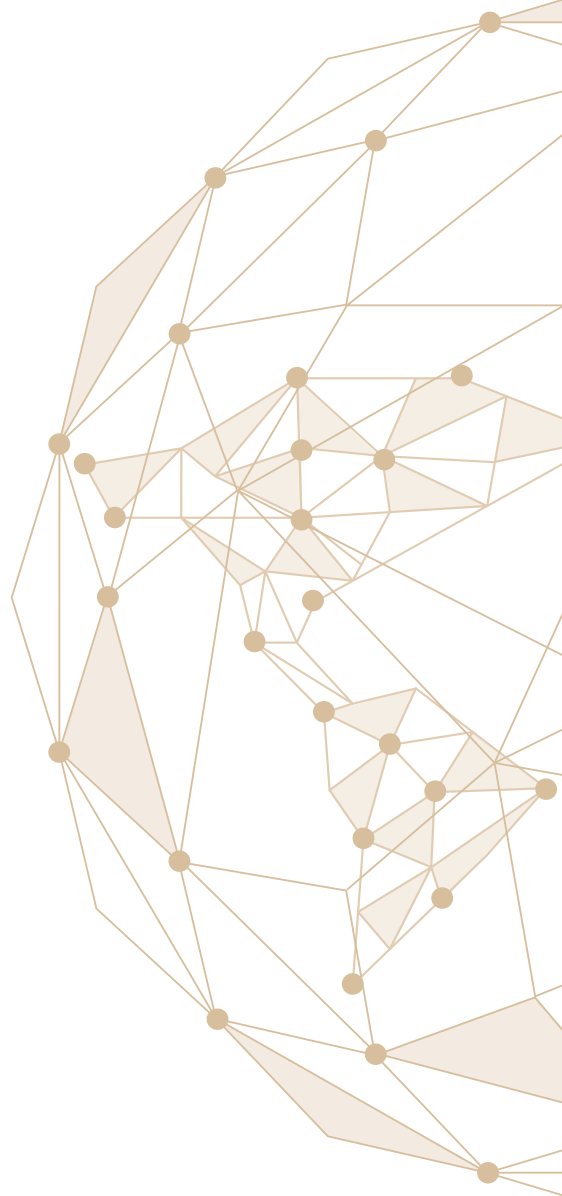


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# ACRC KOREA Annual Report

# 20 17



Anti-Corruption &  
Civil Rights Commission





# ACRC KOREA Annual Report 2017



Anti-Corruption &  
Civil Rights Commission

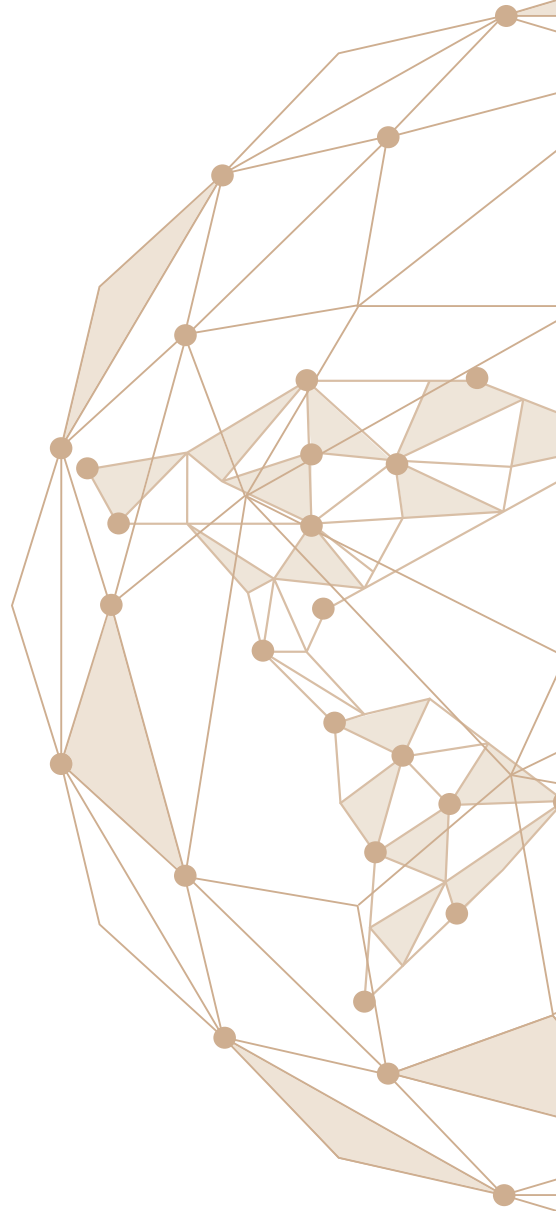


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Anti-Corruption &  
Civil Rights Commission



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# Greetings from the Chairperson



2017 was a year full of a strong public desire for a just and well-functioning nation and higher expectation toward the new administration. Under the national vision of "A Nation of the People, a Republic of Korea of Justice", public attention on the values of civil rights, anti-corruption and integrity have never been greater.

