

# ACRC KOREA

Annual Report 2013



**ACRC** Anti-Corruption & Civil Rights Commission Republic of Korea



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## Foreward

The Anti-Corruption and Civil Rights Commission of Korea (ACRC) is a government agency that enhances public trust in the government and protects people's rights and interests, by providing remedies to those who suffered illegal and unfair administrative measures and by overseeing and correcting corrupt behaviors of public officials from people's perspective.

To this end, the ACRC carries out four functions, which are handling complaints, adjudicating administrative appeals, fighting corruption, and improving legal and institutional frameworks. In 2013, we have been committed to meeting the high expectations of people for the newly-inaugurated administration.

The ACRC received and handled approximately 4 million cases in the form of complaints, administrative appeals, corruption reports, and inquiries through the 110 Government Call Center in 2013. We analyzed this data, provided the information to government agencies, and improved relevant laws and systems to address problems found in the process.

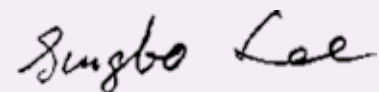
To serve foreigners who have difficulties in filing complaints due to the language barrier, we started providing complaint handling service in foreign languages from 2008 in English, Chinese, and Japanese. As of 2013, the service is provided in 12 languages, with Nepalese and Vietnamese added in 2013. For foreign workers and multicultural families, we reach out to them to listen to and resolve their complaints and grievances.

To build a society of trust and prevent corrupt practices, the ACRC submitted the draft of the Bill on the Prevention of Illegal Solicitation and Conflict of Interest and the revision of the Act on the Protection of Public Interest Whistleblowers to the National Assembly. In addition, the Government Welfare Fraud Report Center was opened in October to address corrupt acts that cause a huge loss to the government budget, and a number of welfare fraud cases have been detected since then.

While the demand for effective and corruption-free public services is growing across the globe, we are still finding misconduct and dysfunction of government agencies and public institutions. Against this backdrop, the ACRC is devoting itself to protecting citizens' rights and interest in earnest, and to spreading a culture of integrity across society.

The "ACRC Annual Report 2013" outlines the ACRC's efforts to prevent corruption and protect people's rights and interests for the last year. We sincerely hope that this annual report will provide valuable information to those who have interest in the ACRC.

February 2014



**Sung-Bo Lee**

Chairman

Anti-Corruption & Civil Rights Commission

Republic of Korea



# Overview

## 1. ACRC: Achievement of 2013

The year 2013 could be stated as the year the Anti-Corruption and Civil Rights Commission (ACRC), launched in February 2008, made efforts to provide prompt and a wider variety of services to protect the rights of the people through the “Korean model for protecting the people’s rights” based on the achievements of the ACRC in the past 5 years.

The “Korean model for protecting the people’s rights” is a systemized model to protect the rights of the people in a comprehensive and proactive manner by organically connecting various protection functions, different from the conventional Ombudsman functions focused on individual and ex-post facto protection.

To this end, after running idea contests and collecting various opinions from within and outside of the Commission, the ACRC created and announced its vision as the “Protection of the People’s Rights, Trustworthy Government” to show the future direction of the Commission. In addition, based on this vision, the ACRC came up with its mission: Protecting the rights of the people against illegal and unjust administrative measures; establishing a social and public service climate of integrity; and improving irrational institutions for the happiness of the people. The mission reflects the core role and goal of the ACRC as a comprehensive and proactive anti-corruption and Ombudsman organization.

Based on this vision and mission, in 2013, the Commission focused more actively on resolving problems by connecting the core functions of the ACRC to provide more preemptive and a wider range of protection. First, it found and removed problem-causing factors in advance through such ways as selecting 50 issues among the complaints filed to e-People ([www.epople.go.kr](http://www.epople.go.kr)) that should be addressed in line with institutional improvement rather than handled individually. Furthermore, the Commission re-classified 131 cases

that had been dismissed among the administrative appeals since 2008 as civil complaints and accepted 13 of them.

The accomplishments of the ACRC through the connection of its 4 core functions, namely, complaint-handling, corruption prevention, administrative adjustment, and institutional improvement, are shown in the major indicators such as public awareness of the ACRC. Public awareness of the ACRC has been continuously on the rise since it was first surveyed in 2009 with the rate of 43.2%. Since then it has increased to 51.6% in 2012 and 52.8% in 2013, while public awareness of communication windows such as e-People (59.6%, 2012 → 60.8%, 2013) and the 110 Government Call Center (30.8% , 2012 → 31.5%, 2013) have also improved compared to the previous year.

The year 2013 was the year that showed tangible results in resolving collective complaints, considered to be the main factor impeding social integration. In particular, the ACRC resolved 43 collective complaints with the interests of multiple stakeholders clashing, including the “conflict over the objection to the establishment of transmission facilities in the Saemangeum area,” through persistent communication with the stakeholders. In addition, the ACRC switched its onsite outreach program from operating by region, such as focusing on remote rural areas and islands, to a customized system (15 times in 2013) for the marginalized, including multi-cultural families, immigrant laborers, and the handicapped, so that it could actively reach out to the socially disadvantaged and alienated people and help to resolve their grievances.

The efforts to protect the rights of the socially disadvantaged were noticeable in the process of adjudicating administrative appeals. In particular, the ACRC made efforts to prevent the socially vulnerable

from facing difficulties in making a living through such ways as increasing the number of decisions (40 in 2012 → 67 in 2013) that, should an administrative agency conduct a measure that might cause huge damages on the properties of small merchants or the self-employed, the Commission on its authority suspends the implementation of the measure even without the request of the person directly involved.

Considering that corrupt governments and public officials create many problems and disadvantages to their people, corruption prevention in the public service sector, one of the core functions of the ACRC, is another important axis in the protection of the people's rights. The year 2013 was a year to focus the Commission's capability on eradicating the top 3 corrupt practices: the pursuit of illegal private interests; the corruption exerting harmful influence on people's daily lives, impeding the happiness of the people; and the corruption related to national budget, reducing the effectiveness of policies.

To eradicate the pursuit of illegal private interests, the ACRC prepared an institutional measure, the Bill on the Prohibition of Illegal Solicitation and the Prevention of the Conflicts of Interest of Public Officials, and submitted it to the National Assembly in August. In addition, the Commission conducted the Integrity Assessment for the first time on local assemblies and public medical institutions, which were considered as the blind spots of corruption, in its efforts to eradicate corrupt practices to spread to all corners of the public service sector. Moreover, with the start of the new administration, the ACRC launched the Government Welfare Fraud Report Center within the Commission to effectively respond to the increasing demands for welfare. Within 100 days of its opening, the center disclosed welfare fraud cases amounting to KRW 10 billion. Furthermore, it has actively fought against the corruption that causes loss in the national budget, for example, disclosing 192 violations through fact-finding investigations in 73 elderly care facilities run on national subsidies.

Along with the efforts to deal with individual cases of infringement of rights, it is one of the ACRC's priorities to deliver various voices of the people to the government in order to connect them with policies. In 2013, the ACRC opened People's Happiness Center for Policy Suggestion, a government-wide communication channel, to ensure that the various ideas of citizens will lead to changes in the related institutions or systems. Working with internet portal sites, the Commission also held online discussions on government policies that are closely related to people's daily lives, such as the "4 social evils," private education, and sexual violence against children, for public opinions to be reflected in government policies.

In addition, the ACRC regularly analyzed the "big data" - the voice of the people - of over 4 million cases per year that are filed to the Commission, and provided the results to each government agency, thereby enabling them to voluntarily identify and improve problem-causing factors and preemptively respond to complaints and conflicts before they are aggravated. It also discovered 43 cases considered to be "splinters under your fingernails" causing inconvenience in people's daily lives, and improved the related institutions, such as expanding the payment of credit cards for college tuition.

## 2. Future Direction

While the last year was a year to present the direction of the ACRC's role as a "Korean model for protecting the people's rights," the future task is to further elaborate the established Korean model and make more policy accomplishments that the people can feel in their daily lives.

First of all, it is necessary to strengthen the system to respond to the growing collective complaints. While the number of the civil complaints filed with the ACRC dropped from 34,000 in 2012 to 31,000 in 2013, the number of collective complaints (filed collectively by 5 people or more) significantly increased from 280 in 2010 to 362 in 2013. Moreover, there were 78 collective

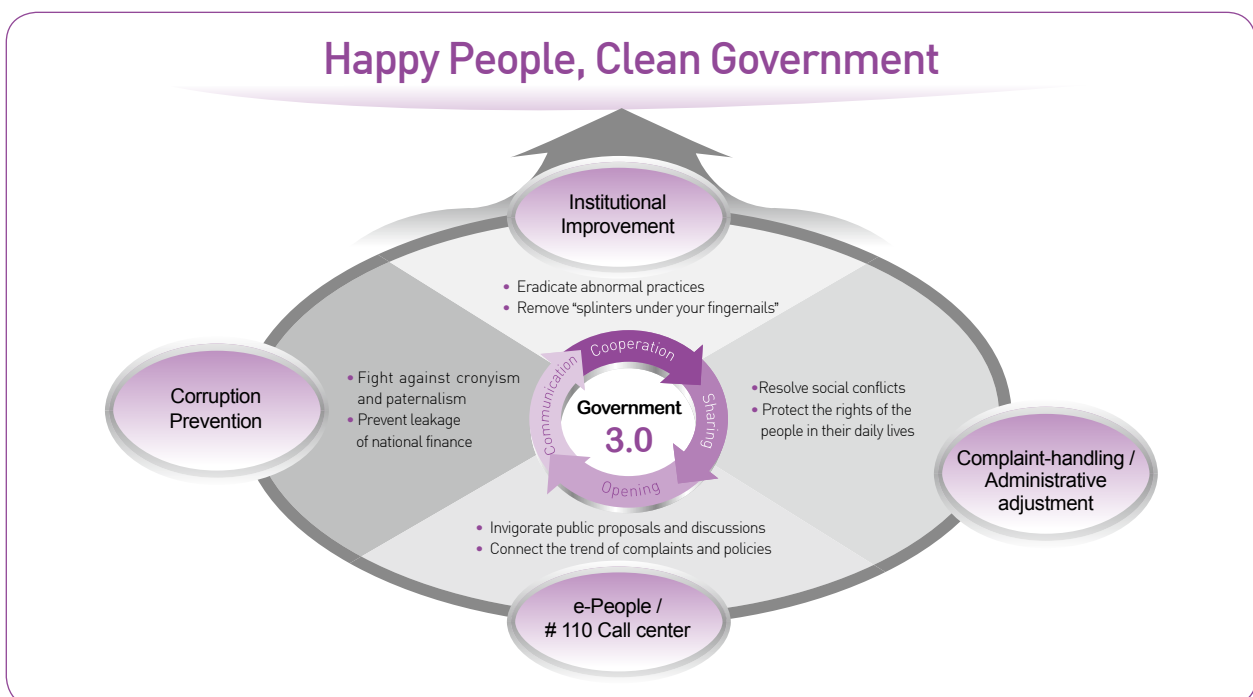


complaints filed by over 100 complainants in 2013, showing the necessity of an effective response to collective complaints as they cause social expenses. To this end, it is necessary to establish an advanced conflict mediation system, such as enhancing the Alternative Dispute Resolution (ADR) using a neutral conflict mediation body.

In order to improve international awareness on the integrity level of Korea, as well as to eradicate existing abnormal corrupt practices, it is necessary to draw more comprehensive corruption control measures. Despite the constant anti-corruption efforts, Korea's rank on the Corruption Perception Index (CPI) released by Transparency International is falling (39th in 2010 → 46th in 2013). Therefore, it is urgent that the pending Bill on the Prohibition of Illegal Solicitation and the Prevention of the Conflicts of Interest of Public Officials is to be enacted by the National Assembly as soon as possible. Also, it is the ACRC's priority in 2014 to strengthen the institutional foundation to prevent any leakage of national finance, including the establishment of a government-wide response system to eradicate the practices wasting the national budget and the creation of a comprehensive monitoring & recovery system against fraud or false claims.

Normalizing the abnormal practices that still exist in our society is also one of the issues that the ACRC will pay attention to. The ACRC will actively utilize its techniques and specialties accumulated from institutional improvements to normalize the abnormal practices. Furthermore, it will capitalize on its communication channels such as e-People, the 110 Government Call Center, and the People's Happiness Center for Policy Suggestion, in order to effectively reflect the ideas of citizens in policies.

In 2014, the ACRC will do its utmost to create "a nation where the people are happy and the public servants are clean," by taking the lead in the "normalization of abnormal practices" through the connection between the values of Government 3.0, namely "opening, sharing, communication, and cooperation," and the core functions of the ACRC, which are complaint-handling, corruption prevention, administrative adjustment, and institutional improvement. The ACRC is the sole government agency that has the word "civil" in its name. In this context, should the Commission strengthen the various institutional foundations mentioned above, and actively communicate with the people, it will hold a special place in the hearts of the people as the first government agency that comes to mind when they face difficulties and grievances.





# ACRC KOREA

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# Part 1

## Promoting Cooperation

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

## Chapter 1

## Public-Private Partnership

**Section 1. Strengthening Cooperation and Communication across Society****1. Efforts to Establish a New Anti-Corruption Public-Private Partnership**

The Policy Council for Transparent Society was launched on December 9, 2009, in an attempt to support anti-corruption efforts and to improve integrity across the nation. The Council, however, had its limits since it only functioned as a simple policy network and civil society groups did not participate in it.

Accordingly, in order to lay the foundation for the take off of anti-corruption activities through the reorganization of the network into a public-private consultative body focused on participation and practice, in the second half of 2013, the ACRC organized a working-level taskforce for anti-corruption public-private governance that civil groups, public enterprises, and local transparency associations participated in. The taskforce held meetings (4 times) and an open discussion forum to reflect opinions from both the private and the public sectors, and the “Network for Corruption-Free Society (tentative name)” is expected to be launched in 2014.

**2. Listening to Voices Onsite to Spread Major Anti-Corruption Policies**

The ACRC held a meeting with 5 major anti-corruption organizations and the supporting groups for public interest whistleblowers, to discuss the ways to cooperate on the major anti-corruption policies of the ACRC as well as to improve the “Act on the Protection of Public Interest Whistleblowers.” From November 6 to December 16, the Commission also held briefing sessions in 11

regions such as Chungcheong, Daegu, and Gwangju for the civil groups of 17 cities/provinces across the nation on its major anti-corruption policies, including “Ordinance of the codes of conduct for local assembly members,” “Ordinance of the protection of public interest whistleblowers,” and “Integrity Assessment,” aiming to promote the integrity policies of local governments for the local elections scheduled to be held on June 4, 2014.

**3. Establishment and Operation of “Public - Private Network for the Improvement of the People’s Rights”**

In October 2013, the ACRC organized a working level council for the “Public-private network for the improvement of the people’s rights,” participated by 11 major private organizations, for the 6 socially discriminated groups such as the handicapped, multi-cultural families, children & youth, and welfare recipients, which need the special care and attention of society.

In November 2013, to reflect the voices of the people into the ACRC policies, the Commission also held a trial “policy briefing for the improvement of the rights of the handicapped,” on a trial basis and received 11 proposals for the improvement of institutions from the participating organizations: reviewing institutional improvement (2 cases); connecting with the proposal center for the people’s happiness (7 cases); and providing guidance and explanation (2 cases).

**Section 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, spread the autonomous atmosphere for anti-corruption, and strengthen the capacity building of private organizations.

In 2013, the Commission selected and supported 23 projects (KRW 3.41 million) in 5 areas, including “enhancing transparency of local assemblies,” “strengthening anti-corruption and integrity awareness,” “eradicating budget waste,” “protecting public interest whistleblowers,” and “improving the people’s rights.”

### **Section 3. Support for Autonomous Corporate Ethical Management**

#### **1. Publication and Distribution of the Monthly Online Magazine “Business Ethics Brief”**

Since April 2005, the monthly online magazine “Business Ethics Brief,” which contains the latest issues and trends as well as the best practices relating to ethical management in and outside of Korea, has been distributed via e-mail to 2,802 people and 495 customer groups in private and public companies, economic organizations, and the academia. In 2013, the ACRC for the first time started to publish its brochure, printing 1,500 copies per month, and distributed them to enterprises and universities.

#### **2. Operation of Educational Courses for Ethical Management**

The ACRC has been operating educational courses for ethical management since 2009, supporting the effort to promote corporate ethical management in a systematic manner and to build the capacity of compliance officers. In 2013, the Commission newly opened and provided (4 times) educational programs to share its knowledge of integrity policies with the private sector, including the “Integrity Assessment” and the “Operation of the Codes of Conduct.” The frequency of the customized educational programs was increased from 2 times (118 participants, 2012) to 6 times (437 participants, 2013) as the number of participants significantly increased (270% increase year on year).

#### **3. Communication and Cooperation with Relevant Organizations such as Business Associations**

The ACRC expanded its communication and cooperation with organizations such as major business associations to encourage the improvement of transparency in the private sector and to raise public awareness on ethical management.

In July 2013, the ACRC and the Federation of Korean Industries (FKI), which is the most influential economic organization in the business sector, concluded an MOU on spreading and settling ethical management, and have pushed forward such cooperative projects as the joint promotion for ethical management, discovering and spreading best practices, and creating new opportunities to spread and settle public awareness on ethical management in overall society.

As part of the joint cooperative projects, in 2013, the two organizations co-published “Ethical Management! Exploring the Ways,” a best practice casebook for ethical management.

## Chapter 2

## International Cooperation

**Section 1. Overview**

In 2013, the ACRC actively engaged in and implemented the global anti-corruption conventions and anti-corruption rounds to improve the awareness of the international community on Korea's will for and achievements in anti-corruption. The Commission also improved the conditions and systems to solve civil complaints and strengthened international cooperation by concluding MOUs with Ombudsman institutions.

As the chief representative of Korea for the G20 Anti-Corruption Working Group, in 2013, the ACRC continued operating working-level meetings dedicated to the implementation of the G20 Anti-Corruption Action Plan, jointly with other authorities, including the Ministry of Justice, the Ministry of Foreign Affairs, and the Korea Financial Intelligence Unit, to establish the stance of the Korean government and report its anti-corruption efforts to the G20 Summit.

In March 2013, the ACRC successfully responded to the on-site visit to Korea of the UN Convention against Corruption (UNCAC), and actively promoted its will and achievements in implementing the UNCAC at the Conference of the States Parties to the UNCAC. In addition, as the representative of the Korean government, the Commission participated in the phase 3 on-site visit of the OECD Working Group on Bribery in New Zealand.

The ACRC took the lead to launch the Anti-corruption Agency (ACA) Forum to set the stage for discussions on current issues and close cooperation between the heads of anti-corruption bodies in the Asia-Pacific region. As the secretariat of the ACA Forum, the Commission opened the ACA official website in July 2010 and has operated the site to spread the best practices and exchange information on fighting corruption. In particular, the ACRC hosted the 7th ACA Anti-Corruption Agency Forum and the International Forum on Anti-Corruption

Best Practices in September 2013, contributing to anti-corruption capacity building of member countries by sharing best practices and policies.

Meanwhile, the ACRC expanded the foundation to provide technical assistance in fighting corruption for developing countries by concluding MOUs on anti-corruption cooperation with 4 countries, namely, Indonesia, Thailand, Vietnam, and Mongolia. In 2013, the Commission hosted 6 workshops and training seminars. As a part of the implementation of the MOU with the Korea International Cooperation Agency (KOICA) signed in April 2011, the ACRC provided a training seminar for policy transparency evaluation, tailored for Mongolian public officials in 2013. In particular, to support the public officials of other countries in building their anti-corruption capacity, the Commission launched a regular 2-week course for integrity education targeting foreign public officials for the first time in June 2013, providing Korea's outstanding anti-corruption systems such as corruption evaluation and whistleblower protection and sharing Korea's anti-corruption experiences.

After signing an MOU with Indonesia on Ombudsman cooperation, the first of its kind, on February 2010, the ACRC expanded cooperation with foreign Ombudsman institutions to protect overseas Koreans, including new MOUs with Kyrgyzstan and Thailand Ombudsmen. In addition, it signed an MOU with Vietnam and extended the existing MOU with Indonesia in March 2013. The ACRC also held cooperation meetings with Indonesia and Thailand Ombudsmen in June and July, respectively, and transferred its outstanding Ombudsman functions such as the e-People system to MOU partners.

In the meantime, ACRC Chairman Sung-bo Lee was elected as a member of the Board of Directors of the International Ombudsman Institute (IOI) in February 2013 and is working as the director of the Asian region. As the treasurer of the Asia Ombudsman Association (AOA), Chairman Lee also proposed and successfully invited the next AOA General Assembly to be held in Seoul at the General Assembly in Iran in October 2013.

In addition, the ACRC has strengthened its efforts to increase the Corruption Perception Index, by holding

the 6th ACRC policy briefing session for foreign CEOs in Korea and presenting the Korean government's anti-corruption and integrity policies and political will to the CPI assessment organizations.

## Section 2. Major Accomplishments

### 1. Participation in the G20 Anti-corruption Agenda

At the 5th G20 Summit held in Seoul in 2010, the leaders of the G20 shared the idea on the need to prevent and eradicate corruption and adopted the Action Plans as an Annex, 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. It includes important issues such as international cooperation and public-private partnerships for anti-corruption and whistleblower protection of corruption reporters. In 2011, after the launch of the G20 Anti-corruption Working Group, the ACRC, as head of the Korean delegation, monitored the overall anti-corruption regulations and policies in Korea and made efforts to improve them to actively implement the Action Plan. 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. In 2013, the Commission collected data on the ways that Korea is working to implement the G20 Anti-corruption Action Plan, and took the lead in writing the 3rd monitoring report for the G20 Anti-Corruption Action Plan.

### 2. Active Response to the Global Anti-corruption Rounds

Korea signed the UNCAC in 2003, 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. ACRC Chairman Sung-bo Lee participated in the 5th session of the Conference of the States Parties to the United Nations Convention against Corruption (UNCAC), held in Panama City, Panama on November 25 ~ 29, 2013, and presented Korea's major anti-corruption policies and achievements, improving the status of Korea as a leading country in anti-corruption. In particular, the implementation review of the UNCAC on Korea was concluded in November 2013. The anti-corruption experts of the reviewer countries Bulgaria and India, as well as the UNODC, selected the ACRC's "employment restrictions for public officials dismissed for corruption" and "reporting high-ranking public officials under suspicion of corruption" as the best practices. Furthermore, the ACRC's corruption prevention functions were selected as "successful and best practices" and introduced in the summary report, which is open to all the other countries.

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 achieved the status of international organization in March 2011, and now (as of December 2013) has a total of 70 member countries, including 54 parties. On March 27, 2012, the ACRC and the IACA signed an MOU to share anti-corruption knowledge and expertise. In her keynote speech at the 2nd Assembly of Parties held in Bangkok, Thailand, Vice-Chairperson Jin-young Kwak explained the comprehensive approach of the Korean government to corruption and supported the IACA's values and methodologies that seek a connection between theory and practice. In addition, the Commission is in discussions with the IACA to apply its Integrity Assessment and whistleblower protection system, which are highly appreciated in the world, to the curriculum of the IACA's Master's program, and to send ACRC officials as lecturers to the IACA.

The OECD Anti-Bribery Convention, which came into effect in 1999, marked its 15th anniversary in 2013, with the number of parties to the convention increased from 33 to 40. Along with Israel, Korea conducted the 3 phase on-site visit on New Zealand in April 2013, and participated as



an examiner in the 3 phase review of the OECD Working Group on Bribery on New Zealand at the OECD Working Group on Bribery in October 2013. The ACRC successfully responded to the review by establishing a cooperative system with the concerned authorities such as the Ministry of Justice and the Ministry of Foreign Affairs to prepare for the review.

### 3. Technical Assistance to Enhance the Anti-corruption Capacity 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 them with technical assistance, and the UN and other international organizations have also paid attention to Korea as their partner for technical assistance in anti-corruption. In particular, the ACRC's Integrity Assessment has been successfully implemented in Indonesia, Thailand, and Mongolia. These countries represent the outstanding cases of implementing Korean anti-corruption policies to the international community as well as of the ACRC's contribution to the anti-corruption capacity building of the recipients through technical assistance.

#### ***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 the Integrity Assessment, Anti-corruption Competitiveness Evaluation, and Corruption Impact Assessment, and has been targeting the central and local governments and the public corporations of Indonesia since 2008.

The ACRC held the 7th Korea-Indonesia Anti-corruption Cooperation Meeting in Seoul on September 2, 2013. At the meeting, the ACRC and the Indonesian Anti-corruption Commission (KPK) shared information on implementing the Korea-Indonesia Anti-corruption MOU and discussed future cooperative projects. The Commission also provided the KPK with consulting on solutions to the problems in conducting the Integrity Assessment. Moreover, upon the request of the KPK, the ACRC held a 3-day training seminar on the Codes of Conduct for Public Officials, for the officials of the Indonesian Anti-corruption Commission (KPK) from November 26 to 28.

In accordance with the proposal of Vietnam, the ACRC signed the Korea-Vietnam Anti-Corruption MOU with the Office of the Central Steering Committee for the Anti-Corruption of Vietnam (OSCAC) on February 3, 2010, and has since held joint workshops annually to share and exchange information in the anti-corruption area. As the OSCAC was integrated into the Commission for International Affairs (CCIA) in February in 2013, the CCIA agreed on succeeding the MOU between the ACRC and the OSCAC. Accordingly, an anti-corruption cooperation meeting was held in Seoul from September 9 to 11, and as a result of the discussion on future plans of the cooperative MOU on anti-corruption from 2013 to 2015, both agencies agreed on 5 main cooperative areas: OECD Anti-Bribery Convention; anti-corruption in the economic sector; Integrity Assessment; UN Convention on Anti-Corruption; and operation of websites regarding corruption prevention.

Following the request of Mongolia, 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. On January 15~16, 2013, the Mongolian representatives, including the head of the Independent Authority against Corruption (IAAC), visited Korea and extended the Korea-Mongolia MOU on anti-corruption cooperation. In the extended MOU, both countries agreed to make more efforts for the implementation of the MOU through continuous cooperation and support as well as active anti-corruption activities in the future.



