monthly answering rate, service level, counselling quality assessment, user satisfaction level, and counsellor's work-related knowledge.

### Counsellor Training and Management of Counselling Quality

In an effort to improve service quality, the ACRC provides regular training for counsellors to improve their work-related knowledge and service attitude. To this end, it regularly monitors and assesses the quality of phone counselling. The assessment and monitoring results are reflected in their performance evaluation, or counsellors are provided with individual coaching to maintain a high quality of service.

### The 110 CS Academy

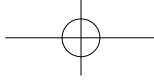
For those in charge of the call service in each of the 317 organizations, the ACRC provides training programs 4 times a year about responding to claims, developing customer service action plans based on DISC (Dominance, Influence, Steadiness, and Conscientiousness), building emotional communication, and phone-answering techniques.

### Happy-Call

The 110 Government Call Center is operating the so-called Happy-Call system on a monthly basis to raise its service quality. Under this system, a counsellor places a follow-up call to a complainant to give the result of their complaints or inquiries, and listens to any further complaints.

## 4. Future Plans

In 2013, based on the Government Call Center Advancement Scheme, which will integrate all government call centers except for those that require



urgent and professional assistance, the ACRC will first integrate 10 call centers in 2013.

Also, to provide up-to-date and accurate information, the “110 CS Academy” will vitalize the training for public officials and serve as a leading facility for government call centers to make a close connection with the 317 organizations nationwide and to reduce complaints.

### **Section 3. Operation of Counselling Service Centers**

In addition to the call service (110 Government Call Center) and the online service (e-People), the ACRC operates counselling service centers to offer face-to-face counselling about overall complaints and administrative works. A total of 11 counselling service centers are located in major cities, including Seoul, Daejeon, Busan, Daegu, Gwangju, Jeonju and Jeju, and additional centers opened in Gangneung and Ulsan in 2012.

At the 11 counselling service centers, experts in different fields are dispatched to improve the quality of services nationwide, including 24 honorary counsellors who are mostly retired public officials with extensive public service experience, 108 lawyers, 77 judicial scriveners, 70 certified labor attorneys and 7 certified public appraisers. The number of people who used the counselling service centers in 2012 was 28,966, and an average of 116 residents visited the centers per day.

### **Section 4. Support for Policy Improvement through Analysis of Complaints**

Since its establishment, the ACRC has collected and analyzed an average of 10,000 civil complaints and proposals a day received through e-People and the 110 Government Call Center to promptly communicate the people’s opinions to all levels of public organizations. It has contributed to national

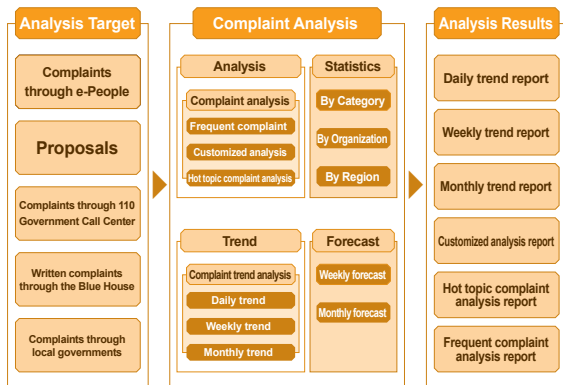
integration by analyzing the different voices of people and providing daily, weekly, and monthly reports.

As the social environment is rapidly changing, people are speaking out on various policies and systems. In light of this, it is becoming more important for the government to collect people’s opinions and demands and to incorporate them for the improvement of policies. Accordingly, the ACRC comprehensively analyzed the people’s opinions received through e-People and the 110 Government Call Center in order to play a central role as policy ombudsman by figuring out the social issues or policy-related problems that have not been found in the policy-making and execution processes and by proactively suggesting the necessity of policy supplement and institutional improvement.

The ACRC has carried out customized analysis for public agencies as well as analysis for frequent complaints related to daily life and complaints regarding important social issues, and reported the results to related government agencies for them to establish countermeasures and to supplement their policies.

In 2010, the Commission introduced the online complaint analysis system to analyze the voices of people in a more scientific and statistical way, going beyond the existing manual work of analysts that only focus on case analyses. In 2011, as the second phase of the project, the Commission also laid the foundation to enhance and share the complaint analysis system. In 2012, the ACRC strengthened its functions of communication and integration as well as policy support by developing a complaint-predicting and early-warning system, improving the quality of complaint analysis, and enhancing the cycling system as the third phase of the project.

## Complaint Analysis Work Procedure



### 1. Policy Improvement through Complaint Analysis

#### “Voices of the People Weekly”

The ACRC compiles and systematically analyzes over 10,000 complaints per day filed with the 110 Government Call Center (about 7,000 complaints a day), e-People (about 3,000 a day), and Public Proposals (about 300 complaints a day). The analysis results are published in Voices of the People Weekly, and provided to 243 government organizations, including the Presidential Office, the Prime Minister’s Office, central government offices, and local government offices.

The Commission analyzed unreasonable institutions and systems that form themselves in the blind spots of administration, and collected people’s ideas about how these affect their daily lives. Part of this effort has been offering support for a “low-income class friendly policy,” providing a vision for state affairs, as well as monitoring civil complaints filed with each public agency on a regular basis to improve their polices.

In 2012, the ACRC made efforts to solve peoples’ inconveniences and improve policies by providing 310 analysis reports: 50 frequent analyses, including analyses on social issues, customized analyses, and frequent complaint analyses, and 260 regular

analyses, including daily, weekly, and monthly reports. In particular, the ACRC has encouraged administrative changes by providing information on a total of 206 cases of complaint analysis for public organizations through the Voices of the People Weekly, of which 29 cases were used for institutional improvement, 11 cases were used for duty and improvement of work procedures, and 50 cases were incorporated into policies such as strengthening PR and education.

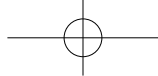
#### Current Status of Using “Voices of the People Weekly” by Public Organizations

	Type of Policy Reflection							Provision of information	
	Total	Sub-total	Institutional improvement	Improvement of work procedure	Promotion enhancement	Training of officials	Policy reference		
1 <sup>st</sup> half of 2012	153 (100%)	68 (44.4%)	30 (19.6%)	21 (13.7%)	9 (5.9%)	5 (3.3%)	2 (1.3%)	31 (20.3%)	85 (55.6%)
2 <sup>nd</sup> half of 2012	53 (100%)	22 (41.5%)	10 (18.9%)	8 (15.1%)	2 (3.8%)	1 (1.9%)	2 (3.8%)	9 (17.0%)	31 (58.5%)
2012	206 (100%)	90 (43.7%)	40 (19.4%)	29 (14.1%)	11 (5.3%)	6 (2.9%)	4 (2.0%)	40 (19.4%)	116 (56.3%)

\* Institutional improvement refers to newly creating, supplementing, or abolishing concerned laws and regulations, guidelines, manuals, and plans; improvement of work procedure means conditional changes (manpower, organization, work conditions, etc.) or development of computerized programs.

#### Voluntary Policy Improvement by Analyzing and Providing Frequently Filed Complaints

The ACRC has identified and analyzed complaints frequently filed by many complainants among the complaints addressed in a similar way by all levels of public organizations, and provided the information to the organizations for them to fundamentally come up with countermeasures against the frequent complaints, minimizing the waste of administrative power and resolving the inconvenience of the people.



The Commission has also identified laws and work procedures that frequently produce complaints in diverse areas such as small-amount payment via mobile devices, child-care fees, health care, and employment policies and come up with countermeasures to fundamentally prevent such complaints for the socially vulnerable, supporting the friendly policies for low-income people.

In 2012, public organizations voluntarily supplemented their policies or came up with countermeasures against 22 complaints frequently filed by people.

### Countermeasures to Solve Frequently Filed Complaints in 2012

Period in 2012	Total	Type of Improvement Plan		
		Policy / Institution	Work Procedure	Promotion / Education
10	7 (100%)	5 (71.4%)	2 (28.6%)	-
20	7 (100%)	3 (42.9%)	1 (14.3%)	3 (42.9%)
30	8 (100%)	4 (50.0%)	1 (12.5%)	3 (37.5%)
Total	22 (100%)	12 (54.5%)	4 (18.2%)	6 (27.3%)

### Customized Analysis of Complaints

The ACRC has provided an analysis of complaints by the request of government bodies when their failure to accommodate a problem into their policy making has resulted in problems and social issues. To do this, the ACRC conducted demand surveys on complaint information required for government organizations to complement policies and institutions or to improve their work. By producing customized complaint information focusing on the demands of each organization, policy maker, and executor, it has improved timeliness and confidence in government policies.

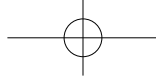
Specifically, in 2011, the ACRC analyzed the complaints on 5 issues, including the Employment Success Package Project of the Ministry of Employment and Labor, the permissions and licenses of the Korea Forest Service, and the Social Integration Program of the Ministry of Justice. In 2012, it also conducted an in-depth analysis on 6 issues, such as the complaints about the existence of underground tunnels of the Ministry of Defense, the approval of loaning of national forest of the Korea Forest Service, and the afterschool education of the Ministry of Education, Science and Technology, to provide the concerned ministries with the necessary information to improve their policies.

### 2. Establishment and Enhancement of the Complaint Analysis System

The ACRC improved its functions of analyzing complaints for the voices of the people to be incorporated into policies in a systematical and comprehensive manner. With the pre-existing method of analysis that relied on manpower, it was difficult to scientifically approach the information and there were limitations to promptly figuring out the complaints. The ACRC therefore established a Complaint Analysis System to combine individual complaints, define the cause-and-effect, support the comprehensive judgments of analysts, and predict/warn of complaints in the early stage.

In 2010, as the first stage, the ACRC established the infrastructure of the Complaint Analysis System and collection and analysis system. As the second stage, in 2011, the ACRC developed the Complaints Analysis System by creating various analysis tools and upgrading its analysis and statistics techniques, as well as establishing a foundation for the joint use system by government agencies. In 2012, it pushed forward the third stage by establishing a complaint prediction and forecasting system, enhancing the functions of policy circulation management, and





expanding the number of government agencies to share the joint use system.

### 3. Future Plans

The ACRC will pre-emptively analyze and provide the different voices of people to contribute to the integration of and communication with people and support people-friendly policy making by increasing the rates of incorporating complaints into policies by analyzing complaints from the perspective of people and enhancing the management system for policy circulation. To this end, it will also promote complaint prediction and forecasting service to improve the effectiveness of complaints analysis, enhance the policy circulation system and communication with people by expanding the number of government agencies sharing the joint use system, upgrade the quality of complaint analysis, and build the analysis capacity of complaint analysts.

#### Prevention and Prediction of Civil Complaints & Forecasting Service

In order to prevent social conflicts and solve people's inconveniences in advance, the ACRC will pre-emptively predict and analyze the social issues that may draw much attention from the public. To this end, it will detect the signs of social issues in the media or a surge of civil complaints in advance and warn the relevant government agencies for them to make timely countermeasures.

#### Strengthening Policy Circulation and Communication with the People

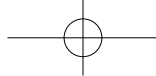
At present, 20 government agencies, including the Ministry of Land, Transport, and Maritime Affairs, Ministry of Defense and the Ministry of Public Administration and Safety, are jointly sharing the Complaints Analysis System. But the Commission is

planning to further promote the use of the system by gradually increasing the number of agencies after conducting a demand survey targeting central government agencies. In the long-term perspective, it considers including local governments to share the system. In addition, the ACRC will strengthen the system to cooperate and share policies among the agencies to register and manage their status through the analysis system after the ACRC provides analysis results such as daily, weekly, and monthly reports to the concerned agencies, as well as to track and analyze the current trends before and after the improvement of policies.

#### Capacity Building of Analysts and Upgrading the Quality of Analyses

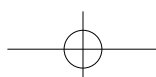
The ACRC will use the information not only about civil complaints and counselling but also online public opinion and those from policy discussions on e-People. It will also expand the range of civil complaint analysis from central government agencies, major government policies, and wasted budget report to local administrative agencies and state-owned companies, which are closely related to the daily lives of people.

The ACRC will upgrade the analysis quality of complaints by effectively using the Complaint Analysis System, securing professionals who have much experience and knowledge to pre-emptively figure out the social meanings and lessons to be reflected in policies among voluminous complaints, and building the capacity of analysts by developing analysis techniques and opening training courses.



**ACRC KOREA Annual Report 2012**

We will make a fair and just society  
focusing on field-oriented administration





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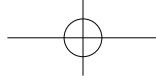
We will make a fair and just society focusing on field-oriented administration

# Part 3

## Fighting Corruption

- **Chapter 1** Supporting Public Offices to Improve Integrity
- **Chapter 2** Monitoring Corruption and Violations of the Code of Conduct
- **Chapter 3** Integrity Education and Anti-Corruption Promotion





## Part 3

### Fighting Corruption

#### Chapter 1

#### Supporting Public Offices to Improve Integrity

##### Section 1. Establishment and Distribution of Anti-Corruption Policy Guidelines for 2012

On January 18th, 2012, the ACRC held a meeting where the Anti-Corruption & Integrity Policy Guidelines were distributed to more than 870 inspectors from 1,003 public organizations, including central government agencies. Before the meeting, it was widely expected that the socio-economic uncertainties due to the European sovereign-debt crisis and the changes in the presidential administrations in and outside of Korea would create unfavorable conditions to pursue anti-corruption and integrity-promoting policies. Moreover, government organizations and agencies were tired and discontent due to the requirements of anti-corruption policies to date.

In response, the ACRC changed the approach to policy implementation. The ACRC planned to support practical anti-corruption activities suitable for the characteristic of various public organizations. The Commission also intended to ensure more autonomous and practical policy effects to take place through the strategic execution of anti-corruption policies based on the principle of selecting and concentrating resources on a small number of projects. In addition, the following policy directions and key

objectives of anti-corruption and integrity-promoting policies for 2012 were set to create a vision for the sustainable development of Korea by promoting the culture of integrity in the initiatives of public officials, garnering support from civil society and the people and expanding the culture into the Korean society as a whole:

First, the ACRC planned an overhaul of the anti-corruption system in order to eradicate solicitations, mediations and other corruption-causing practices in the circle of public officials. To this end, the Commission decided to enact the Act on the Prevention of Illegal Solicitations and Conflict of Interest in order to eradicate the practices of inappropriate solicitation and mediation, which the Korean people point to as the most common type of corrupt practices.

Second, the ACRC took an aggressive stance against corruption related to local communities and education. Internal and external reviews show that these corrupt practices are still occurring frequently despite anti-corruption efforts to date. As such, the Commission decided to take a multi-faceted approach by strengthening the corruption impact assessment regarding the regulations of local governments, encouraging local councils to establish codes of conduct, and carrying out intensive integrity assessment programs in the education area.

Third, the Commission planned to provide life-cycle-specific educational programs to raise the awareness

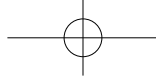
about integrity and to infiltrate the culture of integrity into society. More specifically, public officials would receive integrity training in career-changing moments such as appointment and promotion, and age-specific integrity education programs would be provided for future generations. In addition, the Anti-Corruption Training Institute opened in the second half of 2012. The Center was established to serve as a hub of integrity education by expanding the education programs to cover not only public officials but also businesses, civil society and foreign public officials. In addition, the Commission decided to ensure the system for protecting public interest whistleblowers takes a firm root so that the Act on the Protection of Public Interest Whistleblowers, which went into effect in September 2011, plays a pivotal role in supporting the fight against corrupt practices in the private sector and raising the overall level of transparency in our society.

Fourth, “the Create Best Practices in Integrity” campaign was another project promoted by the Commission. The campaign aimed at creating best practices for organizations scoring low in the integrity assessment or those frequently involved in corrupt cases by supporting their autonomous anti-corruption efforts and building an environment where public officials proudly perform their duties under better conditions. In addition, the Commission planned to nurture integrity instructors in geographical areas and to develop customized training materials, supporting public organizations to build their own integrity training systems.

In addition, the detailed standards were added to the codes of conduct for public officials to protect them from exposure to corruption-causing factors and conflicts of interest. The criteria for the integrity and anti-corruption competitiveness assessments were to undergo major reforms in order to create more objective and trustworthy assessment programs.

Fifth, the ACRC decided to concentrate its anti-corruption capabilities to raise the Corruption Perception Index (CPI), which has remained in a downward trend or stagnant for the last 4 years. To this end, the integrity assessment programs would be reorganized to focus on items recognizable by the CPI tests, and an action plan was established to globally share the government-wide anti-corruption initiatives and best practices and to seek international cooperation by holding international forums to explain these efforts.

The ACRC disseminated the Anti-Corruption & Integrity Policy Guidelines for the Second Half of 2012 to various public organizations in order to organize their anti-corruption capabilities together and to encourage them to implement key action plans identified in the Guidelines for the First Half of 2012 (September 21st, 2012). The Guidelines include the following: Explanations on the Act on the Prevention of Illegal Solicitations and Conflicts of Interest and requests for support; Strengthened supervision efforts to prevent corruption by public officials in response to the increasing number of corrupt officials and violators



of public officials' codes of conduct; Expanding the culture of integrity and integrity awareness into the public servants' circle and; Greater compensation and protection for reporters of corrupt officials and cases infringing the public interest. A notable item for the promotion of the culture and awareness of integrity is the Guideline for Sound Practices regarding Gifts of Celebration or Condolence. High-ranking government employees would be responsible for leading the culture of integrity by example and spreading it to all the organizations of the government.

In the future, the ACRC will establish and provide effective anti-corruption policy measures that help all public organizations and institutions establish and implement practical policies to fight corruption, promoting integrity not only in the public officials' circle but also in the entire society.

### 1. Policy Measures for “the Create Best Practices in Integrity” Campaign

Since 2006, the ACRC has provided organizations scoring low in the integrity assessment with one-on-one integrity consulting service. The program is customized to each public agency. As the systematic support of the consultation program has led to tangible results in raising the integrity level of the client-organizations, the number of applicants to the program rose significantly. The ACRC, however, has a limited number of dedicated consultants, so it was unable to respond to the rising demand for the consulting service. Moreover, the consulting service worked at the individual organization level, but it was found to have limited repercussions given that the overall integrity levels of public institutions and the CPI for Korea remained stagnant. As such, in 2012, the ACRC turned the integrity consulting service into “the Create Best Practices in Integrity” campaign. The campaign aims to raise the overall integrity levels of public organizations by creating leading organizations

of high integrity in their respective areas, and to share their best practices with the whole public sector.

To realize this goal, the Commission signed MOUs with 6 organizations that are often involved in corruption cases or known to have low integrity levels (March 9th, 2012). The ACRC exerted various efforts from assessing their anti-corruption capabilities, holding individual forums (March ~ May 2012) and conducting interim examinations and assessments (twice a year) to providing employees with integrity training programs. In addition, the Commission published the Leading Schools of Integrity program that is applied to 3 selected schools (2 elementary schools and 1 middle school) under the Seoul Gangdong-gu Office of Education.

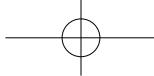
#### Signatory institutions to the MOU

Defense Acquisition Program Administration (central government agency),  
 Busan Metropolitan City Government (upper-level local government), Wonju City Government (lower-level local government), South Gyeongsang Office of Education (city and provincial office of education), GuriNamyangju Office of Education in Gyeonggi Province (local office of education), and Daegu Urban Development Corporation (public service-related organization)

The Integrity Forum was formed consisting of 9 anti-corruption experts in order to provide systematic support to “the Create Best Practices in Integrity” campaign (February 2012). Moreover, public organizations scoring high in the integrity assessment were grouped together to form “the Clean Champions Club,” which acts as a role model for public institutions to strengthen their organizational integrity (June 2012).