In 2017, based on the analysis of its achievements of the past decade since its establishment, the Anti-Corruption and Civil Rights Commission (ACRC) strived to achieve its mandates of protecting people's rights and interests and preventing corruption to the fullest in line with the government policy goals.

For example, the ACRC operates a government-wide online communication portal (e-People), an online participation platform (People's Idea Box), and 110 Government Call Center. Especially, e-People, which receives 3.1 million civil complaints and opinions each year, was selected by the people as best administrative service and inducted into the Hall of Fame.

The ACRC also made an active effort to protect the underprivileged. Through the On-Site Outreach program, the Commission visited remote areas and heard around more than 2,000 complaints from underprivileged people last year, and 880 of them were resolved on site.

For administrative appeals adjudication, State-Appointed Attorney System was adopted and will be implemented to better protect the underprivileged, and Indirect Enforcement System was introduced to strengthen effectiveness of remedy for people's infringed rights.

As proven in various studies, for the past one year since the enforcement of the Improper Solicitation and Graft Act (September 28, 2016), there has been a growing consensus among the public on the importance of the Act, which has served its purpose of reducing the practice of influence-peddling and entertainment-giving and removing a culture of paternalism.

Under such circumstances, the Commission secured a driving force to implement government-wide anti-corruption and integrity policies. The first Anti-Corruption Policy Consultative Council

meeting was held to develop a comprehensive and systemic anti-corruption measures.

In addition, during the intensive reporting period for serious corruption and irregularities, the ACRC received reports of illicit government subsidy receipt, private school corruption, and employment irregularities. The Commission also received and handled public interest whistleblower reports, raising an alarm on acts infringing on public interests.

Efforts for institutional improvement were also carried out to eradicate chronic and structured corruption such as practice of asking improper favors or abuse of power and to fundamentally address issues related to people's daily lives such as employment and safety.

In 2018, the ACRC will further strengthen communication and cooperation with the public, who the government exists to serve. The Commission will expand online and offline communication channel for practical cooperative governance. The ACRC will also build anti-corruption governance to discuss and monitor the entire policy procedure such as policy establishment, monitoring and assessment and therefore meet the needs of the public. Through such measures, we will contribute to making Korea a more transparent nation, where the government is trusted by the people and the people feel the benefits of government policies in their daily lives.

ACRC Annual Report 2017 contains efforts the ACRC has pushed forward so far. I hope that this publication could provide information on our works of 2017 to anyone who are interested in the ACRC and be used as a reference material for people working in anti-corruption and complaint handling works.

April 2018

A handwritten signature in black ink, reading "Pak Un Jong". The signature is written in a cursive, flowing style.

**Pak Un Jong**

Chairperson

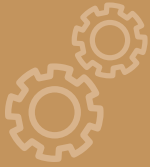
Anti-Corruption and Civil Rights Commission





Part  
**01**

Assessment and  
Future Direction of ACRC



## Chapter 1. Major Achievements and Developments for the Past Decade Since the Launch of the ACRC

### 1. Major Achievements of the Past Decade

The Anti-Corruption and Civil Rights Commission (the ACRC) was launched on February 29, 2008 by integrating three institutions, Ombudsman of Korea, Korea Independent Commission Against Corruption and the Administrative Appeals Commission under the Prime Minister to integrate windows for protecting the rights and interests of the people and to provide them with speedy and reliable one-stop service.

Since its launch, the ACRC has striven to improve communication with the people through e-People, its online petition and communication portal, and its government call center. In addition, the ACRC has employed multi-dimensional remedies to protect the rights and interests of the people focusing on the socially vulnerable with field-centered approaches, and established personnel and institutional policies designed to create an ecosystem of anti-corruption and integrity.