Extension of the Korea-Mongolia MOU on anti-corruption cooperation  
(January 15, 2013)

### ***Enhancing the Anti-corruption Capacity of Countries in Cooperation with KOICA***

As a 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 April 2011, the ACRC invited public officials of Indonesia (June 2011), Bangladesh (October 2011), and Colombia (July 2012) to provide them with a training program on ways to strengthen anti-corruption capacity.

From September 30 to October 11, 2013, the ACRC and KOICA co-conducted a 2-week training course on monitoring and evaluation system for Mongolian public officials. The training course was organized with the Korean government's performance evaluation systems, including "Public Service Evaluation" and "Evaluation of Business Performance of Public Corporations." It also incorporated various policies and contents such as the "Integrity Assessment," "Anti-corruption Competitiveness Evaluation," and "Corruption Impact Assessment," to evaluate corruption risks in the duties of public offices and regulations as well as to improve transparency and accountability. Officials from the ACRC and other government offices, and experts of academia and civil groups gave lectures in the course.



Completion ceremony of the ACRC-KOICA Joint Training Course on Monitoring and Evaluation System for Mongolian public officials (October 11, 2013)

### ***The 1st ACRC Training for International Anti-Corruption Practitioners***

In 2013, the ACRC launched the "ACRC Training for International Anti-Corruption Practitioners" to contribute to enhancing the anti-corruption capacity of public officials around the world. With the goal of providing knowledge and techniques for working-level officials to respond to corruption in an effective and systemic manner, the course was opened for 2 weeks from June 17. A total of 13 officials from 13 countries such as Singapore, China, and South Africa attended the course.

It is expected that the ACRC Training for International Anti-Corruption Practitioners will contribute to not only solving the corruption problems in other countries by building their human and systemic capabilities in the anti-corruption area in their respective countries in the long term, but also improving Korea's national competitiveness by spreading its outstanding anti-corruption systems to the world.



The completion ceremony of the 1st ACRC Training for International Anti-Corruption Practitioners (June 28, 2013)

### ***4. 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. The IOI was established in 1978 for the purpose of spreading the concept of protecting the 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.

The IOI board of directors approved the new membership of Bahrain Ombudsman and Pakistan Banking Ombudsman at the board meeting in New York in September 2013, expanding the membership of the Asian region to 16 institutions (including 7 Pakistan institutions) from 10 countries (Korea, Pakistan, Macao, Japan, Thailand, Indonesia, Iran, Sri Lanka, Jordan, and Bahrain).

The Asian Ombudsman Association (AOA) was established in 1966 for the purpose of spreading and developing Ombudsman systems in the Asian region. At present, the AOA's institutional members consist of 29 Ombudsman institutions from 20 countries such as Korea, China, Japan, Pakistan, Thailand, and the Philippines. The ACRC is a founding member of the AOA and has worked as the treasurer since 2003. It has also held AOA board meetings and General Assemblies in Seoul in 1997 and 2004.

The ACRC presented the treasurer's review on the AOA audit report at the 13th AOA General Assembly and the 15th AOA Board of Directors Meeting in Teheran in October 7-9, in 2013. At the BoD meeting, the ACRC also suggested hosting the next AOA Board of Directors Meeting in Seoul (in 2014), and the suggestion was accepted.

## 5. 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 ombudsmen, protect the rights of overseas residents and companies that have entered foreign markets, and handle the complaints they make. The Ombudsman organizations of both countries that have signed an MOU should actively cooperate to help resolve 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 back to the resident in the language of the country, English, and, if possible, the language of the partnering country. Moreover, an administrative official will visit a company, a worker, or a multi-cultural family of the other country to offer counseling services to resolve their complaints.

In addition, a two-way complaint-handling window will be opened to provide the language service where residents of the partnering country can file a complaint and communicate in their language, and the results shared.

In February 2012, the ACRC signed the first MOU with the Ombudsman of Indonesia, a country where a significant number of Korean people are residing and companies are conducting business. The Korea-Vietnam Ombudsman MOU, which had been prepared since 2012, was signed on March 27, 2013, when the head of the Government Inspectorate of Vietnam visited the ACRC.



Signing of the Korea-Vietnam Ombudsman MOU (March 27, 2013)

## Section 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 closer cooperation with the Ministry of Justice and the Ministry of Foreign Affairs.

As a member of the IACA, the ACRC will actively participate in educational programs and cooperate further with the IACA for its policies such as Integrity Assessment to be included in the regular course of the IACA Academy, to actively introduce Korea's anti-corruption policies to the international community.

The ACRC plans to continuously promote anti-corruption policies and technical assistance projects for those countries that signed an MOU with the Commission. In addition, the Commission plans to expand the technical assistance recipients to the countries in Africa and South America, through the integrity education course for foreign public officials conducted in 2013 for the first time. The Commission also plans to strengthen the projects to share major Ombudsman policies (e.g. e-People) and investigating techniques, as well as to expand MOUs to protect overseas residents. In the meantime, it is planning to contribute to the capacity building of Ombudsmen by hosting a global conference for Ombudsman institutions in Seoul in connection with the AOA board of directors meeting and IOI Regional Assembly in Seoul in 2014.

The ACRC will try to promote its major policies and projects such as the Integrity Assessment, the Act on the Protection of Public Interest Whistleblowers, and e-People via the newsletters of major Ombudsman or anti-corruption related organizations around the world, and will utilize its English website and newspapers as well as e-mail newsletter and publications of foreign economic organizations to promote the anti-corruption efforts of the ACRC and Ombudsmen.

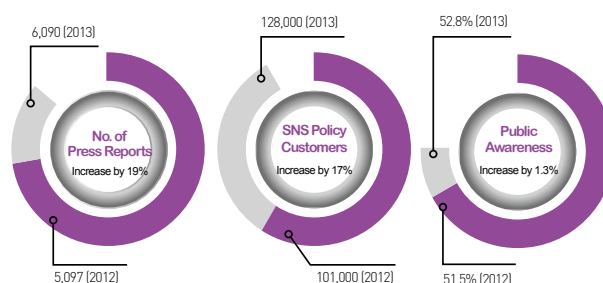
Furthermore, the ACRC will also hold briefing sessions on major policies for foreign entrepreneurs in order that their difficulties can be heard and they can become aware of the improvements made by anti-corruption activities in Korea as well as the will and effort to build a transparent society and a business-friendly environment.

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

## Chapter 3

### Public Relations

In 2013, the number of press reports increased by 19%, and the number of policy customers through SNS also increased by as much as 27%. Furthermore, public awareness of the Commission recorded 52.8%, a 1.3% points increase compared to the previous year, and the overall awareness of the ACRC's major policies also increased.



#### 1. Press Reports and Policy Marketing

Whenever the ACRC released a new policy, it made a feature report by issue to communicate with the people. When an important policy issue occurs, the Chairman and high-ranking officials directly and actively held media interviews and contributed to newspapers for the better understanding of the people.

In addition, the ACRC marketed "onsite," which is the strength of the Commission's outreach program, making fruitful results. The ACRC supported the onsite coverage of the Onsite Mediation Meeting, through which collective complaints or public conflicts are mediated onsite, whenever they were held. In particular, press conferences were held beforehand to strengthen the ACRC's cooperative relations with the media in certain regions for onsite coverage and reports to be expanded.

In the meantime, in 2013, the ACRC also focused on foreign press reports. It actively encouraged foreign press reports by providing the member reporters of the Seoul Foreign Correspondents' Club with its press releases in English and other materials such as the themes, presen-

tations, and schedules of its international conferences in order to draw attention at home and abroad on Korea's anti-corruption and integrity policies. In particular, the feature reports and joint campaigns conducted with the representative English newspapers in Korea, the Korea Times and the Korea Herald, resulted in new accomplishments such as favorable foreign news reports.

In addition, the Commission succeeded in arousing the sympathy of the people, by sharing individual complaint cases in emotional narrative form, accelerating the necessary shift of government policies. Based on the public sentiment, it also significantly contributed to raising the people's confidence in the government policies that have consideration for the socially disadvantaged.

## 2. Promotion of Policies and Free Advertisement through Public Media

The ACRC not only continued its promotions on traditional media, such as TV, radio, and newspaper, but it also used various outdoor advertising media and internet banners for advertisement.

The ACRC's budget for public relations, which had been separated into each division, was integrated into a single project, "Promotion for ACRC Policies," decreasing by 23.1% year on year. Accordingly, besides the advertisement using the budget, the Commission made various efforts to find other promotion projects that do not need to use the allocated budget, including running a contest targeting ACRC officials for promotion ideas. In particular, the Commission effectively promoted its public whistleblower protection system and the Government Welfare Fraud Report Center, using public media such as government publications and about 300 electronic display boards owned by public agencies.

## 3. Publication of the "ACRC Quarterly"

Since its launch in 2008, the ACRC has published a biennial magazine in order to share the Commission's activities and newest updates. Up to present, a total of 35 volumes

(No.35, November + December 2013) 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.

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

Due to interesting and visual contents using latest techniques such as infographic and webtoons, as well as various events through SNS, the accumulated number of visitors to the ACRC blog has increased to 4.39 million, and the number of SNS policy customers has constantly increased to 128,000.

Media	Blog (DAUM)	SNS			
		Twitter	Facebook	Me2day	Kakao Story
Date of Opening	'09.5.22.	'09.7.4.	'10.8.14.	'10.2.16.	'13.8.
No. of Visitors (Followers)	4,391,246	26,404	61,529	17,473	22,949



# ACRC KOREA

Annual Report 2013



# Part 2 Handling Complaints

- Chapter 1 Overview of Complaint Handling
- Chapter 2 Investigation and Handling of Complaints
- Chapter 3 Integrated Management and Analysis of Complaints



# Part 2 Handling Complaints

## Chapter 1

### Overview of Complaint Handling

#### Section 1. Functions for Complaint Handling

##### 1. 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 of the people to the government, especially cases in which inconveniences, grievances, or the infringement of the people’s rights occur because of the illegal, unfair, or passive practices (including factum and nonfeasance) of administrative organizations. When an investigation of a case concludes that there is probable reason to recognize that the practices of the investigated administrative organization are illegal or unfair, corrective recommendations are made to the related administrative organization. When it is judged that a complainant’s claim has 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 organization.

##### 2. Recommendations for Improvement 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 head of the related organization. Such acts aim to prevent the recurrence of the same complaints.

##### 3. Onsite Mediation and Settlement of Civil Complaints from the Third Party Perspective

The ACRC not only makes corrective recommendations and expresses opinions to related administrative organizations, but it also serves as a third party mediator between the complainant and the complaint-related organization. In this way, it draws an amicable settlement between the parties, and prevents any large-scale social conflict in advance. In particular, the mediation of complaints involving multiple stakeholders or recognized as having huge social repercussions is drawing attention as a kind of Alternative Dispute Resolution (ADR).

##### 4. 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 capitalizes on the expertise of 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.

##### 5. Operation of e-People and the 110 Government Call Center

The ACRC operates “e-People,” which integrated channels for filing complaints and proposals online. 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 the 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 these services play a role in connecting the administration and the people both online and offline.

## 6. Cooperation with, Support and Training for Local Ombudsmen

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

## Section 2. Policy Direction for Complaint Handling

In 2013, the ACRC expanded its policy functions in addition to playing its original role of resolving civil complaints.

Since its launch, the ACRC has strived to establish the foundation to set up the complaint-handling process, and strengthened and developed field-centered complaint handling. Since 2012, it has focused on enhancing the function of protecting the people’s rights by providing pre-emptive civil service with strengthened complaint-handling policies.

In particular, in 2013, to grasp the current status of complaint-handling of each administrative organization, the Commission expanded the scope of its fact-finding examination to 100 organizations, including those that are mandatorily subject to such examination and those that applied to take the examination. Moreover, it addressed numerous collective complaints through onsite mediation, and solved large-scale public conflicts jointly working with the Office for Government Policy Coordination.

Also, the ACRC strived to diversify its policies by expanding

the role of the “Complaint Special Investigation Team” in charge of handling long-pending complaints to raise the satisfaction of complainants and to remove the wasteful factors from the administration, adding the function of “solving public conflict.”

## Section 3. Major Accomplishments

### 1. Expansion and Enhancement of Field-centered Complaint Handling

#### *Introduction*

The ACRC believes that reaching out to people and listening to their voices firsthand is the most basic prerequisite and effective method to address the peoples’ grievances. With this belief, the ACRC continues to operate “Onsite outreach programs,” which it started in Cheongju in 2003, to solve the grievances of all the people.

After the Commission launched the program, it expanded the operation to listen to the difficulties of the people onsite and provide timely solutions. To this end, it created an exclusive division and ran a regularly operated system using the total human resource pool of the ACRC investigators. In addition, the complaints filed during the onsite outreach program were monitored with special attention, in order for them to be preferentially handled in the most prompt and faithful manner. After 2011, the ACRC expanded the scope of the sectors to protect the people’s rights, by operating the “customized onsite outreach programs” by sector for the socially discriminated who were in the blind spot. In particular, in 2013, the Commission operated the customized onsite outreach programs for the visually impaired and immigrant laborers, to solve the grievances of the socially vulnerable.

Furthermore, to reduce the growing social expenses caused by public conflicts or the complaints of multiple stakeholders, the ACRC actively utilized the mediation

system to solve the civil complaints involving multiple stakeholders or have huge social repercussions in a prompt and fair manner. After its launch, the Commission expanded the onsite investigations on the complaints of multiple complainants, to come up with the best mediation plan to satisfy all the stakeholders. It also made efforts to expand and enhance the field-centered complaint handling function by facilitating onsite mediation functions through the monitoring of handling by stage, establishing standards of complaint handling, and promoting the mediation committee.

### **Operation of Onsite Outreach Program**

The Onsite Outreach Program is a “man centered & field centered” complaint handling system launched in 2003 to reach out to all corners of the country and listen to the grievances of the people.

The Onsite Outreach Program provides counselling service to the residents of remote rural areas and islands who are not easy to visit the ACRC or have difficulties in accessing the internet to file their complaints. Also, the program serves as a communication channel between the people and the government by collecting various opinions and voices at the meetings with the local residents.



Listening to the complaints of the residents of an apartment at risk of collapsing in Uiju, Feb. 20, 2013

Among the complaints filed during an Onsite Outreach Program, issues that can be settled are handled onsite with the concerned government agencies. In case more investigation is necessary, the ACRC receives the issue

as a civil complaint and handles it through investigation and deliberation. When there is a policy proposal or request to improve an institution, the Commission also seeks a solution through consultation with the concerned agencies, frequently notifying the handling process to the proposer or the local government, and thoroughly monitors the handling process to the end.

Since its establishment (2008-2013), the ACRC has visited 229 regions for “active onsite administration” and has consulted and addressed 8,189 complaints. Such an accomplishment is a great improvement from the performance of the Onsite Outreach Program before the launch of the ACRC (1,543 cases handled in 55 regions during 2003 -2007).

In addition, about 20% of the consultations were handled onsite through active arbitration and settlement. In 2013, the number of complaints handled onsite exceeded 1,500 in the 5 years since the launch of the Commission, serving as a means for the people to directly participate in the resolution process.

Separate from complaint consulting, since 2010, the Commission has visited 282 regions and received 1,329 policy proposals and institutional improvement issues, and requested the concerned agencies to reflect those issues in their policies.

### **Statistics of Onsite Complaint-Consultations**

(Unit: number of consultations)

Category	Total	Before 2008	2008	2009	2010	2011	2012	2013
No. of Visited Regions	284	55	20	28	33	46	51	51
No. of Consultations	Filed Complaints	1,601	541	86	272	190	129	196
	Handled on site	1,839	-	96	244	290	244	332
	Consultation/guidance	6,292	1,002	381	1,004	1,000	865	1,103
	Total	9,732	1,543	563	1,520	1,489	1,238	1,631

In terms of system operation as well, since 2012, the ACRC changed the form of operation from an exclusive operation to a government-joint operation, to strengthen the comprehensive problem-solving functions by encouraging the concerned agencies and experts in the

private sector when discussing the conflicts between government agencies, pending collective complaints, social issues, or specific areas.

The Commission has also increased the quality of complaint consultations by operating the consultation team consisting of outstanding investigators equipped with expertise through the “consulting investigators resource pool system.” Moreover, in May 2013, it opened a counselling window to resolve the difficulties of citizens, and is finding and supporting the socially poor who are in the blind spot of the social welfare system. The ACRC is also pursuing services in connection with the ‘good neighbors’ of the Korea National Council on Social Welfare branch in each province or city and the Community Chest of Korea for the handling of complaints related to daily life such as civil petitions.

Through such complementation of the system, the ACRC not only handled the civil complaints and collective complaints of local residents, but also provided connected services such as the service to improve medical and residential conditions for the socially discriminated and food bank & supermarket coupons (free or low-price coupon for daily necessities).

Along with the regional onsite outreach programs for the residents of city/gun/gu of local governments, since 2011, the ACRC has been operating small-sized onsite outreach programs customized for the people and regions that need more attention and care from society, such as small businesses, immigrant laborers, multicultural families, and North Korean defectors.

In 2013, it expanded the customized programs for the socially vulnerable (9 times in 2011 → 14 times in 2012 → 15 times in 2013), striving to handle the difficulties of the residents of remote regions, overseas Koreans, immigrant laborers, multicultural families, and the handicapped.

As a result, the ACRC collected and handled the proposals and difficulties of the residents of remote regions, congested regions of immigrant laborers, workers of small and medium-sized businesses in traditional markets, and entrepreneurs within industrial

complexes, strengthening its role as a spokesperson for the socially discriminated classes and regions.

The ACRC is planning to visit more people in need and the residents in the blind spot who cannot protect their rights, as well as to expand its customized onsite outreach programs targeting foreign laborers, marriage immigrants, and overseas Koreans by concluding MOUs with the Ombudsman institutions abroad.

### ***Expansion of Complaint Handling Service through Promotion of Onsite Mediation***

The ACRC has actively utilized its onsite mediation system to promptly and fairly address the complaints involving multiple stakeholders or having huge social repercussions.

※ “Onsite mediation” has the same effect as “settlement” of the civil law. The ACRC chairman or a commissioner presides over the mediation, participated by both the concerned agency and the complainant, where the mediated plan (draft) is discussed and finally signed by the parties.

The ACRC significantly expanded its “onsite mediation” that mediates conflicts at the working levels onsite before the problem deepens, in order to pre-emptively respond to public conflicts and the grievances of the people. This is the result of an increase in the number of public conflicts involving multiple complainants due to the raised awareness of the protection of rights, which in turn has increased social expenses.

Taking diverse interests and conflicts into consideration, the Commission strives to come up with a win-win mediation plan that can satisfy both parties through onsite mediation.



Onsite visit to handle a complaint on the change of transmission lines in the Saemangeum area (Dec. 12, 2013)



Onsite mediation on the request to create Bongeun Temple Park (Aug. 23, 2013)

For example, in the case of the onsite mediation on the collective complaint for “the request to change transmission lines in the Saemangeum area of Gunsan,” the ACRC suggested two options and the complainants agreed to them: First, should the US Army reply that “it is possible to make alternative lines,” after a prompt consultation of the concerned agencies in the Saemangeum area, the construction would proceed; second, should this “not be possible,” the transmission tower would be constructed in the original way, and at the same time, direct and indirect compensation provided to the residents for their active cooperation. In this way, the ACRC resolved the complaint of 1,008 residents, which could have been a long-pending issue, at an early stage.

Furthermore, in the case of the onsite mediation on the “request to create Bongeun Temple Park” in Gangnam,

Seoul (August 2013), the ACRC mediated the issue in such a way that the park would be created in stages to prevent the complaints and distrust of the 250,000 believers due to limitations in their religious activities. At the same time, this would provide a pleasant environment to not only the visitors at home and abroad but also to the believers by creating a place to experience traditional Korean culture and find rest.

The ACRC will do its best to prevent complicated complaints involving multiple stakeholders from evolving into a public conflict, actively using one of its important functions, “mediation.”

**Onsite Mediation Statistics**

Year	2008.3.	2009	2010	2011	2012	2013
Number of cases	28	26	19	24	42	43

## 2. Active Resolution of Public Conflicts, Grievances, and Unreasonable Complainant Conduct

### Introduction

As today’s society has diversified and specialized, and as public awareness on the people’s rights has been raised, the number of public complaints and unreasonable complainant conduct (UCC - showing consistently unreasonable conduct due to the result of a complaint handled in accordance with the legitimate process) is on the rise.

The loss caused by the increase in such public conflicts accounts for KRW 30 billion per year, and the social expenses thereby are increasing every year. There are, however, not enough organizations to take a neutral stance to identify, monitor, and mediate pending conflict issues. Accordingly, the necessity was raised to establish an exclusive body responsible for preventing the dissemination of such conflicts.

Moreover, there was concern that the opportunity for the majority of the people to enjoy high quality complaint-handling service would decrease, because the growing number of UCCs were discouraging the officials in charge, and the administrative force and budget are used excessively to respond to such UCCs.

Therefore, the ACRC recognized the need to use its impartiality and specialty to solve collective complaints at an early stage and prevent the spread of such conflicts. Also, to promote the mediation of public conflicts, it expanded the range of mediation targets and increased the possibility of successful mediation and settlement by cooperating with the Office for Government Policy Coordination to resolve public conflicts. In addition, the Commission launched an exclusive channel to solve

UCCs to create an environment where public officials can focus on their own duties and to reduce the social expenses by preventing social irrationality in advance.

### ***Mediation of Public Conflicts through Cooperation with the Concerned Agencies***

In recognition of the need to have an agency with a neutral stance that is exclusively responsible for coordinating conflicts between government agencies as well as investigating and assessing issues involving multiple interests, since 2012, the ACRC has pushed forward the establishment of a cooperative system with other government agencies in order to effectively solve the problem of delayed resolutions to collective complaints due to the lack of cooperation between government agencies.

From within, the Commission strived to disclose collective complaints in a proactive way through its systems to analyze and respond to civil complaints. In addition to such efforts, it also established a cooperative system combining the Office for Government Coordination's role of control tower for conflict management and the ACRC's affluent experience in coordination.

As a result of such efforts, the possibility of mediation and settlement of complaints that were difficult to handle with the authority of the ACRC or due to the lukewarm attitude of administrative agencies has increased. In this way, moreover, the Commission was able to prevent the possibility of the cases evolving into large-scale public conflicts involving several administrative agencies. Furthermore, as it actively resolved existing large-scale public conflicts, the Commission secured the trust of the people in government policies and solved the long-pending difficulties of the people.

In 2013, the ACRC resolved 7 public conflict cases through cooperative mediation, including the "mediation of the persons responsible for medical expenses for the after-effects after recuperation from industrial accidents," and the "relocation of Yeongi airfield to Jochiwon airfield."

The ACRC has many investigators with affluent experience in mediating collective complaints. Based on such a condition, the Commission is planning to expand its role to solve public conflicts, as it actively uses its mediation capability and experience in mediating large-scale public conflict complaints.



Onsite visit for cooperative mediation on the "relocation of Yeongi airfield to Jochiwon airfield" (Sep. 27, 2013)

### ***Raising Efficiency in Handling Complaints by Operating a UCC Exclusive Team***

In July 2011, the ACRC organized a Special Investigation Team for the first time in the government, to find solutions to the problems caused by UCCs. As a result of its "choice and concentration strategy," as of December 2013, the ACRC closed 61 UCCs out of 70 long-pending complaints, through agreement and persuasion, showing the achievements of the system.

The Special Investigation Team handles complaints by reinvestigating an issue from the start, in the presence of the complainant, in a field-centered way, and then coming up with various indirect solutions. In particular, the ACRC investigators are focused on clearing any possibilities of misunderstandings and recovering the trust of complainants by visiting complainants in advance and listening carefully to their accounts.

While the team has solved UCCs, it has also created a sense of sympathy with other government agencies to deal with such UCCs. Moreover, it published a manual to handle UCCs and distributed it to government agencies.

Meanwhile, an increasing number of investigators are suffering from stress because of the abusive and violent language used by some of the complainants during call counselling, with some investigators even needing neuropsychiatric help. Consequently, the system of recording abusive calls was introduced as a countermeasure on January 1, 2013. This system is expected to be helpful not only to the investigators but also the majority of complainants, as it prevents the monopolization of counselling by the few complainants who make long-time abusive calls.

In addition, the team created the "Response manual to UCCs against public organizations" by dividing UCCs into 29 categories, and distributed 2,500 copies to 350 public organizations. In June 2013, it published an additional 200 copies of the revised issue and provided them to public organizations.

Furthermore, the team made efforts to handle chronic collective complaints in a new way from the existing method, which focused on individual complaints. In this way, it resolved the collective complaint on "the request to change transmission lines in the Saemangeum area," which had caused acute conflicts for 6 years.

### 3. Prevention of Civil Complaints

As today's society is becoming more diversified and complicated, and as public awareness on the people's rights is on the rise, the number of civil complaints is also increasing. The right way to increase the convenience and interest of the people is preventing complaints in advance rather than handling them after they occur, because psychological and economic expenses occur in solving the complaints.

Accordingly, the ACRC is making various efforts to establish the foundation to prevent civil complaints in advance and to improve the capacity of administrative agencies.

First, the Commission assesses the current status of administrative agencies in solving civil complaints in order to enhance the fairness and accountability of the agencies

in handling complaints and to increase the satisfaction of the people on administrative services. To this end, the Commission developed the concerned indexes and is expanding the number of target organizations after trial operations.

Second, the ACRC analyzed the conditions and current status of administrative agencies in handling civil complaints, and conducted customized consulting for each agency. In this way, the ACRC enhanced the cooperative system with other agencies to raise the capacity to prevent and address civil complaints by transferring its experience and techniques.

Third, the Commission encouraged the establishment of Ombudsmen in local governments to improve the administrative service of local autonomous entities as well as to realize political utility to fulfill democracy and administrative utility appropriate for each region. In this way, the ACRC strived to improve promptness and democracy in protecting the rights of citizens and strengthen the self-rectification function.

Fourth, the ACRC strived to pre-emptively address the difficulties of the socially vulnerable, by collecting a variety of opinions and conducting overall fact-finding investigations on the socially vulnerable in the blind spots of protecting the people's rights or the areas that the nation should pay attention to.