Ceremony for the establishment of the Clean Champions Club



“The Create Best Practices in Integrity” campaign garnered positive results in all participating organizations except the South Gyeongsang Office of Education, and all 6 participant-organizations experienced a significant reduction in corrupt cases. The campaign also worked at the South Gyeongsang Office of Education in terms of integrity scores given by external stakeholders and policy customers, and its low performance is mainly attributable to the large number of corrupt officials found in the previous year. In the future, the ACRC will continue to disseminate the best practices identified in the campaign to all public organizations in close cooperation with the participating organizations of the campaign, the Clean Champions Club, and the Integrity Forum. This will act as a turning point to raise the integrity levels of all public institutions and the Korean society as a whole.

## **2. The Establishment of the Act on the Prevention of Illegal Solicitations and Conflicts of Interest**

The Ombudsman of Korea and the Independent Commission Against Corruption, the predecessors of the ACRC, as well as the ACRC have engaged in anti-corruption activities in various areas since the enactment of the Anti-Corruption Act in 2002. Despite these efforts, however, corrupt practices and irregularities of public servants have continuously occurred, and the trust of the people in the entire public officials' circle remains very low.

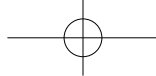
As an answer to this situation, the ACRC is pursuing the establishment of the Act on the Prevention of Illegal Solicitations and Conflicts of Interest. The Act focuses on restoring the government officials' integrity and regaining the people's trust by identifying and eradicating the root causes of corruption. The Act aims at comprehensively managing and controlling the solicitation for a special favor based on nepotism

and personal relationship, giving and receiving of money or other valuables, and the conflict between the public interest and the public officials' personal interest on the basis that they are the root causes of corruption.

The key idea behind the Act is to ban the practices of requesting undue favors using personal relationships or social influence, a custom that has been overlooked by corruption-control efforts so far. Under the Act, penalties will be levied on those who request a public official to perform an unlawful or undue act via a third party, and the public official will be criminalized if he or she does the unlawful or undue act as requested. The purpose of this Act is to prevent the undue practice of requesting a special favor from distorting public duty and to create a social atmosphere that is intolerant of such unlawful practices.

The Act also includes a provision that prohibits public officials from receiving any money or other valuables under any circumstances regardless of whether they are related to the public duty or not. The Act has clauses to strictly punish the violators with penalties and fines. The Act will supplement the bribery clauses in the Criminal Act, which reveal the limitations in punishing public officials who received money if the prosecutor fails to prove that the money was given in relation to a public duty or in exchange for a favor.

Moreover, the Act is equipped with various mechanisms to prevent public officials from being involved in conflicts of interest that can occur while they are carrying out their public duties. Public officials are prohibited from performing duties related to their private interest, and a relevant tool was developed. When those who worked in the business and other private sectors are newly appointed to a government position, they have to report their private interest before the appointment and are prohibited from doing certain jobs related to the private interest for two



years. The Act also includes provisions to restrict public servants from doing duty-related external activities, engaging in real estate transactions with duty-related persons, and using public funds, assets, and position for private purposes. In addition, high-ranking officials are strictly banned from hiring or making contracts with their family members for the organization they work for and from using unpublished information obtained while performing their public duties.

The Act was in the pre-announcement stage between August and October 2012, and it is at present in the official legislation process. The government plans to present the Bill to the National Assembly in 2013.

The Act on the Prevention of Illegal Solicitations and Conflicts of Interest is not just an act to punish corrupt public officials. It will be a comprehensive law to prevent corruption encompassing a wide range of areas from providing public officials with specific ethical codes of conduct to ensure their integrity, responsibility, and accountability, to presenting legal provisions regarding relevant consulting and reporting processes as well as clauses to protect reporters. The Act will turn Korea's anti-corruption and integrity-promoting policies into prevention-focused ones, which are adopted by most advanced countries. It is expected that the early establishment of the Act will lay the groundwork for Korea to join the ranks of the truly advanced countries.

## Section 2. Corruption Assessment and Anti-Corruption and Integrity Assessment

### 1. Integrity Assessment for Public Organizations

#### Overview

Corruption is a social phenomenon that needs to be tackled, and in order for anti-corruption policies to be effectively implemented, accurate assessments

of corruption-prone areas and corruption levels are needed. Since 2002, the ACRC has annually conducted an Integrity Assessment targeting public organizations to eradicate corruption and enhance national integrity in accordance with “the demand of people to eradicate corruption” and “the demand of the time to enhance integrity.”

#### Assessment Framework and Target Organizations

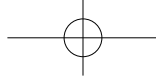
##### (1) Assessment Framework

The assessment consists of external integrity level, an evaluation by public-service users of the integrity levels of public organizations from the perspective of customers in light of their perception and experience; internal integrity level, an evaluation by internal officials on the integrity level of their respective organizations from the perspective of an internal customer, specifically about the integrity levels of their internal work duties such as personnel affairs and budget; and evaluation by policy customers, including experts, duty-related persons, residents, and parents of students. The Comprehensive Integrity Level is calculated by combining the evaluations of the External Integrity Level, the Internal Integrity Level, and the Policy Customers' Evaluation.

##### (2) Target Organizations

What started with 71 public organizations (about 30,000 respondents) in 2002 has grown to a total of 662 target organizations (about 250,000 respondents) participating in the assessment in 2012. All central government agencies, local government agencies, and offices of education, as well as other public service-related companies such as state-owned companies and quasi-government agencies are now assessed.



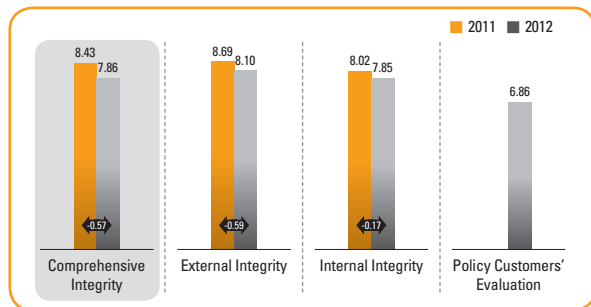


In 2010, the ACRC developed an integrity assessment module for high-ranking officials separate from the integrity assessment because the existing assessment was targeting middle and low level officials. In 2011, the assessment module was distributed to all public organizations, and in 2012, 193 organizations (7,600 officials assessed) conducted the integrity assessment for high-ranking officials.

## Results of the 2012 Integrity Assessment

### (1) Comprehensive Integrity

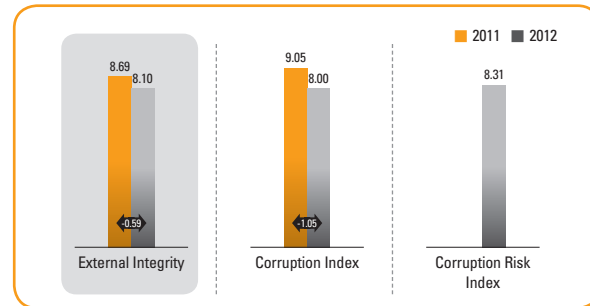
The average score of the comprehensive integrity level of 662 public organizations was 7.86 out of 10 points, 0.57 points down from 8.43 of 2011. It was analyzed that the decrease in the score resulted from the overall restructuring of the assessment module such as the addition of the Policy Customers' Evaluation. Both external and internal integrity levels decreased by 0.59 and 0.17 points, respectively, compared to the previous year, and the level of the Policy Customers' Evaluation, officially reflected for the first time in 2012, stood at 6.86 points, lower than the external and internal integrity levels.



### (2) External Integrity

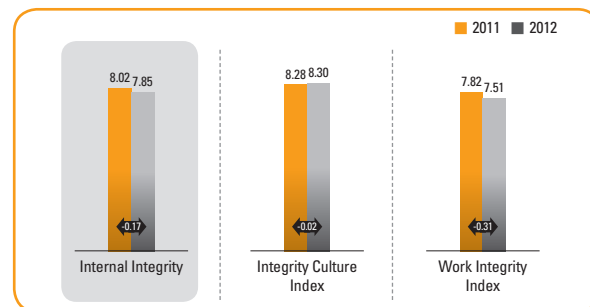
The average score of the external integrity level of public organizations, evaluated by public-service users in 2012 was 8.10, 0.59 points down from the previous year. The newly introduced items, including “corruption indirect experience” (5.80) and “duty performance

according to nepotism”(7.38), marked low scores, resulting in the plunge in the corruption index score(1.05). Meanwhile, the corruption risk index(8.31) was similar to the accountability index(8.27) and transparency index(8.50) scores of the previous year.



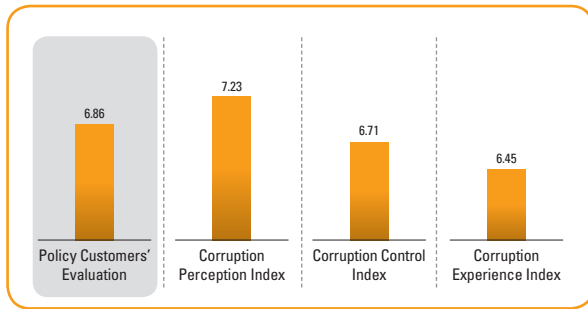
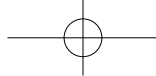
### (3) Internal Integrity

The internal integrity level, evaluated by internal officials, scored 7.85 points out of a possible 10 (0.17 points down from the previous year). The integrity culture index, which reflects the organizational culture and the anti-corruption system, scored 8.30, similar to the score in 2011, while the work integrity index – which assesses personnel management, budget execution, and fair work instructions – decreased by 0.31 points to score 7.51.



### (4) Policy Customers' Evaluation

The evaluation score by policy customers such as experts, duty-related persons, residents, and parents of students stood at 6.86 points, relatively lower than the External Integrity and Internal Integrity scores.



## Results of the Integrity Assessment and the Future Plan

The ACRC will support to the public organizations with low levels of integrity as they establish their own improvement measures and conduct the Anti-Corruption Competitiveness Evaluation. The ACRC will also actively support all public organizations by sharing the best practices of integrity measures and providing consultancy on how to improve their integrity.

In addition, the Commission will endeavor to accomplish its goal to increase the integrity levels of public agencies by continuously improving the assessment module. It will also strengthen its technical assistance to developing countries in the Asia-Pacific region as a way to support the anti-corruption efforts of the international community.

### 2. Anti-Corruption Competitiveness Evaluation

#### Overview

The purpose of the Anti-Corruption Competitiveness Evaluation(ACE) is to assess the appropriateness and effectiveness of the anti-corruption initiatives being implemented by each public organization. It can be considered as a comprehensive assessment mechanism that covers various areas of anti-corruption and integrity initiatives. The fundamental objective of the ACE is to spread best practices across

the public sector as part of the fight against corruption as well as to encourage each public organization to make an increased effort to enhance its integrity.

The original name of the Evaluation was the Anti-Corruption Initiative Assessment, but the ACRC changed it to the Anti-Corruption Competitiveness Evaluation in 2012, focusing on the evaluation of practical performance and effectiveness, not simple activities.

In particular, the target organizations were categorized by their size and nature, and the evaluation indexes were significantly reduced for small-sized organizations. Moreover, the rate of reflecting the results of the Integrity Assessment into the ACE was also reduced by a large margin to maximize reflecting the efforts of public organizations with great performance in implementing anti-corruption initiatives in the evaluation result, even if the organizations have low integrity levels.

The ACRC conducted its own evaluation on its major anti-corruption initiatives by creating evaluation teams consisting of the ACRC's staff in each division. As for the areas requiring qualitative evaluation such as feasibility and performance of action plans, as well as the best practices, the evaluation was conducted by an external research agency.

#### Assessment Criteria

Until 2011, the ACE consisted of three parts, namely common initiatives, voluntary initiatives, and performance results. But since 2012, the evaluation is divided into two parts: anti-corruption willingness and efforts and anti-corruption outcome. Under the two parts, the specific criteria in the 2012 assessment are as follows.



First, the anti-corruption willingness and efforts part is comprised of the following 5 assessment criteria: Establishment of anti-corruption infrastructure; Enhancement of policy transparency and confidence; Eradication and improvement of corruption-causing factors; Improvement of integrity awareness and culture in the public-service sector; and Facilitation of corruption prevention and whistleblowing.

- a. Establishment of anti-corruption infrastructure: Concreteness and effectiveness of anti-corruption initiatives; operation of the “Solicitation Declaration System”; enhancement of integrity incentive and corruption punishment system; management of the statistics of corrupt officials; implementation of the “Employment Restrictions of Public Officials Dismissed for Corruption”; and outcome of internal inspection.
- b. Enhancement of policy transparency and confidence: Transparency of administrative procedures and confidence in policy implementation; openness of the breakdown of business promotion fees; operation of integrity ombudsmen; and operation of public-private governance.
- c. Eradication and improvement of corruption-causing factors: Disclosure and implementation of institutional improvement initiatives; implementation of the recommendations made by the Corruption Impact Assessment; voluntary efforts for institutional improvement; best practices in anti-corruption efforts; and result of fact-finding inspection in corruption-prone areas.
- d. Improvement of integrity awareness and culture in the public-service sector: Anti-corruption efforts and will of the heads of public organizations; leading examples of high

ranking officials; establishment of the foundation to raise integrity aware-ness; promotion and effectiveness of integrity education; successful cases of anti-corruption practices; and outcome of CC Club operation.

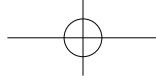
- e. Facilitation of corruption prevention and whistleblowing: Introduction of a system to prevent violations of the Code of Conduct; internal inspection and outcome of corruption detection cases; protection of corruption whistleblowers; and promotion of whistleblowing on public interest violations and protection of whistleblowers.

#### **Target Organizations (294 Public Organizations)**

- Central government agencies (40): 17 ministries, 18 services, 1 office and 4 commissions
- Metropolitan governments (16): 16 cities and provinces
- Local governments (23): 23 cities, counties, and districts (over 500,000 residents)
- Municipal and Provincial Offices of Education (16): offices of education in 16 cities and provinces
- Public service-related agencies (199): 27 public corporations, 31 local public corporations, and 54 local government-invested/funded agencies, etc.

#### **Results of the 2012 Assessment**

The groups of target organizations of the 2012 ACE were subdivided and the evaluation indexes were also applied differently, considering the organizations’ size and nature, especially of the central government agencies and public service-related agencies, so that even small-sized agencies can ease their burden and effectively pursue their anti-corruption initiatives. But metropolitan and local governments, municipal and provincial offices of education, and local-government-invested/funded organizations were evaluated as a single group.



The evaluation results were categorized into 5 grades by group, and a total of 36 organizations out of 14 groups were selected as “Best Organization.” Individual contributors and the “best” organizations received commendations and prize money.

### Future Direction

The ACRC sent a comprehensive report of the Integrity Assessment, the assessment results by criteria, and an analysis of the best-performing organizations to the target organization. The Commission encouraged them to make voluntary efforts to improve in the areas that the results revealed to be unsatisfactory and to benchmark the best practices of other organizations.

In 2013, the ACRC will use a two-track method in conducting the ACE; it will directly conduct the ACE against major agencies to reinforce the internal stability and effectiveness of the evaluation, while making supervisory/regulatory agencies conduct the ACE against the other organizations and the ACRC conduct a meta-evaluation.

In addition, the ACRC will also give weight to the efforts of public organizations in performing their own functions to enhance the national integrity level, including that of the private sector. It will also evaluate their efforts to improve their own corruption-prone areas as priority.

## 3. Corruption Perception Survey

### Overview

Since 2002, the ACRC has been conducting corruption perception survey every year to make a times-series analysis of the public perception of corruption and to determine the effectiveness of specific anti-corruption policies. The survey is designed to understand the perceptions of general citizens, public servants,

foreign residents (including foreign businessmen), entrepreneurs, experts, and adolescents on Korea’s corruption status and anti-corruption policies.

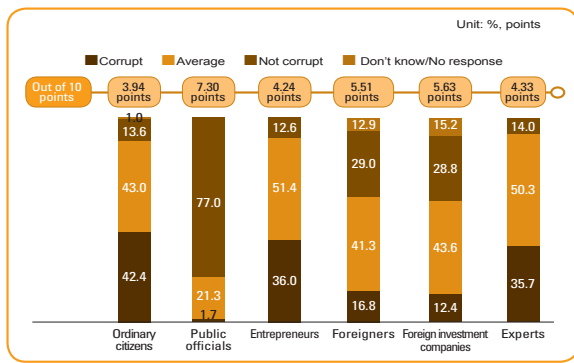
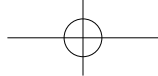
The Corruption Perception Survey is necessary to analyze the corruption levels of the public sector and society as a whole, as well as trends in the experience and perception of corruption. It is also necessary to identify corruption causes and their impacts, assess the government’s efforts and achievements in fighting corruption, and determine the top priorities for anti-corruption policies. The findings from the survey are used as basic data to establish anti-corruption policies, and disclosed through media reports to spread a sound culture of integrity to the public.

### Results of the 2012 Corruption Perceptions Survey

#### (1) Corruption Level of the Public Service Sector

In the survey, when asked about the overall corruption level of public officials, 42.4% of ordinary citizens responded that “Korean public officials are corrupt,” followed by entrepreneurs (36%), experts (35.7%), and foreigners (16.8%). But only 1.7% of public officials responded that the public service sector is corrupt, showing differences of perception among survey-respondent groups.

When calculating the survey responses on a 10-point scale (the more corrupt, the less point), the points were as follows: 3.94 points (ordinary citizens), 4.24 points (entrepreneurs), 4.33 points (experts), 5.51 (foreigners), and 7.30 points (public officials).

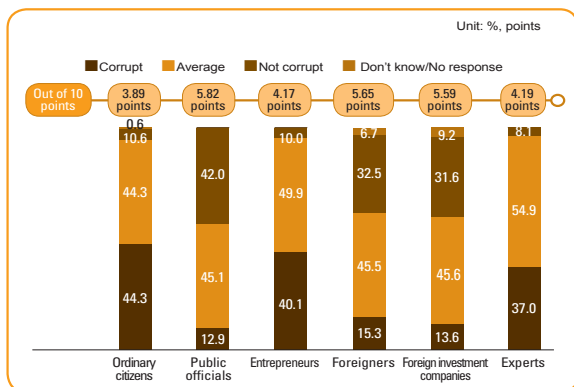


## (2) Corruption Level of Society Overall

When asked about the corruption level of society overall, the respondents answered in the same order as the responses to the question about the corruption of the public service sector; 44.3% of the ordinary citizens responded that “society overall is corrupt,” followed by entrepreneurs (40.1%), experts (37.0%), foreigners (15.3%), and public officials (15.1%).

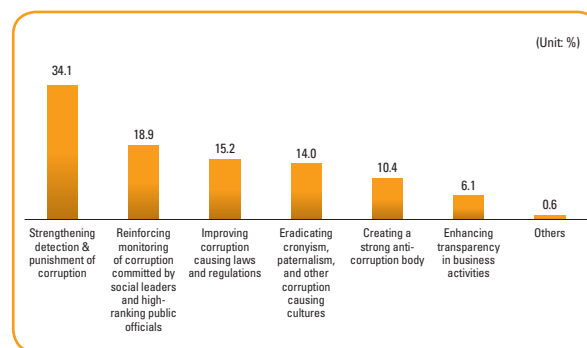
When calculating the survey responses on a 10-point scale (the more corrupt, the less points), the points were as follows: 3.89 points (ordinary citizens), 4.17 points (entrepreneurs), 4.19 points (experts), 5.65 points (foreigners), and 5.82 points (public officials).