#### (1) Better and More Active Communication with and Participation of the People

First, the ACRC has worked to integrate and connect communication windows to expand its functions and services.

The ACRC's government-wide petition and communication portal known as e-People ([www.epeople.go.kr](http://www.epeople.go.kr)) was integrated with the petition and communication windows of 910 other organizations. The 110 government call center was also integrated or connected with 316 other organizations, providing a convenient one-stop service to citizens.



The number of organizations integrated or connected with e-People increased significantly from 20 before the ACRC's launch to 934 in 2017. Portals of other organizations have also been connected with e-People, including Safe People in March 2015, Bokjiro (public welfare portal) in September 2015, Regulation Free in January 2016, and Facts about Korea in June 2016.

The achievements and excellence of e-People as an online petition and communication portal has been recognized both at home and abroad. E-People won the 2011 UN Public Service Award in the category of Advancing Knowledge Management in Government and was also included in the Top 10 Best Public Service Programs selected by the citizens marking the 50th anniversary of e-Government.

Second, the ACRC has also incorporated the voices of citizens into its policies.

The ACRC has analyzed complaints filed through e-People on both a weekly and monthly basis since 2009 and the results of the analyses have been communicated to the relevant organizations. A total of 2,567 cases have been found to be caused by inadequate laws and regulations or irrational systems, of which 503 cases were delivered to relevant organizations to ensure systematic improvements and to remove the root causes of complaints.

e-People's Civil Proposal has collected 994,594 ideas for the past 10 years and 30,920 of them have been selected and incorporated into policies, which include remittance fee waiver between Post Office accounts, improvement of the rules on city gas bill late payment fees, self-service gas stations equipped to issue cash receipts and improvement of the resident registration card issuance procedure.

e-People Policy Discussion has collected 556,754 opinions over the past 10 years, which have been referenced by government agencies in making policies. In addition, a total of 2,480 ideas for policy improvements have been posted on the People's Idea Box of



e-People, a mobile platform for citizens to propose ideas for 21 months since its launch (from April, 2016 to December-end, 2017) and 82,760 opinions have been posted in response to the ideas.

The Complaint Forecast System was adopted in 2013, through which relevant organizations are provided with necessary information in order to respond in advance if a certain complaint is repeatedly filed during a specific period. The Complaint Early Alert System was also introduced in 2014, by which relevant organizations are notified to ensure their speedy action when a certain type of complaints sharply increase and are likely to spread further. These systems have been introduced in order to prevent or minimize damage, conflicts and inconveniences suffered by citizens. Over the past five years, a total of 105 forecasts and alerts have been issued.

## **(2) Multi-dimensional Remedies to Protect the Rights and Interests of the People Focusing on the Socially Vulnerable with Field-centered Approaches**

First, the ACRC has focused on resolving difficulties affecting people's livelihood.

Between its launch in 2008 and the year 2017, the ACRC received 306,183 civil complaints, of which 37,187 cases were accepted. It has resolved 454 group complaints through on-site mediation, and has given consultations regarding 15,369 complaints from the socially vulnerable through 470 on-site outreach sessions.

One example of the successful resolution of a group complaint is the arbitration regarding Seoul-Munsan Highway whose construction started in 2015. The 1,670 residents of the village across which 8 meter-tall earthworks were built filed a group complaint saying that the access road to the village was blocked because of the earthworks, the construction was causing noise and dusts and that the design of the highway led the overloaded vehicles caught by the police to make a turn through a road in the village, which caused a great deal of inconveniences in the traffic and lives of the residents.



As a result of active communication with the residents and numerous working-level discussions with relevant organizations, the ACRC elicited final agreements among the relevant organizations on expansion of the width of a bridge, opening of an access road and heightening of the sound-absorbing wall. These agreements helped the residents go back to their daily lives and protect the tradition and reputation of the village which is famous for its great foods.

Second, the ACRC has also provided prompt and convenient administrative appeals service.

A total of 261,462 administrative appeals have been handled over the past 10 years, among which 41,213 cases have been accepted. An Online Administrative Appeal Hub System was developed between 2013 and 2017, connecting 64 administrative appeals committees representing cities and provinces. This online hub system not only allows users to go through the entire process online from filing to result checking but it also allows organizations to share data with each other more quickly and efficiently.

Thanks to continuous guidance and promotion, the online administrative appeal filing rate increased significantly from 15.9% in 2013 to 35.3% in 2017.