Lastly, the ACRC enhanced relations with foreign Ombudsmen to solve the grievances of overseas Koreans, who are in a relatively more difficult position to receive help. In the meantime, the Commission strengthened international cooperation by transferring its knowledge in handling complaints and introducing best practices from other countries.

Chapter 2

Investigation and Handling of Complaints

Section 1. Introduction to Complaint Investigation and Handling

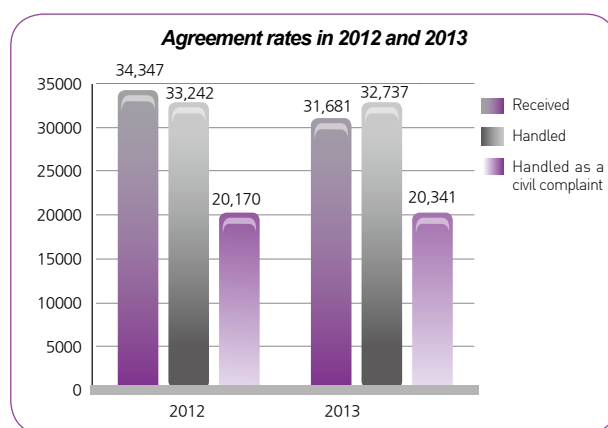
Investigating and handling complaints is the core function of the ACRC, which exists to protect the people’s rights. The Commission serves as the final complaint-handling body in the government through the final review and decision at the second round of the complaint when a complainant is not satisfied with the result of his/her complaint handled by the first complaint-handling government agency.

Major characteristics of the ACRC

- The representative Ombudsman of Korea
- Protects the people’s rights in a prompt and simple manner
- Solves the people’s grievances from the perspective of the complainant and not the government
- The final complaint-handling body within the government
- The A/S center on government policies and duties
- Carries out indirect control over administration through corrective recommendations and expression of opinion

“Civil Complaints” refers to the complaints caused by measures or systems of an administrative agency. The details of the civil complaints are as follow: First, illegal/unfair practices (including factum) or nonfeasance of the administrative organizations, which result in inconvenience, grievance, or the infringement of the people’s rights or interests; second, passive administrative actions or nonfeasance of administrative organizations such as ambiguous standards or processing delay; third, inconvenience, grievance, or the infringement of the people’s rights 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.

In 2013, the first year of the new administration, the ACRC focused on the areas in which the government’s attention was more needed, such as complaints related to people’s daily lives, and sought to find a new way to realize the protection of rights in quality rather than quantity. As a result, it recorded the highest performance since 2010, reaching 18.0% in acceptance rate, and the satisfaction rate (75.5 points) also exceeded the original goal (by 6.9 points), bearing the fruit of its active efforts in solving the difficulties of the people.



Comparison of key indicators between 2012 and 2013

Category	2012	2013	Comparison (Notes)
Filed Complaints	34,347	31,681	△7.8%
Handled Complaints	33,242	32,737	△1.5%
Handled Civil Complaints	20,170	20,341	0.8% ↑
Average Period for Handling Civil Complaints	20.3 days	16.3 days	Reduced by 4 days
Satisfaction Level	-	75.5 points	△ 6.9 points compared to the government goal

The statistics based on the regions that filed complaints showed that Gyeonggi-do recorded 23.5%, followed by Seoul at 23.0 %, Jeollanam-do at 6.3%, and Incheon at 6.0 %. The metropolitan area that includes Seoul, Gyeonggi, and Incheon showed the highest rate of filed complaints at 52.5 %. Also, collective complaints have continuously been on the rise over the last 3 years, which requires the ACRC to play a bigger role in resolving large-scale public conflicts.



**Trend of collective complaints over the last 3 years**

Number of complainants	2011	2012	2013
Received	285	361	362
Handled	300	364	383

Looking at the statistics on the filing channels, the rate of filing a complaint through e-People was down by 6.9% points compared to the previous year, mainly because of the decrease in the number of complaints unrelated to grievances (unclear complaint, simple proposals or requests, or private opinions). In addition, as the ACRC dealt with the complaints that were filed to the transition committee before the start of the new administration, the rate of reception through “other channels” increased by 1.4% points compared to the previous year.

## Section 2. Investigation and Handling of Complaints

### 1. Complaint Handling Statistics by Type

A total of 3,667 out of 32,737 complaints were accepted. In detail, 277 were handled by corrective recommendation, 467 by opinion expression, and 2,923 by mediation and agreement, achieving an 18.0% acceptance rate, a 0.1% point increase from the 17.9% of the previous year. This is the highest level since 2010 (14.9%), showing that the ACRC actively addressed the grievances of the people in 2013, considering the trend of the lowering acceptance rate due to the developments of the administration, such as the consistent improvement of laws and regulations. With the decreased rate of simple queries by 5.2% from the previous year, the total handling rate dropped by 1.5%.

**Complaint Handling Statistics of 2012 and 2013**

Year		2012	2013	Change (rate of increase)	
Total		33,242	32,737	△505	△1.5%
Com- plaint	Total	20,170	20,341	171	0.8%
	Corrective Recommendation	336	277	△59	△17.6%
	Expression of Opinion	470	467	△3	△0.6%
	Agreement by Mediation	2,814	2,923	109	3.9%

Guidance after Deliberation, Dismissal	1,564	1,717	153	9.8%
Rejection	462	582	120	26.0%
Transfer or Referral	196	402	206	105.1%
Guidance, Reply, etc.	14,328	13,973	△355	△2.5%
Simple Query	13,072	12,396	△676	△5.2%

## 2. Complaint Handling Statistics by Sector

Among the 32,737 complaints received in total, looking at the 20,341 complaints handled in 2013, 10.1% was raised from urban-related issues, 8.9% from health and welfare, 7.8% from roads (administration related to roads), 7.8% from police service, and 7.2% from taxes (national and local taxes).

## Section 3. Situation of Corrective Recommendations

### 1. The Overall Situation 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 the concerned agency in accordance with the first clause of Article 46 of the Act on Anti-corruption and the Establishment and Operation of the Anti-corruption and Civil Rights Commission. In 2013, the ACRC issued corrective recommendations for 283 cases (\*excluding repeated cases on the same issue).

### 2. Corrective Recommendations by Type of Organization

The central administrative organizations received 124 corrective recommendations (43.8 %), the local autonomous entities received 96 (33.9 %), and the public organizations and groups received 63 (22.3 %). Among the 124 corrective recommendations given to the central organizations, the National Tax Service received

46 (37.1%) and the Ministry of Defense received 38 (30.6%), accounting for 67.7% of the total.

Among the 96 corrective recommendations passed onto local governments, Gyeonggi-do received the highest number at 27 (28.1 %), followed by the Seoul Metropolitan Government, 18 (18.8 %), and Jeollabuk-do, 9 (9.4 %). The local governments located in the greater capital area received 45 recommendations, accounting for 46.9 % of the total local governments.

Among the 63 corrective recommendations given to public organizations and groups, Korea Land & Housing Corporation received 17 (27.0 %), National Health Insurance Corporation received 9 (14.3 %), and Korea Workers' Compensation and Welfare Service, 6 (9.5 %).

#### Corrective Recommendations by Type of Organization (2013)

		Corrective recommendations (cases)	Percentage (%)
<b>Total</b>		283	100
<b>Central Administrative Organizations</b>	<b>Subtotal</b>	124	43.8
	National Tax Service	46	16.3
	Ministry of Defense	38	13.4
	National Police Agency	20	7.1
	Others	20	7.1
	<b>Local Governments</b>	<b>Subtotal</b>	96
	Gyeonggi-do	27	9.5
	Seoul Metropolitan Gov.	18	6.4
	Jeollabuk-do	9	3.2
	Others	42	14.8
<b>Public Organizations or Groups</b>	<b>Subtotal</b>	63	22.3
	Korea Land & Housing Corporation	17	6.0
	National Health Insurance Corporation	9	3.2
	Korea Workers' Compensation and Welfare Service	6	2.1
	Others	31	11.0

※ 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 finance & taxation sector received the highest number of recommendations at 49 (17.3 %), followed by the national defense, patriots, and veterans sector with 42 (14.8 %), and the road and transportation with 35 (12.4 %), together accounting for 44.5% of the total.

#### Corrective Recommendations by Sector (2013)

	Corrective Recommendations (cases)	Percentage (%)
<b>Total</b>	283	100
<b>Finance &amp; taxation</b>	49	17.3
<b>National Defense, Patriot &amp; Veterans</b>	42	14.8
<b>Road and Transportation</b>	35	12.4
<b>Urban &amp; Water resources</b>	34	12.0
<b>Industry, Agro-Forestry &amp; Environment</b>	33	11.7
<b>Housing &amp; Construction</b>	29	10.2
<b>Administration, Culture &amp; Education</b>	21	7.4
<b>Police</b>	20	7.1
<b>Welfare &amp; Labor</b>	20	7.1

### 4. Implementation of Corrective Recommendations

Among the 2,026 corrective recommendations that have been made by the ACRC over the last 5 years, 1,847cases (91.2%) were implemented while 123 cases (6.1 %) were not. In particular, the number of corrective recommendations has been annually decreasing due to the administrative development of all the administrative agencies and the decrease in large-scale public projects.

Among the 283 corrective recommendations made in 2013, 219 cases (77.4 %) were implemented while 20 cases (7.1%) were not. As an administrative agency

that receives a recommendation takes a long time to implement the recommendation, for reasons such as revising the concerned guidelines and securing budgets, the acceptance rate of the corrective recommendations of the year is low.

**Implementation of Corrective Recommendations  
Over the Last 5 Years**

Section		Total	2009	2010	2011	2012	2013
<b>Total</b>		2,026	635	450	333	325	283
<b>Accepted</b>	<b>Subtotal</b>	1,847	606	409	313	300	219
	<b>Acceptance Rate</b>	91.2%	95.4%	90.9%	94.0%	92.3%	77.4%
<b>Not Accepted</b>	<b>Subtotal</b>	123	27	37	18	21	20
	<b>Non-Acceptance Rate</b>	6.1%	4.3%	8.2%	5.4%	6.5%	7.1%
<b>Undecided</b>		56	2	4	2	4	44

The acceptance rates by type of organization were 79.4 % by public organizations and groups followed by 79.2% by local governments, and 75.0 % by central administrative organizations. The lower acceptance rate for central administrative organizations compared to other public organizations and local governments shows that the recommendations for the central government agencies include policy elements that affect ordinary people, delaying the decision of acceptance. In response to this, the ACRC strives to communicate and cooperate with other government agencies by holding “national policy coordination meetings” or “consultative meetings with the concerned agencies for complaint-handling.”

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

To secure effectiveness in opinion expression as well as corrective recommendations, customized follow-up management strategies were established through comprehensive review and revision of such factors as statistics on follow-up management. The implementation was pursued systematically by encouraging it at the working-level (368 cases for 35 organizations), high-ranking public officials onsite (4 organizations), complaint mediation meetings, and press releases in an organically connected manner.

## Section 4. Agreement

### 1. Overview

The ACRC strives to address complaints in a practical way in order for the complainants to be satisfied with the outcome. But if complaint handling is based on a related act and merely by means of making a corrective recommendation, should the administrative agencies not accept them, it would be difficult to fundamentally solve the problem even though the complaint is dealt with in an administrative way.

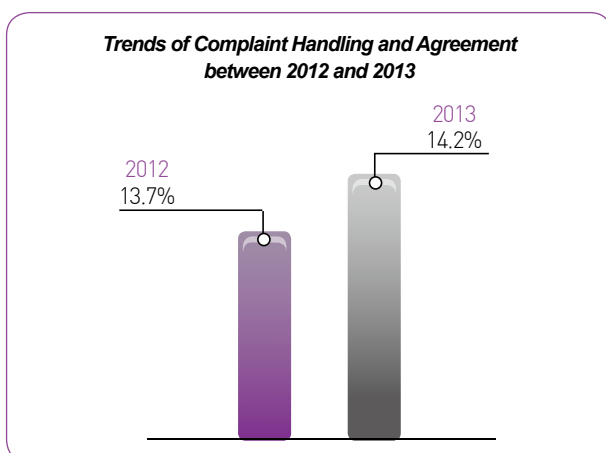
To overcome such a limitation, the ACRC actively encourages using ‘settlement by agreement’ to handle complaints. The method of reaching an agreement is likely to solve problems at a relatively higher rate and is a win-win strategy that satisfies both complainants and respondents. This is particularly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

### 2. Trends of Agreement

Among the complaints handled in 2013, 2,880 cases were addressed by agreement, recording 14.2%, a 0.5% points increase from the 13.7 % of the previous year. This was the highest rate among the acceptance rates.

### 3. Agreement by Sector

In 2013, the taxation sector reached the highest rate of agreements with 10.5%, followed by the urban sector (designation/revocation of and compensation of housing site development districts) with 10.2%, health and welfare (guarantee of basic living security, objection to imposing health insurance premium, etc.) at 9.6%, roads (compensation for the damages caused by road constructions, compensation for building and residual lands) with 9.5%, and police service (installation and repair of road facilities according to the Road Traffic Act, investigation manners, etc.) at 8.2%.



**Agreements by Sector in 2013**

Rank	Sector	Total	Percentage	Rank	Sector	Total	Percentage
	<b>Total</b>	2,867	100.0%	13	National Defense	93	3.2%
1	Taxation	300	10.5%	14	Water Resources	82	2.9%
2	Urban	292	10.2%	15	Transportation	78	2.7%
3	Health & Welfare	275	9.6%	16	Patriots & Veterans	45	1.6%
4	Roads	273	9.5%	17	Labor	42	1.5%
5	Police	235	8.2%	18	Education	40	1.4%
6	Housing	179	6.2%	19	Personnel Affairs & Administration	32	1.1%
7	Administration & Safety	173	6.0%	20	Military	28	1.0%
8	Agriculture-Forestry	152	5.3%	21	Culture & Tourism	21	0.7%
9	Construction	136	4.7%	22	Civil Cases & Judicial Affairs	17	0.6%
10	Finance	135	4.7%	23	Maritime Affairs	10	0.3%
11	Industry & Resources	122	4.3%	24	Broadcasting & Communication	4	0.1%
12	Environment	101	3.5%	25	Foreign Affairs & Unification	2	0.1%

## Chapter 3

# Integrated Management and Analysis of Complaints

## Section 1. Operation of e-People

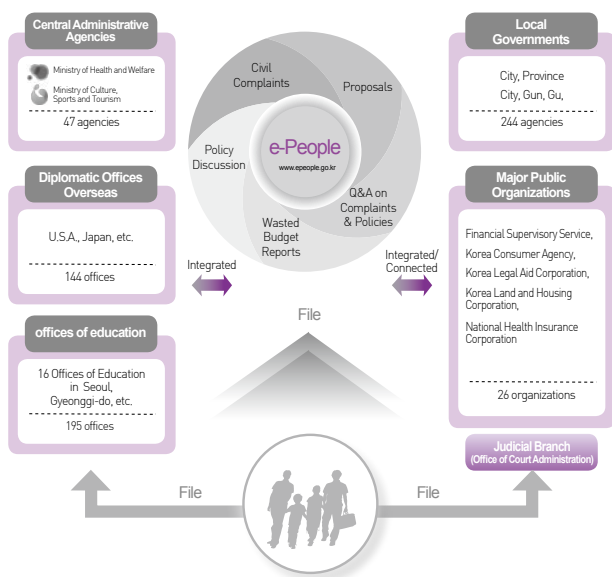
### 1. One-Stop Administrative Service through e-People

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 August 2005, e-People integrated all central government departments in July 2006, and connected local governments and major public organizations in February 2008, to lay the foundation to provide a one-stop service in handling civil complaints to the people. From then, until 2013, it integrated the complaint-filing channels of 740 organizations in total, including offices of education in cities and provinces across the nation, and public organizations. Consequently, the number of complaints filed through e-People is constantly increasing, rising from 402,442 in 2006, 556,532 in 2007, 623,434 in 2008, 696,715 in 2009, 798,570 in 2010, 1,073,499 in 2011, 1,247,711 in 2012, to 1,523,787 in 2013.

In 2011, the integration of over 300 Wasted Budget Report Centers, which were operated by different organizations, into e-People started, and in March 2012, a total of 284 report centers of central government departments and local governments were integrated. Accordingly, the ACRC now works as a control tower for handling wasted budget reports at the government level. The number of reported cases to the Wasted Budget Report Center in 2013 was 3,515, and the reported cases were reviewed and handled by each concerned agency.

In May 2013, the ACRC added another function of reporting violations of public interest into e-People, considering that, due to the lack of a proper system, each government agency handling public interest violation reports addresses the reports in accordance with the complaint-handling process of its respective complaint-handling system, rather than following the process stipulated in the Act on the Protection of Public Interest Whistleblowers. In this way, the Commission created the condition where anyone can easily report a violation of public interest to all the administrative agencies. Since the launch of this function, 5,323 reports have been filed up to December 2013.



## 2. Expansion of Complaint-receiving Windows in Foreign Languages for the Protection of the Rights of Overseas Koreans and Foreign Residents in Korea

Since June 2008, the ACRC has opened complaint-receiving windows in foreign languages in the e-People system (www.epeople.go.kr) to provide customized service for the users and to protect the rights of the foreign residents living in Korea. Starting with 3 languages such as English, Chinese, and Japanese, as of 2013, 12 foreign language services are available in this system.

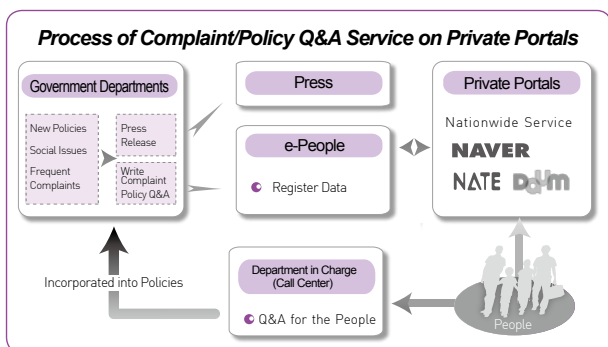
### Launch of the foreign language services

Date	Language
June 2008	English, Chinese, Japanese
Dec.2009	Vietnamese
June 2010	Mongolian
Nov.2010	Indonesian
Feb.2011	Thai
May.2011	Uzbek
Sep.2011	Bengali(Language of Bangladesh)
Nov.2011	Cambodian
Dec.2012	Sinhala(Language of Sri Lanka)
Nov.2013	Nepali

In addition, to promote the service for foreign complainants, the ACRC distributed leaflets about this service to the concerned agencies, such as Korean embassies abroad, foreign embassies in Korea, immigration offices by region, multicultural family supporting centers, and other organizations related to foreigners in Korea. It also actively promoted the service in various ways, such as placing the banner of the service on the websites of the concerned agencies, including Korean embassies, the court website run by the Supreme Court in multiple foreign languages, Danuri, a portal for multicultural families, and the Human Resources Development Service of Korea. As a result, in 2013, the number of complaints filed by foreigners increased by 48.6%, and the number of visitors to the ACRC English website also rose by 21.3%, compared to the previous year.

## 3. Provision of Administrative Information and Prevention of Complaints through Complaint/Policy Q&A Service

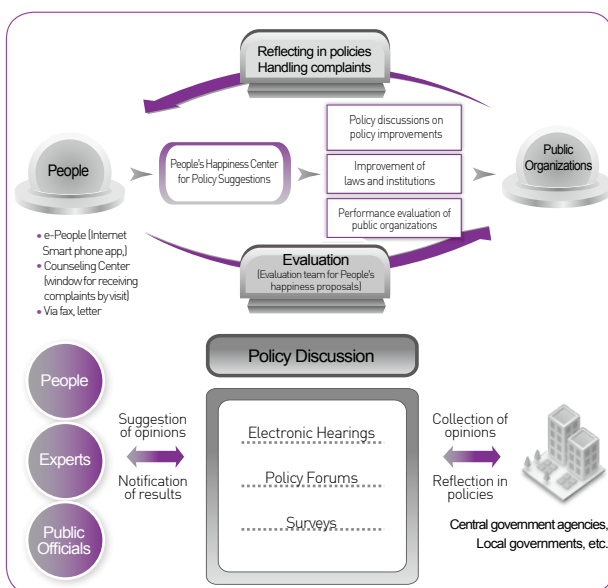
In order to help people easily access the administrative information accumulated on the government-wide online portals, e-People collected "complaint-related Q&As" of different organizations and "policy-related Q&As" on major policies to launch the "e-People Complaint/Policy Q&A Service." The Complaint/Policy 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 before they submit their inquiries.



A total of 160,000 Complaint/Policy Q&As were accumulated and provided as of the end of November 2013, and approximately 70,000 questions are searched daily on private portal sites. The system also provides complainants with previous Q&As that are similar to their prospective complaints, leading to the withdrawal of complaints and the prevention of unnecessary filing of complaints. About 40,880 complaints were cancelled from the e-People website, and consequently an administrative budget of approximately KRW 4.6 billion saved.

#### 4. “People’s Happiness Center for Policy Suggestions” and “Policy Discussions on e-People”

The ACRC operates the “People’s Happiness Center for Policy Suggestions” and “Policy Discussion on e-People” as online public-private cooperative channels, to make and push forward government policies through communication with the people before the government establishes, implements, and evaluates policies.



In May 2013, the ACRC newly opened the “People’s Happiness Center for Policy Suggestions,” combining it with the “People’s Proposal” of e-People, after it took over the center from the transition committee of the 18th president. The “People’s Happiness Center for Policy Suggestions” was established to communicate and share policies with the people to figure out the right direction and solution of policies as well as to serve as a window to which the people can suggest their ideas or opinions on the overall administration such as establishment and execution of government policies.

The suggested ideas are reviewed and decided whether to be reflected in a policy by each concerned agency. The ACRC also collects various opinions on urgent social issues or an issue closely related to the people’s daily lives, to come up with countermeasures or improve the related institutions to solve inconveniences. Since the launch of the center, 72,492 proposals have been suggested (291 per day on average) up to the end of 2013, with 435 proposals among them reflected in policies.

The Policy Discussion on e-People is an online platform where the people and the government communicate with each other. Ordinary people, experts, and public officials participate in the e-People policy discussions on large-scale government projects, major state affairs, or major government policies. Through the e-People policy discussion, government agencies can collect the opinions of the people through a unified channel when making and implementing their policies, and the people can actively suggest their opinions on the policies of each agency.

As of 2013, the “Policy Discussion on e-People” has integrated the policy discussion channels of 111 government agencies. Furthermore, based on this system, the ACRC has communicated with the people on 1,359 issues of various agencies in 2013 alone, through electronic hearings, policy forums, and surveys. Moreover, the ACRC directly selected the issues or policies that were closely related to the daily lives of the people, such as private education or sexual violence against children, and conducted special online

discussions, working with the concerned agencies and private portal sites to listen to the opinions of the people across the nation. The collected opinions were reflected in the government policies.

Meanwhile, the rapidly increasing number of smart-phone users has changed the way of communication to mobile platforms such as mobile messengers or SNS. Therefore, the “Policy Discussion on e-People” channel, which was limited to the internet website, is now accessible through the mobile application since May, enabling the people to participate more easily in policy discussions. The policy discussion application received the silver medal at the 2013 Korea GoodApp Award, proving its uniqueness and effectiveness, and it is contributing to the realization of a communication service without time and space restraints.

## 5. e-People Gaining Worldwide Recognition

The ACRC’s e-People is appraised by European countries as the best communication portal system in the world. It was selected as one of the top 10 e-governments at the World e-Gov Forum that took place in France in October 2006. It also won a prize for being the best demonstration stand at e-Challenge 2008 (European e-Gov and IT Conference) run by the European Commission in October 2008, where it was recognized as a best practice in public communication and conflict resolution. In 2009, the ACRC was invited to exhibit e-People at the CeBIT Australia 2009, promoting the excellence of the system to the world and raising the prestige of Korea’s e-government. In 2010, the ACRC participated in the “Reinhard Mohn 2011,” hosted by the Bertelsmann Foundation, making the splendid achievement of being selected as one of the top 20 out of 123 works from 36 countries. In 2011, e-People received one of the most prestigious awards around the world, the UN Public Service Awards, and also ranked 1st two times in a row (2010, 2012) at the E-Participation Index of UN E-Government Survey.

Taking the honor of receiving the Public Service Award as an opportunity, the ACRC has negotiated with many countries for the export of e-People. In particular, the

Tunisian government showed much interest in adopting the e-People system to enhance the communication with its people. After the Korea-Tunisia MOU on cooperation for computerization in 2012, the ACRC conducted a feasibility study in 2013 to introduce e-People in Tunisia, showing a tangible achievement to export e-People to other countries.

### Major Awards Won by e-People

- Ranked 1st at the E-Participation Index of UN E-Government Survey two times in a row (2010, 2012)
- 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 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 at the World 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 call service hub that answers all government-related inquiries. The phone number “110” can be dialed from all across the country, improving the accessibility to government services. General inquiries are directly dealt with by the ACRC, while more complex inquiries are forwarded to the relevant organizations.

The Call Center initiated its nationwide service on May 10, 2007, and has 134 counselors as of 2013, operating from 8 AM to 9 PM on weekdays and from 9 AM to 1 PM on Saturdays. On Sundays and national holidays, incoming calls are transferred to voicemail (ARS) and dealt with on 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 requesting counseling. It is also possible to access the website and make a reservation for call counseling. The Call Center also provides “Smart 110 Service” for smart phone users via the mobile website (m.110.go.kr) that provides text message counseling service, reservation service, and information about government policies in a Q&A format.

Moreover, the Call Center has also been operating a video counseling system (See-talk system) for the hearing or speech impaired. In order to enhance the convenience of the service, the Call Center established a chat and video counseling system for PCs and smart phones in order that the hearing or speech impaired who are unable to use the voice-based counseling service can have easy access to the counseling service. In addition, real time SNS counseling service is available on Twitter and Facebook. To diversify counseling channels, the Call center is also providing counseling services on the “Knowledge-in” of the portal site and on its blog, enhancing the communication with the people.

## **2. Statistics of Received and Handled Inquiries and Complaints**

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, the number was 8,416, and in 2013, it was 8,446, a 0.4 % increase from the previous year.