It is unusual, however, that more ordinary citizens responded that society overall is corrupt (44.3%) than public service society (public officials) is corrupt (42.4%). This showed that it is necessary to raise social awareness and consider policy priorities not only in the public service sector but also the whole of society in fighting corruption.



## (3) Top Priorities to Reduce Corruption

When questioned about the priorities to reduce corruption, ordinary citizens cited “strengthening detection and punishment” (34.1%), “reinforcing monitoring of corruption committed by social leaders and high-ranking public officials” (18.9%), and “improving laws and institutions conducive to corruption and unreasonable administrative regulations” (15.2%).

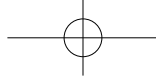


## Section 3. Corruption Impact Assessment

### 1. Overview

In 2012, the Corruption Impact Assessment focused on supplementing assessment items to address new corruption types such as conflict of interests and inappropriate execution of budgets, as well as to remove loopholes in the assessment, which helped remove the corruption-causing factors in laws and regulations in a systematic and scientific way.

The ACRC also required public service-related companies to disclose the standards and procedures pertaining to their company’s rules for the main projects that are closely related to the people’s daily lives and to collect the opinions of the public so that confidence in the companies and predictability of their behavior can be increased.



The acceptance rate of the relevant organizations regarding recommendations (corrective measures) was 94.9% as of the end of 2012, an increase from the previous year. The reasons for the improvement are that the evaluators strengthened their expertise related to the evaluation; the ACRC's recommendations were made after having conducted a thorough consultation with the organizations in the course of their assessment, which resulted in the building of mutual trust between the ACRC and the organizations; and the regular management of the implementation status of the recommendations.

Through the ACRC's efforts such as the development of assessment items, the introduction of a comparative assessment method, and close cooperation with public organizations for improving the acceptance rate, central government agencies and local governments highly acclaim the Corruption Impact Assessment as an effective policy tool in the fight against corruption.

## 2. Major achievements

### Corruption Impact Assessment of Enacted or Amended bills

In 2012, the ACRC conducted the Corruption Impact Assessment on 1,593 newly enacted or amended bills and recommended improvements for 508 corruption-causing factors inherent in 192 laws and regulations to the relevant organizations.

#### Assessment of Enacted or Amended Bills (2012)

Total	Agreement to original bills	Recommendations for improvement
1,593 bills (100%)	1,401 bills (87.92%)	cases out of 192 bills (12.1%)

### (1) Improvement Recommendation by Type

Out of 192 bills that were in need of improvement, 36 were laws with 113 Presidential decrees and 43 were Prime Minister's decrees and Ministerial ordinances. Compared to the number of target bills, the largest number of recommendations (percentage) were given to 36 laws out of 341 (10.6%), followed by enforcement decrees (113 out of 693, 16.3%), and Prime Minister's decrees and Ministerial ordinances (43 out of 559, 7.7%).

### (2) Improvement Recommendation by Sector

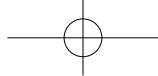
By sector, the recommendations were given in the order of industry and development (246 cases in 68 laws), environment and public health (74 cases in 44 laws), and general administration (73 cases in 31 laws).

### (3) Improvement Recommendation by Ministry

By ministry, bills of the Ministry of Land, Transport, and Maritime Affairs were given the most recommendations for improvement (44), followed by the Ministry of Knowledge Economy (21), the Ministry of Environment (18), and the Ministry of Health and Welfare (17).

### Corruption Impact Assessment for Local Governments

After launching the autonomous local government system, the importance of finance in local governments is significantly growing since it covers all financial activities, including the management and disposition of assets and liabilities or income/expense management. There have, however, been cases in which the financial burden of local governments have increased or fairness has been impeded following the abuse of discretionary rules related to private contracts and unclear rules about financial support.



Moreover, due to an increasing rate of subcontract construction in domestic constructions, it is more necessary to manage fair and transparent subcontracts in terms of protecting the people's economy and small and medium-sized construction companies and securing the quality of constructions. In the case of constructions by public clients, however, the companies that won the public contracts have made unfair subcontracts and given false notifications to their clients to maximize their benefits, increasing the number of chronic corrupt cases. This showed the lack of effectiveness in regulations related to subcontracts.

Accordingly, the ACRC created policies to secure fairness and transparency in managing and operating the execution of local government finance and subcontracts in the construction area, by conducting the Corruption Impact Assessment on laws, administrative rules, and local regulations regarding funds of local governments, subsidies, and subcontracts in the construction area to prevent special favors in advance.

### (1) Corruption Impact Assessment on Local Government Funds

The ACRC conducted the Corruption Impact Assessment on the Basic Act on Management of Funds of Local Governments and the Ordinance on the Establishment of Individual Funds related to managing the funds of local governments. As a result, it made 7 corrective recommendations, one of which is about regulating procedures to consider and deliberate the appropriateness of fiscal loans, and recommended the Ministry of Public Administration and Safety and other concerned local governments to improve their related laws and ordinances.

### (2) Corruption Impact Assessment on Subsidies of Local Governments

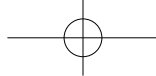
The ACRC conducted the Corruption Impact Assessment on the Local Finance Act related to subsidies of local governments and made 8 corrective recommendations, one of which is about creating reasonable standards and procedures in selecting and supporting subsidy recipients. These recommendations were offered to the Ministry of Public Administration and Safety.

### (3) Corruption Impact Assessment on Management and Operation of Subcontracts in the Construction Area

The ACRC conducted vertical and horizontal Corruption Impact Assessments on 5 subcontract-related laws and decrees such as the Enforcement Decree on the Framework Act on the Construction Industry, enforcement decrees on the National & Local Contract Act and the Construction Technology Management Act, and autonomous regulations. The Commission made 29 corrective recommendations, one of which is about opening subcontract documents to the public and creating fair regulative rules against violators of subcontract rules, and recommended them to 8 concerned ministries and local governments, including the Ministry of Strategy and Finance.

### Introduction of the Advance Notice System for Enacting and Amending Internal Regulations of Public Service-Related Agencies

Public service-related agencies (quasi-government agencies) were established to invest in social overhead capital (SOC) or to be entrusted with government projects. In order to carry out these functions, the agencies set up and implemented their own internal regulations. As the public service-related agencies are starting to occupy more and more parts



of the Korean economy, the internal regulations play larger roles that affect people's daily lives. When they enacted or amended their internal regulations, however, it was difficult for the public to monitor or to make the agencies reflect the people's opinions.

Thus, in 2012, the ACRC made plans for public service-related agencies to introduce the "Advance Notice System for Enacting & Amending Internal Regulations." In order to settle the system, it also held a briefing session to explain the system to 146 public service-related agencies in September, 2012.

With this system, when a public service-related agency enacts or amends its internal regulations directly and indirectly related to the people's daily lives, the agency should inform about it at least 20 days in advance on its official website or another medium so that it can reflect the opinions of the public. By creating such a two-way communication channel, the Commission reinforced an external monitoring system by which the people can monitor the public service-related agencies.

### **Monitoring the Implementation of Improvement Recommendations**

The effect of the Corruption Impact Assessment is brought about when the agencies in question accept and incorporate the ACRC's recommendations. But the recommendations are not legally binding, so that the acceptance of the recommendations lies on the shoulders of the concerned agencies. It is therefore all the more important to monitor whether the agencies adopt the recommendations.

In order to increase the acceptance and implementation rates, the ACRC strengthens the quality of its assessments with the advice of experts and the training of officials in charge of the assessment. It also establishes a close network

of cooperation with the concerned agencies by holding workshops and meetings, and regularly monitors the concerned agencies to see that their recommendations are incorporated into the revised or newly enacted laws and regulations.

Through the efforts of the ACRC and other concerned ministries, the acceptance rate of corrective recommendations made after the Corruption Impact Assessment on enacting and amending laws and regulations is 94.9% as of the end of 2012, up from the 93.3% of the previous year.

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## **Chapter 2 Monitoring Corruption and Violations of the Code of Conduct**

### **Section 1. Receiving and Handling Corruption Reports**

#### **1. Handling Corruption Reports**

Alleged corruption reports filed through the Center for Corruption Reports are identified as corruption reports or general reports before being further processed. Allegations of corruption by government officials, including, but not limited to, violations of a code of conduct are assigned to the Corruption Investigation Division or the Code of Conduct Division for review and processing. Allegations that do not claim corruption and are general grievances in nature or are duplicative are handled directly by the Center for Corruption Report.

Corruption reports that meet the criteria of corruptions prescribed by Article 2 Subparagraph 4 of the Anti-Corruption and Civil Rights Commission Act are first investigated and verified by investigators before being reviewed by the members of the



Commission who carry out the core review. Reports that meet the final approval of the Commission are then transferred to the Board of Audit and Inspection, criminal investigative agencies, or a supervisory agency of the accused agency (hereafter referred to as “investigative agency”).

The investigative agencies that receive an alleged corruption report are required to complete an audit, criminal investigation, or inspection of the report within 60 days and report the results to the ACRC within 10 days of the completion of the investigation. Even if a report had been initially identified as a corruption report, it can be directly transferred to the concerned agency to be individually handled when an investigation fails to strongly substantiate the accusations, or it can be closed when there is a need to close the case.

## 2. Number of Received and Handled Reports

Since the launch of the Korea Independent Commission against Corruption (January 25, 2002), which has been integrated into the ACRC (February 29, 2008), a total of 24,629 reports have been filed as of December 2012.

### Corruption Reports Received by Year

(Unit: number of reports)

Category	Total	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Reports received	24,629	2,572	1,679	1,763	1,974	1,745	2,544	1,504	2,693	3,099	2,529	2,527

Among the 24,576 handled cases, the ACRC referred 896 cases to investigative agencies for further investigation or inspection (including 3 accusation cases), notified the accused agencies of 387 violations of a code of conduct, forwarded 9,424 cases to government agencies, and closed 13,869 cases.

### Corruption Reports Handled by the ACRC

(Unit: number)

Category	Total	Referred to investigative agencies	Notified violation of code of conduct	Forwarded to agencies	Closed
Reports handled	24,576	896	387	9,424	13,869

\* Excluding 53 cases currently under review

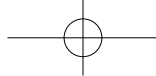
## 3. Cases Referred to Investigative Agencies

In the last 11 years, a total of 896 (including 3 accusation cases) alleged corruption reports were referred to investigative agencies. Apart from 71 cases undergoing investigation as of the end of December 2012, notification of results has been given on 825 cases, of which 70.4% were substantiated, meaning they were judged to possibly lead to the detection of corruption.

### Number of Cases Referred to Investigative Agencies by Year

(Unit: number)

Year	Total	Referral to investigative agencies				Detection rate (②/①)
		Notification of result			Under investigation	
		Subtotal ①	Corruption detected ②	Acquittal		
Year	896	825	581	244	71	70.4
2002	74	74	47	27	-	63.5
2003	100	100	67	33	-	67.0
2004	66	66	48	18	-	72.7
2005	82	82	53	29	-	64.6
2006	83	83	63	20	-	75.9
2007	92	92	70	22	-	76.1
2008	65	65	44	21	-	67.7
2009	106	106	73	33	-	68.9
2010	81	81	57	24	-	70.4
2011	73	56	43	13	17	76.8
2012	74	20	16	4	54	80.0



Observing 581 cases in which allegations of corruption were substantiated by investigative agencies, 1,844 people were indicted, 1,114 people received disciplinary measures, 47 people were accused, dismissed or resigned, and 110 organizations received a warning. Other actions such as institutional improvements were made as a result of 44 cases and the total amount of financial collection or redemption that was levied due to the detection of corrupt activities reached KRW 191 billion.

The breakdown of the main investigative agencies to which the 896 cases were referred is as follows: Police agency 315 (35.2%); Supreme Prosecutor's Office 263 (29.4%); Board of Audit and Inspection 117 (13.1%); Central government agency 112 (12.5%); Local government agency 75 (8.4%); and Others 14 (1.6%).

Of the 74 people who were accused of corruption in 2012, most were members of agencies in the private sector (41, 55.4%), followed by central government agencies and their subordinate organizations (15, 20.3%), state-owned enterprises, local governments (8, 10.8%), and local offices of education (2, 2.7%).

In terms of the type of corruption, the most common offense was the embezzlement of various subsidies, support funds, and money from a construction bidding process (44, 59.5%), followed by public fund embezzlement/ misappropriation and the offer and acceptance of a bribe (8, 10.8%, respectively), violation of budget/financial regulations (5, 6.8%), abuse of authority or dereliction of duty (4, 5.4%), inappropriate handling of business affairs (2, 4.1%), and one other (1, 1.4%) case.

By investigative agency, 38 cases (51.4%) were referred to the National Police Agency, 13 (17.6%) to the Supreme Prosecutor's Office, 10 (13.5%) to central government ministries and local government agencies, respectively, 2 (2.7%) to the Board of Audit and Inspection, and 1 to another agency.

#### 4. Receiving and Handling Whistleblowing Reports

Of the 896 corruption reports that were referred to investigative agencies during the period of January 2002 to December 2012, 369 reports (47.8%) were on whistleblowing cases. Excluding the 63 cases currently under investigation, 74.3% of the 369 reports were substantiated, and this is higher than the 70.4% detection rate of the corruption reports in total.

Upon the conclusion of all the investigation on 274 whistleblowing cases, 1,801 individuals were punished and indicted. An especially noteworthy fact is that the total amount of financial collection and redemption due to the detection of corruption was almost KRW 119.9 billion, which was 62.8% of the total amount of KRW 191 billion subject to collection and redemption, proving that whistleblowing is an effective tool for disclosing corruption.

#### 5. Case Examples for Handling Corruption Reports

##### Case 1. Allegation of bribery against public officials of a local government

- Alleged report: Public officials of city A received hundreds of millions of Korean won as a bribe from construction company B in return for selecting the company and giving convenience in the construction of drainpipes that city A awarded the contract for.
- Result of investigation: It was confirmed that the public officials of city A had received bribes amounting to at least KRW 20 million to a maximum of KRW 480 million in return for selecting the company and other reasons. In total, 11 people, including 5 public officials, were indicted or indicted without detention.



**Case 2. Allegation of embezzling government-funded contribution against a CEO of an SME**

- Alleged report: A CEO embezzled the government-funded contribution of hundreds of millions of Korean won from March 2008 to June 2009 while running a project supported by government agency A, through false payments and payback with business associates.
- Result of investigation: It was confirmed that 2 people, including the alleged CEO, had embezzled the government-funded contribution of KRW 161 million, subsidized by government agency B from 2007 to 2010. As a result of the investigation, they were indicted without detention.

**Section 2. Employment Restrictions for Public Officials Dismissed for Corruption**

**1. Necessity for Restrictions**

The ACRC Act sets forth the restrictions governing the employment of government officials dismissed for corruption aiming not only to secure all government officials' commitment to ethics in executing their duties but also to prevent conflicts of interest following dismissal.

**2. Operation of Restrictions**

**Number of Public Officials Dismissed for Corruption**

Based on the records submitted to the ACRC by public agencies, the number of officials dismissed for corruption from 2007 to 2011 was 1,715. The most (621) were reported from central government agencies, followed by 457 from local governments, 455 from public service-related companies, and 182 from local offices of education.

As for type of corruption, receiving bribes and entertainment was the most common corruption received by 1,115 officials, while 377 were charged with embezzlement and the misuse of public funds, 51 were charged with abuse of authority and dereliction of duty, 35 were charged with forgery and manipulation of documents, and 137 were charged with other violations (including inappropriate handling of business affairs and violations of budget and financial regulations).

**Monitoring of Employment Status of Public Officials Dismissed for Corruption**

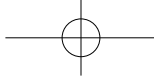
The ACRC monitored the current status of public officials dismissed for corruption based on the reports submitted by public agencies twice a year. For example, it asked the National Health Insurance Corporation (NHIC) to examine the employment status of officials dismissed for corruption. And the ACRC discovered a former education officer who had found employment at a restricted state-owned enterprise and an employee of a state-owned enterprise who had found employment at a private sector company with which he had done business while he was a government official. After a decision by its full-member committee, the ACRC required the concerned public agencies to dismiss and accuse the two former officials who violated the employment restriction rule.

**Section 3. Corruption Fact-finding Survey**

**1. Fact-finding Survey on Execution of Business-promotion Fees and Overseas Business Trips of Local Assemblies**

**Background**

There have been frequent complaints and blame by residents and the media that members of local



assemblies have wasted their budgets due to frequent overseas business trips or wasteful use of business promotion fees when their role is to monitor and check the budget execution of the executive branch. Nevertheless, this issue was considered a blind spot because control and monitoring could undermine the local autonomous system and restrict the activities of local assembly members, and accordingly, there has been no internal/external audit and inspection. To root out this kind of moral hazard, the ACRC conducted the fact-finding survey of local assemblies for the first time.

### Current Status and Problems

Many illegal/unfair cases were discovered such as frequent local/overseas business trips and training, private use of business promotion fees, use of business promotion fees in prohibited businesses such as bars, and use of budget for other purposes.

Looking at specific cases, there was frequent private use of business promotion fees, including payment with corporate credit cards for family or friends, frequent illegal use of clean cards (corporate credit cards for public officials) in karaoke or bars, divided payment to hide excessive payments for entertainment, or use of budget for other purposes, showing pervasive corruption in accounting.

In addition, frequent overseas trips failing to correspond with the purpose of training or wasteful use of budget to increase the welfare of assembly members themselves were discovered. As a result of the investigation, KRW 30 million used illegally/unfairly in the name of business promotion fee was confiscated.

### Improvement Recommendations

The various cases of moral hazards of local assemblymen resulted from the lack of specific

behavioral standards or concrete standards in executing business promotion fees.

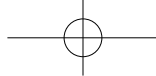
Accordingly, it is necessary to create a “code of conduct for local assembly members” and “guidelines for execution of business promotion fees for local assembly members” to give local assemblymen a practical guideline for their transparent and fair activities. In addition, it is also required that the breakdown of business promotion fees and status of overseas business trips should go public in the official websites.

## 2. Enhancing Transparency of Accounting at National Universities

### Background

It was found that school fees for school support associations of national or public universities, which account for over 80 % of tuition of those schools, were not being used for the proper purpose. The school fees for school support associations were supposed to be used to expand educational facilities but only small part of the fees was used for their original purpose and a significant amount of the fees was used for extra salaries, welfare payments, or personal use for faculty members, creating a serious moral hazard.

Particularly, in 2008, the ACRC recommended national/public universities to modify those practices which had been implemented for decades since the Commission found that the fees has been a major cause of the increase in school tuitions. However, as a related law has been pending in the National Assembly, most of the universities have not followed the recommendation. Therefore, the ACRC analyzed the actual status of the accounting of school support associations and once again recommended that 54 national/public universities and the Ministry of Education, Science, and Technology immediately stop



these illegal and undue practices as well as improve their systems.

### **Current Status and Problems**

All public officials are provided salaries according to the standards governing the salary and benefits of public officials. But many universities have paid tens of millions KRW per person as research grants to faculty members who actually do not carry out research, such as technical officials.

Moreover, most universities have unconditionally paid various kinds of benefits resorting to expedients and health check-up fees as well as encouragement benefits for the long-term employed. Also, other benefits, which are not paid to common public officials, have been paid to faculty members in the name of welfare benefits.

### **Improvement Recommendations**

#### **(1) Reasonable Payment of Research Expenses**

The ACRC recommended abolishing all benefits that are not permitted in the State Public Officials Act for regular/technical public officials and providing research expenses only to researchers that are based on their research achievements and performance.

#### **(2) Enhancing Transparency in Executing the Budget of School Tuition**

To prevent the illegal use of school fees for school support associations, the ACRC recommended public universities to adopt budget planning and execute the standards of the government in lieu of their own standards. In cases where a special reason should accommodate a unique situation, it was recommended that they use a unified standard created by the Ministry of Education, Science, and Technology.