### (3) Promotion of Anti-Corruption and Integrity Policy

First, the ACRC has established an institutional foundation for anti-corruption.

In order to protect those who report violations of public interest that harm public health, safety, the environment, consumer interest, or fair competition, the ACRC enacted and enforced the Act on the Protection of Public Interest Whistleblowers on September 30, 2011. Under this Act, 24,365 public interest whistleblowing cases have been received and processed, and 87 requests for protection have been received. A revision of the Act increased the number of laws subject to the Act from 180 to 279, and new regulations





have been adopted including non-compliance charges and special measures to protect whistleblowers. In 2017, “other equivalent public interests” were added to the existing five areas (health, safety, environment, consumer interests, fair competition) subject to the Act. The protection period was also extended from up to three months to up to one year, and the award of punitive damage against the person who took disadvantageous measures against the whistleblower was reflected in the Act.

As part of a government-wide action against public benefit fraud, the Government Welfare Fraud Report Center was established in October 2013. In January 2015, the center was reorganized as the Center for Reporting Public Subsidy Fraud in order to cover all types of subsidies and prevent leakage of public finances. A total of 3,802 reports were received and resolved between the launch of the Center, and KRW 62.7 billion was recovered by the end of 2017.

In order to eradicate the unhealthy culture of entertainment and solicitation and build a fair and transparent society, the ACRC enforced the Improper Solicitation and Graft Act on September 28, 2016. In the survey conducted one year after the Act entered into force, 89.2% of the general public and 95% of civil servants responded in favor of the Act and said that the Act has a positive influence on society.

Second, the ACRC has improved public officials' awareness of integrity.

The ACRC opened the Anti-Corruption Training Institute in October 2012 which runs various integrity programs in order to build a culture of integrity throughout the public service sector. Every year, about 19,000 public officials receive integrity education in the Institute, and around 470,000 public officials complete online integrity education utilizing the Institute's educational content. The revision of the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission on September 30, 2016 made integrity education mandatory to all public officials; consequently, demand for integrity education is expected to grow going forward.

The ACRC has also enforced the Code of Conduct for Public Officials, which was originally adopted in 2003, in a more systematic and active manner. This Code has been revised five times in order to remain responsive to a changing policy environment. In 2011, the Code of Conduct for Local Assembly Members was enacted and enforced, considering the characteristics of elected officials.

Under the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission, anyone can report a public official's corruption or violation of a code of conduct to the ACRC, or to their own organization, and receive protection against reprisal. The ACRC has received 32,306 corruption related reports since 2008, among which 1,615 cases were referred to the investigative authorities and 3,838 cases were forwarded to competent public institutions. A total of 165 requests have been made for the protection of corruption reporters.

Third, the ACRC has spread a culture of integrity.

With the Anti-Corruption Initiatives Assessment of Public Organizations and the Integrity Assessment of Public Organizations, we supported the promotion of anti-corruption policies in public organizations. The Integrity Assessment has received recognition across the world, winning the grand prize for Preventing and Combating Corruption in Public Service at the 2012 UN Public Service Awards.

The ACRC has also conducted the Corruption Risk Assessment, through which corruption-causing factors embedded in laws and regulations are systematically analyzed and assessed, and remedial recommendations are provided based on the assessment. Both new and revision bills are subject to the assessment. Current laws closely related to people's livelihood, have also been analyzed, and recommendations have been passed to relevant organizations.

Fourth, the ACRC has created a culture of integrity across society.



The ACRC has been running subsidy projects in the form of public contests since 2007 in order to support the efforts of civic and social groups. It also actively supports grass-roots anti-corruption/integrity campaigns of regional areas such as Gwangju/Jeonnam Bitgaram Integrity Cultural Festival and Ulsan Integrity Eoullim Festival. These are examples of public-private partnership that ACRC is pursuing to spread the culture of integrity across the nation.

The ACRC also publishes and distributes a webzin, Business Ethics Briefs to support private enterprises with education on ethical management and development of ethical management models. It also worked with the Korean Standards Association to develop a guidebook on Anti-bribery Management System (ISO37001) in November, 2017 to support enterprises in setting up their ethical management system.

#### **(4) Addressing Causes of Complaints and Corruption through Institutional Improvements**

First, the ACRC has worked to improve laws and institutions that caused structural and customary corruption.