The Call Center received a total of 2,133,326 calls as of the end of 2013. Among these, the Center responded to 1,932,281 calls and handled 2,153,942 inquiries and complaints in total. The figures show that more than one inquiry or complaint is made per call.

A survey on the level of satisfaction with the call service showed that the average rate of satisfaction reached about 91.4% in 2013 (87.8% / 1st quarter, 93.1%/ 2nd quarter, 90.5% /3rd quarter, and 94.4% / 4th quarter) , a 1.1% increase from the 90.3% of the previous year.

## **3. Improvement of Quality of Counseling Service and User Satisfaction**

### ***Service Level Agreement (SLA) signed to improve the outsourced operation***

The Service Level Agreement (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 the performance, such as the monthly answering rate, daily calls per counselor, service level, counseling quality assessment, user satisfaction level, and counselors’ work-related knowledge.

### ***Establishing and strengthening the government cooperative system***

To facilitate the complaint handling of various government agencies, the 110 Government Call Center designates the officials in charge of managing and handling call inquiries and complaints in 317 agencies, including 47 central government departments, 244 local governments, 17 offices of education in cities and provinces, and 9 public organizations. The Center also provides interpreter service for foreigners, in cooperation with the Korea Tourism Organization, Help Center for Foreigners, and Korean Immigration Service.

### ***Counselor training and management of counseling quality***

In an effort to improve service quality, the ACRC has provided regular training for counselors to improve their work-related knowledge and service attitude. To maintain high-quality service, it regularly monitors and assesses the quality of phone counseling.

The ACRC has also conducted service training and work training 4 times per year for the officials in charge of civil complaints from 317 organizations, including information on handling forwarded inquiries from the call center, operating video-counseling service, understanding functions of ombudsman to protect people’s rights, and communication skills.



### **Happy-Call**

The 110 Government Call Center is operating the Happy-Call system on a monthly basis to raise its service quality. Under this system, for every inquiry call forwarded to the concerned agency, a counselor places a follow-up call to the complainant to inform him or her about the outcome of the complaint or inquiry, and to listen to any further complaints.

### **Counseling service for the socially vulnerable**

The 110 Government Call Center provides video counseling service for the hearing and speech impaired, to improve the convenience and access of the socially vulnerable class, the handicapped, to the government service. Since June 14, 2012, the Center is also providing video service for sign language interpretation to both the public official in charge and the hearing or speech impaired who visit the public organization, resolving difficulties in communication and improving the quality of the government complaint-handling service.

As of the end of 2013, the service is provided to 4,604 public organizations, and a total of 25,641 cases have been counseled since the service was launched in June 2012.

## **4. Future plans**

The goal of the #110 call service is to establish an integrated government complaint-counseling scheme to enable people to receive counseling service by simply remembering the number 110.

To this end, in 2014, the ACRC is planning to operate the trial service of #110 counseling in 3 call centers (Ministry of Education, Ministry of Agriculture and Forestry, and Ministry of Maritime Affairs and Fisheries) in the Gwacheon Government Complex. After the trial operation, the Commission will find the factors to be improved and supplemented, and then expand the service to the other 7 call centers of the Gwacheon Government Complex. From 2016, the operation is scheduled to gradually be expanded to all government departments.

## **Section 3. Counseling Service for Civil Complaints**

People who have not enough knowledge about the administration or have suffered under illegal or unfair measures or systems of administrative agencies can ask questions and receive counseling via a phone call or a visit.

In 2013, a total of 12,098 cases were received for counseling with counselors (investigators) in the following sectors: 5,675 cases in the civil and criminal sector (46.9%); 1,277 in treasury & taxation (10.6%); 972 in welfare & labor (8.0%); and 668 in housing and construction (5.5%).

Moreover, the ACRC appoints various specialists such as lawyers, judicial scriveners, labor attorneys, and appraisers as professional counselors, and has them provide counseling service in order to satisfy the increasingly diversified and specialized demands of the people.

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

Since its establishment, the ACRC has collected and analyzed an average of 12,000 civil complaints and proposals a day received through e-People and the 110 Government Call Center to promptly deliver the people's opinions to all levels of public organizations. It has contributed to communication with the people and improvement of policies by analyzing the different voices of the people and providing daily, weekly, and monthly reports.

As the social environment is rapidly changing, the people are speaking out on various policies and systems. In light of this, it is becoming more important for the government to collect the 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

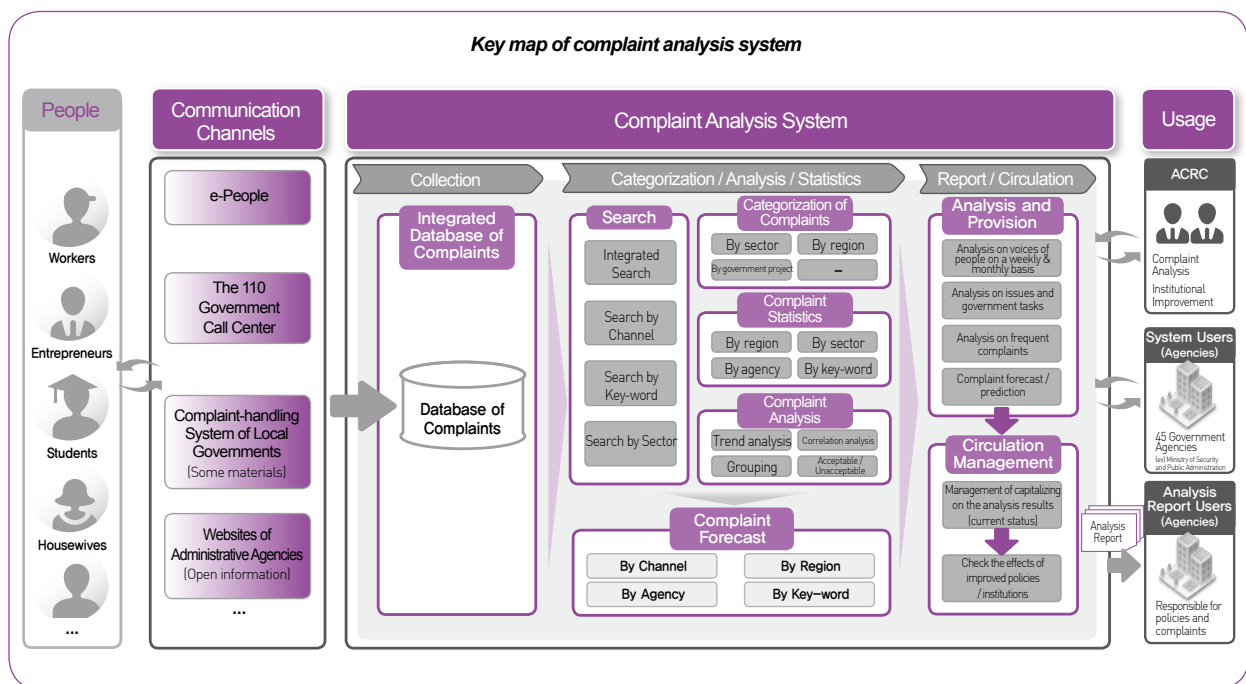
processes and by proactively suggesting the necessity of policy supplement and institutional improvement.

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 the 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 the people in a more systematic 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. In 2013, it discovered and analyzed the voices of the people in the areas that the new government is focused on as state affairs, and to successfully push forward such state affairs, it expanded the complaint analysis system to be jointly used by 45 government agencies, including the central government departments.

In particular, the ACRC introduced the complaint prediction & forecast system, which comprehensively analyzes the past and recent trends of complaints using the big data of complaints.



### 1. Policy Improvement through Complaint Analysis

#### “Voices of the People” (Weekly & Monthly)

The ACRC compiles and systematically analyzes over 12,000 complaints per day filed with the 110 Government Call Center (about 8,400 complaints a day), e-People (about 3,400 a day), and Public Proposals (about 300

complaints a day). The analysis results are published in the Voices of the People Monthly, and provided to 288 government organizations, including the Presidential Office, the Office for Government Policy Coordination, central government offices, and local government offices.

The Commission analyzed unreasonable legislations and policies found in the blind spots of administration, and

collected the people's ideas about how these affect their daily lives. Part of this effort has been offering support for a "People's happiness 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 policies.

In 2013, the ACRC made efforts to solve the peoples' inconveniences and improve policies by providing 190 analysis reports: 40 frequent analyses, including analyses on social issues, customized analyses, and frequent complaint analyses, and 150 regular analyses, including daily-weekly-monthly reports. In particular, the ACRC has encouraged administrative changes by providing information on a total of 217 cases of complaint analysis for public organizations through the Voices of the People Weekly, of which 106 cases were used for policies, including 52 cases for institutional improvement and 13 cases for strengthening PR and education.

**Current Status of using "Voices of the People Weekly" by Public Organizations**

Year	No. of Cases	Type of Policy Reflection				
		Total	Institutional Improvement	Strengthening PR	Training of officials	Policy Reference
2012	206 (100%)	90 (43.7%)	40 (19.4%)	6 (2.9%)		
2013	217 (100%)	106 (48.9%)	52 (24.0%)	13 (6.0%)	8 (3.7%)	33 (15.2%)
<b>Total</b>	423 (100%)	196 (46.3%)	92 (21.7%)	19 (4.5%)	12 (2.8%)	73 (17.3%)

\* The total reflection rate, 48.9%, and the rate for institutional improvement, 24.0%, are the highest records since 2009.

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 resources and resolving the inconvenience of the people.

The Commission has also identified laws and work processes that frequently cause complaints in diverse

areas such as welfare for the low-income brackets, housing, and loans, and come up with countermeasures to fundamentally prevent such complaints for the socially vulnerable, supporting the "People's happiness policy" of the new administration.

Over the last two years (2012~2013), the ACRC has analyzed such difficulties of the socially vulnerable as the recipients of national basic livelihood security benefits, working grants, school irregular workers, damages caused by subcontracts, and unfairness of franchise businesses. In addition, it analyzed the complaints regarding inconveniences in daily life, including the refusal of passengers by taxi drivers, drawing for kindergarten admission, damages caused by indirect smoking, and expansion of non-smoking areas, and provided the results of the analyses of 37 frequently filed complaints to the concerned agencies. In this way, the Commission has pushed forward its countermeasures to frequently filed complaints, by voluntarily improving institutions and supplementing work processes.

**Countermeasures to solve frequently filed complaints in 2012 and 2013**

(Unit: no. of cases)

Year	Type of Countermeasure				
	Total	Improvement of policies and institutions	Improvement of work processes and frames	Promotion/ Education	Others
2012	22 (100%)	12 (44.5%)	4 (18.2%)	4 (18.2%)	2 (9.1%)
2013	15 (100%)	10 (66.7%)	2 (13.3%)	3 (20.0%)	-
<b>Total</b>	37 (100%)	22 (59.5%)	6 (16.2%)	7 (18.9%)	2 (5.4%)

**Customized analysis of complaints**

The ACRC has provided an analysis of complaints at the request of government bodies when their failure to accommodate a problem into their policymaking 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 2012, the ACRC analyzed the complaints on 5 issues, including the damages caused by military facilities (Ministry of Defense), the approval of lending national forests (Korea Forest Service), and providing educational expenses for the low-income brackets (Ministry of Education). In 2013, it also conducted an in-depth analysis on 5 issues, such as protection of personal information (Personal Information Protection Commission), policies related to international marriages and multicultural families (Ministry of Justice), and suspension of business of savings banks (Korea Deposit Insurance Corporation), to provide the concerned ministries with the necessary information to improve their policies.

### ***Prevention of Complaints with Complaint Forecast and Prediction Service***

To realize Government 3.0, focusing on the people through opening, sharing, and cooperation, the ACRC strived to resolve the inconveniences of the people by preventing complaints in advance by preemptively coming up with countermeasures and providing complaint trend forecast services. To this end, the Commission capitalized on the complaint analysis system, the big data of civil complaints, and based on the past and recent complains, monitored the complaint trends and analyzed and predicted the trends in a comprehensive and statistical way.

The Complaint Forecast and Prediction Service was introduced in 2013, and through this system, the ACRC selected themes, considering the quantity of complaints, increasing rate, and characteristics by season: smishing (March), nonstop of buses (May), floods & localized heavy rains (June), report of inconveniences via Smart-phone (September), year-early birthday (December), and such

areas of inconvenience to the daily lives of the people. The service was provided to 125 agencies over the course of 7 times.

## **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 systematic 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 (20) of government agencies to share the joint use system.

In 2013, as the new administration started, the ACRC added the category of “by national project,” and opened the system to all central government agencies to use jointly. In addition, it made active efforts to enhance the analysis capacity of each agency by providing workshops on analysis capacity building, training and consulting for users, targeting the officials in charge of the analysis of each agency.

## **3. Future Plans**

The ACRC will set the goal to reflect more of the voices of

the people into policies by analyzing complaints. To this end, it will push forward to improve the effectiveness of complaint analysis, enhance the policy circulation system and communication with the 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.

Furthermore, the ACRC will make the system into a government-wide complaint data hub by connecting with local governments to share complaint information, in order to expand the range of analysis covering not only complaints on government agencies but also complaints in daily lives and regional complaints.

In addition, the Commission will actively participate in realizing Government 3.0 by sharing the analyzed information, such as top complaints and rising keywords, on the website.

### ***Strengthening Policy Circulation Management and Effectiveness of Analysis***

The Commission is planning to analyze and predict social issues and major controversial policies in a pre-emptive way, to prevent social conflicts and to solve the inconveniences of the people at the early stage. Also, the ACRC will provide analysis results such as daily, weekly, and monthly reports to the concerned agencies for them to track and analyze the current trends of civil complaints.

### ***Raising Satisfaction of the People by Enhancing Analysis of Complaints regarding Major Government Policies***

Capitalizing on the Complaint Analysis System, the ACRC is planning to raise the satisfaction of the people on government policies by analyzing the complaints on the core policies of the government, such as the 140 national tasks and the “normalization of misguided practices,” as well as enhancing analysis on the complaints related to the people’s daily lives that are considered to be “splinters under your fingernails” and the issues that impede the livelihood of the people.

### ***Capacity building of analysts and upgrading the quality of analysis***

The ACRC will use the information not only about civil complaints and counseling but also online public opinions and those from policy discussions on e-People. It will also expand the range of civil complaint analysis from central government agencies to local administrative agencies that are closely related to the daily lives of the people. In this way, the ACRC will upgrade the capacity of analysts by effectively using the Complaint Analysis System, securing professionals who have much experience and knowledge to preemptively figure out the social implications and lessons to be reflected in policies among the voluminous complaints, and opening training courses.



# ACRC KOREA

Annual Report 2013



# Part 3 Fighting Corruption

- Chapter 1 Supporting Public Organizations to Improve Integrity
- Chapter 2 Handling Corruption and Public Interest Violations and Operating Code of Conduct
- Chapter 3 Integrity Training and Anti-Corruption Promotion



# Part 3 Fighting Corruption

## Chapter 1

### Supporting Public Organizations to Improve Integrity

#### Section 1. Establishment and Distribution of Anti-Corruption Policy Guidelines for 2013

On April 18, 2013, the ACRC held a meeting where the Anti-Corruption & Integrity Policy Guidelines were distributed to compliance officers from 450 public organizations, including central government agencies, local governments, and public service related agencies at the National Police Agency, for the first time since the start of the new administration.

The purpose of establishing the Anti-Corruption & Integrity Policy Guidelines is to share the philosophy of the government's anti-corruption and integrity policy directions with all levels of public organizations and to provide information to help them establish their own anti-corruption and integrity initiatives, eventually pushing forward government-wide anti-corruption and integrity policies in an effective way. In particular, the year 2013 is the first year of the Park administration, and therefore a very important period to establish specific strategies to push forward anti-corruption and integrity policies in order that people who have higher expectations and standards can understand the philosophy and directions of the policies for the next 5 years. In this context, the Anti-Corruption & Integrity Policy Guidelines of the new administration drew more attention than ever.

The Anti-Corruption & Integrity Policy Guidelines have 5 major tasks; 1) focusing on fighting the "top 3 corruption practices in the public service sector" to recover the confidence of the people; 2) preemptively responding to corruption and improving integrity in the public service sector; 3) spreading the culture of anti-corruption and

integrity; 4) fundamentally improving institutions of corruption-prone areas; and 5) strengthening evaluation and circulation of the integrity level in public organizations.

Among these tasks, looking at the main task, "focusing on fighting the top 3 corruption practices in the public service sector to recover the confidence of the people," the ACRC selected the top 3 corruption practices to fight against this year as ▲ "Corruption encroaching people's daily lives" that impedes the people's happiness ▲ "Corruption incurring loss of national finance" ▲ "Seeking of illegal private interests by public officials." The Commission also announced specific guidelines to fight against the top 3 corruption practices, and requested for the cooperation of public organizations.

The ACRC's specific guidelines for each task are as follows:

First, to fight against the "Corruption encroaching the people's daily lives" that impedes the people's happiness, the ACRC would 1) supplement and develop the public interest whistleblower protection system to eradicate the factors that endanger the lives and safety of the people or threaten the socially and economically discriminated; 2) conduct the Corruption Impact Assessment on 4 areas (livelihood of people and welfare, education, R&D, and local administration); and 3) conduct a specialized Integrity Assessment on local assemblies, public medical institutions, and public and national universities.

Second, in order to actively respond to the corruption incurring loss of national finance, the ACRC would strictly conduct inspections to prevent public finance from being wasted or leaked for private interests, and redeem corruption proceeds.

Third, to prevent public officials from seeking illegal private interest, the Commission announced that it would specify the codes of conduct for public officials and develop and customize them for each organization. It also stated that it would submit the Bill on the Prohibition of Illegal

Solicitation and the Prevention of the Conflicts of Interest of Public Officials to the National Assembly in 2013.

## **Section 2. International Cooperation for Anti-Corruption and Promotion of Policies**

### **1. Promoting Anti-corruption Policies and Strengthening International Cooperation**

ACRC Chairman Lee Sungbo visited international anti-corruption bodies in Europe from July 10 to 15, 2013 to strengthen Korea's international cooperation with global anti-corruption related bodies as well as to make sure Korea's efforts to increase its integrity level are properly evaluated in the international society. Through this visit, the chairman promoted Korea's anti-corruption efforts and accomplishments and discussed the ways to cooperate with the other organizations.

Chairman Lee held a meeting with CSS Chief Brigitte Strobel-Shaw of the UN Office on Drugs & Crime (UNODC), which is in charge of implementing the UNCAC. Chief Shaw asked for the active participation of Korea in the UNODC's projects to raise the anti-corruption capacity of developing countries and also requested Chairman Lee to attend the Conference of the States Parties to the UNCAC (November 2013) as a speaker.

Chairman Lee also visited the International Anti-Corruption Academy (IACA), which was established in Laxenburg, Austria in October 2010, to conduct international anti-corruption research, education, and training in a proactive and systemic way. Through the meeting with IACA Dean Martin Kreutner, the ACRC's Integrity Assessment would be reviewed to be included as a part of the IACA's 2014 curriculum, proving the chairman's visit led to a tangible result of helping Korea's outstanding anti-corruption policies to be highly appreciated in the global society.

Meanwhile, Chairman Lee visited the Organization for Economic Cooperation and Development (OECD) and met with Secretary-General Angel Gurría and Deputy Secretary-General Yves Leterme, former prime minister of Belgium. At this meeting, Chairman Lee introduced Korea's achievements of the Act on the Protection of Public Interest Whistleblowers and efforts to expand the range of protection. The OECD requested for the ACRC's active leadership in preventing corruption in the Asia-Pacific region.

In addition, Chairman Lee met Deputy Managing Director Miklos Marschall of Transparency International (TI). The chairman expressed his opinion on improving the Corruption Perceptions Index (CPI) including the calculating methodology of the index and asked for the proper recognition of Korea's anti-corruption efforts.

Finally, Chairman Lee visited the Bertelsman Stiftung. This institution is highly appreciated in the anti-corruption area as it releases the Bertelsmann Transformation Index (BTI) and the Sustainable Governance Indicator (SGI), which are reflected in calculating the CPI. The chairman explained Korea's integrity policies and requested that the achievements of the Korean government are reflected in calculating such indexes. Such visits to global anti-corruption bodies in Europe provided an opportunity to actively promote Korea's anti-corruption activities and to change the recognition of the evaluators on Korea's efforts. In addition, it is meaningful to establish a bridgehead for a close cooperation system when Korea's CPI is evaluated in the future, by strengthening the networks between the ACRC and the anti-corruption evaluation (ex. CPI) institutions.

### **2. International Conference on Strengthening Anti-Corruption Competitiveness**

As the international society pays more and more attention to "Ethical Governance" as a new paradigm of the public administration sector, including "spreading ethical culture

in the public sector” and “raising ethical awareness of public officials,” the need to suggest various policies by the academia is growing to take a view of the policy direction of the new government on anti-corruption and integrity and to enhance the anti-corruption competitiveness.

Accordingly, on October 18 to 19, “the 2013 International Conference on Building Capacities for Anti-Corruption Systems and Ethical Governance” was held jointly by the Anti-Corruption and Civil Rights Commission (ACRC) and the Korean Association for Public Administration (KAPA), garnering favorable reviews from the participants. The conference was a platform to discuss the ways to achieve ethical governance and a smart government, as well as to enhance national competitiveness by suggesting directions in various fields such as anti-corruption system improvement, international cooperation, and realization of Government 3.0. About 276 participants from the government, academia, and civil societies of Korea and 14 other countries attended the conference as speakers and discussion panels.

Major participants at home and abroad included Osamu Ikeda, president of the National Public Service Ethics Board in Japan; Annies Said Basalamah, secretary-general of the Corruption Eradication Commission in Indonesia; Rukshana Nanayakkara, regional outreach manager of the Asia-Pacific Department of TI; Liao Ran, senior program coordinator of the Asia-Pacific Department of TI; Stephen E. Condrey, president of the American Society for Public Administration; and Terry L. Cooper, professor at the University of Southern California, as well as other prominent participants from governments, private organizations, and academia. The international conference consisted of 7 sessions (53 sub-sessions) for 134 presentations and discussions under such themes as “administrative ethics to realize a responsible government,” “reestablishment of an anti-corruption system and international cooperation,” “establishment of a base for ethical management,” and “Government 3.0 as a new paradigm of government.”

At this conference, various policy issues were drawn up to enhance Korea’s anti-corruption competitiveness.

First of all, at the special session of the KAPA, under such themes as “Anti-corruption, the realization of a trustable government,” the need was emphasized to have a converged administration suited for the paradigm of Government 3.0, stressing that in order to prevent various kinds of government subsidy frauds, it is necessary to establish a cooperative system between anti-corruption agencies such as the ACRC, the Board of Audit and Inspection, and the Prosecutors’ Office by sharing information. In addition, session participants suggested to set up a “corruption information center (tentative)” that would work as a hub while emphasizing the importance of the release of information, sharing, and communication to realize a “trustable government,” which is the motto of the new administration.” Furthermore, it was stressed that it is urgent to introduce a so-called “punitive damages system” to make a vicarious learning effect by toughening the punishments against corruption, after comparing various anti-corruption policies in Asian countries.

Through this international conference, the ACRC created an important opportunity to express the anti-corruption will of Korea as well as to promote the nation’s outstanding anti-corruption policies and systems to the international society. In particular, the participants from the countries, including Indonesia and Thailand, to which the ACRC provided its anti-corruption technical assistance introduced Korea’s outstanding anti-corruption systems to the global society through media interviews, contributing to raising the value of the national brand of Korea by promoting the accountability and practice of the Korean government.

### Section 3. Evaluation of Integrity Levels and Anti-Corruption Competitiveness

#### 1. Integrity Assessment for Public Organizations

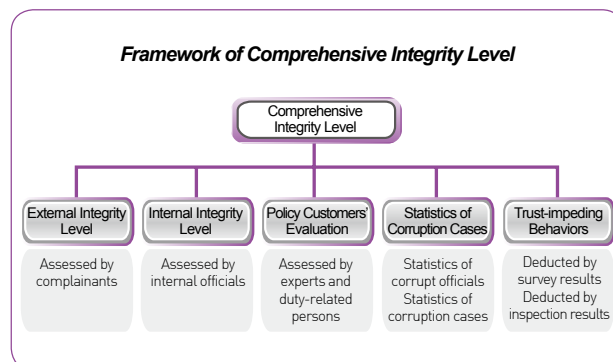
##### Overview

Since 2012, the Integrity Assessment on public organizations has been conducted every year, according to Article 12 (6) "Surveying the actual state and evaluating the progress of policy steps of public organizations in propelling corruption prevention policies" of the ACRC Act and Article 7 of the Presidential Decree of the Act.

The integrity level can be defined as "the degree that a public official carries out internal/external duties and policies in a transparent and fair manner without conducting corruption." The purposes of conducting assessment of integrity levels of public organizations are: 1) to evaluate the integrity levels of public organizations at every level in an objective and scientific way; 2) to identify the degrees of integrity by area that affect integrity levels, and thereby figure out corruption-prone areas to improve the integrity level of a specific organization; and 3) to create an environment where public organizations can voluntarily increase their integrity levels, by making public the assessment results to the people, and to raise social awareness on fighting corruption and increasing integrity levels not only in the public sector but also in the private sector.

##### Framework of Integrity Assessment

The comprehensive integrity level is calculated by combining the external integrity level, internal integrity level, policy customers' evaluation, corruption statistics, and the results of trust-impeding behaviors. This is a comprehensive index that shows the integrity levels assessed from the perspectives of the people, internal officials, and policy customers and the degree of corruption cases.



#### Results of the 2013 Integrity Assessment

##### Target organizations

Starting with the assessment of 71 public organizations (about 30,000 respondents) in 2002, the ACRC conducted the Integrity Assessment on 39 central government agencies, 17 municipal autonomous agencies, 227 basic autonomous agencies, 17 offices of education (102 local offices of education), 47 local assemblies, 230 public service-related agencies, including public corporations, 46 public medical institutions, and 21 public and national universities.

##### Assessment methods

A total of 239,982 respondents participated in the assessment survey. For the external integrity level, 165,191 people (complainants, public officials) who used or handled the services related to the assessment target duty with a public agency from July 1, 2012 to June 30, 2013 responded to the survey, while for the integrity level, 56,284 internal officials of public organizations answered the survey. For the policy customers' evaluation, 18,507 respondents, including those from the relevant academia, reporters accredited to a public organization, and officials of the National Assembly, the Board of Audit and Inspection, civil groups, public organizations, and occupational associations, answered the survey.