#### **(3) Abolishing University Fees for School Support Associations and Unifying School Accounting**

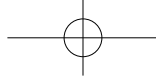
The fees for school support associations are forcibly imposed on university students without any legal basis thereof. The system of collecting school fees through school support associations began in 1960's, to expand the educational facilities at universities. But it has been determined that this system is not needed any more due to increasing government budget for the education sector and expanded educational facilities. Therefore the Commission recommended universities that they should abolish school fees for school support associations.

#### **(4) Eradicating Links between Universities and Supervisory Agencies**

In order to sever the ties between universities and supervisory agencies, those who have worked in a division of a supervisory agency whose duty is directly related to a public/national university cannot be transferred to the university within a certain period, 2 years for example. Furthermore, it prohibits public officials working in supervisory agencies, such as Ministry of Education, Science from being employed in public/national universities while retaining their post as a public official.

#### **(5) Expected Effects**

Implementing this institutional improvement is expected to reduce school tuition by at least 10% per single student. In addition, if the government budget execution guidelines are to be applied preferentially, illegal/undue execution of school budget such as undue welfare benefits or personal use of school budgets will be significantly reformed, lowering the school tuition without any additional investment from the government.



### 3. Enhancing Internal Regulations to Eradicate Corruption in Using Company Credit Cards

#### Background

As has been pointed out, public agencies were using company credit cards illegally and wrongfully in many cases. In response, the ACRC inspected the current state of credit card use by public agencies and made recommendations to the concerned government agencies and state-owned companies.

#### The Current State and Problems

Some public agencies have persistently used their company credit cards in golf courses, for karaoke, or at other entertainment places where company credit cards are not allowed to be used.

Also, some public officials have purchased personal golf things or expensive presents, and even spent hundreds of millions of won at midnight or on holidays without any specific supporting facts. It was also found that the use of company credit cards to buy gift certificates or gift cards was being poorly managed.

#### Improvement Recommendations

##### (1) Establishing a Monitoring System

In order to effectively prevent the illegal use of company credit cards, the ACRC recommends that public agencies establish an IT system to monitor execution of company credit cards in real time.

##### (2) Expanding Restrictions on Places and Items

The ACRC expanded the categories that are not allowed to accept clean cards (company credit cards) such as golf courses, cocktail bars, or nail art shops. Also, it has banned using a clean card to purchase

some items that might be personally used, such as golf items or jewelry.

##### (3) Preventing Personal Use of Clean Cards and Making Public the Breakdowns of Cards

The ACRC recommended restricting the use of company credit cards in places and at times which are not related to any duty, such as at midnight, on holidays, or at places around a user's home. Also, breakdowns of gift certificates or expensive presents purchased with company credit cards should be made public and be controlled.

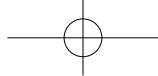
In addition, the details of credit card use should be disclosed more often (monthly), and the scope of users who should disclose the details expanded to senior officials including the heads of office.

### Section 4. Operation of Codes of Conduct for Public Organization Employees

#### 1. History and Overview

##### Code of Conduct for Public Officials

The Code of Conduct for Public Officials is applicable to national and local government officials and was enacted on February 18, 2003 as a presidential decree and entered into force on May 19, 2003. Based on the code of conduct, all central government agencies and local governments also created their own code of conduct and put them into effect on May 19, 2003. In September of 2003, all constitutional institutions including the courts, the National Election Commission, and the Constitutional Court with an exception of the National Assembly adopted their own versions of a code of conduct.



## **Code of Conduct for Employees of Public Service-related Organizations**

At the recommendation of the ACRC in September 2004, 404 public service-related organizations nationwide created and implemented their own code of conduct. The amendment of Article 8 of the Anti-Corruption Act in July 2005 has expanded the Code of Conduct for Public Officials to all public organization employees, providing legal grounds for enacting the code of conduct for employees of public service-related organizations.

In April 2006, the ACRC requested all public service-related organizations to revise or enact their code of conduct based on the amended law. All public service-related organizations, including state-funded agencies, (806 in total as of Dec. 31, 2012) have established and implemented their code of conduct as a form of company regulations with approval from their board of directors or from the head of organization since June 1, 2006. To support organizations in their effort to successfully implement the code of conduct as well as secure adequacy of its contents, the ACRC developed and implemented the Guidelines on the Code of Conduct for Public Organization Employees that include the Model Code of Conduct for Employees of Public Service-related Organizations.

## **Code of Conduct for Local Council Members**

The Code of Conduct for Local Council Members was proclaimed as a presidential decree on November 2, 2010 and entered into force on February 3, 2011. It prescribes 15 ethical standards that local council members must abide by along with a description of the system for implementing the code of conduct. As of the end of 2012, 13 local councils enacted ordinances on the codes of conduct.

## **2. Operation of the Codes of Conduct**

### **Promotion of Best Practices**

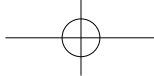
The ACRC has identified exemplary practices of public agencies in implementing the codes of conduct and motivated other agencies to benchmark such practices so that they can voluntarily manage their codes of conduct. The ACRC received 841 applications for best practices from 343 agencies from 2010 to 2012. After a review by compliance officers and anti-corruption experts, the Commission selected 38 best practices (23 in 2010, 5 in 2011, and 10 in 2012) and recommended public agencies to adopt these practices.

The ACRC made diverse efforts to spread best practices in the implementation of the codes of conduct. The adoption of the selected best practices was one of the evaluation criteria for the Anti-Corruption Competitiveness Evaluation, while best practices were used as educational materials.

### **Review of Proposals for Creating or Amending the Codes of Conduct**

In order to provide effective assistance to public agencies and secure adequacy of the contents, the ACRC reviews the proposals for creating or amending codes of conduct submitted by each agency and recommends changes when necessary.

To facilitate the effectiveness of the review process, the ACRC hosted a seminar in July 2012 for officials in charge of the codes of conduct from 45 out of 65 newly established public service-related organizations, and requested them to submit their latest codes of conduct. The ACRC carefully reviewed the codes of conduct of 55 out of 65 agencies (no submission from 10 agencies) by studying how adequately they adopted the Model Code of Conduct for



Employees of Public Service-related Organizations and the Guidelines on the Code of Conduct for Public Organization Employees, and examining whether their individual codes conflicted with standard codes.

### **Providing Counseling and Information on the Implementation of the Codes of Conduct**

The ACRC supports public agencies as they implement their codes of conduct by providing them with consultation about the Code of Conduct for Public Officials, and offering them an authoritative interpretation on each of the provisions. An average of 200 questions a month or 2,500 a year were received via telephone or official documents, and the eCLEAN System, which was developed as part of the Civil Rights Administrative Information System, handled almost 200 questions per year. Since the enactment of the Code of Conduct for Public Officials in 2003, the number of questions being handled has been steadily increasing from 37 in 2004 to 40 in 2005, 125 in 2006, 129 in 2007, 192 in 2008, 198 in 2009, 209 in 2010, 289 in 2011, and 141 in 2012.

### **Providing Education on the Codes of Conduct**

The ACRC is also committed to providing education and training about the codes of conduct to public officials. To facilitate the voluntary implementation of the codes by each agency and further public officials' understanding, the Commission provided video education materials for every course in its integrity education curriculum. It also hosted seminars for officials in charge of the codes of conduct to provide information about the major contents of the codes and share experiences and challenges. At the request of the agencies, a total of 24 training sessions were provided on site in 2012.

### **Producing and Distributing Training Materials on the Codes of Conduct**

Various materials were produced and distributed to be used for training sessions and to raise awareness. In 2012, the handbook for the Code of Conduct for Public Officials was revised and distributed to 1,254 public offices.

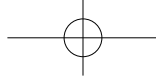
In addition, the "Guidelines for Operating the Code of Conduct for Local Council Members" containing ordinance examples and explanations by provision was produced and distributed to 505 organizations, including 244 local councils nationwide, to support local councils in setting up and operating their own codes.

### **3. Inspection and Monitoring of the Compliance with the Codes of Conduct**

Any violation of the codes of conduct by public officials can be reported to the ACRC or the official in charge of the code of conduct of the concerned agency. When a charge is substantiated by investigation in accordance with Article 10 of the Enforcement Decree of the ACRC Act (Report on Violation of Code of Conduct and Handling of Report), the result must be reported to the head of the violator's agency or the head of a relevant supervisory organization, and the follow-up actions should be reported back to the ACRC. The number of violations reported to the ACRC has continuously increased from 79 in 2008 to 135 in 2012, and 136 reports were addressed in 2012.

In accordance with Article 9 of the Enforcement Decree of the ACRC Act (the Enactment and Implementation of Code of Conduct), the ACRC also inspects and monitors the implementation of the codes of conduct by public organizations. Following up the results of the inspections, the Commission notified the concerned agencies to take the necessary





measures such as disciplinary actions or redemption as well as to come up with improvement policies to prevent the reoccurrence of similar cases.

#### 4. Evaluation and Future Plans

Since its first implementation in 2003, the Code of Conduct for Public Officials has come to represent the standard of fair performance of public duties and integrity in the public sector. To satisfy the ever-increasing demand of the public that public officials abide by ethical standards, the ACRC has been working hard to ensure that the codes of conduct are effectively and successfully instilled in every government official and public office.

With the year of 2013 marking the 10th anniversary of the Code of Conduct for Public Officials, the ACRC will create specific guidelines to revise and operate the codes of conduct by amending the rules that are obscure or have lost normative value, in order to promote the practicality of the codes of conduct. In addition, the ACRC will support local councils to successfully implement the Code of Conduct for Local Council Members and assist public offices in implementing their codes of conduct, giving more practical help such as education and training, consultation, and evaluation. The ACRC will also continue to give onsite support with training, promotional activities, review, and inspection of the operation and implementation of the codes of conduct. The ACRC is committed to exerting its best efforts to make sure that the codes of conduct take deeper root in the public sector. The implementation of the codes of conduct will serve to raise national competitiveness by improving its integrity levels.

## Section 5. Protections and Rewards for Whistleblowers

### 1. Protecting Whistleblowers

#### Whistleblower Protection System

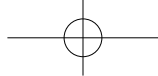
Any person who becomes aware of an act of corruption may report it to the ACRC. Especially in the case that a public organization employee learns that an act of corruption has been committed or is forced or proposed to be committed by another public organization employee, he/she shall report it immediately to any investigative agency, the Board of Audit and Inspection, or the ACRC. When the whistleblower reports to the public organization that he/she belongs to or a supervisory/regulatory agency of his/her organization, the whistleblower can be protected.

However, a person who reports an act of corruption despite the fact that he/she knew or could have known that his/her report was false cannot be protected.

#### Protection Measures

##### (1) Guarantee of Confidentiality

An official of the ACRC and investigative agencies shall be prohibited from disclosing any information suggesting the identity of the informant (reporter, complainant, whistleblower) without his/her consent. The ACRC manages and records corruption reports to strictly protect the confidentiality throughout the whole procedure from receiving a report to making a decision, if the reporter requests the guarantee of the confidentiality. In addition, when the Commission forwards/reports a case to other investigative agencies, it carefully determines whether the personal information of the informant needs to be included. Also, it requires other agencies investigating the case to take the necessary measures not to disclose the identity of the informant.



## (2) Guarantee of Public Position

No person shall not be subjected to a disadvantage or discrimination in terms of his/her working conditions or public position, including disciplinary action taken by a group to which he/she belongs, on grounds that under this Act, he/she reported, made a written statement, or submitted materials on a suspected act of corruption. If the reporter has suffered or is expected to suffer a disadvantage or discrimination as a result of reporting the corruption, he/she may request the Commission to take measures to guarantee his/her public position and other necessary measures, for example, by invalidating the discriminatory action against him/her, transferring him/her elsewhere, or suspending the disciplinary action against him/her. Moreover, the reporter who has been put at a financial or administrative disadvantage, such as the cancellation of a permit or a license and the revocation of a contract, may request the ACRC to take necessary steps such as ensuring the temporary implementation of the permit, license, or contract for the purpose of restoring the situation to his/her original state, or correcting the disadvantage.

## (3) Personal Protection

If an informant (reporter, complainant, whistleblower) feels that he/she or his/her family, relatives or cohabitant should be protected from being subjected to pressure or retaliation or the fear of such consequences, he/she may request the ACRC to take protective steps. In such a case, the Commission may ask the heads of policy agencies to take the relevant protective measures.

## (4) Other Protective Measures

The public position and physical protection of any person, other than a whistleblower, who has cooperated in the inspection, investigation, or

examination procedure by stating his/her opinion and submitting materials with regard to the corruption matters reported, can be protected. In addition, if a person reports of corrupt acts, which results in the detection of a crime committed by himself/herself, punishment for the crime may be mitigated or remitted. This can also apply mutatis mutandis to any disciplinary measure taken by a public organization.

If a person reports of corrupt acts according to the Act, he/she shall be deemed not to have violated the obligation of confidentiality in the performance of his/her duty, even though other laws, pacts, or employment rules stipulate otherwise.

In the meantime, if a whistleblower reports an act of corruption according to the Act, and requests the ACRC to restore the situation back to his/her original state or litigates for that purpose, then he/she is presumed to have suffered disadvantages for his/her act of reporting the corruption. Thus, the agency against which the report was made should prove that it did not take any disadvantageous measures against the whistleblower in regard to the report.

Also, if a person who took disadvantageous measures or discriminated against an informant in terms of public position or working conditions fails to meet the requests according to the Act, then he/she will be sentenced no more than one year in prison or be fined no more than KRW 10 million.

## Protection of Whistleblowers in 2012

From its launch in 2002 to the end of 2012, a total of 154 cases (an average of 14 cases a year) required the protection of whistleblowers or their cooperators. Of those cases, 84% (130) occurred after July 2005 when the relevant legislation was amended. In 2012 alone, the largest number of requests (27 in total: 19 for guarantee of personal status; 2 for protection of

physical safety; and 6 for guarantee of confidentiality) was submitted since its launch. Unlike the past years, however, there were many cases in regard to the disclosure of personal information this year.

## 2. Rewards and Award Money for Whistleblowers

### Objective

The rewards and awards system is to provide financial rewards for whistleblowers when a corruption report contributes directly to increasing or recovering

### Request for Protection of Informants/Witnesses by Year

(Unit: cases)

Category	Total	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total	154	7	2	6	22	15	17	20	14	13	11	27
Guarantee of personal status	126	4	2	4	20	12	15	18	12	9	11	19
Protection of physical safety	18	3	-	2	1	2	1	2	2	3	-	2
Guarantee of confidentiality	10	-	-	-	1	1	1	-	-	1	-	6

Of the 126 requests for guarantee of personal status, 33% or 42 requests were approved, 17 were dismissed, 34 were withdrawn, and 29 were closed. Of the 42 requests for guarantee of personal status that were granted, 33 (79%) were able to recover public status, 5 were transferred, 2 were provided with job placements, and 2 received exemptions from duty.

In terms of fines levied for violation of identity protection regulations, 2 cases were recorded in 2002, 4 cases in 2004, 1 case in 2006, 2 cases in 2007, 3 cases in 2009, 1 case in 2010, and 1 case in 2012 (total 14 cases). The total amount reached KRW 60 million (an average of KRW 4.3 million per case).

The number of preventive measures such as written or call counselling is 53. The preventive measures were to be taken before a whistleblower suffered any disadvantageous actions, including disciplinary actions or transfer to another position.

revenues of a public organization or preventing it from bearing economic costs to be otherwise incurred. The system serves as an effective anti-corruption tool by encouraging people to participate in reporting corrupt acts by rewarding an individual's courageous act for the public interest, despite a burden of risks.

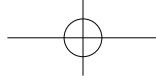
### Rewards and Award Money for Whistleblowers

#### (1) Government Recommendation for Award and Payment of Award

If a person reports an act of corruption under this Act to bring financial benefits or prevent financial damages to a public organization, or serve the public interest, then the ACRC may recommend that he/she receive an award under the Awards and Decorations Act and/or provide a financial award prescribed by the Presidential Decree.

Awards may be payable in any of the following:

- 1) A case in which there was prosecution, stay of



prosecution, exemption of prosecution, noticed disposition of negligence fine or additional collection, disciplinary action or corrective measures against the person who committed the corruption; 2) A case that results in institutional improvement, for example, in the form of an enactment or revision of the acts and subordinate statutes; 3) A case in which the disclosure contributes to preventing a public organization from bearing the economic costs otherwise incurred by improving a related policy, or suspending or ending the implementation of such a policy; 4) A case in which a person comes forward to make a good faith disclosure of his/her receiving pecuniary benefits disclosed but not exceeding KRW 200 million, and 5) Other cases in which the Reward Deliberation Board of the Commission deems it appropriate to pay an award.

If a reporter satisfies one of the above conditions, the award money of less than KRW 100 million can be paid, and if the reporter discloses his/her receiving pecuniary benefits, the amount of award shall be less than a fifth of the pecuniary benefits disclosed but not exceeding KRW 200 million.

## (2) Payment of Rewards

If a person's disclosure of corruption results in contributing directly to increasing the recovery of revenues of a public organization or to preventing it from bearing the economic costs otherwise incurred, or legal relations in that matter are established, then a financial reward may be offered to him/her. The imposition and recovery, falling under any of the following cases, shall be directly related to the allegations of corruption and evidential materials. The grounds for paying the reward are as follows: 1) Imposition of confiscation or additional collection; 2) Imposition of national tax or local tax; 3) Recovery of capital through the compensation for damages or the return of ill-gotten gains; 4) Decrease in economic

costs that comes from changes in a contract; and 5) Other measures or court decisions taken, except for the statutory notification or imposition of fines, penalties, surcharges, or negligence fines.

The maximum amount of reward shall be less than KRW 2 billion, from 4% to 20% of the recovered or increased revenues or the reduced costs. When determining the amount of the reward, the amount may be reduced under various conditions.

### Criteria for Paying Rewards [Related to Article 77(1)]

Benefits incurred	Criteria
KRW 100 million or less	20%
Over KRW 100 million and not more than KRW 500 million	KRW 20 million + 14% for the amount exceeding KRW 100 million
Over KRW 500 million and not more than KRW 2 billion	KRW 76 million + 10% for the amount exceeding KRW 500 million
Over KRW 2 billion and not more than KRW 4 billion	KRW 226 million + 6% for the amount exceeding KRW 2 billion
Over KRW 4 billion	KRW 346 million + 4% for the amount exceeding KRW 4 billion

Benefits Incurred: The value of the recovered or increased revenues or the reduced costs of a public organization incurred by the imposition of confiscation or additional collection, imposition of national tax or local tax, recovery of capital through the compensation for damages or the return of ill-gotten gains, decrease in economic costs that comes from changes in a contract, and other measures or court decisions taken, except for the statutory notification or imposition of fines, penalties, surcharges, or negligence fines or such value in time of the establishment of legal relations related to that matter

Also, if the period for filing an appeal against such imposition or withdrawal of proceeds of corruption does not expire or a remedial procedure is therefore underway, the payment shall await the expiration of the period and the completion of the procedure.

In the case the reward shall be paid according to the establishment of legal relations, less than half of the amount of the reward may remain unpaid until the public organization concerned begins recovering or increasing its revenues. Accordingly, if and when

revenues recovered or increased exceed the reward already paid, then the unpaid reward shall be paid to the informant until he/she receives the total amount of reward.