After reviewing reports of corruption, cases of budget abuse, and various audit documents, the ACRC identified irrational systems and practices that cause corruption and recommended improvement on 186 cases. Some of the examples include “improvement of transparency in management of institutions financed by local governments (2012),” “employment of a legal fiction that executives and employees of public companies are public officials when they are punished for bribery (2013),” “improvement of deep-rooted collusion and bidding/procurement processes in the railway industry (2016),” and “development of standards on sanctions to eradicate recruiting irregularities of contract-based teachers (2017).”

Second, the ACRC has worked to repair systems causing complaints of and inconvenience to citizens.



After reviewing reports of unreasonable systems on e-People as well as through media coverage, the ACRC has recommended improvement on 562 cases. Some of the examples are “improvement of the Regional Housing Cooperatives System to stabilize the housing conditions of the working class (2015)”, “enactment of regulations on disclosure and oversight of maintenance fees of large commercial condominium to protect small business owners (2016).”

### *The Way Forward*

The year 2018 marks the 10th anniversary of the ACRC. It will continue to devote itself to building a society of integrity, a more trusted government and to helping people live happier lives.

To this end, the ACRC will remain strongly committed to implementing comprehensive anti-corruption policies and facilitating communication with and participation of citizens in policy making while striving to come up with more practical measures to protect the rights and interests of the people.





## Chapter 2. Organization and Operation of the ACRC

### 1. Organization

The ACRC consists of 15 members, including a Chairperson, three Vice Chairpersons, and three standing commissioners. The Chairperson, Vice Chairpersons, and other commissioners are appointed or commissioned based on their ability to fairly and independently perform duties with respect to civil complaints and anti-corruption. Three Vice Chairpersons assist the Chairperson by taking charge of works on complaints and grievances, anti-corruption, and the Central Administrative Appeals Commission (CAAC).

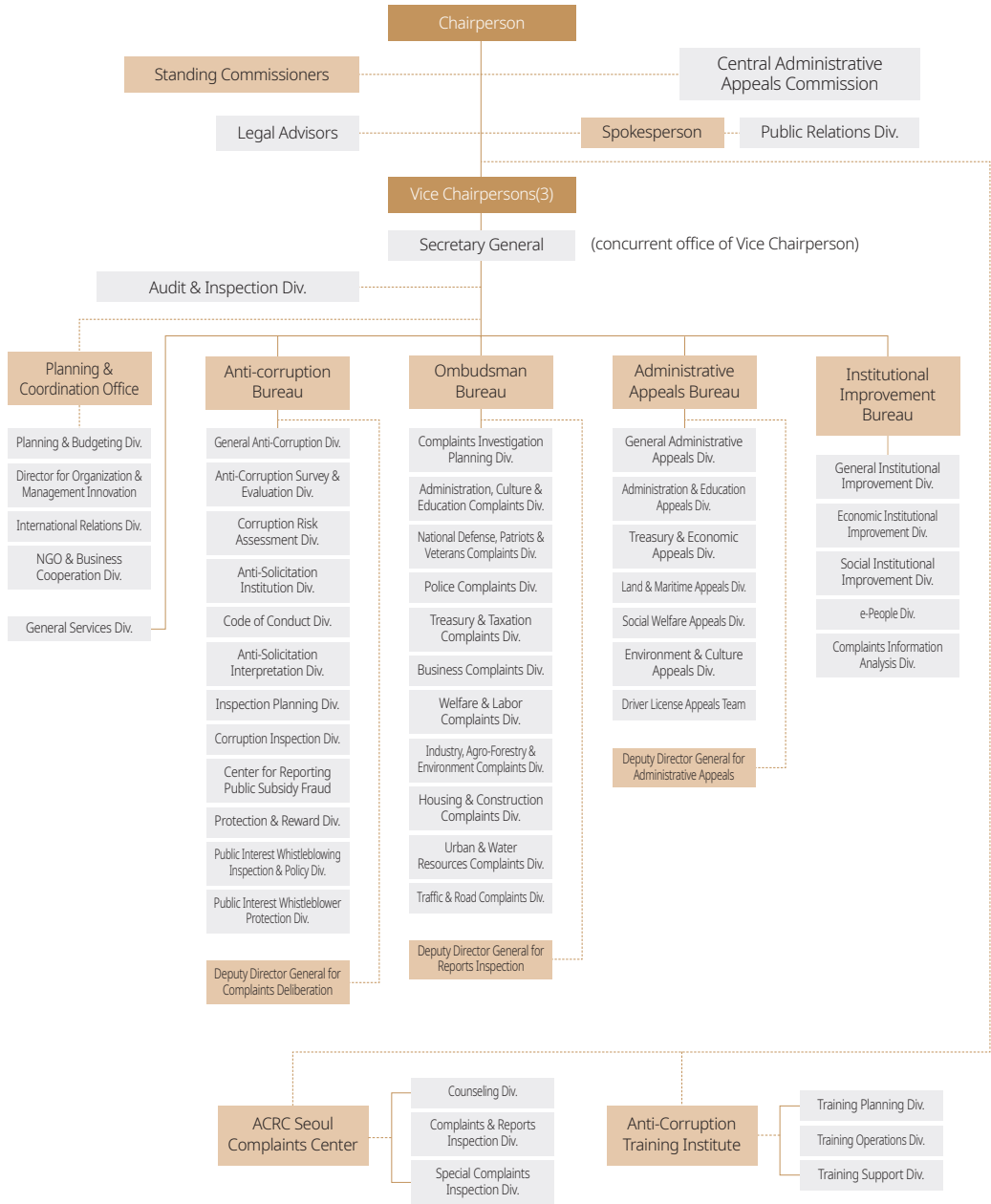
A secretariat has been established under the ACRC. The position of Secretary General is concurrently held by the Vice Chairperson designated by the Chairperson. The Secretary General receives orders from the Chairperson in order to take charge of work and direct and supervise employees.