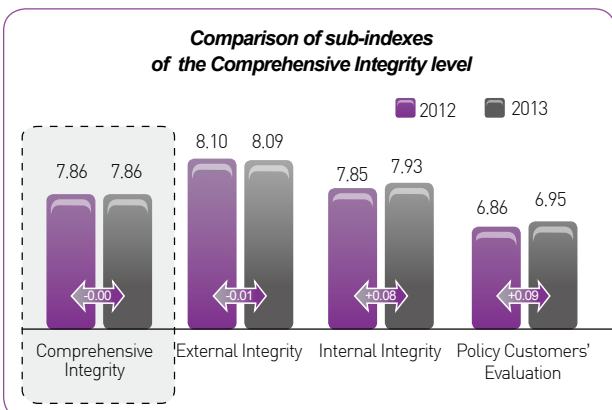
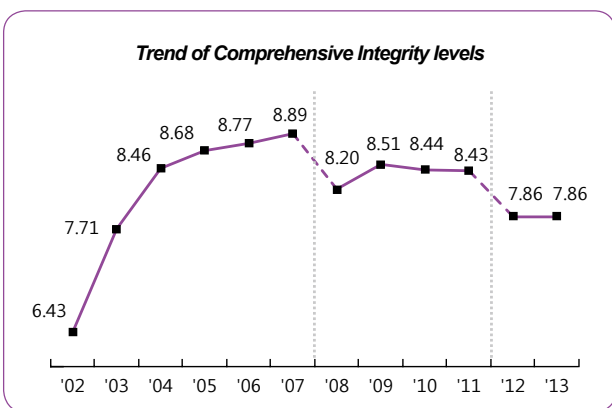
The points deducted by corruption case statistics for a public organization are calculated based on the statistics of the public officials who received disciplinary measures due to corruption, inspection results of the Board of Audit

and Inspection or its supervisory agencies, and media articles dealing with corruption scandals. The points deducted by behaviors impeding the trust in the survey are calculated based on the survey results questioning whether there was any request for favorable answers and any other disclosed behaviors such as manipulation of lists or samples.

Meanwhile, survey respondents can choose the method of taking the survey (phone, e-mail, smart phone) and the visit survey system was introduced for the survey of expert groups to diversify the methods of the survey.

### Comprehensive Integrity

The average score of the comprehensive integrity of all public organizations was 7.86 out of 10 points, similar to the score of the previous year. While the average score for the external integrity was 8.09 (similar to the previous year) the internal integrity score and the policy customers' evaluation score were 7.93 and 6.95, respectively (slight increases compared to the previous year). The policy customers' evaluation score was lower than those of the internal integrity and the external integrity.



### ① External Integrity

The average score of the external integrity level of public organizations, evaluated by public-service users and public service providers (public officials) over the last year was 8.09, similar to the previous year. The details of sub-indexes show that the corruption index (8.04) was similar to the previous year (8.00). The “corruption direct/indirect experience in offering money or entertainment” index was slightly increased compared to the previous year, but the “nepotism and public officials' pursuit of private interest” marked lower scores than last year. Meanwhile, the corruption risk index (8.21) slightly decreased compared to the previous year (8.31), and the accountability index and transparency index scores were lower than those of the previous year.

### ② Internal Integrity

The internal integrity level, evaluated by internal officials, scored 7.93, an increase by 0.08 points compared to 2012. The work integrity index, which assesses personnel management, budget execution, and fair work instructions, increased by 0.241 points to score 7.75, due to the improved corruption experiences in personnel management, budget execution, and fair work instructions compared to the previous year. Meanwhile, the integrity culture index, which reflects the organizational culture and the anti-corruption system, scored 8.17, a 0.13 drop from the previous year. In particular, the aggravated awareness on the public officials' pursuit of private interest, solicitation and influence-peddling, and nepotism as well as on the effectiveness of corruption reporter protection caused the decrease in the index.

### ③ Policy Customers'Evaluation

The evaluation score by policy customers such as experts, duty-related persons, residents, and parents of students stood at 6.95 points, a slight increase from the previous year (6.86 points). The awareness, however, was surveyed as having been aggravated in terms of influence-peddling of retired officials, nepotism, budget wastes, public officials' pursuit of private interest, and protection of corruption reporters.

④ Point Deduction for Statistics of Corruption Cases

**a. Deduction of the index of corrupt official statistics**

The “index of corrupt officials statistics,” which is used on the corruption cases made by public officials of administrative organizations, is calculated based on the formula considering the position of the corrupt official, the amount of proceeds of corruption, and the size of the organization the official belongs to, based on the statistics of punishments for corrupt behaviors.

The number of corruption cases with deducted points was 1,045 (220 organizations). As the range of targets (corruption types, punishment types, and target period) was expanded, the number of corruption cases deducting points was increased from the previous year (680 cases, 169 organizations). The average deducted points and the average number of corruption cases per deducted organization were 0.16 points and 4.8 cases, respectively.

**b. Deduction of the index of corruption case statistics**

The index of corruption case statistics” which is used on the corruption cases made by political appointees of an administrative organization and officials of a public service-related organization, is calculated based on the corruption DB collected by searching inspection results and media articles.

The number of corruption cases with deducted points was 117 (87 organizations). As the range of targets (corruption types, target cases, and searched targets) was expanded, the number of organizations with deducted points was increased from the previous year (124 cases, 69 organizations).

**The Results of Assessments on the Organizations with Specialized Modules**

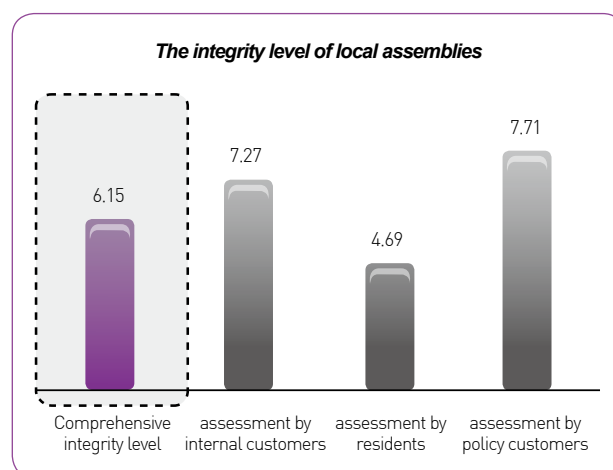
① Local Assemblies

In 2013, the ACRC developed a specialized module for local assemblies, and for the first time conducted the Integrity Assessment on 47 local assemblies. The integrity levels of local assemblies were calculated using the specialized assessment module that combines the results of the survey targeting interested persons and the results of the performance assessment (the efforts

to implement anti-corruption initiatives, such as enacting “codes of conduct for local assemblies” and “improving transparency in executing hospitality expenses”).

The average comprehensive integrity level of 47 local assemblies stood at 6.15 out of 10, lower by 1.71 than that of public organizations (7.86), also lower than those of municipal autonomous agencies and basic autonomous agencies (7.54 and 7.76, respectively). By type of local assemblies, the score (6.95) of the local assemblies in municipal cities was 1.25 points higher than the score 5.70 points of basic local assemblies.

Comprehensive integrity level, assessment by internal customers, assessment by residents, assessment by policy customers

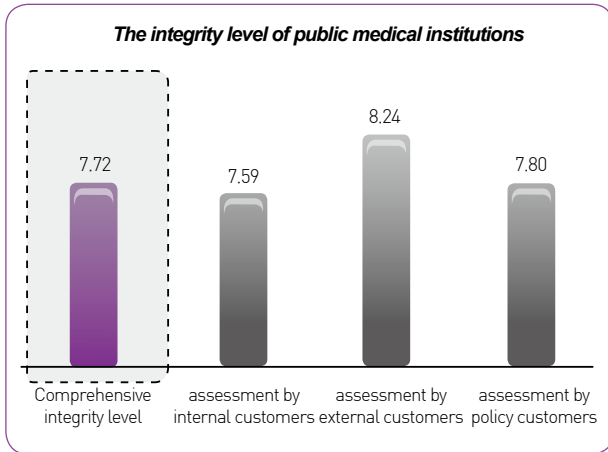


② Public Medical Institutions

The Integrity Assessment on public medical institutions has been conducted 3 times since the first assessment in 2010. In particular, this year’s assessment was developed reflecting the characteristics of public medical institutions. The comprehensive integrity level was calculated based on the results of surveys (by internal, external, and policy customers) after deducting the points for corruption cases, rebate, and not implementing the systems to exempt medical expenses.

The comprehensive integrity level of 46 public medical institutions such as public/national university hospitals and medical centers was 7.72 out of 10 points, 0.14 points lower than last year’s 7.86.

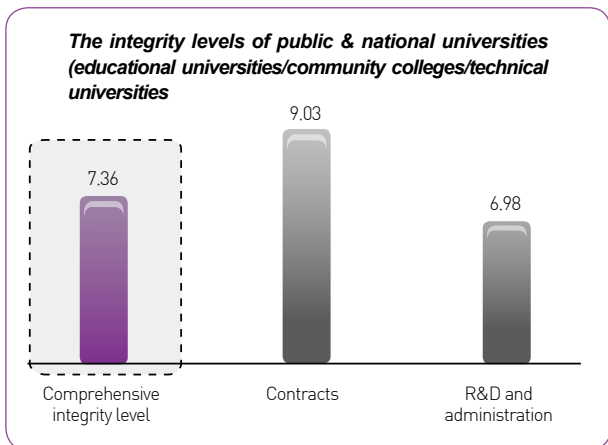
Comprehensive integrity level, assessment by internal customers, assessment by external customers, assessment by policy customers



③ Public & National Universities

As a result of the expanded assessment on public national universities, including educational universities, community colleges, and polytechnic universities (a total of 21), the comprehensive integrity level stood at 7.36 out of 10 points.

**Future Plan**



The ACRC will endeavor to accomplish its goal to increase the integrity levels of public agencies by continuously improving the assessment module. The ACRC will support 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 its best practices in integrity measures and providing consulting on ways to improve integrity.

The Commission 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**

**Purpose and Basic Direction**

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. 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 ACE can be considered as a comprehensive assessment mechanism that covers various areas of anti-corruption and integrity initiatives.

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 2013, the ACRC reduced the number of target organizations to 225, encouraging supervisory agencies to voluntarily evaluate their affiliated organizations. Considering the size and nature of target organizations, the ACRC divided the evaluation types into 11 categories, and significantly reduced the evaluation indexes.

In particular, the Commission encouraged public organizations to voluntarily implement their initiatives to raise the overall integrity level of the country, and pushed forward voluntary cooperation between organizations to spread the culture of anti-corruption and integrity. In addition, to strengthen supervision on the blind spots of anti-corruption, the ACRC added national/public universities (10) and new public service-related agencies to the target organizations for the ACE.

## **Evaluation Framework**

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 best practices, the evaluation was conducted by an external research agency.

## **Assessment criteria**

Until 2011, the ACE consisted of 3 parts, namely common initiatives, voluntary initiatives, and performance results. But since 2012, the evaluation is divided into 2 parts: will and efforts for anti-corruption and anti-corruption outcome. Under the 2 parts, the specific criteria in the 2013 assessment are as follows.

First, the will and efforts for anti-corruption 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:**

*Establishment of an integrity incentive system;* enhancement of internal cooperation; promotion of internal inspection; enhancement of corruption punishment; and improvement of integrity levels of affiliated organizations.

### **b. Enhancement of policy transparency and confidence:**

Transparency of administrative procedures and confidence in policy implementation; openness about the breakdown of hospitality expenses; and operation of integrity ombudsmen.

### **c. Eradication and improvement of corruption-causing factors:**

Implementation of institutional improvement recommendations; implementation of the recommendations made by the Corruption Impact Assessment; voluntary implementation of anti-

corruption initiatives; and concentrated improvement of corruption-prone areas.

**d. Improvement of integrity awareness and culture in the public-service sector:** Anti-corruption efforts and will of the heads and high-ranking officials of public organizations; promotion and effectiveness of integrity education; and spreading successful cases of anti-corruption practices.

### **e. Facilitation of corruption prevention and whistleblowing:**

Introduction of a system to prevent violations of the codes of conduct; and promotion of whistleblowing on public interest violations and protection of whistleblowers.

The anti-corruption outcome reflects the degree of improved integrity levels and statistics of corrupt officials.

## **Target organizations (225 public organizations)**

- Central government agencies (41): 20 ministries, 18 services, 1 office, and 3 commissions
- Metropolitan governments (17): 17 cities and provinces
- Municipal and provincial offices of education (17): offices of education in 17 cities and provinces
- National & public universities (10): universities with low integrity levels
- Public service-related agencies (140): public corporations and quasi-government agencies, etc.

## **Results of the 2013 Assessment**

Along with the launch of the new administration, the ACRC conducted the ACE, focusing on the capacity building of public organizations to voluntarily implement integrity policies as well as spreading government-wide anti-corruption countermeasures. As a result, it was revealed that the frontline organizations have established and implemented their voluntary and customized anti-corruption initiatives.

The evaluation results were categorized into 5 grades by group, and a total of 35 organizations out of 11 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 organizations. 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 to better understand the ACE to prepare for the future ACE.

The ACRC will continue improving the evaluation frameworks to comprehensively evaluate not only anti-corruption efforts of organizations but also their anti-corruption performance and best practices. In particular, it will not only expand the target organizations to basic autonomous agencies (local governments) over a certain size and national/public universities, but also strengthen the evaluation of supervisory agencies on their affiliated agencies to minimize anti-corruption blind spots.

In line with such efforts, the Commission will select new evaluation indexes such as “welfare frauds,” “local corruption,” or “lax management,” considering the major corruption issues and characteristics of each organization. By doing this, it is planning to make an ACE that can satisfy the expectation of the people.

## **Section 4. Corruption Impact Assessment**

### **1. Overview**

The Corruption Impact Assessment is a system to remove corruption-causing factors out of newly enacted/ revised laws, current laws, administrative rules, autonomous regulations, and internal regulations of public service-related organizations. The Corruption Impact Assessment was introduced on December 29, 2005 with the revision of the ACRC Act, and fully implemented from April 1, 2006. In the case of public service-related organizations, the assessment system has been implemented since December 28, 2007.

In 2013, the ACRC enhanced the assessments on current laws, selecting and conducting the assessment on 6 tasks, a 100% increase from the previous year. It also actively strived to establish a voluntary assessment foundation for public organizations through various efforts, including publishing and distributing the manuals of autonomous regulations of local governments, opening the internal regulations of public service-related organizations to the public, and expanding the announcement system on enacting/ revising acts.

## **2. Major achievements**

### ***Corruption Impact Assessment of enacted or amended bills***

In 2013, the ACRC conducted the Corruption Impact Assessment on 1,325 newly enacted or amended bills, and recommended improvements for 357 corruption-causing factors inherent in 169 laws and regulations to the relevant organizations.

#### **(1) Improvement recommendation by type**

Out of 169 bills that were in need of improvement, 38 were laws with 69 Presidential decrees and 62 were Prime Minister’s decrees and Ministerial ordinances. Compared to the number of target bills, the largest number of recommendations (percentage) were given to 38 laws out of 232 (16.4%), followed by enforcement decrees (69 out of 621, 11.1%) and Prime Minister’s decrees and Ministerial ordinances (61 out of 465, 13.1%).

#### **(2) Improvement recommendation by sector**

By sector, the recommendations were given in the order of general administration (154 cases on 71 laws), environment and public health (65 cases on 31 laws), and industry and development (48 cases on 22 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 (27), followed by the Ministry of Environment (26), Ministry of Defense (16), and Ministry of Health and Welfare (15).

### ***Current Corruption Impact Assessment***

With the start of the new administration, the Corruption Impact Assessment focused on removing corruption-causing factors in the relevant areas to effectively implement the election pledges of the new government and to not waste but effectively use the national budget. Accordingly, the ACRC selected 6 tasks in education and local autonomous administration sectors, which are closely related to the people's lives and require fairness, as well as health/welfare and science sectors, which require efficient spending of the national budget. The tasks are as follows: "Improve fairness and transparency in operation of school steering committees," and "Improve transparency in revenue transfer from local governments to the local offices of education" in the education sector; "Promote openness of opinion of local assemblies" in the local autonomous administration sector; "Strengthen customized welfare-delivery system through public-private cooperation" and "Improve transparency in using clinical research funds of national hospitals" in the health/welfare sector; and "Improve transparency in managing national R&D projects" in the science sector.

### ***Corruption Impact Assessment for autonomous regulations of local governments***

As the ACRC directly conducts the Corrupt Impact Assessment on the newly enacted and revised laws and current laws, many corruption-causing factors have been removed so far. The autonomous regulations of local governments, however, were to be voluntarily assessed by each local government. Consequently, many local governments did not conduct the assessment and there were also insufficient professional human resources, all leading to limitations in removing corruption-causing factors from the current local autonomous regulations.

To solve the problem, the ACRC published and distributed

the manuals of autonomous regulations of local governments, and also developed and provided cyber-training courses in order not only to raise the expertise of the officials in charge of conducting the Corrupt Impact Assessment but also to lay the foundation for voluntary assessment. Furthermore, when conducting the Anti-Corruption Competitiveness Evaluation on public organizations, the Commission strived for the assessment to be stably settled, by assessing whether a public organization stipulated the assessment in its regulations. As a result, among the 17 municipal autonomous organizations and 17 offices of education in cities/provinces, which are subject to the Anti-Corruption Competitiveness Evaluation, 14 municipal autonomous organizations and all 17 offices of education in cities/provinces stipulated the Corrupt Impact Assessment in their autonomous regulations.

### ***Corruption Impact Assessment for internal regulations of public service-related organizations***

The internal regulations of public service-related organizations are closely related to the people's lives because they play a similar role to laws and regulations, affecting the rights and obligations of the people or setting a rule commissioned by a current law. Some of the internal regulations, however, are not open to the public, and the internal regulations have been enacted and revised without collecting the opinions of stakeholders, making it difficult for the people to obtain any information on them.

Accordingly, the ACRC actively encouraged the public service-related organizations to open their internal regulations to the public and to make a preliminary announcement on enacting/revising their internal regulations and open them to the public in advance for stakeholders to be able to submit their opinions, especially for the internal regulations that are closely related to the people's lives.

In addition, the Commission encouraged public service-related organizations to establish a voluntary system to conduct the Corruption Impact Assessment to remove corruption-causing factors from their newly enacted or

revised internal regulations in advance, and to revise the relevant regulations for it.

As a result, among the 140 municipal autonomous organizations, which are subjects of the Anti-Corruption Competitiveness Evaluation, 129 (92%) public service-related organizations institutionalized the openness of internal regulations, and 109 (78%) public service-related organizations opened over 90% of their internal regulations on their websites, and now 128 (91%) public service-related organizations are operating the preliminary announcement system for enacting/revising internal regulations. In addition, 131 public service-related organizations conducted the Corruption Impact Assessment voluntarily and revised the relevant regulations.

## Chapter 2

### Handling Corruption and Public Interest Violations and Operating Code of Conduct

#### Section 1. Receiving and Handling Corruption and Public Interest Violation Reports

##### 1. Handling corruption reports

Since the Act on the Protection of Public Interest Whistleblowers took effect on September 30, 2011, the ACRC reorganized the existing “Corruption Reports Center” into “Corruption & Public Interest Violation Report Center.” Among the alleged reports filed through the Corruption & Public Interest Violation Report Center, the reports that are identified as corruption reports are those related to the corrupt acts by government officials, including violations of a code of conduct, and 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 duplicative are handled directly by Corruption & Public Interest Violation Reports Center.

Corruption reports that meet the criteria of corruptions prescribed by Article 2 Subparagraph 4 of the ACRC Act are first investigated and verified by investigators before being reviewed by the members of the Commission who carry out the core review. Reports on which the Commission makes a final decision 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 of the referral and report the results to the ACRC within 10 days of the completion of the investigation.

Even though a report has 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. Current status of corruption 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 28,364 reports have been filed as of December 2013.

### Corruption reports received by year

(Unit: number of reports)

Category	Total	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Reports received	28,364	2,572	1,679	1,763	1,974	1,745	2,544	1,504	2,693	3,099	2,529	2,527	3,735

Among the 28,246 handled cases, the ACRC referred 1,035 cases to investigative agencies for further investigation or inspection (including 3 accusation cases),

notified the accused agencies of 430 violations of a code of conduct, forwarded 9,620 cases to government agencies, and closed 17,161 cases.

### Corruption reports handled by the ACRC

(Unit: number)

Category	Total	Referred to investigative agencies	Notified as violation of code of conduct	Forwarded to agencies	Closed
Reports handled	28,246	1,035	430	9,620	17,161

\* Excluding 118 cases currently under review

## 3. Cases referred to investigative agencies

A total of 1,035 (including 3 accusation cases) alleged corruption reports were referred to investigative agencies. Apart from 128 cases undergoing investigation

as of the end of December 2013, notification of results has been given on 907 cases, of which 71.3% 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)

Section	Total	Referral to investigative agencies				Detection rate (②/①)
		Notification of results			Under investigation	
		Subtotal①	Corruption detected②	Acquittal		
Year	1,035	907	647	260	128	71.3
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	64	49	15	9	76.6
2012	74	63	52	11	11	82.5
2013	139	31	24	7	108	77.4

Observing 647 cases in which allegations of corruption were substantiated by investigative agencies, 1,969 people were indicted, 1,352 people received disciplinary measures, 85 people were accused, dismissed, or resigned, and 124 organizations received a warning. Other actions such as institutional improvements were made as a result of 55 cases, and the total amount of financial collection or redemption that was levied due to the detection of corrupt activities reached KRW 470 billion.

When the same report was referred to multiple agencies at the same time, the breakdown of the main investigative agencies to which the 1,035 cases were referred is as follows: Police agency, 399 (38.6%); Supreme Prosecutor's Office, 284 (27.4%); Board of Audit and Inspection, 126 (12.2%); Central government agency, 124 (12.0%); Local government agency, 82 (7.9%); and Others, 20 (1.9%).

Of the 139 people who were accused of corruption in 2013, most were members of agencies in the private sector (96, 69.1%), followed by local governments (23, 16.5%), and public service-related companies (14, 10.1%).

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 (87, 62.6%), followed by the offer and acceptance of a bribe (23, 16.5%), and public fund embezzlement/misappropriation (15, 10.8%).

By investigative agency, most cases (84, 60.4%) were referred to the National Police Agency, followed by to the Supreme Prosecutor's Office (21, 15.1%), and to central government ministries (12, 8.6%).

#### 4. Receiving and handling whistleblowing reports

Of the 1,035 corruption reports that were referred to investigative agencies during the period of January 2002 to December 2013, 527 reports (50.9%) were on whistleblowing cases. Excluding the 92 cases currently under investigation, 74.9% of the 435 reports, whose

results were notified, were substantiated, and this is higher than the 71.3% detection rate of the corruption reports in total.

Upon the conclusion of all the investigation on 326 whistleblowing cases, 2,109 individuals were punished or indicted. An especially noteworthy fact is that the total amount of financial collection and redemption due to the detection of corruption was almost KRW 393.8 billion, which was 83.8% of the total amount of KRW 470 billion subject to collection and redemption, proving that whistleblowing is an effective tool for disclosing corruption.

#### 5. Case examples of handling corruption reports

##### **Case 1. Allegation of embezzlement of research funds and bribery at university A**

- Alleged report: When entrusting research tasks from government agency B, professors and others embezzled the personnel expenses of the researchers and received tens of millions of KRW as consulting fee in return for helping to entrust the research tasks.
- Result of investigation: Professor H of university A, former director J of agency B, former chairman K, and professor L were indicted without detention on charges of receiving or embezzling KRW 7.55 million, 19.5 million, 5.3 million, and 10 million, respectively. The illegally paid research fund, amounting to approximately KRW 280 million, was redeemed.

##### **Case 2. Allegation of corruption of a local government related to attracting private funds**

- Alleged report: Public officials, including mayor A, received money and valuables amounting to billions of KRW from a construction company, in relation to creating the city's future industrial complex, while the company charged an inflated price for the construction, embezzling billions of KRW.

- Result of investigation: It was confirmed that 6 public officials, including mayor A, had received money, valuables, and entertainment amounting to hundreds of millions of KRW several times, and the owner of the company had inflated the construction fee, swindling KRW 7.4 billion. The 6 public officials and 8 people of the construction company such as the owner were indicted, with or 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 the second half of 2008 to the first half of 2013 was 1,949 in total. The most, amounting to 645, were reported from central government agencies, followed by 494 from local governments, 211 from local offices of education, and 429 from public service-related companies.

As for type of corruption, receiving bribes and entertainment was the most common corruption received with 1,949 officials, while 409 were charged with embezzlement and the misuse of public funds, 49 were charged with abuse of authority and dereliction of duty, 42 were charged with forgery and manipulation of documents, and 167 were charged with other violations (including inappropriate handling of business affairs and violation 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 at each level. For example, it asked the National Health Insurance Corporation (NHIC) to examine the employment status of officials dismissed for corruption. Moreover, the ACRC discovered that former public officials of local governments and employees of public service-related companies were re-employed by constitutional institutions and public service-related companies, violating the restriction. After a decision by its full-member committee, the ACRC required the concerned public agencies to dismiss and accuse the 3 re-employed officials among them who violated the employment restriction rule.

## **Section 3. Corruption Investigation Monitoring Team**

### **1. Background**

The ACRC set up the Corruption Investigation Monitoring Team as a regular team to implement the main functions of its Anti-Corruption Bureau, including conducting corruption fact-finding surveys, investigating and monitoring violations of codes of conduct, collecting corruption information, and receiving corruption reports.

### **2. Organizational structure and functions**

The team consists of 7 investigators, 3 from the Anti-Corruption Bureau and 4 from other public agencies: 1 team leader (grade 4) and 6 investigators (1 grade 5, 1 grade 6, 1 policeman, 1 maritime police, 1 military police, and 1 firefighter).