### (3) Reward Deliberation Board

The Reward Deliberation Board deliberates on and resolves the following: Matters concerning requirements for the payment of financial reward and compensation; Matters concerning the amount of financial reward and compensation to be paid and; Other matters concerning the payment of financial reward and compensation. The chairperson of the board and board members are appointed or designated among the persons with education or experience in corruption prevention and reward according to the standards prescribed by the Presidential Decree. The board is composed of one head(chairperson), one mandatory member, and five designated members.

#### Procedure of Award Payment

Procedure	Contents	Act · Presidential Decree Articles concerned
Request the payment of reward	-Request to pay the reward	Act Article 68 Presidential Decree Article 72,73
Investigate and check if the request is appropriate	-Investigate and check the conditions and reasons for the reward	Act Article 68, 71 Presidential Decree Article 72,77, 78, 81
Deliberate and resolve on the request (Reward Deliberation Board)	-Deliberate and resolve on various grounds, the amount of the reward, etc.	Act Article 69 Presidential Decree Article 74-78
Pay the reward	-Provide the reporter with the reward, and deliver the officially certified copy of reward decision and the notice of reward determination	Act Article 70 Presidential Decree Article 79

### 2012 Award and Reward Money Payment

Since the award system was introduced in July 1, 2005, KRW 426.5 million of award money for a total of

52 cases was paid, and in 2012 alone, KRW 80 million of award money for 14 cases were paid.

#### Award Money Paid by Year

(Unit: KRW thousand)

Year	Number of awards	Amount of reward
Total	52	426,500
2006	3	35,000
2007	8	50,000
2008	6	100,000
2009	6	77,500
2010	10	59,000
2011	5	25,000
2012	14	80,000

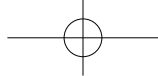
In particular, both the number of cases and the amount of money increased by 300% in 2012 compared to the previous year, seemingly affected by the ACRC's policies to promote the award system such as "payment of award money for reports against corruption in daily life."

The total amount of the reward money that has been paid for the last 10 years since 2002, when the former anti-corruption act was enacted, was KRW 5,277,454,000 for a total of 183 cases.

#### Reward Money Paid by Year

(Unit: KRW thousand)

Year	Approved request	Reclaimed amount	Total reward amount
Total	183	51,920,475	5,277,454
2002	1	7,430	743
2003	2	1,114,962	73,744
2004	5	1,609,320	98,298
2005	17	3,669,619	268,868
2006	19	1,037,070	84,654
2007	26	2,049,584	277,340
2008	18	2,149,406	328,175



The largest amount of reward money was KRW 405 million to a reporter of local government A that swindled the repair costs of sewerage pipes.

In 2012, a total of KRW 1,400,444,000 was paid for 40 cases, a 300% increase from the previous year's KRW 1,499,401,000 for 14 cases. It is analyzed that the increase resulted from the establishment and implementation of the ACRC's policy in early 2012 to promote the reward system, strictly managing predicted cases for reward payment and actively securing the budget in advance.

## Section 6. Introduction and Operation of the Public Interest Whistleblower Protection System

### 1. Integrity Assessment for Public Organizations

Under the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission, the scope of protection against any disadvantages stemming from reporting were limited to those who made reports relating to the public sector such as bribery of public officials and waste of national budget.

It is, however, necessary to eradicate corruption not only in the public sector but also in the private sector in order to make a clean society of integrity and at the same to establish a society where people can live in security. The way towards becoming a truly developed country will remain far if efforts are not made to prevent and control any infringement of the public interest that directly and closely affects the people's lives and brings about significant losses to society. Examples of such infringement include food without clear indication of origin and ingredients, products that used poor resources and interest on loans that exceeds the legal rate.

Hence, the ACRC took one step further from controlling corruption only in the public sector in an attempt to establish a legal foundation on which the infringement of the public interest in the private field that is closely related to the people's lives can be controlled. The Commission introduced the Act on the Protection of Public Interest Whistleblowers on March 29th, 2011, and the Act has been effective since September 30th of the same year.

The backdrop of the introduction of the Act was that if anyone can report the invasion of the public interest without being concerned about the disadvantages of reporting, it will be possible to improve the public interest in society with the minimum cost, without external control such as supervision or regulation of administrative authorities, and to lay the groundwork for the people to trust society.

### 2. Current Status of Operation

#### Processing of Reports and Protection of Reporters

##### (1) Filing of Reports on Violation of Public Interest

A total of 1,142 cases of public interest violation were filed and handled at the ACRC from the launch of the program to the end of December 2012. Amongst the filed cases, field of infringement on the health that includes production of contaminated food and deceptive and exaggerated advertising accounted for the highest portion with 396 cases (34.7%). Violation in the environmental field, including the illegal treatment of waste, also took a big quota of 128 cases (12.3%).

##### Public Interest Whistleblowing by Type

(Unit: Case, %)

Type of Violation of Public Interest	Total	Health	Safety	Environment	Consumer Interest	Fair Competition	Others
Total	1,142	396	169	205	127	28	217
Ratio	100.0	34.7	14.8	18.0	11.1	2.5	19.0

## (2) Results of Processing Public Interest Violation Cases

Out of 1,142 reports filed, 79 were referred to investigative agencies, 532 were transferred to other public organizations, and 448 reached a conclusion as of the end of 2012. At present, 83 cases are under review.

### The Number of Processed Cases

(Unit: Case)

Category	Total	Referred to investigative agencies	Transferred to Other Public Organizations	Concluded	Under Review
No of Processed Cases	1,142	79	532	448	83

As for the transferred cases whose results had been reported, apart from the cases under investigation at the investigative agencies, actions such as punishment have been taken as of the end of 2012. To be specific, the actions include a fine (5 cases), a penalty surcharge/administrative fine (17 cases), a minor offense penalty (2 cases), a notification of deposition (2 cases), suspension of business/qualification (9 cases), penalty points (1 case), an improvement/correction order (3 cases), a caution/warning (3 cases), administrative guidance (30 cases), and prosecution (43 cases).

## (3) Protection and Relief of Public Interest Whistleblowers

Until the end of September 2012, 14 requests were made for protection and relief, such as the guarantee of a person's status against disadvantages, etc. As of the end of September, a total of 4 cases were protected, including 3 cases of protective measures and 1 case of the guarantee of a person's status.

## Protection and Relief of Public Interest Whistleblowers

(Unit: Case)

Category	Total	Result			Withdrawn	Concluded	Under Review
		Accepted	Rejected	Dismissed			
Protection	Guarantee of Confidentiality	3	-	-	-	3	-
	Protection	3	1	-	-	2	-
	Guarantee of Status	7	3	2	-	-	2
	Prevention of Disadvantages	3	-	-	3	-	1
	Responsibility Exemption	1	1	-	-	-	-
Relief	1	-	-	-	1	-	
Total	18	5	2	3	1	6	1

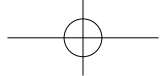
## (4) Rewards for Public Interest Whistleblowers

As of the end of December 2012, a total of KRW 28 million was provided as reward for public interest whistleblowers of 32 cases, which restored the revenues of the central or local governments by imposing penalty surcharges or negligence fees.

## Establishment and Enforcement of Policies for Protection of Public Interest Whistleblowers

When considering that the U.K. introduced the Public Interest Disclosure Act in 1998 and Japan enforced the Whistleblower Protection Act in 2004 to protect their people within a legal framework from all kinds of illegal and threatening acts, and also considering the national standing of Korea as one of the top 10 countries in the world, the enforcement of the Korean version of the public interest whistleblower act seems belated.

Thus, the priority of the Korean government after the introduction of the act was to immediately and widely promote the program so that the purpose of the act can be achieved to the level of developed countries. Based on the recognition of such priorities, hard efforts were made in manifold, such as the formation of a social consensus on public interest whistleblowing and protection of reporters all across society, including



the government, public organizations, companies and the people, to lay a foundation on which the program could be settled as soon as the Act on the Protection of the Public Interest Whistleblower was introduced.

First, briefing tours were made in 11 regions across the country for public officials and business people from November 2011 to March 2013. Also, several meetings were held with CEOs, and a launching ceremony of a team with public organizations at the center to jointly monitor and prevent violations of the public interest was held on May 16th, 2012. These efforts aim at facilitating the understanding about and the participation in the public interest whistleblower protection program of people from all walks of life.



CEO Meeting; Launching Ceremony of the Public Interest Guard of the Public Organizations

In addition, manuals and guidelines that contain matters to be attended by public organizations and companies during the operation of the program were distributed in May 2012. In particular, companies that generally employ 10 or more staff were requested to exclude public interest whistleblowing from the list of duties of confidentiality observance. (It was incorporated in the amendment of the Standard Rule of Employment of the Ministry of Employment and Labor. The amendment was completed at the end of 2012.) Such a measure contributed to promoting public interest whistleblowing within companies and to helping a culture of protecting public interest whistleblowers to take root.

Furthermore, the government has strived to build public-private governance to spread and settle the protection of the public interest whistleblower

program. For example, the ACRC signed an MOU with the Construction Association of Korea that includes a joint prevention and monitoring system against the infringement of the public interest relating to construction safety and education for member companies. Marking the 1st anniversary of the enactment of the public interest whistleblower protection program, the ACRC held a seminar on September 20th, 2012, to which experts from various circles participated, making a further effort for institutional improvement and social consensus.

In order to expand the people's view that public interest whistleblowing is an act of courage that helps to eradicate opaqueness and unfairness in society, a series of promotions via TV and subway advertising and online and mobile promotions are continuously being carried out.

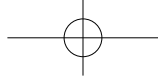


Mobile advertising on Daum; Promotional video on TV, subway and board

### 3. Evaluation

The enactment of the public interest whistleblower protection program has contributed to preventing and stopping the spread of violations of the public interest and reinforcing safety in society. It has also extended the efforts to root out corruption in the public sector to the private sector. Moreover, the program works as an advanced guard to remove what used to work as barriers of improving the quality of life in the past, such as contaminated food and pharmaceutical rebates. The evaluation team of the OECD Anti-Bribery Convention stated that the efforts of the Korean government in controlling the infringement of





the public interest in the private field and enforcing a new protection act for reporters is “notable progress” (October 19th, 2011).

In the end, the implementation of the public interest whistleblower protection program aims to provide a transparent and fair procedure and a protective measure so that anyone can indicate an alleged violation of the public interest without hesitation. It is also significantly meaningful when considering that the program has laid a firm foundation to build basic prerequisites upon to allow the private sector to autonomously control violations, which will consequently secure social capital.

The ACRC will expand the scope of applicable acts regarding violations of the public interest that is closely related to the people’s daily lives, such as the School Meals Act, and will continuously strive to carry out institutional improvements and to reinforce protection measures for public interest whistleblowers. The Commission will also improve convenience and accessibility to the filing of public interest whistleblowing through e-People and smart phone applications, and will make an effort for the stable establishment of the program by establishing an all-time cooperative system with the relevant organizations.

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## **Chapter 3** **Integrity Education and Anti-Corruption** **Promotion**

### **Section 1. Education on Anti-Corruption and Integrity**

#### **1. Integrity Training for Public Officials**

##### **The Integrity Training Expert Course**

#### **(1) Overview**

The Integrity Training Expert Course was first offered in 2003 to inspectors and compliance officers responsible for managing ethical practices in the public service at various public organizations. Since its opening, in order to spread a sense of integrity to the public sector, the course has been expanded to not only public officials who are in charge of administrative affairs such as personnel management, contracts, licensing, and approval, but also public educational officials (teachers, vice principals, and principals), public officials in special service (fire fighters and police officers), and employees of public service-related organizations.

In addition, the ACRC introduced a customized integrity training system by ranking, for example, for the newly employed, the promoted, and high-ranking officials in accordance with the life cycle of a public official from his/her employment to retirement. The Commission has improved its integrity training system year by year, conducting training courses for the officials who are supposed to be dispatched overseas and those who work for civil groups. In particular, to meet the increasing demand for anti-corruption and integrity training, the ACRC newly opened its own education center, the Anti-Corruption Training Institute, in the city of Cheongju, Chungcheongbuk-do, in October 2012.

#### **(2) Performance**

As of the end of 2012, 18,102 people have completed the Integrity Training Expert Courses since the program was launched in 2003. In 2012, 2,722 people participated in the program, and 91.6% of the trainees responded that they were satisfied with the course, showing that most of the trainees were satisfied with the contents of the training and its appropriateness.

### Integrity Training Expert Courses by year

Year	No. of courses	Period	No. of sessions	No. of trainees	Training target
2003	2	3 days	2	71	Lecturers, compliance officers
2004	5	3 days, 5 days	10	669	Anti-corruption and compliance officers
2005	7	5 days	10	504	Anti-corruption and compliance officers
2006	4	4 days, 5 days	8	562	Compliance officers, officers in charge of codes of conduct
2007	8	1 day, 3 days, 5 days	27	2,133	Anti-corruption and compliance officers
2008	7	3 days, 5 days	50	2,655	Teachers, compliance officers
2009	20	3 days, 5 days	44	3,227	Central and local public officers, teachers
2010	21	1 day, 3 days, 5 days	50	2,659	Employees of public organizations, teachers
2011	22	1 day, 3 days, 5 days	50	2,793	Employees of public organizations, teachers, employees of civil groups
2012. 10	18	1 day, 3 days, 5 days	55	2,829	Employees of public organizations, teachers, employees of civil groups
Total	114	-	306	18,102	-

### (3) Future Plans

As the Anti-Corruption Training Institute has been opened, the ACRC will put more emphasis on professional and systematic training with specific cases onsite, and continue to improve the quality of integrity training courses by developing and operating the newest training courses to nurture the sense of ethics and power of execution in trainees.

In addition, the new institute will serve as a hub to promote the integrity-oriented mindset throughout society by opening training courses for public officials from other countries, conducting research on integrity policies, and sharing the space as a cultural center of integrity for the public.

### The Online Integrity Training Course

#### (1) Overview

The ACRC has run the online integrity training course for all public officials at its Online Education Center (<http://acrc.coti.go.kr>) since 2006, and is developing and providing online training contents for public organizations to voluntarily operate their own integrity training courses.

#### (2) Performance

For 4 years since the launch of the ACRC (2008~2011), about 600,000 public officials have completed the online integrity training courses, including the courses operated by each public organization. In particular, public officials have shown great interest in the ACRC's online courses, as the application slots for all online educational courses were filled within a few minutes.

#### Online Integrity Training Courses by year

	2008	2009	2010	2011	2012
ACRC courses	7 times, 3,340 trainees	15 times, 6,018 trainees	30 times, 16,145 trainees	45 times, 21,099 trainees	120 times, 46,628 trainees
Courses operated by each public organization	27 organizations, 18,133 trainees	59 organizations, 90,875 trainees	139 organizations, 153,225 trainees	155 organizations, 290,733 trainees	168 organizations, 358,506 trainees
No. of trainees (Total)	21,473 trainees	96,893 trainees	169,370 trainees	311,832 trainees	405,134 trainees

### (3) Future Plans

The ACRC plans to continue developing new online training contents for more and more public officials, as well as to improve the training system and supplement any possible defects in a persistent way.



Moreover, the Commission plans to continue to offer educational materials and technical support to other organizations that face a relatively high demand for education so that it can meet the increasing demand for training.

## **Supporting Integrity Education and Training of All Levels of Public Organizations**

### **(1) Overview**

Anti-corruption and integrity education and training cannot work only with the ACRC's efforts; it is necessary for all levels of public organizations to participate in the efforts. The Commission is supporting integrity education and training of public organizations for their own staff by creating and distributing an "Integrity Training Lecturer List," lecturing by the ACRC officials, nurturing lectures for each public organization, developing and distributing integrity training contents, and operating online integrity training courses.

### **(2) Performance**

To support integrity education and training of each public organization, the ACRC created in May 2002 an "Integrity Training Lecturer List," consisting of 75 anti-corruption experts, and has distributed the list to public organizations. In 2009, the Commission upgraded the list to 126 experts from various areas to respond to corruption cases that are becoming more sophisticated and to meet the growing demand for education and training. In particular, in 2012, after dividing the nation into 4 regions, the ACRC discovered integrity lecturers by region. Continuously supplementing the lecturer list, the ACRC published the list as a booklet and distributed it to all levels of public organizations.

Using the lecturer pool, public organizations and public service-related agencies are now providing their own integrity education and training voluntarily to increase their integrity levels. Moreover, since the launch of the ACRC, staff members of the Commission including senior officials have been invited to give more than 1,500 integrity lectures to all levels of administrative agencies and public service-related agencies.

In the meantime, the ACRC developed a standard syllabus of integrity education, integrity education contents, and online training courses, and distributed them to public organizations so that public officials can easily take the integrity education and training courses. Especially, the education contents are comprised of various formats such as drama, documentary, and skit, to attract the viewers' attention and interest.

### **(3) Future Plans**

The ACRC plans to expand the courses to nurture integrity lecturers to help all levels of public organizations have their internal lecturers. To respond to the request of integrity lecturers, the ACRC will recruit new lecturers and operate a certification system. In addition, it will develop educational contents, especially using actual examples, and continuously expand the online training courses to support the integrity education and training of public organizations.

## **2. Integrity Education for Students**

### **Operation of Integrity Model Schools**

#### **(1) Overview**

To nurture the right values and lifestyle of the youth and the future generation, it is necessary to teach

the value of integrity from a young age. Since 2008, the ACRC designated “Integrity Model Schools” and supported their efforts to provide students with integrity education programs. The Integrity Model School program was introduced to designate some elementary/middle/high schools nationwide to provide customized integrity education for their students, and to share the best practices of these schools with other schools.

### Operation of Integrity Model Schools

	2008	2009	2010	2011	2012
Budget (KRW)	60 million	60 million	360 million	360 million	300 million
No. of schools	8	6	36	36	30
Composition	Elementary (3), Middle (1), High (4)	Elementary (2), Middle (2), High (2)	Elementary (19), Middle (13), High (4)	Elementary (20), Middle (12), High (4)	Elementary (25), Middle (5)
Subsidy (KRW)	7.5million per school	10 million per school	10 million per school	10 million per school	10 million per school
Period	1 Year	1 Year	2 Years	2 Years	2 Years

### (2) Performance

As 5 years have passed since the Integrity Model School was introduced, most of the schools have operated their own unique and differentiated programs and made various efforts to increase effectiveness of integrity education. The ACRC has also held workshops and interim report sessions for Integrity Model Schools so that the teachers of the schools can share opinions and information to reinforce their programs.

In 2012, 36 schools (20 elementary, 12 middle, and 4 high schools) were designated as Integrity Model Schools. These 36 schools developed their own integrity education programs tailored to their students and operated a variety of distinctive activities. Key activities of the model schools include educating integrity-related values such as honesty, responsibility,

and fairness in the relevant regular classes. During the schools’ extracurricular classes, students studied historic figures of integrity, created posters and slogans, watched video materials and wrote articles about them on the theme of integrity, coined monthly integrity greetings, and did community service. Besides, the schools have carried out various programs, working together with families and communities to reinforce the sense of integrity.

The results of the model schools were first reported in individual briefing sessions held between October and December, and presented in the main conference organized by the Commission in December to be shared with other schools.

### (3) Future Plans

The ACRC considers pushing forward the policies to introduce the integrity education programs in the regular curriculums of elementary/middle/high schools based on its experience from the operation of the Integrity Model School program.

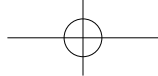
## Integrity Education Materials for Students

### (1) Overview

The Commission developed integrity education materials for teachers and parents of elementary, middle, and high school students so that systematic integrity education can be carried out in families and schools. The Commission has distributed the materials to all schools to promote integrity education in school life.

### (2) Performance

The educational materials developed for elementary schools in 2009 are comprised of workbooks for students and guidebooks and referential materials



for teachers, to be used in various ways in class. The main values emphasized in the materials are fairness, responsibility, commitment, moderation, honesty, and respect. With subtitles such as "Impartiality & fairness" or "Honesty for truth," the relationship between the values and integrity is well explained in the materials.