The secretariat oversees a number of departments including the General Affairs Division, the Anti-Corruption Bureau, the Institutional Improvement Bureau, the Ombudsman Bureau and the Administrative Appeals Bureau. A spokesperson and legal advisors are available to assist the Chairperson while the Planning & Coordination Office and the Director for Audit and Inspection assist the Secretary General. The ACRC's headquarters consists of one Office, four Bureaus, three Deputy Director Generals' Offices, one spokesperson's office, and 40 divisions; in total, 467 employees work for the ACRC. There are also two affiliated organizations-the ACRC Seoul Complaints Center with 29 employees, and the Anti-Corruption Training Institute with 22 employees.

#### Number of Employees

Total	Political service	Extraordinary civil service	Senior executive service	Senior executive service (term limit)	3-4	4	4-5	5	6 and under	Official with Special Experiences	Research service	Special service
518	4	1	10	6	13	31	41	184	216	7	1	3

○ Organization Chart



## 2. Budget

The ACRC's annual budget for 2017 was KRW 73.685 billion. This included KRW 37.471 billion for personnel expenses, KRW 7.55 billion for basic expenses, and KRW 28.664 billion for primary work expenses.

## 3. Committee Operation

In 2017, the plenary committee held 23 meetings to handle 1,044 items, the small committees held 219 meetings to handle 5,206 items, and the subcommittees held 48 meetings to handle 426 items. The plenary committee, consisting of the ACRC members, deliberates and decides upon major issues for the ACRC. Five small committees, each consisting of three members, deliberate and decide upon items regarding civil complaints, and two subcommittees deliberate and decide upon items regarding anti-corruption.

### Committee Meetings in 2017

Committee		2017	
Plenary committee	Meeting	23	
	Resolution	101	
	Decision	780	
	Report	163	
	Total	1,044	
Small committee	First small committee	Meeting	42
		Item	1,480
	Second small committee	Meeting	45
		Item	1,579
	Third small committee	Meeting	44
		Item	1,117
	Fourth small committee	Meeting	44
		Item	428
	Fifth small committee	Meeting	44
		Item	602
Total	Meeting	219	
	Item	5,206	
Subcommittee	First subcommittee	Meeting	25
		Item	226
	Second subcommittee	Meeting	23
		Item	200
	Total	Meeting	48
	Item	426	



## Chapter 3. Public-Private Partnership and Support for Ethical Management

Since its launch in 2008, the ACRC has expanded the scope of its communication and cooperation with civic groups in order to protect people's rights and interests and spread a culture of integrity. It has also enhanced government-level support for economic associations and businesses to improve ethical business management.

### 1. Public-Private Governance

#### *Establishment of Public-Private Consultative Council for Transparent Society*

The new government adopted "Establishment of Public-Private Anti-Corruption Framework Which Invites Both the Government and Citizens" as a Presidential agenda because Korea still ranks low in the Corruption Perception Index and corruption in the private sector deepens despite government-led anti-corruption strategies including the implementation of the Improper Solicitation and Graft Act. The Presidential policy agenda aims to establish a horizontal public-private consultative body where various sectors of society (e.g. public, private sectors, civil society, etc.) could participate in the process of anti-corruption policy making, monitoring and assessment and conclude "Transparent Society Pact" to pursue nation-wide integrity campaigns.