The Corruption Investigation Monitoring Team has contributed to raising the importance and the status of the ACRC as an anti-corruption body, and fundamentally prevented the corruption-causing factors through active investigation and verification of corruption cases,

such as investigating actual situations of corruption in corruption-prone areas or agencies, collecting corruption reports and information, investigating and monitoring actual situations in implementing the codes of conduct of public agencies, and conducting special fact-finding investigations on corruption-prone areas.

### 3. Performance

#### ***Fact-finding investigation on embezzlement of social welfare subsidies***

From July to October 2013, the team inspected approximately 200 welfare facilities for senior citizens located in counties, districts, and cities across the nation, for the allegations that some operators of the welfare facilities for senior citizens that receive subsidies from the central and local governments had swindled and misused the personnel expenses of their employees. As the result of the investigation, the team disclosed the cases in which the operators used public funds for entertainment or repayment of personal debts, and it requested police/prosecution investigations and informed the Ministry of Health and Welfare of the fact.

#### ***Disclosure of bribery of high-ranking officials of central & local governments***

The team disclosed corrupt high-ranking officials, such as a former high-ranking official who received KRW 150 million in return for providing KRW 2.2 billion from the government fund for a project, and a head of a local government's road management office who received KRW 2.3 million in return for illegal employment. The team referred the cases to investigative agencies in order for disciplinary measures to be taken.

#### ***Fact-finding of allegations of budget wastes and corruption of public service-related organizations***

The Corruption Investigation Monitoring Team also confirmed the other allegations, including that a public service-related agency did not impose compensation of

deferment, violating a law, in the process of conducting a national project, and that a company in charge of the overseas training program of a national university swindled KRW 200 million, wasting the national budget. The team referred the cases to the Board of Audit and Inspection, the Ministry of Education, and the National Police Agency.

Moreover, the team also disclosed that a local athletic association embezzled the national subsidy of KRW 140 million, which had been provided as the entry fee of the National Sports Festival, and illegally executed the subsidies. The ACRC referred the case to the concerned agencies such as the National Police Agency to take disciplinary measures against the 5 people involved in the embezzlement.

## Section 4. Protection and Rewards for Corruption Whistleblowers

### 1. Protecting whistleblowers

#### ***Purpose of Whistleblower protection system***

The whistleblower protection system is a legal method to encourage any person who becomes aware of an act of corruption or a violation of the codes of conduct to report it to the ACRC or the organization he/she belongs to. A whistleblower can receive protective measures such as guarantee of public position, protection of confidentiality and personal safety, and mitigation of culpability. The details of the whistleblower protection system based on the ACRC Act are as follows:

#### ***Details of Whistleblower Protection System***

##### (1) Requirements for Protection

Any corruption reporter should report a written statement containing his/her personal information, intention, and reasons for reporting, in addition to the evidence of the corruption. However, a corruption reporter who reports despite the fact that he/she knew or could have known that his/her report was false will not be protected.

## (2) Protective Measures

**a. Guarantee of confidentiality:** Any employee of the ACRC or investigative agencies should not disclose or suggest the identity of the reporter without the agreement of the reporter. As for a report that requires the confidentiality of the reporter's personal information, the ACRC is strictly reporting and managing the corruption report to guarantee the confidentiality from the stage of receiving and making a decision on the report to the stage of referring or forwarding it to an investigative agency.

The Commission confirms the details and requests a relevant disciplinary officer to take disciplinary action against a person who has disclosed the personal information of the corruption whistleblower without consent, if the violation of confidentiality is confirmed.

**b. Guarantee of public position and economic/administrative guarantee:** No person should be subjected to any disadvantage or discrimination in terms of his/her working conditions or public position, including disciplinary action taken by a group, organization, or enterprise to which the reporter belongs, on the ground that under this Act he/she reported, made a written statement, or submitted materials on a suspected act of corruption. Any person who has suffered or is expected to suffer a disadvantage or discrimination as a result of reporting a corruption may request the ACRC to take measures to guarantee his/her public position, such as invalidating any discriminatory action against the whistleblower.

When a person made a request for the guarantee of his/her public position, and an investigation found that it is reasonable, the ACRC may ask the head of the organization, group, or enterprise to which the requester belongs to take proper measures. In this case, the head of the body should comply with the requests from the Commission, unless there are justifiable reasons to act otherwise. If a public organization employee reports corrupt acts and duly asks the ACRC to take proper personnel management measures, and the

request is found to be reasonable, then the Commission may request the minister of security and public administration or the head of the appropriate public organization to take the necessary steps.

The ACRC may request a relevant disciplinary officer to take disciplinary action against a person who took disadvantageous measures or discriminated against an informant in terms of public position or working conditions, and may impose the fine for negligence of less than KRW 10 million on him/her. If the person who took the disadvantageous measures 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.

**c. Personal protection:** If a 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 police agencies to take the relevant protective measures.

In addition, the chief of the competent police station who receives a request for personal protection measures should provide such measures as 1) protection in a specific facility 2) security guard, 3) escort on the way to attend the Commission and return home as a testifier or witness, 4) regular patrol around the residence, and 5) other necessary measures to protect the personal safety of the whistleblower.

## (3) Other Protective Measures

If a person reports corrupt acts according to the ACRC Act, which results in the detection of a crime committed by the reporter, punishment for the crime may be mitigated or remitted, and this is applied *mutatis mutandis* to any disciplinary measure taken by a public organization.

In addition, if a whistleblower reports a corrupt act based on the ACRC Act, it shall be deemed not to have violated his/her professional confidentiality obligation,



notwithstanding the provisions of some other act(s) and subordinate statute(s), collective agreements, or employment rules, etc.

### **Protection Activities and Performance**

#### **(1) Implement Protection Activities**

##### **a. Preventive and Cooperative Protection Activities**

The ACRC operates the protection responsibility system to identify the cases in need of protection from the stage of receiving a report, so that whistleblowers do not suffer from disadvantages due to the report. In addition, for cooperation between government agencies, the ACRC investigated the current situations of 1,305 public organizations in operating the whistleblower protection system through paper-based surveys from October to November 2013. Then, in November, it held a workshop for the understanding and cooperation on the whistleblower protection system of the officials responsible for whistleblower protection duties in 149 public organizations, to strengthen the preventive activities.

##### **b. Support of Medical Aid and Legal Aid**

The ACRC provides support for medical aid and legal aid to whistleblowers. The Commission signed an MOU on medical aid with the Korean Psychiatric Association to help the whistleblowers who suffer from mental distress due to their whistleblowing to receive medical treatment for free. In addition, it also provides legal services such as providing legal agent service in the litigation process based on the existing MOU signed with the Korean Bar Association.

#### **(2) Protection of whistleblowers in 2013**

From its launch in 2008 to the end of December 2013, a total of 112 cases (an average of 19 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 2013 alone, a total of 27 requests (20 for guarantee of public position; 4 for protection of personal safety; 3 for confirming the confidentiality of personal information) were submitted.

In terms of fines levied for the violation of identity protection regulations, 3 cases were recorded in 2009, 1 case in 2010, 1 case in 2012, and 2 cases in 2013 (total 7 cases). The total amount of levied fines reached KRW 30.5 million (an average of KRW 4.35 million per case).

### **2. Rewards and award money for whistleblowers**

#### **Objective and Details of the Protection System**

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

#### **(1) Recommendation and Provision of Awards**

If a person reports an act of corruption under this Act to bring financial benefits or prevent financial damages to a public organization, or to serve the public interest, 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, 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

Unlike awards, the financial reward for a corruption report may be offered by the request of the reporter, 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.

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.

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, the unpaid reward shall be paid to the informant until he/she receives the total amount of the reward.

## **Organization and Operation of Reward Deliberation Board**

The Reward Deliberation Board is composed of 7 members, including 1 head (chairperson), 1 mandatory member, and 5 designated members. The 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; and other matters concerning the payment of financial reward and compensation.

## **2013 Award and Reward Money Payment**

### (1) 2013 Award Money Payment

Since 2008, a total of KRW 400.2 million of award money for a total of 52 cases is paid to whistleblowers when whistleblowing results directly in the increase in revenues or prevents loss for public organizations, or contributes to improving public interests.

### (2) 2013 Reward Money Payment

From 2008 to 2013, the total amount of confiscated money was KRW 50.825 billion, and accordingly, a total of KRW 5.425 billion of award money for 150 cases was paid (the average amount of reward per case was KRW 36.16 million). The rate of reward money compared to the confiscated money to public organizations is 10.6 % on average.

## **Section 5. Operation of the Code of Conduct for Public Officials**

### **1. Overview**

#### ***Purpose of the Code of Conduct for Public Officials***

The Code of Conduct for Public Officials is the standard of conduct to be observed by public officials to carry out public duties in a way that has integrity and to prevent corruption. This Code is more specific than both ethical codes and codes of conduct that incorporate the basic values that members of an organization should uphold, encompassing every nature of practical codes that define the specific standards and procedures members should follow.

#### ***Legal Ground and Targets of the Code of Conduct for Public Officials***

The legal ground of the Code of Conduct for Public Officials of Korea is the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission. The Code of Conduct for Public Officials, enacted as a presidential decree, applies to state public officials and to local public officials, and the Codes of Conduct for Local Council Members applies to members of local assemblies. The “Codes of Conduct,” enacted as the rule for other constitutional organizations (the National Assembly, the Supreme Court, the Constitutional Court and the National Election Commission), applies to the public employees of constitutional organizations. The “Code of Conduct for the Executives and Employees of Public Service-related Organizations,” which is an internal regulation for public service-related organizations according to Article 3 Paragraph 1 (12) of the Public Service Ethics Act, applies to the executives and employees of public service-related organizations.

#### ***Operation of the Code of Conduct for Public Officials by the ACRC***

The ACRC manages the system of the Code of Conduct for Public Officials in general, carries out policies to

support the operation of each public organization, and executes the Code by handling violation reports of the Codes and inspecting the implementation status of public organizations.

The Commission supports and manages the operation of the Code in central government agencies, local governments, local assemblies, offices of education, and public service-related organizations. Each organization creates and operates its own code of conduct, reflecting its unique nature, based on the Code of Conduct for Public Officials, Code of Conduct for Local Council Members, and Standard Code of Conduct for Executives and Employees of Public Service-related Organizations.

### **2. Operation**

#### ***The 10th anniversary of the Code of Conduct for Public Officials: Discussion Forum and Reform of Operational Guidelines***

The year 2013 marked the 10th anniversary of the Code of Conduct for Public Officials. The ACRC held a discussion forum on May 31, 2013, and invited experts and 300 compliance officers responsible for the codes of conduct of public organizations. Moreover, in 2014, the Commission is planning to reform the “Operational Guidelines for the Code of Conduct for Public Officials” as a working-level guideline to provide specific judgment criteria on behavioral standards and a systematic collection of major Q&A and violation examples, in order to increase the access to and understanding of the Code of Conduct for Public Officials.

#### ***Survey on the Code of Conduct for Public Officials and Identification of Policy Tasks***

The Code of Conduct for Public Officials prohibits public officials from receiving money and entertainment. In the case that this is unavoidable in carrying out a public duty, the Code allows the receipt of foods or convenience provided within the scope of conventional practices (KRW 30,000). In addition, the Code sets the maximum limit of the amount of money (KRW 50,000) that a public official can give or take for festivities and funerals. Regarding

these limits, from November to December 2013, the ACRC conducted a survey on not only whether the current maximum limits are appropriate but also the overall view on the Code, such as the people's awareness and the appropriateness of the standard of disciplinary measures. Based on the result of the survey, in 2014, the Commission will carry out the policies related to the Code. First of all, it will strengthen the promotion activities and various educations on the Code of Conduct for Public Officials, which the people are less aware of, unlike public officials. Moreover, it will seek the solutions to raise the effectiveness of disciplinary measures on violations of the Code by each public organization.

#### ***Support for the Operation of the Code of Conduct for Public Officials by Organization***

In March and September 2013, the ACRC held briefing sessions on enacting codes of conduct for 106 newly designated public service-related organizations. In addition, to secure the appropriateness of their codes of conduct, it received and reviewed the enacted/revised codes of conduct of each organization, and made corrective recommendations on inappropriate contents when necessary. Moreover, the ACRC supported the operation of the code of conduct of each organization, through consulting on the operation and authoritative interpretations of behavioral standards. In 2013, after analyzing the accumulated major Q&A and violation cases, the Commission published and distributed the "2013 Q&A of the Code of Conduct for Public Officials" and the "2013 Casebook for the Code of Conduct for Public Officials."

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

#### ***Handling of Violations of the Code of Conduct***

Any violation of the Code 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, 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.

#### ***Investigation and Inspection on the Operation of the Code of Conduct***

In accordance with Article 9 of the Enforcement Decree of the ACRC Act (the Enactment and Implementation of the Code of Conduct), the ACRC also inspected and monitored the implementation of the codes of conduct by public organizations. It was evaluated that, over the last 5 years, most public organizations have strengthened their own training and inspection activities to comply with and settle the Code of Conduct.

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

#### ***Background***

The ACRC enacted the Code of Conduct for Local Council Members and implemented it on February 3, 2011, to establish an atmosphere in the public sector where local assembly members, as representatives of the community, carry out their public duties in a clean and fair way.

As the Code of Conduct for Public Officials was initially made for public officials, there were limitations in applying it in the same way to the local assembly members who are elected officials. Therefore, the Code of Conduct for Local Council Members laid the legal foundation to overcome such limitations.

The ACRC continues to encourage local assemblies to enact an ordinance for the local assemblies to voluntarily implement the Code of Conduct for Local Council Members. For effective implementation, the Commission conducted consulting for enacting an ordinance. Among 21 assemblies to which the ACRC provided consulting, 11 local assemblies enacted their ordinance (52% success rate), showing successful outcomes of the policy as a result of the Commission's customized support. In addition, the Commission conducted the "Manifesto campaign for local election" for civil groups, to support the civil movement to prevent a corrupt person from running for or being elected as a local assemblyman.

## 5. Evaluation and Future Plans

In 2013, the ACRC is planning to reform the Code of Conduct for Public Officials to develop and mature the system. Through the reform, the access, understanding, and availability of the Code will be increased. In addition, the Commission will strive to customize the Code to each organization, and continue to support the implementation of the Code in public organizations. In particular, on the occasion of the 2014 local election, the Commission will actively promote the need of enacting the relative ordinance and complying with the codes of conduct by local assembly members to local residents and the media. Meanwhile, the ACRC will handle violation reports in a prompt and strict manner and carry out strategic inspections on the operation and implementation of the Code in public organizations, by analyzing and selecting inspection themes and lower performers.

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

### 1. Overview

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 time establish a society where people can live in security. The way to becoming a truly developed country will remain

far when 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 made with 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 29, 2011, and the Act has been effective since September 30 of the same year.

The backdrop of the introduction of the Act was that when 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 also to lay the groundwork to building a reliable society.

### 2. Current Status of Operation

#### *Processing of Reports and Protection of Reporters*

##### (1) Statistics of Receiving Public Interest Violation Reports

A total of 4,321 cases of public interest violation were filed and handled at the ACRC from the launch of the program to the end of December 2013. Among the cases, the field of health violation, which includes production of contaminated food and deceptive and exaggerated advertising, accounted for the highest portion with 1,796 cases (41.0%). The field of safety violation, including the illegal sale of high-pressure gas, also took a big quota with 468 cases (10.8%).

**Public Interest Whistleblowing by Type (As of December 2013)**

(Unit: Case, %)

Type of Violation of Public Interest	Total	Health	Safety	Environment	Consumer Interest	Fair Competition	Others
Total	4,321	1,769	468	378	354	134	1,218
Ratio	100.0	41.0	10.8	8.7	8.2	3.1	28.2

## (2) Statistics of Handling Public Interest Violation Reports

Out of 4,321 reports filed, 3,831 were handled, including 2,268 that were referred or forwarded to criminal investigative & inspection agencies. Through the reports, the ACRC was able to prevent the spread of illegal acts. For example, it prevented a collapse of a bridge by handling the report about a faulty construction to strengthen the bottom structure of a railroad bridge. It also imposed a fine and ordered the suspension of manufacture on a manufacturer that illegally produced pork foods banned due to the detection of food poisoning viruses.

## (3) Statistics of Protection of Public Interest whistleblowers

Since the Act on the Protection of Public Interest Whistleblowers took effect on September 30, 2011, a total of 33 reports that should be protected, including 20 for protective measures and 5 for guarantee of confidentiality (personal information) were received. Among the reports, a total of 9 cases were accepted (7 for protective measures, 1 for personal safety, and 1 for remission of culpability).

In 2013, in particular, there were many requests by nursery teachers of nursery facilities to receive protective measures. In the meantime, the ACRC made a decision for protective measures to be taken regarding 2 officials of a public corporation who received disciplinary measures due to their whistleblowing, and the corporation accepted the decision and invalidated the discriminatory actions. In another case, the ACRC drew an agreement on a protective measure for an unreasonably fired official of a credit cooperative, wrote a conciliation protocol, and made a settlement (accepted case). These are good examples of protective measures on the protection of public interest whistleblowers.

## (4) Rewards for Public Interest Whistleblowers

In September 2011, a total of KRW 7.12 million was provided as reward for public interest whistleblowers of 6 cases for the first time since the Act became effective (Sep. 30, 2011). As the protection system has been settled with the raised

awareness on the system and the number of reports that satisfy the conditions of rewards has increased, in 2013, a total of KRW 227,708 million was provided as reward for public interest whistleblowers of 319 cases.

### **Rewards for Public Interest Whistleblowing**

(Unit: KRW 1000)

Year	Cases	Amount of Rewards
Total	351	256,180
2012	32	28,472
2013	319	227,708

The maximum amount of the reward money for a single report was KRW 13 million to a whistleblower who reported on a distributor of seafood products that manipulated the expiration date and repackaged and sold them.

### **Establishment and Enforcement of Policies for the 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 to be rather late. Thus, the priority of the Korean government after the introduction of the Act was to immediately and widely promote the program for the purpose of the Act being elevated to the level of developed countries. Based on the recognition of such priorities, various efforts were made in manifold, such as the formation of a social consensus on public interest whistleblowing and the 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 personnel from November 2011 to March 2012. Also, several meetings

were held with CEOs, and a launching ceremony of a team led by public organizations to jointly monitor and prevent violations of the public interest was held on May 16, 2012. These efforts aimed 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 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.

Meanwhile, the ACRC has strived to build public-private governance to prevent any public interest violations in the areas that are vulnerable to such violations, including

toxic materials and construction areas. To this end, the ACRC signed MOUs with the Construction Association of Korea and Korea Chemicals Management Association. In particular, the ACRC provided 17 education sessions on the public interest whistleblower protection system to about 4,000 officials in charge of managing toxic materials at 1,500 member companies of the Association across the nation.

In order to expand the public perception 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.



Storytelling promotion (webtoon) on the School Meals Act



Promotional video on TV, subway, and board

### 3. Preparation to Amend the Act on the Protection of Public Interest Whistleblowers

#### Background

With the implementation of the Act on the Protection of Public Interest Whistleblowers, the foundation to protect public interest whistleblowers was established in relation to violations of the public's health and safety, the environment, consumer interests, and fair competition. Some violations, however, were not included in the subjects of the Act, even though they are closely related to the people's lives and infringe the public interest, causing limitations to protecting the rights of whistleblowers. In addition, the legal grounds were insufficient for mitigation and remission of disadvantageous administrative measures related to the illegal acts revealed by a public interest whistleblowing, and the ability to carry out protective measures was also not enough. Therefore, the need to supplement such loopholes in the current law was raised.

#### Major Amendments

##### (1) Expansion of the applicable Acts related to Public Interest Violations

At present, a total of 180 acts are subject to whistleblowing, protection, and rewards according to the Act on the Protection of Public Interest Whistleblowers. In this amendment, the range of public interest whistleblowing and protection is significantly expanded by adding 100 more acts to be applied by the Act that are

closely related to the safety of the majority of the people or encourage fair competition and protection of rights of the socially and economically vulnerable.

#### Major applicable acts

Category	Acts to be newly applied
Acts related to the importance of the protection of whistleblowers	- Act on Prevention of Divulgence and Protection of Industrial Technology - Act on External Audit of Stock Companies
Acts related to the protection of the socially/economically vulnerable	- Act on Fair Transactions in Large Franchise and Retail Businesses - Welfare of the Aged Act, Act on Welfare of Persons with Disabilities, Child Welfare Act - Act on the Guarantee of Promotion of Convenience of Persons with Disabilities, Elderly People, Pregnant Women, etc.
Acts related to the safety of the majority of the people	- School Meals Act, Public Health Control Act, Safety Control of Dangerous Substances Act - Act on Safety Control of Radioactive Rays around Living Environment, Motor Vehicle Management Act, Telecommunications Business Act, etc.

##### (2) Expansion of the range of mitigation and remission of culpability to disadvantageous administrative measures

The range of mitigation and remission of culpability of a public interest whistleblower is expanded from punishment and disciplinary actions in the current act to all disadvantageous administrative measures against his/her will, including fines, administrative penalties, imposition measures, and extension of obligatory service.

##### (3) Introduction of the charge for compelling compliance

The protection of public interest whistleblowers was not enough in many cases, because of the low compliance rate to implement the ACRC's protective measures, such as the "recovery of the previous situation" of a whistleblower who faced a disadvantageous measure, by the one who took such disadvantageous measures. To improve the compliance of the protection system, the ACRC introduced a system to impose a charge for compelling compliance on the noncompliance of protective measures decided by the ACRC and not to suspend the effect of the protective measures even when an administrative appeal is claimed.



In addition, the Commission strengthened the protection of whistleblowers in such ways as making new rules on obligations and support of businesses, promoting the public interest whistleblowing system of businesses, and creating the procedure to confirm the details when personal information of a public interest whistleblower is disclosed. It also laid the legal grounds to conduct fact-finding investigations to establish the public interest whistleblower protection system. Meanwhile, the Commission newly introduced the rule to provide reward money even when a whistleblowing does not directly result in the increase in revenues for the central or local governments, because no penalty fine was imposed although the whistleblowing improved the public interest by preventing a large-case incident. By doing this, the ACRC promoted public interest whistleblowing and strengthened the rewards to whistleblowers.

### **Future Plans**

The revised draft of the Act on the Protection of Public Interest Whistleblowers of the government is now pending in the National Assembly, with 12 similar drafts submitted by national assemblymen. For a prompt enactment, the ACRC will actively support the enactment process in the National Assembly by suggesting alternatives through comparison with the other drafts by national assemblymen.

### **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 19, 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 to enable anyone to 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.

## **Chapter 3**

### **Integrity Training and Anti-Corruption Promotion**

#### **Section 1. Anti-Corruption and Integrity Training**

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

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

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

The Integrity Training Course was first offered in 2003 to inspectors and compliance officers responsible for managing ethical practices in public service, to nurture them as core players in improvement of integrity. Since October 2012, this course has been provided at the Anti-Corruption Training Institution (Cheongju city, Chungcheongbuk-do province), which is an independent and professional education and training institution.

The Integrity Training Course is mainly divided into the following 5 courses: Integrity instructor training course; Courses by target (for compliance officers in charge of anti-corruption and integrity policies); Courses by public duty (for officials who carry out corruption-prone duties); Teacher training course for principals and vice-principals; and Course by the lifecycle of public service (for the newly employed, the promoted, and high-ranking officials).

The training programs are composed of “Participatory learning” where public officials discuss the values and meaning of being a public official of integrity, and lectures on various themes such as “Codes of Conduct,” “Corruption report and protection and rewards system for whistleblowers,” “Auditing cases by public duty” to be used in the field. In addition, field trips to historical sites or work fields under the theme of integrity are included to raise the effectiveness of the training.

In “participatory learning,” trainees participate in the group discussions and role-playing to discuss various themes of integrity such as solving corruption cases, to come up with practical solutions that could be applied in their workplace, and to recognize the values of integrity once again.

## (2) Performance

From 2003 to 2013, a total of 21,771 people completed the Integrity Training Course. In particular, since 2007, the number of trainees who completed the course have been over 2,000 every year, and after the launch of the Anti-Corruption Training Institution (ATI), the number of trainees significantly increased. Accordingly, 4,535 people completed the course in 2013. Through this, the ACRC has raised the awareness on integrity of public officials who carry out diverse public duties and the compliance officers of public organizations at every level. It also contributed to establishing the foundation to spread the culture of integrity to all corners of society.

Meanwhile, according to the survey targeting the trainees in 2013, the average satisfaction score was 89.7, showing that most of the trainees were satisfied with the contents of the training and positively evaluated its appropriateness.

**Integrity Collective Training Courses by Year (As of December 2013)**

Year	No. of courses	Period	No. of sessions	No. of trainees	Training target	Training location
2003	2	3 days	2	71	Lecturers, compliance officers	Academy House, etc.
2004	5	3 days, 5 days	10	669	Anti-corruption and compliance officers	Korean Women’s Development Institute, etc.
2005	7	5 days	10	504	Anti-corruption and compliance officers	Seoul Education Training Institute, etc.
2006	4	4 days, 5 days	8	562	Compliance officers, officers in charge of codes of conduct	Seoul Education Training Institute
2007	8	1 day, 3 days, 5 days	27	2,133	Anti-corruption and compliance officers	Integrity Training Center
2008	7	3 days, 5 days	50	2,655	Teachers, compliance officers	Integrity Training Center
2009	20	3 days, 5 days	44	3,227	Central and local public officers, teachers	Integrity Training Center
2010	21	1 day, 3 days, 5 days	50	2,659	Employees of public organizations, teachers	Integrity Training Center
2011	22	1 day, 3 days, 5 days	50	2,793	Employees of public organizations, teachers, employees of civil groups	Integrity Training Center
2012	23	1 day, 3 days, 5 days	55	2,829	Employees of public organizations, teachers, employees of civil groups	Integrity Training Center, Anti-Corruption Training Institution
2013	24	1 day, 3 days, 5 days	104	4,535	Employees of public organizations, teachers, etc.	Anti-Corruption Training Institution
Total	119	-	306	21,771	-	

**(2) Future Plans**

The Anti-Corruption Training Institution will consistently improve the quality of integrity education, by expanding the education focusing on the corruption cases from the real setting, developing the state-of-the-art training programs to raise the sense of ethics of trainees, systematically improving training courses through evaluations, and studying the elements of integrity. Moreover, the Commission plans to continue offering educational programs to public officials of developing countries as well as to local public officials. It will also play the role of hub to spread the culture of integrity to all of society by providing a cultural place of integrity for the citizens.