The educational materials for middle and high schools developed in 2010 are divided into 4 types: workbooks for middle school students and guidebooks for middle school teachers; and workbooks for high school students and guidebooks for high school teachers. These materials were developed to be used as supplementary materials for ethics or social studies classes.

It is notable that the materials for elementary schools were developed for teaching values to individuals while materials for middle and high schools were created to make students think about anti-corruption from institutional and social perspectives.

In the meantime, the Commission developed the Integrity Education Manual for parents in 2010 so that integrity education can be provided not only in school but also at home. This manual has two parts: "Common sense of integrity for parents," explaining the norms of integrity and actual cases; and "Integrity Stories to share with children," suggesting concrete instruction guidelines for situations of conflict of interest that parents and children may often face.

### (3) Future Plans

The ACRC posted the educational materials, guidebooks, and manuals on its website so that teachers and citizens can freely download them. The Commission will upgrade the existing materials through continuous research.

## Development & Distribution of Integrity Education Materials for Students

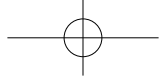
### (1) Overview

The Commission developed various forms of integrity education materials for elementary, middle, and high school students who will grow as Korea's next-generation leaders. These materials will inform them of the importance of anti-corruption and integrity and help raise their integrity awareness.

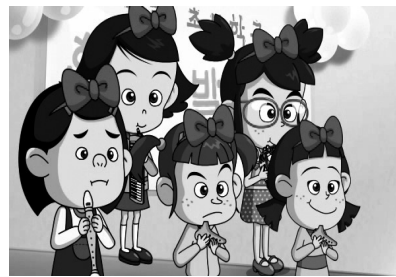
These materials were developed to be available in the mobile environment, such as tablet PCs and smart phones, so that the students can have easy access to them. The ACRC used various content tools such as animations, cartoons, or games rather than existing materials like texts or video clips.

The Commission also produced an animation series, "Moongchi's Family" with 3 seasons from 2009 to 2011. The 26-episode TV animation series, each running for about 5 minutes, was planned and produced in 2009 to raise awareness among elementary school students about integrity by conveying messages in a way that young students can understand. The series helps children to easily understand the unfamiliar and difficult concept of integrity and to learn about the values of courage, conscience and honesty through the experience of a puppy named Moongchi.

The series was aired on EBS, and was well received by the audience as an effective tool to teach integrity to children through animation. After the broadcast, the series was distributed to about 6,000 elementary schools and offices of education around the country to be used in class. The English version was also developed to be used as English education material.



### Moongchi's Family



■ Playtime: 5 minutes per episode with a series of 26 episodes in total, ■ Genre: 2D animation

### (2) Future Plans

The ACRC will continue its efforts to develop and distribute various contents and materials so that students can easily and naturally learn the value of integrity.

### Section 2. Spread of Integrity Culture among the General Public

The ACRC has provided various programs that people can participate in such as writing contests, promotion activities, and field trips, to spread the culture of integrity to all corners of society. In 2012, it operated 2 programs: University Integrity PR Club activities and Integrity Writing Contest.

#### 1. University Student Integrity PR Club

The University Student Integrity PR Club was established to raise awareness of university students

about integrity issues, and spread a culture of integrity through creative and passionate spirits of university students since they are the future leaders of the nation. Under the initiative, which began in 2009, 4-6 members form a team representing a region. They have made considerable contributions to establishing a culture of integrity in the concerned region and spreading integrity values on campus by performing integrity campaigns, voluntary activities, and club activities based on their own contents.

In 2012, the ACRC selected 15 teams from 8 regions nationwide as University Student Integrity PR Club members. From June to November 2012, each team carried out various activities, including conducting integrity campaigns, working with universities, local governments, and public organizations, developing various contents such as UCC and web-toon, carrying out online promotion activities using blogs and other SNS tools, and serving as "one-day teachers" for schools.

#### 2012 University Student Integrity PR Club's Activities



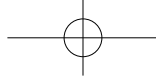
Integrity PR activities at Yeosu EXPO, joining with KORAIL



Integrity Campaigns at subway stations



Integrity PR Marathon with the Military Manpower Administration



On December 5, 2012 the ACRC held an event where each team reported on their activities, and the outstanding performers were presented with awards by the ACRC. First place went to the “Right Up” team, representing the Incheon-Gyeonggi region. The 80 participants in the fourth-generation program are expected to practice integrity in their daily lives and promote messages about integrity based on their experience as Club members.

## 2. Writing Contest with the Theme of Integrity


Since 2008, the ACRC has organized the Integrity Writing Contest to raise awareness of the youth about integrity by writing on the subject of integrity and to promote consensus on the significance of integrity among the general public.

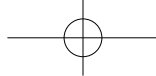
In the 2012 contest, the number of participants increased to a total of 5,594 by 30% compared to the previous year, with 3,679 elementary school students and 1,915 middle school students. The contest significantly contributed to raising the awareness of integrity of students and spreading a culture of integrity since not only did students participate in the contest, but also their teachers, parents, schools, and offices of education engaged in the event.

## 3. The “World of Integrity” Smartphone Application

In 2011, the ACRC launched a free application called “World of Integrity” for smart phone users and government employees. The application features historical integrity stories, anti-corruption news stories, self-check charts, and corruption cases for government employees and ordinary people that are meant to be simple to read and easy to use. The application is available in the Android market or App-store by searching with the keyword, “World of Integrity (Korean).”

### Main Menu of the “World of Integrity”

Main Menu	Contents
	- Integrity Stories: What is Integrity? Integrity in History (4), Integrity Maxim (29), Guide for Integrity Life (14), Figures of Integrity (14)
	- Integrity News: Real-time corruption & integrity news
	- Integrity Level Test: Common Sense Test (10), Self Assessment (10), Whistleblowing Self Assessment (10), Corruption Awareness Self Assessment (10)
	- Corruption Report Examples: Corruption Cases (10), Violation Examples of Code of Conduct (10), Violation Examples of Public Interest (3), Q&A (10), Corruption Report Guide
	- Codes of Conduct: Code of Conduct for Public Officials
	- Bookmark: Links with 6 organizations, including the ACRC



**ACRC KOREA Annual Report 2012**

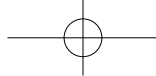
We will make a fair and just society  
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# Part 4

## Institutional Improvements for Grievance and Corruption Prevention

- **Chapter 1** Overview
- **Chapter 2** Achievements in Institutional Improvements
- **Chapter 3** Major Recommendations for Institutional Improvements to Prevent Corruption in 2012
- **Chapter 4** Major Recommendations for Institutional Improvements to Prevent Civil Complaints in 2012
- **Chapter 5** Assessment and Future Directions



## Part 4

# Institutional Improvements for Grievance and Corruption Prevention

### Chapter 1 Overview

#### 1. The Significance of Institutional Improvements

An institution is defined as “a custom, practice, relationship or behavioral pattern of importance in the life of a community or society.” In modern society, a person has to live under the influence of various legal institutions from birth to death, or from the cradle to the grave, unless he or she decides to leave the community and settle on a deserted island.

As a norm of society, legal and systemic institutions play a positive role in maintaining the social order and helping the majority of the people live in harmony. The institutions, however, might obstruct society from developing constructively and gaining prosperity if they do not protect the special interests of the minority or fail to reflect the changes of time. This may promote corruption and cause pain to the people in the name of legality.

Legal institutions can be improved by identifying the unfair institutions that damage the public interest in reality and potentially and foster corruption, and then recommending the relevant organizations to fix them. The ultimate goal of the initiative is to ensure that the institutional system is really beneficial to the people.

#### 2. Key Functions of the ACRC Granted by Relevant Rules and Laws

One of the main functions of the Anti-corruption and Civil Rights Commission (hereinafter referred to as the “ACRC”) is to improve legal institutions as prescribed by Article 1 (Purpose) of the Act on Anti-corruption and the Establishment and Operation of the Anti-corruption and Civil Rights Commission (hereinafter referred to as the “Act”), on which the establishment of the ACRC is based.

Article 1 of the Act reads, “The purpose of this Act is to improve unreasonable administrative systems pertaining to the processing of civil petitions for grievances, prevent corruption and effectively regulate acts of corruption by establishing the Anti-Corruption and Civil Rights Commission so as to protect the basic rights and interests of the people, ensure appropriate public service and serve to create a clean climate in the civil service sector and in society.” This can be interpreted as the ACRC being given the mission of protecting the rights and interests of the people and creating a society of integrity by improving legal institutions concerning the prevention of grievances and corruption.

Article 12 of the Act, which defines the functions of the ACRC, includes provisions regarding the improvement of legal institutions: “3. The work of giving recommendations or expressing opinions when it is deemed necessary to improve an administrative

system that may be the cause of a civil petition for grievances and the operation of such system,” “4. The work of surveying and evaluating the actual status with respect to the result of processing civil petitions for grievances by the Commission and improvement of administrative systems,” and “5. The work of developing and recommending policy measures to prevent corruption in public institutions and matters concerning institutional improvements, and surveying the actual status of the public institutions for the purpose of developing and recommending them.”

Under Article 27 of the Act, the ACRC may recommend the heads of public institutions to make institutional improvements for the prevention of corruption if the recommendations are deemed necessary. As for the procedures to handle civil petitions and grievances, the ACRC may also recommend or express opinions for the heads of relevant administrative agencies to make rational changes to any acts, subordinate statutes, institutional practices or policies if they are found to be in need of improvement during the investigation of civil petitions and grievances.

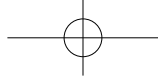
The Enforcement Decree of the Act specifies the procedures and methods of issuing those recommendations in detail, and the Operational Guide on Institutional Improvement Work (Established Regulation No. 46) defines the details of the recommendation process from the stage of identifying the tasks to that of executing the follow-up measures. The Operational Guide consists of 27

provisions in 6 chapters: General Rules, Identification and Commencement of Institutional Improvement Projects, Investigation and Recommendations regarding Institutional Improvements, Follow-up Measures after Recommendations, Establishment and Operation of Advisory Bodies, and Supplementary Rules.

Rules and laws have authorized the ACRC to make recommendations for the improvement of institutional practices as a third party because the bodies that make or execute a certain rule or system might be overconfident and therefore fail to find the errors and negative effects early on. In contrast, the ACRC's independent and neutral position allows it to analyze and make recommendations for the rule or system from the perspective of the general public, helping to ensure that the public administration is executed appropriately.

### 3. History of Divisions for Institutional Improvement in the ACRC

With the establishment of the ACRC on February 29th, 2008, the functions of institutional improvements were divided into 3 organizational divisions: the Institutional Improvement Planning Division and the Institutional Improvement Division, both under the Anti-Corruption Bureau, and the Civil Complaint System Improvement Division under the Ombudsman Bureau.



In May 2009, the Director General for Policy Planning was appointed within the Planning and Coordination Office, and the responsibility was divided between two director generals – the Director General for Institutional Improvement Planning in charge of anti-corruption and the Director General for Institutional Improvement in charge of complaint handling. The former is tasked with the work for institutional improvements regarding corruption prevention, while the latter focuses on improving legal institutions to prevent grievances.

In February 2010, the position of Deputy Director General for Institutional Improvement, who directly reports to the Secretary General (& Vice Chairperson), was created in order to strengthen the supervision and coordination of institutional improvement functions and to closely combine the two areas of institutional improvements (fighting corruption and preventing complaints). Under the new officer, the General Institutional Improvement Division, Economic Institutional Improvement Division, and Social Institutional Improvement Division were established.

The functions for institutional improvement, which had been divided into fighting corruption and preventing grievances, were combined so that the ACRC can take on an integrated task at the organizational level. Reporting layers were subsequently streamlined so that the Commission is allowed to execute the work for institutional improvements more quickly and efficiently.

### The Institutional Improvement Process

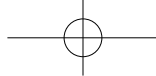
1. Identification of tasks and establishment of action plans	<ul style="list-style-type: none"> <li>■ Recognize tasks described in the Annual Institutional Improvement Plan</li> <li>■ Use the data of grievances, corruption, and administrative appeal cases, and analyze civil complaints</li> <li>■ Write a case initiation report to be discussed in an initiation review meeting</li> </ul>
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2. Data collection & research	<ul style="list-style-type: none"> <li>■ Establish an investigation plan</li> <li>■ Send a request for the relevant documents and conduct an on-site inspection</li> </ul>
3. Establishment of reform plans	<ul style="list-style-type: none"> <li>■ Write a report based on the results of the investigation into documents and on-site inspection</li> <li>■ Consult an expert if necessary</li> </ul>
4. Collection of public opinions and consultation with relevant organizations	<ul style="list-style-type: none"> <li>■ Collect opinions from industry insiders, stakeholders, experts, and other figures related to a specific improvement plan (unofficial meetings, public forums)</li> <li>■ Consult the relevant organizations to find whether they accept the recommendations</li> </ul>
5. Internal report and presentation to the agenda of the Commission	<ul style="list-style-type: none"> <li>■ Report the institutional improvement plan and the results of the consultation with the relevant organizations to the head of office and the chief deliberation committee member</li> <li>■ Present the case to the Full-member Committee through a subcommittee and sectional committee</li> </ul>
6. Recommendations for institutional improvements and publication	<ul style="list-style-type: none"> <li>■ Make a recommendation for the relevant organization after a decision is made at the Full-member Committee</li> <li>■ Distribute press kits and respond to interviews through various media channels</li> </ul>
7. Follow-up measures for monitoring and examining the implementation of the recommendations	<ul style="list-style-type: none"> <li>■ Review the implementation of the recommendations by the organization in question after a certain period</li> <li>■ Promote the implementation of the recommendations by proposing the National Assembly to legislate similar laws</li> </ul>

## Chapter 2. Achievements in Institutional Improvements

### 1. Performance Comparison of Before and After the Integration

Since the establishment of the ACRC in February 2008, the Commission has issued 458 recommendations (2,236 sub-tasks) for improving legal provisions and institutional practices. In terms of sub-tasks, the acceptance rate was 88.8% or 1,987 items.



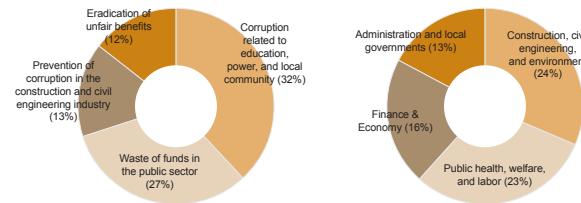
To break this figure by area, the number of recommendations issued for improving institutional practices to fight corruption stood at 104 (916 sub-tasks), while 354 recommendations were released in the grievance prevention area (1,320 sub-tasks). Compared with the outcome recorded during the 5 years prior to the organizational integration, the institutional improvement performance for fighting corruption was up 91% and that for grievance prevention was up 264%.

The greater activities for institutional improvement after the integration of the Ombudsman of Korea, the Korea Independent Commission Against Corruption, and the Administrative Appeals Commission into the ACRC are attributable to several reasons. The ACRC took advantage of various channels to collect public opinions, including the e-People system and 110 Government Call Center, and leveraged the anti-corruption competitiveness evaluation, inspectors' meeting, and other initiatives to build the network for close cooperation with the relevant organizations. Moreover, the ACRC has further strengthened internal collaboration and built up expertise through fact-finding missions, planned investigations, and other programs.

In 2012, the ACRC received a total of 3,452,000 cases as the voice of the people and used them to improve legal provisions and institutional practices. The e-People system received 1,247,000 calls and reports, while 2,138,000 calls were made at the 110 Government Call Center. The ACRC also used the data of civil complaints (34,000 cases), administrative appeals (30,000 cases), and corruption reports (3,000 cases).

As for the results of institutional improvements in the area of corruption prevention for 2012, the largest number of recommendations were about corruption related to education, power, and local community (33 cases or 32%), followed by those for preventing a waste of public funds (28 cases or 27%). The number

of recommendations for the prevention of corruption in the construction and civil engineering industry stood at 13 (13%), and 12 recommendations (12%) were issued to improve institutional practices to eradicate unfair benefits in order to build a fair society.

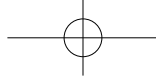


As for the institutional improvements for preventing grievances, the largest share of recommendations was about the construction and environment area (85 recommendations or 24%), followed by those in the areas of health, welfare, and labor (81 recommendations or 23%). The ACRC issued 57 recommendations (16%) in the area of finance and economy, while 46 recommendations (13%) were issued regarding institutional practices in the area of administration and local governments.

## 2. The 2012 Performance for Institutional Improvements to Fight Corruption (22 recommendations)

One of the most chronic ailments in public administration in Korea is corruption. Administrative corruption takes various forms ranging from embezzling public funds to receiving bribes in exchange for favors for certain persons or those who are subject to regulations.

The ACRC has annually selected an area plagued by chronic and structural corruption and put concentrated efforts to improve the institutional practices and the legal provisions in that area. An annual plan, including key action plans for institutional improvements, is established at the beginning of every year. The plans have been executed after they are reported to and confirmed by the ACRC plenary committee.



These efforts have contributed to laying the groundwork for a 'fair society' by focusing on eradicating groundless special benefits and unfair legal provisions and institutions, which block the integration of a nation, as well as chronic local corruption and waste of public funds. Notable recommendations include introducing punitive damages and collective action lawsuits for collusion cases, rationalizing the invited teacher system, promoting transparency in the operations of local government-funded or -invested entities, and prohibiting public officials from traveling overseas accompanied by stakeholders related to their job positions.

### **3. Institutional Improvements for the Prevention of Grievances Focused on Ordinary People-friendliness and Basic Livelihood in 2012 (44 recommendations)**

The ACRC issued recommendations to amend unreasonable institutional practices and provisions regarding the treatment of civil complaints so that they are handled more effectively. The Commission also listened to various complaints and grievances from ordinary people through e-People in order to revitalize the economy and to protect the socially disadvantaged.

The ACRC identified the tasks for protecting the rights of the aged, handicapped, and those of national merit under the theme of improving institutional provisions for the practical benefits of ordinary people and the protection of the socially marginalized. Moreover, the Commission also issued recommendations to practically revamp administrative notification requirements in various areas so that the potential causes for real-life grievances are quickly addressed. Other notable recommendations include those to protect consumers from suffering damages and losses due to online shopping sites, funeral facilities, and other new businesses, which tend to lack the system

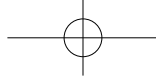
to protect consumers, and those for universities to introduce measures to protect maternity and paternity, including maternity leave.

### **4. Field-centered Improvements for Institutional Practices**

The ACRC helped improve legal provisions that are applicable to actual field environments so that the institutional practices are made practical and the people can easily recognize and enjoy the ensuing benefits. The Commission reached out to those who directly experience the damages or benefits of certain institutional practices or the marginalized that are in the institutional blind spot. Their grievances and opinions help to come up with appropriate measures to improve institutional practices and legal provisions.

Inspectors as well as the ACRC leadership, including the chairperson and vice-chairperson, visited and examined the fields of institutional improvements. They listened to the opinions of various stakeholders and explained the purpose of the ACRC's efforts to improve legal provisions and institutional practices, strengthening the communication with the people.

The sites the chairperson visited in 2012 include the Center for the Missing at Cheongryang-ri to see the potential improvements of the management system for the activities of searching for missing persons; an elderly nursing home regarding institutional improvements for the quality of long-term care services; Incheon Customs with regard to enhancing imported food safety; and an unofficial meeting with the tenants of public housing apartments in Asan, South Chungcheong Province, to improve the institutions for public rental housing programs. The chairperson directly listened to the voices of the people and also collected opinions for institutional improvements in other places.