To this end, the Regulation on Establishment and Operation of the Public-Private Consultative Council for Transparent Society (the Ordinance of the Prime Minister) was enacted in 2017, and more than 20 forums were held with civil society, business communities, regional activists, public organizations and experts. Master Plan on Building Clean Society Together With Citizens has also been prepared based on research results and consulting from experts.



The Council will consist of 30 members who represent different sectors of society (e.g. business, civil society, media, academia, public service). The members will be appointed in February, 2018 when the Council will start its operation.

### *Establishment and Operation of the Public-Private Network for Improvement of People's Rights*

In order to protect the rights of vulnerable or socially neglected people, the ACRC has built networks with civic and social groups to help resolve grievances, discover unreasonable systems and provide solutions. Since 2014, the ACRC has operated the Public-Private Network for Improvement of People's Rights, a public-private consultative group cooperating with 19 civic and social groups in six areas needing particular attention and consideration: people with disabilities, children/youth, multicultural families, women, safety/consumer, and social welfare.

In 2017, the Public-Private Network for the Improvement of People's Rights held policy discussion meetings on women/multicultural families and children/youth, and meetings with representatives of different areas. As a result, 46 proposals on institutional improvements have been accepted and processed.

### *Better Utilization of the Citizen Integrity Inspector System*

The ACRC worked to enhance accountability and transparency of public service through better utilization of a private sector participatory corruption prevention system, the Citizen Integrity Inspector System that public organizations already have in place.

To this end, the ACRC assesses operations and achievements of the Citizen Integrity Inspector System of public organizations at all levels through the Anti-Corruption Initiative Assessment (AIA). As of 2017, 232 out of 233 public organizations (99.6%) subject to the assessment are utilizing the system and as many as 227 of them (97.4%) elicited actual

changes in response to the citizen inspector' requests such as enactment/revision of regulations and conducting audits.

### *Cooperation with Regional Communities and Civil Society for Anti-corruption Activities*

The ACRC strives to support anti-corruption networks in regional communities and to spread grass-roots activities to promote clean society. In 2017, the ACRC supported the 3rd Gwangju/Jeonnam Bitgaram Integrity Cultural Festival (June 19 ~ 23) and the 2<sup>nd</sup> Ulsan Integrity Eoullim Festival (September 27). It will continue its support and cooperation to make sure that such cultural activities will be spread across the country.

## 2. Support for Private Projects

The ACRC has supported private projects since 2007 with the goal of helping civic and social groups autonomously spread a culture of integrity and promote their own projects for improving people's rights. In 2017, 10 projects were selected, and KRW 188 million was provided.

Efforts to spread a culture of integrity include establishment of the Public-Private Council for Transparent Society and support for development of creative drama on integrity by teens and the clean school culture project.

## 3. Support for Ethical Management

The International Organization for Standardization (ISO)'s Anti-Bribery Management System (ISO37001) was announced in October, 2016 and the International Accounting StandardsBoard (IASB)'s IFRS was introduced in 2011. Since such international standards, in effect, work as non-financial trade barriers, transparency and ethics are emerging as key elements for survival and competitiveness of businesses in global trade.



The ACRC has therefore supported a number of projects in order to cultivate a transparent and fair business environment and to instill a culture of ethical management in businesses in 2017.

### *Production and Distribution of the Monthly Webzine Business Ethics Brief*

Business Ethics Brief is a webzine published to support Korean companies with ethical management. The monthly webzine available via email or brochure provides businesses and academia with up-to-date information and trends in ethical management from both home and abroad.

In 2017, the content of the webzine was further enriched by adding new sections such as the “Improper Solicitation and Graft Act Check” to help readers better understand the Act, “Knowledge 1g” to help them broaden their knowledge of ethics, and “Ethical Management Step by Step” which provides step-by-step guide on ethical management.

### *Education Course for Ethical Management*

The ACRC has provided education courses since 2009 in order to build the capabilities of compliance officers and raise awareness of ethical management among corporate executives. Particularly in 2017, the education courses focused on areas most relevant to businesses such as the Improper Solicitation and Graft Act and ISO37001, which helped improve the level of trainee satisfaction.