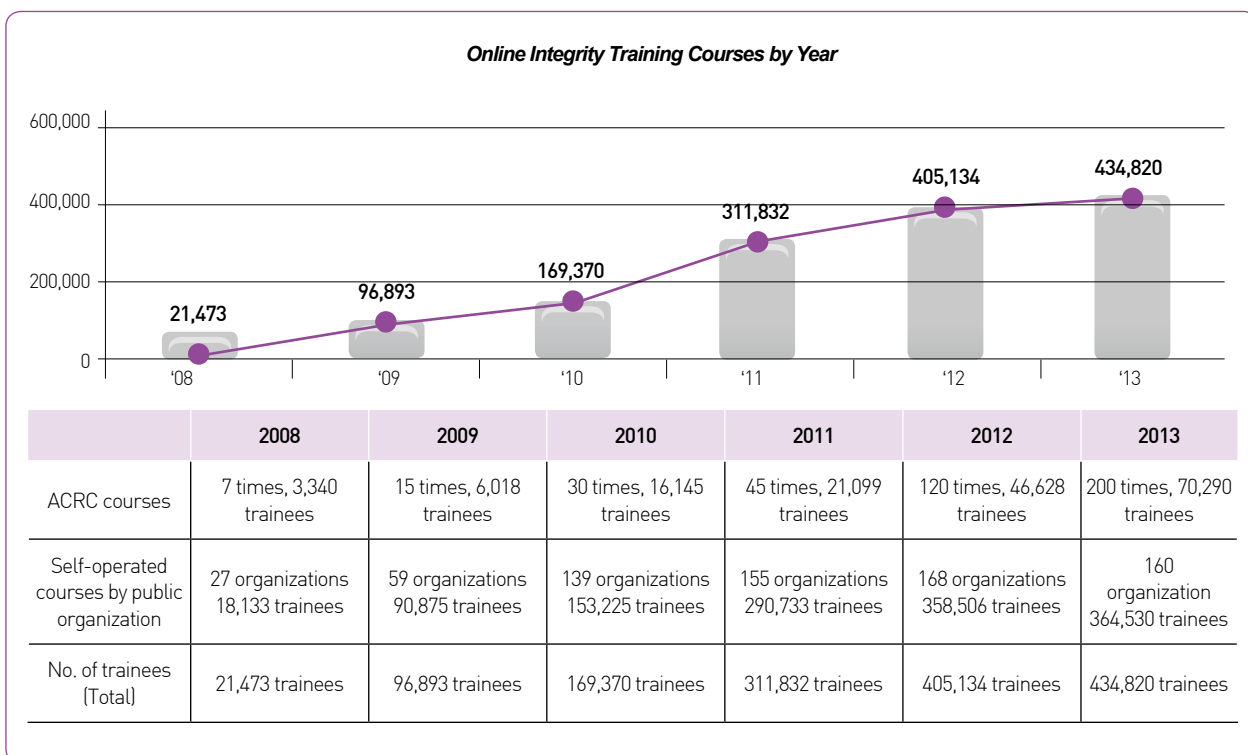
**The Online Integrity Training Course**

**(1) Overview**

The ACRC has run the online integrity training course for all public officials at its Online Education Center (<http://acti.coti.go.kr>) since 2006, and is developing and providing online training contents for public organizations to voluntarily operate their own integrity training courses. The integrity online training course is providing a variety of educational courses, combining the ATI's 4 contents (Cyber integrity education; Easy understanding of "Codes of Conduct for Public Officials"; Understanding of Corruption Impact Assessment with actual cases; Integrity as a prerequisite for success) and other ethics-related educational contents developed by other organizations.

**(2) Performance**

Starting in 2008 with 21,473 trainees, the number of public officials who completed the online course has been on the rise significantly, with 169,370 in 2010, 405,134 in 2012, and 434,820 in 2013 (increase by 20.3 times compared to the year 2008).



### (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 an on-going basis.

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

#### ***The Integrity Training Course for High-ranking Officials***

##### (1) Overview

The ACRC has also offered its Door-to-Door Integrity Training to high-ranking officials of various public agencies since 2009, to satisfy the high expectations of the people on the high level of ethics of high-ranking public officials and to make them play a leading role to successfully settle the culture of integrity in their respective organizations.

In 2013, the ACRC developed a specialized training program for high-ranking officials, targeting the high-ranking officials of the central government departments, the municipal government officials of the 3rd rank and higher, the local (basic) government officials of the 4th rank and higher, and the executives of the public service-related organizations.

##### (2) Performance

In 2013, the Commission opened a one-day course for high-ranking officials and largely reorganized the subjects and programs to raise the effectiveness of the training, and provided the training course to 232 officials. The course consisted of various experience programs dealing with the necessary capacity for an ethical leader of an organization and effective corruption control solutions.

In a survey offered to participants in the training, 89.6%

of the respondents said “the education was effective,” and 84.4% of them were satisfied with the course, showing the favorable response to the integrity education.

### (3) Future Plans

The ACRC will continue to reorganize and supplement its integrity training for high-ranking public officials as well as to increase the number of times the courses are provided, to settle the culture of integrity in public organizations. In addition, it will cooperate with other training institutes such as the Central Officials Training Institute to implement an integrity training session of more than one day when conducting a long-term training course for high-ranking public officials.

## 2. Integrity Education for Students

#### ***Operation of the Integrity Education Research School***

##### (1) Overview

To nurture the right values and lifestyle of the youth and the future generation, it is necessary to teach people about the value of integrity from when they are young. Since 2008, the ACRC designated the “Integrity Education Research School” and supported its efforts to provide students with integrity education programs. The Integrity Education Research 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 Status of and Subsidy Support for Integrity Education Research Schools**

	2008	2009	2010	2011	2012	2013
Budget (KRW)	60 million	60 million	360 million	360 million	300 million	300 million
No. of schools	8	6	36	36	30	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)	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	10 million per school
Period	1 Year	1 Year	2 Years		2 Years	

The “Integrity Education Research School” program had been operated as the “pilot integrity research school” until 2010, but in 2011, the Commission changed the title to “Integrity Education Research School” in order to prioritize the research on methods of integrity education. The 2013 program was carried out by 30 schools (25 elementary and 5 middle schools) with 2 low-performing schools replaced out of the schools designated in 2012.

**(2) Performance**

The 30 schools designated as Integrity Education Research Schools developed their own integrity education programs tailored to their students and operated a variety of distinctive activities. Key activities of the schools include educating integrity-related values such as honesty, responsibility, fairness, respect, promise, and moderation in the relevant regular classes. During the schools’ extracurricular classes, students studied historic figures of integrity, participated in the Integrity Golden Bell Quiz, created posters and slogans, and conducted integrity campaigns. In addition, the schools carried out various programs, working together with families and communities to reinforce the sense of integrity and to spread the culture of integrity.

The results of the schools were first reported in individual briefing sessions held between October and December of each year, and presented in the main conference organized by the Commission that 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 Education Research School program.

**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 2013, it operated 2 programs: “College Student Integrity Experts Nurturing Program” and “Integrity Coach Nurturing Program” where young people, including college students, participate in creating contents for integrity education and promotion to public officials and the people, to raise the awareness of college students on integrity. In this way, the people could have opportunities to lead and create activities of integrity, and the government could reflect the quality contents in its integrity policies.

**1. College Student Integrity Experts Nurturing Program**

The “College Student Integrity Experts Nurturing Program” was planned for college students to create promotion contents for integrity education to raise the awareness of college students on integrity, and to spread

the culture of integrity to all corners of society. The created contents will be used by the ACRC for integrity education programs and promotion.

From July to November 2013, 56 college student integrity experts grouped into teams of 4 to 6 students (11 groups in total) and planned and created firsthand the educational and promotional contents on integrity targeting public officials and citizens, including integrity promotion video clips, posters, education syllabus, and integrity education programs. The students created effective and diverse contents dealing with corruption-causing damages for individuals and organizations, ethical conflicts, and practices of historical figures. As the contents effectively presented various contents to raise the awareness of the people and the capacity of public officials, they will be used in the actual integrity education and promotions.

The ACRC is planning to supplement and develop good contents and use them in the training courses for public officials at ATI. Meanwhile, the Commission will distribute those contents to public organizations and the people for the awareness on and culture of integrity to be spread to all corners of society.

## 2. Integrity Coach Nurturing Program

The “Integrity Coach Nurturing Program” was planned to nurture professionals of integrity education and distribute integrity training programs to middle and

high schools, by training undergraduate and graduate students to develop integrity education programs and serve as coaches in schools.

From July to August 2013, the integrity coaches grouped into teams of up to 4 people (4 groups in total, 20 people) and developed integrity education programs focusing on practical training and experience to raise the awareness of the youth on integrity. The developed programs were created at the eye level of the youth, utilizing such mediums as quiz, games, and role-playing in order that young students can be familiar with the value of integrity and practice it in their daily lives.

From September to November 2013, trial programs developed by the integrity coaches were provided to middle and high school students of front-line schools. For 1,500 students of 37 middle/high schools across the nation, the “Integrity Leadership Education Program” was provided as a one-day course. The program consists of 7 sessions and was developed for students to understand the meaning of integrity and practice it in their lives, through various interesting programs such as an integrity quiz, auction of integrity values, and making integrity rules.

In the surveys on the participants of each program, 99.2% of the students answered that their awareness on integrity was enhanced, and 94.6% of the respondents were satisfied with the course, proving the high effectiveness of the education program.

### *Integrity Leadership Education Program*

Session	Theme	Purpose
Session 1	Orientation	<ul style="list-style-type: none"> <li>To understand the meaning and essence of integrity</li> <li>To check the integrity level of oneself through the self-evaluation test</li> </ul>
Session 2	Self-introduction	<ul style="list-style-type: none"> <li>To raise self-respect by introducing oneself with 6 values of integrity (fairness, honesty, promise, responsibility, moderation, and respect)</li> </ul>
Session 3	Integrity Quiz	<ul style="list-style-type: none"> <li>To re-evaluate the integrity level of oneself through various quizzes related to integrity</li> </ul>
Session 4	If I were ○ ○ ?	<ul style="list-style-type: none"> <li>To train the ability to imagine how one's behavior affects a conflict situation and to make a fair and reasonable judgment</li> </ul>
Session 5	Auction of integrity Values	<ul style="list-style-type: none"> <li>To raise the sense of purpose by defining and establishing various integrity values in one's own way</li> </ul>
Session 6	Make an article with one's life story	<ul style="list-style-type: none"> <li>To practice placing priority on integrity among other attractive values (property, promotion, honor, etc.) and to have a determined attitude</li> </ul>
Session 7	Make the rules of integrity	<ul style="list-style-type: none"> <li>To train one's will to show the right heart in actions</li> </ul>



# Part 4 Improving Laws & Systems

- Chapter 1 Overview
- Chapter 2 Major Improvement of Laws & Systems in 2013



# Part 4 Improving Laws & Systems

## Chapter 1

### Overview

#### Section 1. Current Status

##### 1. The Significance and Functions of Improving Laws & Systems

According to Articles 27 and 47 of the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission, the ACRC pushes forward institutional improvements to protect the rights of the people and to establish an atmosphere of integrity in the public service sector and the whole society. Should the improvement of any relevant law, system, or policy recognized to be necessary in the course of investigating or handling a complaint, the ACRC may recommend or submit to the head of the concerned administrative agency the necessary improvement or opinion. It may also recommend an institutional improvement to the head of an administrative agency to prevent corruption.

For effective improvement of institutions or systems, the Commission requests the relevant materials, conducts fact-finding investigations, and reviews the compliance with made recommendations. Moreover, when deemed necessary, it can submit its opinions to the president or the National Assembly or disclose it to the media to secure the effectiveness of institutional improvements.

##### 2. Structure and System

In 2013, the Policy Improvement Bureau was created to push forward institutional improvements that the people can agree to, by connecting the works for institutional improvement and works to manage and analyze complaints filed through e-People and the 110 Government Call Center. The 3 divisions, General Institutional Improvement

Division, Economical Institutional Improvement Division, and Social Institutional Improvement Division are in charge of the duties related to institutional improvements. As the duties of complaint analysis and institutional improvement, which were separated, have been integrated, it has become possible to come up with effective policies by analyzing the Big Data (complaints) in a systemic way and to respond more promptly to the voices of the people to reflect them in policies and systems.

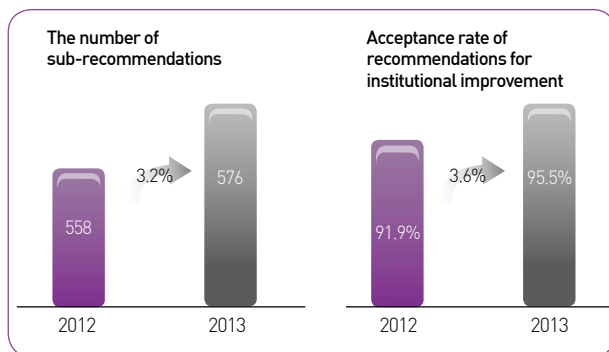
#### [Note] The Institutional Improvement Process (flow chart)



## Section 2. Achievements in Institutional Improvements

### 1. Achievements in 2013

In 2013 alone, the Commission has issued 66 recommendations (576 sub-recommendations) for improving institutional practices. In terms of sub-recommendations, the acceptance rate was 95.6% or 550 cases.



As for the results of institutional improvements in the area of corruption prevention, the ACRC selected 16 institutional improvement plans focused on prevention of budget waste in the public sector, solution for the blind spots of supervision of management, and normalization of abnormal practices, and recommended them to the concerned agencies. As for the institutional improvements for preventing grievances, 50 recommendations were made to the concerned agencies with the purpose of “removing splinters under your fingernails”, meaning small inconveniences in daily lives, improving the areas related to the people’s livelihood such as safety, strengthening the protection of the socially and economically vulnerable, and establishing the management system in new areas and businesses.

### 2. Strengthening the Implementation of Institutional Improvements

In 2013 alone, the Commission selected 7 urgent and government-focused tasks among the recommendations

made to multiple agencies and long-pending recommendations, and also made inspections on the implementation status. The results, then, were notified to the competent agencies for those that had not yet implemented the recommended improvements to complete the implementation, and distributed to other agencies to be used as an example for voluntary institutional improvements.

#### *Inspections on the implementation of improving laws & systems 2013*

Tasks	Targets	Use of the Results
Improve effectiveness in providing subcontract payments	23 Public corporations	<ul style="list-style-type: none"> <li>Request to install a notice board for payment, to establish a report center, and operate a reward system</li> </ul>
Improve transparency in executing subsidies of the Council for Sport for All	34 Local Governments Korea Council of Sport for All	<ul style="list-style-type: none"> <li>Request to establish a supervisory system on executing subsidies, conduct an inspection, and introduce the clean card system</li> </ul>
Improve school fee accounting system of national & public universities	50 National & public universities	<ul style="list-style-type: none"> <li>Request the Ministry of Education to make an improvement plan</li> </ul>
Improve the reward system of local governments in the private sector	All local governments	<ul style="list-style-type: none"> <li>Improve the supervision on the rewards to the private sector involving the use of public budget</li> <li>Request to make rules to use the name of the supporter</li> </ul>
Improve transparency in using official vehicles	67 Public organizations	<ul style="list-style-type: none"> <li>Forbid a close relationship with insurers and comply with contract rules</li> <li>Request to secure objective prices of vehicles</li> </ul>
Improve transparency of the consigned management of welfare facilities and payment of subsidies	41 Local governments	<ul style="list-style-type: none"> <li>Implement the unimplemented recommendations such as the introduction of the clean card system</li> <li>Request the Ministry of Health and Welfare to review and implement the policies reflecting the voices in the fields</li> </ul>

## Chapter 2

## Major Improvement of Laws & Systems in 2013

### Section 1. Major Improvement of Laws & Systems to Fight Corruption

#### 1. The 2013 Performance for Institutional Improvements to Fight Corruption (16 recommendations)

In 2013, the ACRC contributed to “establishing a government of integrity,” the goal of the new administration, by putting its top priority on the institutional improvements for corruption prevention in the following 3 areas: prevention of budget waste; problem-solving in the blind spots of supervision and management; and normalization of abnormal practices. The Commission selected 16 plans for institutional improvements and recommended them to the concerned agencies, including expanding the range of applying bribery charges on a civilian who carries out a public duty, improving transparency in operating and managing mutual aid associations in the public sector, and improving fairness in the special admission system (to universities) for those who reside abroad. The details of the major improvements are as follows.

#### 2. Expansion of the range of applying bribery charges on a civilian who carries out a public duty

The civilians who carry out a public duty are easy targets of various stakeholders to lobby, because they are carrying out a public duty, and in fact, it has been revealed that their corruption practices consistently occur. However, in many cases, the punitive provisions on the civilians who carry out a public duty in the same way as a public official are omitted, and therefore it is not easy to properly punish or prevent their corrupt behaviors, and this has even impeded the fairness and confidence in public duties.

Therefore, the ACRC recommended to all central administrative agencies to make rules to punish the civilians by applying the bribery charge in the same way as when a public official receives a bribe (November 2013). It also recommended that when a government commission member from the private sector who carries out an important government duty receives a bribe, the punishment against him/her should be toughened, and when an administrative duty is consigned to a private company and the person who carries out the consigned duty receives a bribe, the person should receive additional punishment in the same way as a public official.

#### 3. Improving transparency in operating and managing mutual aid associations in the public sector

The mutual-aid associations fall under quasi-insurance, and some of them are established according to a special act and therefore have some public characteristics in nature, and should they cause deficits, the government may supplement the deficits. The size of the assets (approximately KRW 4 billion) and the number of members (4.76 million) have grown to the level of a public pension. Such associations aggressively manage their assets with the goal of a high-level rate of return. In many cases, however, there were failures in investments because the risk management on investments was conducted as a mere formality or inspection of outside experts was not enough. Furthermore, financial audits were not reliable and supervision and management of the competent administrative agencies and the internal control of the associations were not enough. There was a concern that should the deficit of associations be aggravated, the government may have to take the responsibility for the loss.

Therefore, the ACRC made recommendations to link the interest rate with the money market rate, to secure more experts for risk management, to expand the participation of outside experts, and to strengthen the verification process for investment. It also recommended the Ministry of Education and other concerned agencies (October 2013) to stipulate the external audit obligation in the related law and to officially announce the details, in the

case of the associations with large assets, and to expand the management notice related to asset management. After the recommendation, at the meeting for “improving mutual-aid association operation (November 14, 2013),” the concerned agencies evaluated that the recommendations would “contribute to enhancing the soundness of mutual-aid associations as they have countermeasures that are difficult for the associations to voluntarily implement” and promised to implement the recommendations.

#### **4. Improving fairness in the special admission system (to universities) for those who reside abroad**

Admission frauds to universities continued by overseas residents using a special admission system. Taking advantage of the facts that universities did not thoroughly verify the admission documents or that there were no strict punitive rules against illegal actors, they forged/falsified transcripts and certificates of graduation, or manipulated the period of overseas service of parents. Moreover, the original purpose of the special admission system, the compensation for the loss of opportunity to study in Korea because of unavoidable overseas service, has been tarnished, and the system was rather abused for the children of the rich or was recognized as a special favor. According to the ACRC’s fact-finding investigation, usually those who are not able to go to a prestigious or desired university were admitted to the university through the special admission system, after going abroad and studying for 2-3 years.

To respond to the problem, the ACRC made the following recommendations to the Ministry of Education: to strengthen the evaluation on the supervision of the special admission system for overseas residents of each university; to build the management capacity of universities for the system through on-the-job training to admission officials; and to come up with specific guidelines to examine the qualifications of the system. The Commission also recommended the operation of the special admission system for the overseas residents who really need this system, by toughening the qualifications such as the period of studying at a foreign school, or the

reason of residing in a foreign country. In addition, other plans were also recommended, including establishing a system to supervise admission frauds on the special admission system, and toughening the sanctions to restrict the application for a university for a certain period when a fraud is revealed (December 2013).

## **Section 2. Major Improvement of Laws & Systems in Handling Complaints**

### **1. The 2013 Performance for Institutional Improvements in Handling Complaints (50 recommendations)**

In 2013, the ACRC pushed forward the institutional improvements in handling complaints, putting its priority in 4 areas: “removing the splinters under your nails,” meaning solving small inconveniences in daily life; strengthening the public safety; protecting the socially/economically vulnerable classes; and establishing a supervision system in new areas and businesses. The Commission selected 50 plans for institutional improvements in handling complaints and recommended them to the concerned agencies. These include “removing the splinters under your nails” - solving the grievances filed to the 110 Government Call Center and e-People; strengthening policies to support multiple-birth families; and supervising and managing the business owners who delay the payment to foreign laborers. The details of major improvements are as follows.

#### **2. “Removing the Splinters under Your Nails,” through the 110 Government Call Center**

To fundamentally solve a civil complaint, it is important to actively listen to the difficulties of the people and reflect them in policies and systems. Regardless of repeated complaints by people, the efforts to listen to and improve their small inconveniences in daily life or the considerations in policies to take care of the socially discriminated and minors were not enough. Therefore, the ACRC selected 43 tasks of institutional improvement in 9 areas, among the problems filed through the 110 Government Call Center, and made recommendations

to the concerned agencies(June 2013). The major improvements in each area are as follows.

**Major institutional improvements for “Removing the Splinters under Your Nail,”**

Areas	Major Institutional Improvements
Improve unreasonable administrative procedures	<ul style="list-style-type: none"> <li>• Simplify the way of proving men of national merit when using public transportation</li> <li>• Reduce the rates of old vehicles in calculating health insurance contributions</li> <li>• Simplify the repeated documents to submit when claiming insurance benefits</li> </ul>
Improve the convenience of people by sharing information and using IT systems	<ul style="list-style-type: none"> <li>• Issue a copy/ abstract/ English copy of the resident registration on the website (www.minwon.go.kr)</li> <li>• Require the notification of free A/S information of a vehicle to consumers</li> <li>• Notify the tow of an illegally parked vehicle to the owner by SNS/Cellphone</li> </ul>
Improve administrative services for the socially discriminated	<ul style="list-style-type: none"> <li>• Improve the system of records on the copy of resident registration in the case of a second-marriage household</li> <li>• Give a preferential chance to a child of handicapped parents to enter a national/public kindergarten</li> <li>• Strengthen the safety management of favorite foods of children around schools</li> </ul>
Reduce the burdens of the economically vulnerable classes	<ul style="list-style-type: none"> <li>• Expand the number of universities that receive credit cards for the payment of tuition</li> <li>• Provide even labor grants to the recipients of national basic livelihood guarantees</li> <li>• Improve the way of providing national scholarships</li> </ul>

### 3. Improving the Effectiveness of the Policies to Support Multiple Birth Families

Recently, the rate of multiple birth is rising with the improved treatments for delivery at an old age or infertility, and the rate of multiple birth was 3.2% of the total number of newborn babies in 2012. The mothers of multiple births have much more economic burdens and physical/psychological pain than single-baby mothers. Nevertheless, as the financial support and considerations in policies were not enough, relevant complaints were often filed. In particular, some problems were often pointed out as main problems: that the period of maternity leave of before and after the birth for a multiple birth mother is the same as that of a single baby mother, even

though it takes more time for the multiple birth mother to recover and to search for childcare facilities; and that twins have to be entered into different kindergartens by a lottery system because twins cannot go to the same kindergarten.

Therefore, the ACRC recommended the Ministry of Health and Welfare and the Ministry of Employment and Labor to extend the period of maternity leaves (before and after a birth) and childcare leaves for multiple birth mothers, to enhance financial support such as “Nutrition Plus Project for Pregnant Women” and maternity/newborn baby helpers, and to guarantee the entering of twins to the same childcare facility (May 2012). According to the “Labor Standards Act,” passed in December 2013, the period of maternity leave (before and after a birth) is extended from 90 days to 120 days for a woman who is pregnant with multiple babies, and the period of paid leave also extended from 60 days to 75 days, contributing to protecting the rights of multiple birth families.

### 4. Prevention of Delaying Payment of National Pensions for Foreign Laborers

There were many cases that, due to the deliberate delay of payment by the business owners, foreign laborers were not able to receive the lump sum refund of the national pension when they left the country, even when they paid the pension premium (\*2,296 foreign workers had to leave Korea without claiming their lump sum refund (KRW 4.2 billion) over the last 3 years). According to ACRC investigation, this was caused by lax judicial/administrative sanctions against the workplace with chronic/malicious delay in payment or by cursory measures such as simply repeated issues of reminders.

Accordingly, the ACRC recommended to toughen the sanctions such as a criminal punishment when an employer defaults on the national pension and to improve the effectiveness of sanctions against default in payment, by creating specific guidelines, including the reminder period and the disposition procedures on defaults. In addition, it recommended that the workplaces that defaulted on the national pension be preferentially

included in the delinquent list for special control to inspect and manage their delinquencies. Furthermore, in order to reduce the inconveniences of foreign laborers to claim the refund after returning to their countries, the ACRC recommended the expansion of the number of partner countries to conclude an MOU with and to provide information on claims for the rights of foreign workers to be protected.



# Part 5 Adjudicating Administrative Appeals

- Chapter 1 Overview of Administrative Appeals
- Chapter 2 Operation of the Central Administrative Appeals Commission
- Chapter 3 Operation of Administrative Appeals System



# Part 5 Adjudicating Administrative Appeals

## Chapter 1

### Overview of Administrative Appeals

#### Section 1. Major Functions of Administrative Appeals

Administrative appeals is a system to protect the rights and interests of the people from illegal or unjust measures of an administrative agency, and has 2 purposes: protection of the people's rights and voluntary control of administration. The protection of the people's rights is to protect the right of an individual that has been infringed by an illegal or unjust administrative measure. The voluntary control of administration is to guarantee the legitimacy and rationality of administration by providing administrative agencies with the opportunity to correct a fault by themselves. The Administrative Appeals Act (Article 1) states that "the purpose of this Act is to relieve citizens through administrative appeals from any infringement of rights or interests due to an illegal or unreasonable disposition or omission of public power by administrative agencies, thereby achieving a due operation of administration," showing that the purpose of the administrative appeals system is the relief of the people's rights and interests and the voluntary control of administration.