Meeting on the improvement of the environment for nursing newborns and infants



Meeting on supporting the employment of high-school graduates

In 2012, the ACRC and the Office of Senior Secretary for National Integration jointly held an unofficial meeting on the improvement of the environment for nursing newborns and infants (Goyang in Gyeonggi Province) and unofficial meetings on supporting the employment of high-school graduates (Daejeon, Daegu, Gwangju and Wonju), promoting the communication on social issues with direct stakeholders.

### 5. Strengthened Monitoring on the Implementation of Recommendations for Institutional Improvements

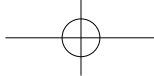
The ACRC not only issues recommendations for institutional improvements but also monitors whether the relevant government organizations and agencies implement them by changing institutional practices and amending legal provisions. Regular monitoring of the progress and frequent encouragement are required for successful implementation because it takes at least several months to a year or more to revise legal provisions.

In April 2011, to commemorate the 10th anniversary of the establishment of the Anti-Corruption Act and the 3rd anniversary of the Commission, the ACRC assessed the results of institutional improvements for preventing corruption and grievances and measured their effectiveness. The ACRC selected 108 corruption-prevention cases and 42 grievance-prevention cases and formed individual examination teams allocated individually to a target organization and conducted intense on-site inspections. The results

were summarized in 3 papers: “Diagnosis of the Effectiveness of Institutional Improvement Initiatives and Plans for Upgrades - With Focus on Corruption-prevention Measures,” “Complementary Plans for Recommendations for Institutional Improvements (two-staged),” and “The Results of Examination on the Implementation of Grievance-Prevention Institutional Improvements.” As a result of the inspection, the ACRC decided to reopen 9 cases, including ‘personnel administration of local government officials.’ Of the 9 cases, the ACRC presented recommendations for 4 cases to the relevant organizations and agencies. Moreover, a team was formed, dedicated to monitoring the implementation of recommendations, in order to strengthen the follow-up management of the implementation. The implementation management efforts were reinforced by changing the monitoring system from quarterly written inspections into on-site and written inspections on a monthly basis so that the progress of the implementations can be monitored more regularly.

In addition, the Commission reported the progress of implementing key recommendations to the Ministerial and Vice-ministerial State Council or the State Policy Coordination Council, encouraging the relevant organizations to improve the institutions. In June 2010, key tasks and their progress recommended by the ACRC were reported to the State Council, and the Commission requested the relevant ministries to devise measures to fulfill the pending recommendations. In July 2011, the ACRC reported recommendations for institutional improvements regarding the fair society program and their progress to the State Policy Coordination Council.

The ACRC suggested improvement plans for institutions to the National Assembly or Local Councils for the ACRC recommendations that were not accepted or implemented by the relevant organizations. Since its establishment, the Commission



proposed 23 cases to the National Assembly and 1 case to a Local Council. Out of the 23 cases submitted to the National Assembly, 2 recommendations were fully implemented, including the one to improve the procedure for retrieving information on sexual offences against children and juveniles, while 5 cases were implemented partially or with some adjustments, including the recommendation to improve the process to collect the payment for an inappropriate use of government-owned land. The bill to improve the framework for the integrated development of coal and 5 other initiatives were proposed by lawmakers but automatically abrogated with the end of term of the 18th National Assembly.

effective protection of the rights of massive victims with small-amount damages (October 2012).

The Fair Trade Commission (FTC) was reluctant to file a complaint against the executives and employees involved in a collusion case even though criminal punishment was not possible without the complaint of the FTC. The ACRC recommended amending the abstract provision on collusion practices that are required to be accused as complaints by the FTC (“It is deemed that such violations may substantially hamper competition, because the degree of violations is obvious from an objective point of view and serious.”) in order to ensure the transparency of the process regarding the filing of a complaint.

### Chapter 3 Major Recommendations for Institutional Improvements to Prevent Corruption in 2012

#### 1. Enhancing the Effectiveness of Collusion Control Measures

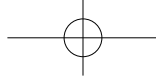
The practices of collusion were spreading to fix the prices of necessities, including the government-designated items, causing damages to the livelihood of the people and increasing civil complaints. In response, the ACRC recommended the government to consider introducing punitive damages for collusion cases by ordering offenders to compensate with more than the actual damages for effective damage relief and better control over collusion. Indeed, the Fair Transactions in Subcontracting Act stipulates that the violators should compensate the plaintiff with up to 3 times the actual damages. In addition, the ACRC recommended the Fair Trade Commission to positively consider approving a class lawsuit, in which the results of a lawsuit filed by a representative are collectively applied to a large group of people for the

#### 2. Improving the Operational Transparency of Local Government-funded Organizations

Local governments have financed the establishment of local economic promotion agencies, cultural foundations, local hospitals, and specialized local industrial centers, and provided them with operational expenses in order to promote local economies and the welfare of local residents. As of 2012, 492 local government-funded organizations are annually spending KRW 6 trillion (including KRW 1.3 trillion in donations from local governments). The execution of the budget, however, was not managed comprehensively so that some of the public funds are wasted and corruption occurs.

As such, the ACRC built an integrated system for managing organizations funded or invested by local governments to restrict the establishment of small organizations. Standard operational guidelines were created, which are commonly applicable to the personnel administration, budget execution and general operations of those organizations. It also recommended building a feedback mechanism to dismiss the executives of corrupt and ailing





organizations or to even liquidate them. The Commission ensured that the general information on the management of the organizations is disclosed through the System for Disclosing Information on the Management of Local Public Enterprises, allowing for external monitoring on a regular basis. It also issued recommendations for local governments and other relevant agencies to integrate public organizations of which the functions are overlapping or which are too small to perform their functions (June 2012).

The governments of Incheon city, South Jeolla Province, North Gyeongsang Province, and Gangwon Province announced an integrated plan to manage local government-funded/-invested organizations by forming dedicated offices immediately after the recommendation was issued (June 2012). It is expected that the relevant institutional practices will be effectively improved, as the Ministry of Security and Public Administration and

Information on property rights, credit levels, reimbursement/repayment of money, welfare benefits and other important items had not been notified. Moreover, supervisors and guardians had little access to such information on grounds that they are not directly concerned persons. As such, the ACRC recommended amending legal provisions to expand the notification requirements to cover items directly related to the interests or the violation of the interests. The Commission recommended including custodians, guardians, and supervisors as the recipients of information related to students, mentally disabled persons, and other vulnerable populations.

The Commission also recommended public organizations that deliver written notices or notify the results of civil petitions to build a joint system to use phone numbers and e-mail addresses based on the acquisition of consents and to use text messages, e-mail, and other electronic communication methods in addition to the conventional mail.

## **Chapter 4 Major Recommendations for Institutional Improvements to Prevent Civil Complaints in 2012**

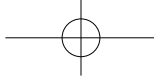
### **1. Strengthening Announcement and Notification Requirements on Key Information regarding Livelihood**

The ACRC decided to improve legal provisions to strengthen requirements for the announcement and notification of key information related to the livelihood of the people. It has become difficult to notify recipients of important information via conventional mail, as the number of those living overseas, highly mobile young people, and working couples is increasing (recommendation issued to all public organizations in May 2012).

### **2. Strengthening Maternity Protection for Undergraduate (Graduate) Students**

The central and local governments have issued various supportive measures for parents to encourage childbirth and reduce the burden of nursing. Most of them, however, were designed for workers and working couples, and there are few practical measures to support undergraduate and graduate students who are pregnant or have children.

To solve this problem, the ACRC recommended 47 national and public universities to adopt the relevant reform plans. The recommendations call for the universities to introduce the system of maternity and paternity leave of absence and to make the children of students eligible to attend nursing homes within the premise of the universities. The Commission requested the Ministry of Education, Science and Technology, the



Ministry of Health and Welfare, and some 180 private universities to support the implementation of the recommendations (November 2012).

After the recommendations were issued, Chungnam University, Hankyung University, Gangreung-Wonju University, Kukmin University, Yonsei University, Dankuk University, and other universities adopted the recommendations and amended the rules to introduce the maternity and paternity leave of absence system. Such moves satisfied both the universities and the students.

## Chapter 5 Assessment and Future Directions

### 1. Assessment

Work arrangements for institutional improvements have become what they are today through several organizational changes since the integration of the 3 organizations. The reorganization was focused on integrating and developing the relevant tasks, and it is one of the areas that have enjoyed the biggest synergy effect from the integration.

From the quantitative perspective, the number of ACRC recommendations in the corruption prevention area grew 4.7 times from 7 in 2007 to 33 in 2011. During the same period, the number of recommendations per one ACRC member rose about 7 times from 0.27 to 1.83. As for the institutional improvements to prevent grievances, the average number of annual sub-tasks increased 2.4 times from 72 items to 243 items after the integration.

Qualitatively, the comprehensive and systematic approach to institutional improvements for corruption prevention and the timely and responsive approach to those for grievance prevention were combined and

developed. As a result, the average period to carry out projects in the corruption-prevention area was reduced, while projects for better complaint handling institutions came to have more sub-tasks.

In addition, the ACRC is accredited to creating synergy in the administrative operations of the government by pursuing institutional improvements in step with the national vision of fair society, “low-income-class-friendly” policies, inclusive growth, and eco-systemic development. The Commission was committed to identifying potential issues to cause corruption or grievances, which tend to be ignored in the operations of the relevant institutions by the competent organizations, objectively from the third-party perspective, and proposing proper plans for improvements. As such, the ACRC provided government organizations and agencies at various levels with policy feedback by issuing recommendations for institutional improvements, helping them strengthen internal control and self-corrections.

The ACRC, however, also received criticism that it had failed to take the lead in identifying large-scale corruption cases and lacked preventive efforts and that some of the institutional reform tasks had had few ramifications. It was internally criticized that the current work arrangement assigning one officer to one project had revealed limitations in conducting in-depth research, analyzing the institutional system from the multi-perspective and comprehensive point of view, and proposing a creative alternative.

### 2. Future Directions

The work of improving institutional practices and legal provisions is a major function and tool the ACRC has been appointed with by the people and the National Assembly. With this tool, the Commission is able to realize its mission statement, which is to promote the



rights of the people. The ACRC will protect the rights of the people by thoroughly improving the institutional practices that can prevent corruption, irregularities, and special favors, and by leveraging the voices of the people collected via civil complaints, reports on corruption, reports on the violation of the public interest, and administrative appeals to improve legal provisions and institutional practices.

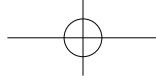
The ACRC plans to concentrate its resources for institutional improvements under the themes of “One-step-ahead Institutional Improvements,” “Institutional Improvements Recognizable by the People,” and “Institutional Improvements Leading to Social Transformation.”

For “One-step-ahead Institutional Improvements,” the Commission will pre-emptively raise large-scale corruption issues and lead initiatives to improve legal institutions regarding corruption prevention and to ensure that even the smallest voice of the people will be translated into improvements.

For “Institutional Improvements Recognizable by the People,” the ACRC will use e-People, the 110 Government Call Center, ombudsman outreach programs, reports on corrupt practices, administrative appeals, reports on the violation of the public interest, and other channels to expand the contact points with the people.

For “Institutional Improvements Leading to Social Transformation,” the Commission will anticipate the changes in the public administration environment such as low fertility and population aging, emergence of knowledge economy, and globalization, and pursue improving legal provisions and institutional practices from the perspective of protecting the rights of the people.





**ACRC KOREA Annual Report 2012**

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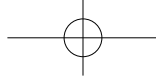
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# Part 5

## Adjudicating Administrative Appeals

- **Chapter 1** Overview of Administrative Appeals
- **Chapter 2** Operation of the Central Administrative Appeals Committee





# Part 5

## Adjudicating Administrative Appeals

### Chapter 1

#### Overview of Administrative Appeals

##### 1. Major Purposes of Administrative Appeals

###### Autonomous Administrative Control

The autonomous administrative control allows the administrative body to make an autonomous judgment prior to passing on an administrative issue to the court so that the autonomy of the administration can be secured.

###### Guarantee of Efficiency in Administration

In the administrative environment in which promptness is required, a rapid and simple administrative appeal prior to going into a judicial proceeding is reasonable to improve the convenience of people and to guarantee efficiency in administration.

###### Use of Expertise of Government Offices

For conflicts related to administrative actions that are complicated and specialized, the government offices' expertise can be used to carry out fair and accurate administrative appeals and to supplement the judicial function of the court.

###### Guarantee of Judicial Economy

The administrative appeal is a streamlined dispute resolution procedure, and therefore cannot only save a great amount of cost and time but also prevent any unnecessary filing of a lawsuit. It can contribute to securing a judicial economy by reducing the burden of the court.

###### Expanded Scope of Protection of People's Rights

The administrative appeal can judge not only the legitimacy of administration but also the fairness and unfairness, which is a decision on the suitability for purpose. The appeal can also request the government offices to take active actions. In this regard, it can be viewed as a more efficient system for protecting the people's rights compared to the administrative litigation system.

##### 2. Characteristics and Types of the Administrative Appeals Commission

###### Characteristics of the Administrative Appeals Commission

###### (1) Deliberation and Ruling organization

The Administrative Appeals Committee is a representative ruling body that has the authority to deliberate and rule adjudication requests. The

Committee examines evidences and related laws and makes judgments about the opinions of the disputing parties from the viewpoint of the third party.

## (2) Representative Administrative Organization

The Administrative Appeals Committee is a representative body that begins its session with the majority of members, including the chairperson, in attendance and decides by a majority vote. In order to keep objectivity and neutrality in the decisions of the Committee, the majority of members participating in every meeting are non-standing members such as lawyers or professors, not public officials.

## (3) Quasi-judicial Administrative Organization

The Administrative Appeals Act requires the establishment of the Administrative Appeals Committee that is independent from the disposition authorities in order to ensure a fair and objective hearing. In deliberating and ruling on an appeal, various judicial procedures are applied to guarantee an authority that makes judgments independently, such as the intervention system for stakeholders, the exclusion/avoidance/evasion system for members, the procuration system, and the examination of evidence.

### Types of the Administrative Appeals Commission

The Administrative Appeals Commissions can be

categorized into the Central Administrative Appeals Commission (CAAC) that is installed at the ACRC, the Municipal Administrative Appeals Commissions that are located under 17 local governments in the provinces and cities, and others. The CAAC and the Municipal Commissions are the most representative bodies that deal with the highest number of cases.

### Disposition Authorities per Administrative Appeals Commission

	CAAC	Municipal Administrative Appeals Commission
Disposition Authorities Concerned	<ul style="list-style-type: none"> <li>- The central administrative authorities and their subsidiary organizations</li> <li>- Mayors of special/metropolitan cities, and provincial governors</li> </ul>	<ul style="list-style-type: none"> <li>- Mayors, county governors, heads of gu (boroughs)</li> </ul>

### (1) The Central Administrative Appeals Commission (CAAC)

The Central Administrative Appeals Commission (CAAC) was established under the ACRC for the purpose of deliberating and ruling on complaints about disposition or nonfeasance of lower-level organizations.

The CAAC consists of fewer than 50 members, including 1 chairperson, and the number of standing commissioners is limited to 4 (3 at present). The chairperson of the CAAC is one of the vice chairpersons of the ACRC. The CAAC's meeting requires a total of 9 members, including the

chairperson, 2 standing members and 6 non-standing members who are chosen by the chairperson at every round. The majority in attendance and the majority vote are applied.

## (2) The Municipal Administrative Appeals Commission

The Municipal Administrative Appeals Commission consists of fewer than 30 members, including 1 chairperson who is either a special/metropolitan city mayor or a provincial governor. The meeting of the Commission invites 9 members, including 8 members who are selected by the chairperson every time. Should the ordinance of a certain local government decides, the meeting can consist of 7 members, including 6 to be selected before each meeting. Also, 5 or more non-standing members and 4 or more non-standing members should participate in the meetings that consist of 9 members and 7 members, respectively.

## Chapter 2 Operation of the Central Administrative Appeals Commission

### 1. Status of Complaints Received and Processed

#### Received and Processed in 2012

In 2012, a total of 25,317 cases were received, out of which 24,987 were handled, including cases carried forward from the previous year. By processed result, 3,983 cases were accepted (including those partially accepted), 19,974 were dismissed, and 1,030 were denied, indicating a 15.9% acceptance rate.

By complaint type, 3,230 were general cases, 2,145 were related to the reward for patriots or veterans, and 19,942 were driver's license-related, indicating that the driver's license-related cases account for 78.7% of the total cases received during 2012.

### Complaints Received and Processed during the Last 3 years

(Unit: cases)

Year	No. of cases received	No. of reviewed and resolved cases				Acceptance rate (%)	Withdrawn, transferred
		Total	Accepted	Dismissed	Denied		
2010	31,019	30,472	4,990	24,320	1,162	16.4	1,001
2011	28,058	28,923	4,840	23,084	999	16.7	1,063
2012	25,317	24,987	3,983	19,974	1,030	15.9	1,015

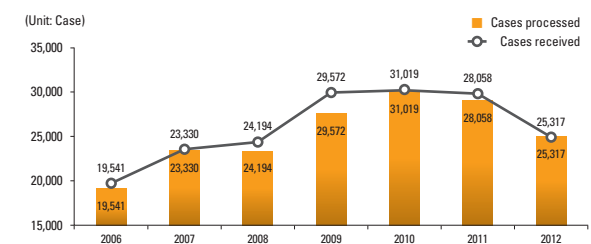
### Cases Received and Processed in the Past 5 Years

The number of complaints filed with the CAAC has increased since the integration of the ACRC, but decreased slightly in 2011 and 2012. In terms of cases received, the figure rose from 23,330 in 2007, 24,194 in 2008, 29,572 in 2009, to 31,019 in 2010. The number, however, fell to 28,058 in 2011 and 25,317 in 2012, because the cases related to the driver's license, which account for the highest number of cases, decreased by 5,057 (20.2%) in 2 years from 24,999 in 2010 to 19,942 in 2012.

Consequently, the number of cases processed, which was on the rise from 23,179 in 2007, 23,142 in 2008, 27,461 in 2009, to 30,472 in 2010, started to decrease to 28,923 in 2011 and 24,987 in 2012.

### Cases Received and Processed

(Unit: cases)



Cases processed; Cases received



## 2. Analysis by Type

### Overview

The CAAC reviews and decides upon the illegal/unfair measures or nonfeasance of the following agencies: Heads of national administrative agencies or their subsidiary offices; Mayors of special and metropolitan cities, and provincial governors; and Superintendents and councils of special and metropolitan cities and provinces.

The complaints can be largely divided into 3 categories: 1) Those related to the administrative actions on a driver's license, including cancellation/suspension of license made by the head of either a local or the national policy agency pursuant to the Road Traffic Act; 2) Those related to the actions made by the local branch of the Patriots and Veterans Affairs Agency pursuant to the pertinent laws such as the Act on Privileges and Support for Patriots and Veterans; and 3) General complaints that fall into neither of the above two categories that are filed against the actions executed by the head of a national or metropolitan administrative agency.

The complaints lodged with the CAAC in 2012 are composed of 19,942 driver's license-related cases (78.7%), 3,230 general complaints (12.7%), and 2,145 cases on the reward for patriots and veterans (8.5%).

Driver's license-related complaints take up the largest part of the cases received. Considering that the number of driver's license holders in Korea exceeds 28 million and the number of administrative measures taken due to the violation of the Road Traffic Act is significant (340,000 in 2012), it is forecasted that driver's license-related cases will continue to account for a considerable ratio in the future.

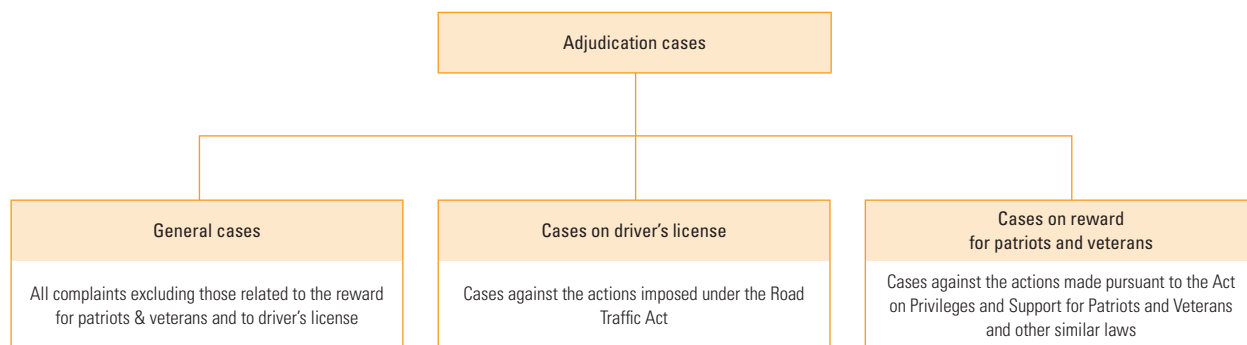
### Number of Complaints Received and Processed by Type

Category	General complaints		Complaints on reward for patriots and veterans		Complaints related to driver's license	
	Received	Ratio	Received	Ratio	Received	Ratio
2012	3,230	12.7	2,145	8.5	19,942	78.7

### General Complaints

General cases are all complaints related to industrial accident insurance, national certificates and license, excluding those related to the reward for patriots & veterans and to driver's license. Compared to the previous year, the number of cases received and processed increased by 66 (2.1%) and 139 (4.7%), respectively.

### Types of Complaints Filed with the CAAC



### Number of General Complaints Received and Processed

(Unit: cases)

Category Year	Received	No of cases reviewed and resolved			
		Total	Accepted	Dismissed	Denied
2010	3,366	3,425	623	2,040	762
2011	3,164	2,975	469	1,889	617
2012	3,230	3,114	443	1,953	718

General complaints are more difficult and resource-consuming to review than those related to the reward for patriots & veterans and to driver's license.

An increase in general complaints leads to work congestion and longer resolution time, tainting the institutional purpose of administrative appeals. The Committee is therefore making the utmost efforts to nurture and allocate a suitable professional workforce.

The acceptance rate of general complaints in 2012 was 14.2%, down 1.6%p from the previous year. The decrease is viewed to be on grounds of emphasizing the legitimacy of handling by sharing decisions and providing training on contentious cases, not because of the negligence over handling, which consequently changed the illegal/unfair measures of government offices.

Moreover, a range of general complaints are expansive depending on the handling agencies, including central administrative organizations, local governments, and their respective agencies. The acceptance rate of general complaints also fluctuates without a certain pattern. For the last decade, the average acceptance rate was 12.7%, ranging from 10% to 16%.

### Cases on Reward for Patriots and Veterans

Cases on reward for patriots and veterans are related to man of merit, war veterans or their families under

the Act on Privileges and Support for Patriots and Veterans. Most complaints are about dispute over rejection of military welfare nomination by central or local Patriots & Veterans Affairs agencies. In 2012, the number of administrative appeals on reward for patriots and veterans was 2,145, an increase by 232 (12.1%) cases from the 1,913 in the previous year.

Complaints on reward for patriots and veterans are relatively simpler compared to others, but the incident happened long time ago so, it is difficult to find fact relevance and Judicial and medical decisions are required to unveil interconnection with public services.

For this reason, the CAAC runs the special committee and actively ask for advice from independent professionals in order to handle the complaints more in a professional way, and advices and appraisals by external experts are active.

### Number of Complaints on Reward for Patriots and Veterans Received and Processed

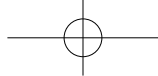
(Unit: cases)

Category Year	Received	Number of cases reviewed and resolved			
		Total	Accepted	Dismissed	Denied
2010	2,654	2,495	86	2,334	75
2011	1,913	2,036	79	1,887	70
2012	2,145	2,013	66	1,869	78

### Appeals on Driver's License

Cases on driver's license are consisting of complaints against cancel or suspended driver license imposed under the Road Traffic Act. Around 300,000 cases of administrative appeals are filed every year.

Cases on driver's license are neither drawing big public attention nor related to public interest, but usually cases are directly connected to the livelihood of claimants. The number of cases is higher than other



cases but those are very clear and simple without any legalistic controversy. In order to immediately handle cases on driver's license, administrative adjudication act revised and enforced in July 2010 stipulated the operation of "The review and resolution subcommittee exclusive to cases on driver's license."

### Number of Complaints on Driver's License Received and Processed

(Unit: cases)

category year	Received	Number of cases reviewed and resolved			
		Total	Accepted	Dismissed	Denied
2010	24,999	24,552	4,281	19,946	325
2011	22,981	23,912	4,292	19,308	312
2012	19,942	19,860	3,474	16,152	234

Cases on driver's license received in 2012 is 19,942, down by 3,039 (13.2%) from the previous year, cases handled decreased by 4,052 (20.4%) to 19,860 year on year. The decrease, however, seems temporary and considering closeness of driver license to public livelihood, complaints on them are expected to grow consistently. Acceptance rate of the complaints continuously stays at above 17% almost every year, except 2008 and 2009 since most cases are caused by cancel or suspension of driver's license due to drunk driving and decision standard or the concerned precedents are already accumulated.

### 3. Resolution Time

#### Overview

The Administrative Adjudication Act, Article 45 stipulates that an administrative adjudication case should be resolved within 60 days from the date when the complaint was received by either the adjudication agency or the responsible administration agency, or within 90 days if inevitable, subject to the adjudication committee chairman's decision.

Resolution time is important since the purpose of administrative appeals itself is to immediately remedy violation of private right before it goes to the court and also resolution time in administrative appeal act work as a standard for appeal process in other acts.

The CAAC had difficulties in meeting the deadline due to consistent increase in number of cases, shortage in manpower and frequent relocation of human resources. Particularly, general complaints or cases on reward for patriots and veterans which are complicated delayed for more than 10 days from the beginning stage of forwarding refutation.

In order to shorten the resolution time, the CAAC has been committed to improving internal process, to sharpen capability of working-level staff, and to request concerned agencies to observe submission deadline.

Thanks to its effort, average resolution time shortened by 5.0 days from 75.5 days in 2011 to 70.5 days in 2012. Still, improvement of capability and productivity has its limit, so working-level staff needs to be increased to handle the complaints more quickly.

Out of the 24,987 cases handled in 2012, 19,228 cases (77.0%) were resolved within 60 days while 1,812 cases (7.3%) were closed between 61 days and 90 days, suggesting that 84.3% of the total cases were processed within the statutory time limit. The remaining 3,974 cases (15.7%) were resolved after 90 days, and they are divided into 'general cases' and 'patriot reward cases.'

## Status of Resolution Time

Year	Total number of cases handled	Average resolution time (Day)	Number of cases handled		Number of cases handled past time limit
			Within 60 days	Number of cases handled past time limit	Past 90 days
2011	28,923	75.4	18,689 (64.6%)	5,685 (19.7%)	4,549 (15.7%)
2012	24,987	70.5	19,228 (77.0%)	1,812 (7.3%)	3,974 (15.7%)
change	△3,936	△5.0	539	△3,873	△602

## Case Handling Time by Complaints Type

As explained in the above, resolution time for complaints vary depending on complaints and its contentious issue. Cases on driver's license have the largest number but cases are simple, which can be handled in times.

Meanwhile, general complaints have long incident history, complicated fact/legal relevance and many judicial controversies. Compared to the number of cases, the resolution time takes much longer.

According to resolution time by case type in 2012, resolution time for cases on driver's license has increased by 10.9 days to 49.9 in 2012 from 60.8 in 2011. The resolution time taken for cases on veteran reward has extended by 22.2 from 127.5 in the previous year to 149.7 in 2012. Meanwhile, the resolution time for general complaints has been reduced by 7.0 from 157.7 in 2010 to 150.7 in 2012.

## Case Handling Time by Complaints Type

(Unit: days)

year	Total number of cases handled	Average resolution time	Driver's License	Reward of Veterans	General
2010	30,472	79.3	59.0	116.9	197.4
2011	28,923	75.4	60.8	127.5	157.6
2012	24,987	70.5	49.9	149.7	150.7

## 4. Suspension of Execution

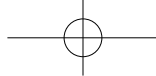
The Administrative Appeals Act adopted the principle of non-suspension of execution, so effectiveness, execution, or process of handlings in the appeal continues despite an adjudication appeal.

Non-suspension of execution was based on authentication or self executor power in the past, but nowadays suspension of execution is interpreted as the matter of legislative institutions.

The Administrative Appeals Act adopted non-suspension of execution to prevent overuse of adjudication request and unfair delay of administrative operation, but on the other hand it also allows suspension of execution upon the request of the concerned party or by exercising authority to ward off massive damage on claimants or infringement on individuals' rights and interest when occasion urgently demands.

For example, business suspension cannot be restored even acceptance was made again once handling is completed, making adjudication useless and failing in remedy for violation on rights.

Once the adjudication committee decides upon suspension of execution over an administrative measure against which a complaint was lodged, the execution or continuation of the measure should be suspended until the committee makes a conclusion



on its review, after which the suspension of execution decision loses its effectiveness.

Suspension of execution, an exceptional institution in the principle of non-suspension of execution, needs certain requirements. Suspension of execution is allowed when it may affect significantly public welfare and the committee can cancel its decision on suspension of execution when the suspension dampens public interests or reasons for suspension disappear upon the request of the concerned party or by exercising authority.

The number of applications for suspension of execution received during 2012 declined by 92 from 1,366 in 2011 to 1,458, and the acceptance rate for the applications increased by 3.6%p from 108 (8.2%) to 167 (11.8%).

In addition, the number of suspension of execution cases that were determined solely by the Committee for the interest of the complaint who did not ask for such suspension also rose from 37 in 2011 to 40 in 2012.

An increase in numbers is grounded that urgent cases to prevent massive damage were more recognized and the committee actively considered financial situation of the claimants.

#### Status of Suspension of Execution

Year	Received Cases	Reviewed and Decided			Suspension of Execution	
		Acceptance Rate	dismissed	Overruled		Dropped, Transferred
2011	1,366	108(8.2%)	1,175	41	53	37
2012	1,458	167(11.8%)	1,231	22	49	40

### 5. Online Administrative Adjudication

Since the CAAC adopted the online administrative adjudication system in order to ease accessibility to adjudication through Internet in July 2006, all

the process of paper-based adjudication including receipt, refutation submission, deliberation, review and decision forwarding have been handled online.

The utilization rate of the online administrative adjudication system is relatively low still due to poor awareness on the system, but the procession rate between the adjudication committee and the responsible administration agencies exceeds 90%, contributing greatly to shortening the resolution time and enhancing procedural transparency.

The online administrative adjudication system recorded the highest utilization rate in 2012 since its establishment as 13.6% of the total complaints was submitted online and 94.9% of them were responded to online. By complaint type, 10.3% of driver's license-related complaints were filed online, and 100% of them were responded online, indicating that all administration agencies related to driver's license are using this system. Of the "patriot reward cases," 24.5% were submitted online with 99.7% of them responding online, while 26.8% of the "general cases" were filed online with a 60.3% online response rate. As for the driver's license-related cases, which account for the biggest portion of the total complaints, all the interactions between the adjudication committee and the responsible administration agencies are conducted online, which are viewed as contributing greatly to shortening the resolution time and enhancing the procedural transparency.

Meanwhile, the ACRC is committed to raise satisfaction by maximizing accessibility and reflecting public opinions through regular projects to improve the online administrative adjudication system.

## Status of Use of Online Adjudication System

(Unit: cases)

Type of complaint	Number of cases filed	Cases filed online		Online response	
		Count	Proportion (%)	Count	Proportion (%)
Driver's license	19,942	2,051	10.3	19,941	100.0
Patriot reward	2,145	525	24.5	2,138	99.7
General	3,230	867	26.8	1,949	60.3
Sum	25,317	3,443	13.6	24,028	94.9

## 6. Operation of Committee

### Overview

For the sake of quick resolution and efficient operation, the CAAC has meetings of the central committee, a sub-committee consisting of four members that is aimed to review and decide upon the administrative measures imposed over driver's license issues pursuant to the Road Traffic Act, and an expert committee with less than five members that pre-reviews the cases designated by the chairperson.

The meetings of the CAAC shall have a total of nine members including the chairperson, standing commissioners, and non-standing commissioners who are designated by the chairperson for each meeting. The meetings are held 45 times a year, almost every week except summer vacations and national holidays.

The sub-committee reviewed measure in advance to the general session in the past, but under the Administrative Appeals Act revised and enacted in July 2010, it reviews and decides upon the administrative measures imposed over driver's license issues. The sub-committee reviewed and decided 19,860 cases in 46 meetings in 2012.

The sub-committee consisting of 4 members is aimed to deal with administrative measures imposed over driver's license issues in easy and fast manner in order to relieve the workload in the general session and enhance efficiency of the committee operation.

The expert committee consists of less than 5 members, pre-reviews cases designated by the chairperson and reports the result to the general session.

Currently, 2 expert committees of information disclosure and veterans medical are under operation. The expert committee for information disclosure held 12 times to deal with 261 cases, the expert committee for veteran/medical handled 914 cases in its 12 meetings.

### Status of Committee Meetings in 2012

- Central Administrative Appeals Committee: 46
- The Sub-committee: 46
- The Expert Committee for Information Disclosure: 12
- The Expert Committee Veteran/medical: 12
- Total: 116

### Central Administrative Appeals Committee (General Meeting)

The meetings of the CAAC shall have a total of 9 members, including the chairperson, standing members, and 6 non-standing civilian commissioners who are designated by the chairperson for each meeting. The meetings are held once a week, and the CAAC makes a decision through majority vote cast by the members present that should be at least the majority of the whole members.

The general meeting was held 46 times in 2012 to review 5,1271 cases, accept 380 cases, partially accept 129 cases, dismiss 3,822, and deny 796 cases.

The decrease in handling cases is grounded that the sub-committee deals with complaints on driver's license under the Road Traffic Act from July 2010

### General Meeting by Year

(Unit: cases)

Year	Held	Number of cases handled	Reviewed and decided				Acceptance Rate
			Accepted	Partially accepted	Dismissed	Denied	
2009	42 times	24,938	302	3,477	20,290	869	15.2%
2010	46 times	19,283	448	2,613	15,214	1,008	15.9%
2011	46 times	5,011	374	174	3,776	687	10.9%
2012	46 times	5,127	380	129	3,822	796	9.9%

### Sub-committee

The sub-committee was held prior to the general session in the past in order to preview the cases for the general meeting, but under the Administrative Appeals Act revised and enacted in July 2010, it reviews and decides upon the administrative measures imposed over driver's license issues. The sub-committee reviewed and decided 19,860 cases in 46 meetings in 2012, of which 8 cases were accepted, 3,466 partially accepted, 16,152 dismissed, and 234 cases denied.

### Sub-committee Meeting by Year

(Unit: cases)

Year	Held	Number of cases handled	Reviewed and decided			
			Accepted	Partially accepted	Dismissed	Denied
2009	42times	491	42	292	157	0
2010	46times	11,189	25	1,904	9,106	154
2011	46times	23,912	34	4,258	19,308	312
2012	46times	19,860	8	3,466	16,152	234

### The Expert Committee Veteran/Medical

The Expert Committee Veteran/Medical consists of two standing members and three non-standing members to have in-depth reviews over cases related to veteran/medical which were designated by the chairman. The expert committee does not decide on the matter. Experts in the field closely review the cases prior to the general meeting.

The Expert Committee Veteran/Medical reviewed 878 cases in its 12 meetings in 2012, including handlings related to registration for men of merit and their families, wounds or injuries in action, the grade of wounds, and medical payment.

### Expert Committee Veteran/Medical Meetings

(Unit: cases)

Year	Held	Reviewed and decided			
		Number of cases handled	Full/partial acceptance	Dismiss	Deny
2009	11times	1,338	104	1,197	34
2010	12times	914	54	846	14
2011	12times	821	45	757	19
2012	12times	878	42	812	24

### Expert Committee for Information Disclosure

The Expert Committee for Information Disclosure consists of two standing members and three non-standing members to have an in-depth review over cases related to information disclosure. The expert committee does not decide on the matter. Experts in the field closely review the cases prior to the general meeting.

The Expert Committee for Information Disclosure reviewed 587 cases in its 12 meetings in 2012 including handlings related to information leakage,

management information, non-disclosure information under the Information Disclosure Act(information which may harm national interests), and others.

#### Expert Committee for Information Disclosure meeting

Year	Held	Reviewed and decided			
		Number of cases handled	Full/partial acceptance	Full/partial acceptance	Full/partial acceptance
2009	11times	101	32	50	19
2010	12times	261	83	129	49
2011	12times	287	122	115	50
2012	12times	587	149	350	88

## 7. Initiatives for Prompt and Fair Resolution

### Circuit Administrative Adjudication Oral Accounts

The review of administrative adjudication can be made in 2 ways: oral account and submission of written account. It is desirable to have an oral account in order to satisfy the claimants and the Central Administrative Appeals Committee in Seoul.

In order to guarantee the chance for claimants in the local area, in 2012, the chairman and the standing members made the rounds in the cities and provinces categorized into 10 areas to listen to individual situations, winning the people's hearts.

### Establishment of the Hub-system for Online Administrative Adjudication

The ACRC is planning to establish a hub system for online administrative adjudication on the "Administrative Appeals Hub Portal Website" where anyone can file for adjudication online as a one-stop service from filing an appeal to the decision, unrelated

to sub-committees. To this end, the Commission established its Information Strategy Plan in 2012, and it will push forward the plan to establish the system in 2013.

### Enhanced Professionalism of Employees

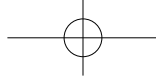
In order to sharpen the capability of working-level employees in the Central Administrative Appeals Committee, in 2012, the Committee provided training courses 11 times for the ACRC investigators. It also carried out training courses about administrative litigations for public officials of local governments 3 times, to raise the appropriateness and legitimacy of administration of frontline officials in performing their duties and preventing ordinary citizens from facing unfair situations related to administration.

### Enhancement of Networks with Other Organizations and Associations for Future Development

In 2012, the ACRC strengthened cooperation with the concerned academic associations and organizations at home and abroad, for the further development of the administrative adjudication system. First of all, it carried out a study on "Harmony of administrative adjudication, administrative litigation, and administrative procedure." In July 2012, the Korea Administrative Act Association held a seminar under the theme of "harmony of administrative adjudication and administrative litigation." In addition, the ACRC carried out various activities; it held on-the-job training for law school students in July, a policy consultative meeting with the Korea Legislation Research Institute in November, and a voluntary law service program with judicial trainees in December 2012.

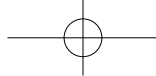
In 2012, the ACRC also actively cooperated with foreign institutes regarding administrative appeals. In April, the Chairman of the Administrative Appeals Tribunal





(AAT) of Australia visited the ACRC for exchanges and cooperation with the Korean administrative appeals system. In June, investigators from the Vietnamese Ministry of Justice visited the Commission to share information about the Korean administrative appeals system and the disclosure of information. In addition, the ACRC delegation visited federal administrative appeals courts in Germany and the U.K. to find the opportunity to cooperate for the further development of the administrative appeals system in Korea.





**ACRC KOREA Annual Report 2012**

We will make a fair and just society  
focusing on field-oriented administration