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

##### 1. Characteristics of the Administrative Appeals Commission

###### *Deliberation and Ruling Organization*

The Administrative Appeals Commission is a

representative ruling body that has the authority to deliberate and rule adjudication requests. The Commission examines evidences and related laws and makes judgments about the opinions of the disputing parties from the viewpoint of the third party.

###### *Collegiate Administrative Organization*

The Administrative Appeals Commission is a collegiate 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 Commission, the majority of members participating in every meeting are non-standing members such as lawyers or professors, not public officials.

###### *Quasi-judicial Administrative Organization*

The Administrative Appeals Act requires the establishment of the Administrative Appeals Commission that is independent from the disposition authorities in order to ensure a fair and objective deliberation. 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. The ruling of the commission means the final decision on the case by the administrative branch.

###### *Non-standing Organization*

The Administrative Appeals Commission plays a core function in the administrative appeals system. It is not a standing organization but a non-standing one that is held by convening commission members to deliberate and rule a case when the case is claimed by a claimant. The Central Administrative Appeals Commission is, however, becoming a standing organization to which tens of thousands of appeals are claimed per year, considering that it has 4

standing members including the chairperson for prompt handling, with more than 100 meetings per year.

## 2. Types of the Administrative Appeals Commission

The Administrative Appeals Commissions can be categorized into the Central Administrative Appeals Commission (CAAC) in the ACRC, the Municipal Administrative Appeals Commissions that are located under 17 local governments in the provinces and cities, the Special Administrative Commission based on each law, and others. The CAAC and the Municipal Commissions are the most representative bodies that deal with the highest number of cases.

### Disposition Authorities of Administrative Appeals Commissions

	CAAC	Municipal Administrative Appeals Commission
Disposition Authorities Concerned	-The central administrative agencies and their subsidiary organizations - Mayors of special/ metropolitan cities and provincial governors	- Mayors, county governors, heads of gu (boroughs)

### The Central Administrative Appeals Commission (CAAC)

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, and a standing commissioner can be an acting Chairperson when needed.

The CAAC's meeting requires a total of 9 members, including the chairperson, standing members, and non-standing members who are chosen by the chairperson at every round. The majority in attendance and the majority vote are applied.

The CAAC operates a small committee consisting of 4 members to deliberate and rule the cases regarding administrative measures on the driver's license according to the Road Traffic Act. In addition, it has an expert committee, consisting of 5 members, to review in advance the cases designated by the Chairperson.



### The Municipal Administrative Appeals Commissions

The Municipal Administrative Appeals Commissions are established under mayors of special/metropolitan cities and special autonomous cities, provincial governors, and governors of special autonomous provinces. It has the same characteristics as the CAAC as a collegiate administrative body.

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 decide, the meeting can consist of 7 members, including 6 to be selected before each meeting. Also, 6 or more non-standing members and 5 or more non-standing members must participate in the meetings that consist of 9 members and 7 members, respectively.

### The Special Administrative Appeals Commission

The Administrative Appeals Act is a general law regarding administrative appeals and can be applied to all administrative areas, but it is unavoidable to establish a different process from the administrative appeals according to the Act, in the case of the areas that need

expertise and specialty considering various conditions in the administration. Accordingly, Article 4(1) of the Act stipulates that unless it is necessary because a certain case is extraordinary and exceptional, other Acts shall not provide for a special administrative insubordinate procedure that substitutes the administrative appeals under this Act or any exception to the procedure of administrative appeals under this Act .”

The representative examples of special administrative appeals that replace administrative appeals or the exceptions to the procedure of administrative appeals under this Act are the administrative appeals regarding taxation, patent, expropriation and use of lands, personnel affairs for public officials, unfair labor practices, and public insurance benefits, including National Health Insurance, Industrial Accident Compensation Insurance, Unemployment Insurance, and the National Pensions.

### **Other Administrative Appeals Commissions**

An administrative appeals commission is established under the following administrative agencies: Board of Audit and Inspection, Director of National Intelligence Service, special administrative agencies under the Ministry of Justice and the Supreme Prosecutors' Office (excluded if its upper or supervisory administrative agency is a central administrative agency), the Secretary General of the national Assembly, the Minister of National Court Administration, the Secretary General of the Constitutional Court, the Secretary General of the National Election Commission, the Secretary General of the National Human Rights Commission, and other administrative agencies determined by Presidential Decree by reason of the independence and uniqueness of their position and nature.

## Chapter 2

### Operation of the Central Administrative Appeals Commission

#### Section 1. Status of Complaints Received and Processed

From 2009 to 2013, an annual average of 27,907 administrative appeals claims were received. In 2013, a total of 25,571 claims were received, a 254 increase from the previous year.

The number was on the rise until 2010, but has been decreasing recently because of the decrease in the number of driver's license-related cases that account for 75% of the total cases.

The number of cases handled decreased to 24,405 in 2013, by 582 from 24,987 in 2012. The overall number of handled cases is decreasing every year, but the general cases, which are difficult to be handled, increased from 3,114 in 2012 to 3,663 in 2013, by 17.6 % compared to the previous year.

#### **Complaints Received and Handled in the Last 5 Years**

(Unit: Case)

Year	No. of cases received	No. of reviewed and resolved cases				Acceptance rate (%)	Withdrawn, transferred
		Total	Accepted	Dismissed	Denied		
2009	29,572	27,461	4,162	22,358	941	15.2	1,157
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
2013	25,571	24,405	4,227	18,820	1,358	17.3	1,089

## Section 2. Analysis by Type

### 1. Overview

The complaints filed to the CAAC 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 2 categories that are filed against the actions executed by the head of a national or metropolitan administrative agency.

**Number of Complaints Received and Handled by Type**

Year	Complaints related to the driver's license		Complaints on the rewards for patriots and veterans		General complaints	
	Received	Ratio	Received	Ratio	Received	Ratio
2012	19,942	78.7	2,145	8.5	3,230	12.7
2013	19,338	75.6	1,834	7.2	4,399	17.2

The complaints lodged with the CAAC in 2013 are composed of 19,338 driver's license-related cases (75.6%), 4,399 general complaints (17.2%), and 1,834 cases on the rewards for patriots and veterans (7.2%). Driver's license-related complaints take up the largest part of the cases received, possibly due to the reason that the living conditions change with the improved income level, the number of private vehicles is increasing, and accordingly, the number of violations is also rising. Considering that the number of driver's license holders in Korea exceeds 26 million and the number of administrative measures taken due to the violation of the Road Traffic Act is significant (343,994 in 2012), it is forecasted that driver's license-related cases will continue to account for a considerable ratio in the future.

### 2. General Complaints

General cases are all complaints related to industrial accident insurance, national certificates and license, excluding those related to the reward for patriots and veterans and to driver's license. The numbers of the cases received and handled were 4,399 and 3,663 increased by 1,169 (36.2%) and 549 (17.6%), respectively, compared to the previous year.

**Number of General Complaints Received and Handled**

(Unit: Case)

Category Year	Received	No. of cases reviewed and resolved			
		Total	Accepted	Dismissed	Denied
2012	3,230	3,114	443	1,953	718
2013	4,399	3,663	454	2,100	1,109

General complaints are more difficult and resource-consuming to review than those related to the reward for patriots and veterans and to the driver's license. Moreover, a range of general complaints are expansive depending on the handling agencies, including central administrative organizations, local governments, and their subordinated 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% every year.

### 3. Cases on Rewards for Patriots and Veterans

Cases on rewards for patriots and veterans are related to men of merit, war veterans, or their families under the Act on Privileges and Support for Patriots and Veterans. Most complaints are about disputes over the rejection of military welfare nomination by central or local patriots and veterans affairs agencies.

Complaints on rewards for patriots and veterans are relatively simpler compared to others, but the incidents happened a long time ago, thus it is difficult to find the relevant facts and judicial and medical decisions are required to reveal their interconnection with public service.

For this reason, the CAAC runs the special committee and actively asks for the advice of independent professionals in order to handle the complaints in a more professional way, and the advice and appraisals by external experts are active.

**Number of received and handled complaints on rewards for patriots and veterans**

(Unit: cases)

Category Year	Received	No. of cases reviewed and resolved			
		Total	Accepted	Dismissed	Denied
2012	2,145	2,013	66	1,869	78
2013	1,834	1,996	74	1,858	64

The acceptance rate of the complaints on rewards for patriots and veterans are relatively lower than those of general or driver's license-related complaints. This is because as the Ministry of Patriots and Veterans Affairs refers the previous decisions of the CAAC to a considerable extent in the process of taking a measure, the number of inappropriate measures decreases. Also, the judgment process to decide a patriot or veteran has become reasonable after a long time of experience in carrying out such duties of deliberation and administrative appeals.

Meanwhile, the ACRC has made efforts not to make complainants feel an unfairness in the process of deliberation, by carrying out complainant-centered deliberations through the expansion of the oral statement before the commission and the range of evidence submitted by complainants, in order to play a proper role as a prior process of trial, and to reflect the opinions of the National Assembly and the expectations of the people that nobody should fail to be relieved in the process of strict deliberations. As a result, acceptance rate steadily increased from 2.0% in 2008 to 3.7% in 2013.

#### 4. Appeals on the Driver's License

A lot of administrative appeals against the cancellation or suspension of the driver's license are filed since around 300,000 cases of disposition on violations of the Road Traffic Act are made every year.

Cases on the driver's license are directly connected to the livelihood of claimants, because in many cases, the license itself is a means of living or is closely related to a claimant. The number of cases is higher than other cases, but most of them are very clear and simple without any legalistic controversy. In order to immediately handle cases on the driver's license, the administrative adjudication act revised and enforced in July 2010 stipulated the operation of "the review and resolution subcommittee exclusive to cases on the driver's license." The acceptance rate of the appeals on the driver's license increased from 17.5% in 2012 to 19.7% in 2013.

**Number of received and handled complaints on the driver's license**

(Unit: cases)

Category Year	Received	Number of cases reviewed and resolved			
		Total	Accepted	Dismissed	Denied
2012	19,942	19,860	3,474	16,152	234
2013	19,338	18,746	3,699	14,862	185

### Section 3. Resolution Time

Article 45 of the Administrative Appeals Act<sup>1</sup> 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 administrative appeals commission chairman's decision.

The CAAC had difficulties in meeting the deadline due to the consistent increase in the number of cases, shortage in manpower and frequent relocation of human resources. In particular, general complaints or cases on rewards for patriots and veterans that are complicated are delayed for more than 10 days from the beginning stage of forwarding the refutation from concerned

1) <Article 45 of the Administrative Appeals Act>

Article 45 (Period of Making Rulings) (1) A ruling shall be made within 60 days from the date on which an appellee or a commission has received a written appeal under Article 23: Provided, that if unavoidable circumstances exist to the contrary, a chairperson may extend the period thereof by 30 days ex officio. (2) If a ruling period is extended under the proviso to paragraph (1), the chairperson shall serve the parties concerned with a notification thereof until at least seven days before the ruling period expires.

agencies to the commission. In order to shorten the resolution time, however, the CAAC has been committed to improving the internal process, to sharpen the capacity of the working-level staff, and to request the concerned agencies to observe the submission deadline.

The average resolution time increased by 1.82 days from 70.47 days in 2012 to 72.29 days in 2013. Still, the improvement of capacity and productivity has its limits, thus the working-level staff need to be increased to handle the complaints more quickly. This is because among the cases completed, the proportion of general complaints that have more complicated facts and more issues than driver's license cases increased from 12.5% (3,114 cases) in 2012 to 15.0% (3,663 cases) in 2013.

#### Resolution time by year

(Unit: No. of cases)

Year	Total number of cases handled	Average resolution time (Day)	Number of cases handled		Number of cases handled past the time limit
			Within 60 days	61 ~ 90 days	Past 90 days
2012	24,987	70.47	19,228 (77.0%)	1,812 (7.2%)	3,947 (15.8%)
2013	24,405	72.29	17,955 (73.6%)	2,134 (8.7%)	4,316 (17.7%)

## Section 4. Oral Deliberation

Deliberations are divided into oral deliberation and written deliberation. Oral deliberation refers to when a claimant attends before the commission and makes a statement. As an oral deliberation gives a clearer impression than a written deliberation, it is easier to grasp the truth of a case or to discover the inconsistencies through immediate questions and answers. It is also possible to easily solve doubtful points and is accepted as a general principle of a deliberation at a trial, which is the formal dispute process. Considering the nature of the Administrative Appeals Commission as a non-standing organization, some argue that oral deliberation should be limited to certain cases because there is concern that smooth discussions in a

meeting and a prompt resolution might be difficult when the oral deliberation is continuously expanded in the Commission. The Administrative Appeals Act stipulates that when requested by a party, oral deliberation shall be conducted, except as it is deemed that a decision can be made only with written deliberation, institutionally guaranteeing the right of a claimant to request an oral deliberation.

#### Statistics of oral deliberations

(Unit: No. of cases)

Category Year	Total number of cases handled	Number of oral deliberations requested	Number of oral deliberations allowed	Allowance rate	Ratio compared to the number of cases
2012	24,987	483	318	65.8%	1.27%
2013	24,405	395	251	63.5%	1.03%

## Section 5. Suspension of Execution and Provisional Disposition

The Administrative Appeals Act adopted the principle of non-suspension of execution of a disposition, thus effect, execution or following procedure thereof continues during administrative appeals process. Meanwhile, however, it is not appropriate to only emphasize the implementation of administration regardless of the infringement of the rights and interests of an individual. Therefore, the Act stipulates that if it is urgent to prevent a possible serious loss to be caused by a disposition or execution thereof or continuation of proceedings, the Commission may, ex officio or upon request by the party, decide to suspend the disposition. Once the Commission decides upon the suspension of execution over an administrative measure, the execution or continuation of the measure should be suspended until the Commission makes a conclusion on its review, after which the suspension of execution decision loses its effect.

In this way, the suspension system plays an important role in protecting the procedural right of the people. Fundamentally, however, because it only serves to passively maintain the status before an administrative measure was taken, there are limitations that it is difficult

to respond to the infringement of the rights caused by a disposition of refusal or omission by an administrative agency. Accordingly, the Administrative Appeals Act stipulates the provisional suspension system to actively protect the vulnerable status of a party who is not able to be relieved only by the suspension of execution.

The provisional suspension may be issued by the Commission, if a disposition or omission has a high possibility of illegality or unfairness, and thus it is necessary to grant temporary status to prevent a serious disadvantage or urgent danger that the disposition or omission might cause to the party. The provisional disposition is permitted if the suspension of execution cannot achieve the purpose.

#### **Status of suspension of execution**

(Unit: No. of Cases)

Year	Received cases	Result of review			Ex officio suspension of execution	Dropped /Transferred
		Accepted	Dismissed	Denied		
2012	1,458	167(11.8%)	1,231	22	40	49
2013	1,655	188(12.0%)	1,344	36	67	67

#### **Status of provisional suspension**

(Unit: No. of cases)

Year	Received cases	Result of review			Ex officio suspension of execution	Dropped /Transferred
		Accepted	Dismissed	Denied		
2012	31	0	23	4	0	6
2013	21	0	15	2	1	6

## Chapter 3

# Operation of Administrative Appeals System

## Section 1. Field-centered Administrative Appeals

### 1. Circuit Administrative Adjudication Oral Accounts

As the Central Administrative Appeals Commission is located in Seoul, people living in other provinces had problems in requesting an oral deliberation, because it took time and money for the residents of provinces to visit the CAAC. In particular, it was more difficult for those who are busy earning a living or the disabled in local areas to attend an oral deliberation held in the CAAC. To overcome such limitations, the CAAC started its “circuit administrative appeals oral accounts” to listen to individual accounts of claimants with the Chairman of the CAAC and standing members visiting the complainants. In 2013, according to the purpose of Government 3.0, the CAAC made 10 rounds in the cities and provinces categorized into 10 areas in 2013, working with local administrative appeals commissions, as a part of the “on-site administrative service” for the vulnerable classes in acquiring information.

#### **2013 Media reports on local circuits for oral accounts**



Oral account in Gyeongsangbuk-do (November)



Oral account in Ulsan (August)

## 2. On-site Education on the Administrative Appeals System

The ACRC conducts educations (case and theory) 4 times a year for the local officials responsible for administrative appeals. It is to educate the front-line public officials in local governments on administrative adjudication, to secure the appropriateness and legitimacy of administration, and thereby to prevent the people from suffering unfairness. It is time-consuming, however, for local officials to come to Seoul to attend the education sessions. Moreover, according to a survey in 2012, regarding the education on administrative disputes, many local officials requested the Commission to visit local provinces to educate them. Accordingly, the ACRC conducted a pilot “onsite education on the administrative appeals system” in Moongyeong, in November 2013, where about 70 local officials participated from Gyeongsangbuk-do, Chungcheongbuk-do, and Gangwon-do.

In 2014, the Commission is planning to expand the onsite education on the administrative appeals system to the Jeolla and Jeju provinces.

## Section 2. Improvement of the Work Process for Effective Administrative Adjudication

### 1. Education of Professionals in Administrative Appeals

The ACRC is providing the “Administrative appeals professional training course,” consisting of theories and latest precedents on dispute issues, to the working-level employees responsible for settling disputes between the parties of administrative appeals. By cultivating legal knowledge of such working-level officials, their problem-solving ability will be enhanced, and consequently the resolution time can be shortened.

In 2013, the ACRC invited non-standing members of the CAAC, professors, and chief judges as lecturers, and provided the working-level officials with education courses that covered major disputes of administrative appeals and the trend of precedents to, to raise their expertise in a consistent way.

### 1. Revision of the Administrative Appeals Act

The ACRC had prepared the revision of the Administrative Appeals Act by operating its taskforce and commissioning a research in order to prepare for the revision of the Administrative Litigation Act by the Ministry of Justice. The revision of the Administrative Appeals Act was to make harmony with the revised Administrative Litigation Act and to introduce new systems such as the “decision to recommend settlement” and the “indirect compulsory performance” (pecuniary penalty for compelling compliance of CAAC’s order) to enhance the function to protect the people’s rights. But some of the revised contents of the Administrative Litigation Act changed in the process of the pre-announcement of legislation in such ways as not introducing the “preventive injunctions(Unterlassungsklage)” and “decision to recommend settlement” and maintaining “litigation for affirmation of illegality of omission”. Accordingly, some parts of the revision draft of the Administrative Appeals Act prepared last year had to be changed in such ways as



not introducing “preventive injunctions” and changing the ways to appoint and increase the number of members of the administrative appeals commissions. This revised version went through the decision of the full member committee of the ACRC in May 2013, and was sent to the Ministry of Government Legislation for the legal review in July 2013. At present, the revised draft in line with the draft of the Administrative Litigation Act is waiting to be examined by the Ministry of Government Legislation. It is scheduled to be submitted to the National Assembly after passing the Cabinet meeting in 2014.

#### Revised contents

- Expand the eligibility of claimants for administrative appeals
- Add regulations on the agent of a claimee
- Create a new regulation to notify the claim of appeals of the third party
- Add requirements for suspension of execution
- Change provisional disposition to injunction
- Create a new regulation on the revocation judgment of administrative agencies
- Introduce the decision to recommend a settlement
- Introduce indirect compulsory performance
- Change the authority to appoint/commission, and recommend a member of the CAAC
- Increase the number of members of the CAAC and local administrative appeals commissions of cities and provinces

### Section 3. Enhancement of Cooperation with the Concerned Agencies

#### 1. Policy Meetings with the Local Administrative Appeals Commissions of Cities and Provinces

As local administrative appeals commissions of cities and provinces have different jurisdictions based on their location, they are operated independently and different adjudications are often made on the same case. Among them, many cases of different adjudications are made especially in the food sanitation area, even when the claims are very similar. In 2012, the difference between

the highest acceptance rate and the lowest rate was as much as 36.4% in the local administrative appeals commissions of cities and provinces. Although the difference is recently decreasing, the gap is still high.

To solve this problem, the CAAC has held policy meetings between the chairman of the CAAC and the members of the local administrative appeals commissions of cities and provinces since 2011. In 2013, the policy meetings were held in Daegu (May), Incheon (June), Ulsan (August), Gyeongsangbuk-do (November), and Busan (December).

At the policy meetings, the commission members shared the problem of the extreme gap in the acceptance rates among local administrative appeals commissions, and discussed the ways to resolve the problem. In addition, ideas and opinions were collected on the online administrative appeals hub system that will be open to the public in 2014, and other ways for improvement were also discussed.

#### 2. Cooperation Meeting with Seoul Administrative Court

The ACRC and the Seoul Administrative Court held a meeting at the Seoul Administrative Court in July 2013, attended by the ACRC vice-chairman and other high-ranking officials and the chief judge and senior judges of the Seoul Administrative Court. At the meeting, both sides discussed ways to strengthen mutual cooperation, reasons for and cases of different decisions on certain issues or cases applying different standards, and preventive activities and future plans in the administrative lawsuits area.

#### 3. Public-Private Joint Seminar on DUI Prevention.

The ACRC held a public-private joint seminar on the prevention of driving under the influence (DUI) at the auditorium of the Gyeonggi Provincial Police Agency, to prevent drunk driving accidents that occur often during the holiday seasons. About 200 participants attended the seminar from the concerned agencies and civil

groups, including the National Police Agency, local police agencies, the Road Traffic Authority, and the Korea Transport Institute.

The CAAC handles approximately 25,000 administrative appeals per year, and 75% of them are requests for the cancellation of the “cancellation of driver’s license” by the claimants who appeal their inconveniences in daily life after the cancellation of their driver’s license. The public-private joint seminar on DUI prevention was planned to find the ways to reduce the number of administrative appeals related to drunk driving and to reduce the social costs caused by drunk driving. At the seminar, various solutions were suggested, such as toughening the standard of law enforcement and administrative measures, developing education and rehabilitation programs for drinking drivers, and promoting the citizen report system.

#### 4. Internship Programs for Students of the Judicial Research and Training Institute and Law Schools

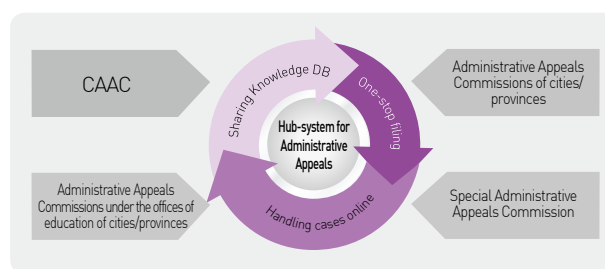
Every year, the ACRC provides the opportunities to experience administrative appeals and the procedures of protecting and relieving the people’s rights to nurture future judicial officers. In July 2013, the ACRC provided internship programs for the students of law schools, and 17 law school students across the nation participated in the internship. The Commission operated various programs for the interns such as practical training in administrative appeals cases, observation of the CAAC, dialogues with law school graduates, introduction to the duties of the ACRC, and writing of legal review reports.

In January 2013, the administrative appeals internship program was provided for the first time to the students of the Judicial Research and Training Institute who passed National Bar Exam. A total of 9 students participated in the internship, and 1~2 students were allocated to each division. Administrative appeal cases were assigned to the interns, and their designated mentors corrected their review reports.

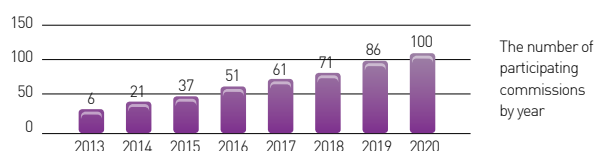
## Section 4. Establishment of the Hub-system for Online Administrative Appeals

### 1. Overview and Purpose

The “Online Administrative Appeals Hub System,” is a one-stop service, for all administrative appeals commissions, from filing an appeal to the decision.



Distribution to 100 administrative appeals commissions by 2010



Up to now, the people have had difficulties in filing their administrative appeals because a number of commissions have different jurisdictions on different cases. Public officials, as well, have made different decisions on similar cases due to the lack of information exchanges between administrative appeals commissions, raising concerns and questioning the fairness and trust in the administrative appeals system itself. The Information Strategy Plan (2012) indicated that the problems under the current system should be resolved through the “Administrative Appeals Hub Portal Website.” Moreover, to help the administrative appeals commissions that do not have such an online system, it pointed out that there was a need to develop a system that many administrative appeals commissions could share. According to the Plan, the ACRC, which is responsible for the general operation of the administrative appeals system, started the project to establish the “Online Administrative Appeals Hub System” in 2013.

## 2. Progress

The first stage of the project to establish the hub system started in May 2013, and was carried out for 6 administrative appeals commissions (CAAC, Seoul Metropolitan City, Busan Metropolitan City, Jeju Special Self-Governing Province, Gyeonggido Office of Education, Seoul Correctional Institution). Along with the start of the project, a taskforce team was created, participated by the 6 commissions and major agencies against which many complaints are filed. The taskforce team held 2 workshops, 3 report sessions, and 2 visiting interviews to collect opinions on the establishment of the system and analyze work processes. Moreover, through regular phone meetings, they collected opinions to carry out an analysis on the establishment of the system .

After the first stage of the project was completed on December 30, 2013, the pilot service and education for users were provided by the commission (and related agency) for one month in January 2014, to collect the opinions of users, which are the most important.

## 3. Evaluation and Future Plans

The Online Administrative Appeals Hub System enabled the saving of the budget of KRW 200 billion that would have occurred had the over 60 administrative appeals commissions developed their own systems. Furthermore, as all the administrative works are processed online, from filing a case, writing and submitting a review, to writing and sending a decision statement, the resolution time was reduced and the printing and mailing costs also significantly reduced.

The second stage of the project will be carried out for 15 commissions in 2014, and the ACRC is planning to focus on systemizing the Knowledge DB by developing the data about “characteristics by commission.” The third stage of the project will be carried out for 16 commissions in 2015, and the operation of statistics system and Help Desk will be expanded. The fourth stage of the project will be carried out for 14 commissions in 2016, along with the establishment of a website for administrative

appeals for children and the development of promotional contents. The fifth stage of the project will be carried out for 10 commissions in 2017, adding more services, including the operation of video conference and English website. The ACRC will continue to increase the number of commissions to use the system.



# ACRC KOREA

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