The number of training increased from 13 (1,476 trainees) in 2015 to 15 (2,036) in 2017. Between 2015 and 2017, the ACRC has consistently expanded educational opportunities for small-and medium-sized companies, where the ethical management environment may be inferior (three times to seven times). The ACRC also set up e-Learning Center for ethical management in April, 2017 to meet the demand for online education by providing online content such as videos and animation.





## Chapter 4. International Cooperation

The ACRC has worked to sincerely implement international conventions, such as the United Nations Convention Against Corruption (UNCAC) and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-Bribery Convention), and has actively participated in the international anti-corruption initiatives of the G20, APEC, etc. The ACRC has contributed to improving anti-corruption policies in developing countries, including passing on the Anti-Corruption Initiative Assessment (AIA) to Vietnam in cooperation with the United Nations Development Program (UNDP), and implementing MOUs on anti-corruption cooperation with three countries including Indonesia.

The ACRC has signed bilateral MOUs with ombudsman of four countries, including Thailand, thus securing a bridgehead for protecting the rights of Korean expats in those countries. In 2017, Chairperson Pak Un Jong was elected as the Asian board member of the International Ombudsman Initiative (IOI).

The ACRC held two international conferences in 2017 sharing policy cases in the areas of anti-corruption and ombudsman and solidifying networks with participating countries. This helped enhance Korea's image abroad and also promoted the Pyeongchang Winter Olympics.

### 1. International Cooperation for Anti-Corruption

The ACRC participates in multi-lateral anti-corruption rounds including implementation

of two international anti-corruption conventions, exchanges and cooperates with international organizations and overseas anti-corruption organizations, and also provides various training programs and technical support to countries that wish to benchmark Korea's anti-corruption policies.

### *Implementation of International Anti-Corruption Conventions and Participation in Anti-Corruption Rounds*

The Republic of Korea signed the UN Convention on Anti-Corruption (UNCAC) in 2003. The Act on Special Cases Concerning Confiscation and Recovery of Stolen Assets was passed by the National Assembly on February 29, 2008, resulting in the official ratification and implementation of the convention. A total of 183 countries, including Korea, were contracting parties as of October 2017.

The Seventh Session of the Conference of the States Parties to the UNCAC was held in Vienna, Austria from November 6 to 10, 2017, with around 1,600 participants from 158 contracting and signatory (Syria) parties as well as international organizations. During the session, ACRC Chairperson Pak shared Korea's experience of overcoming a political turmoil triggered by influence-peddling scandal of the previous President through a democratic and peaceful movement, and explained the new government's strong anti-corruption policy.

In the 8th Session of the Implementation Review Group of the UNCAC held during the Conference, Korea was selected as a country to review the implementation of Niue together with Japan, a new contracting party to the Convention. Korea is currently reviewing the Solomon Islands with Vietnam and Korea will be subject to the implementation review in 2019.

To ratify the OECD Anti-Bribery Convention, Korea enacted the Act on Combating Bribery of Foreign Public Officials in International Business Transactions in December 1998,



and the Act has been enforced since February 1999. As of 2017, 43 countries including 35 OECD members have ratified the Convention.

In four meetings in 2017, the OECD Working Group on Bribery mutually evaluated the implementation of member countries, and shared investigation results regarding violations of the convention and relevant international cooperative activities. The ACRC participated in Phase 3 monitoring of Greece and Phase 4 monitoring of Australia. The Working Group also published a report on detection of foreign bribery marking the 20<sup>th</sup> anniversary of the Anti-Bribery Convention and the International Anti-Corruption Day.

The ACRC attended the G20 Anti-Corruption Working Group in 2017 where anti-corruption related principles such as Principles on Organizing against Corruption and Principles on the Liability of Legal Persons for Corruption Offences were drafted and major anti-corruption issues were discussed. The ACRC started study on policies of G20 countries to encourage public organizations to adopt anti-corruption initiatives in order to implement its commitments in the area of public sector integrity and transparency under 2017-2018 G20 Anti-Corruption Action Plans. It will publish 2018 Best Practice Compendium based on the study results.

The ACRC also attends the APEC Anti-Corruption and Transparency Working Group meetings and workshops every year, where it shares the Korean government's commitment to anti-corruption, helping other member countries build their anti-corruption capabilities. In two APEC workshops in 2017, it introduced Korea's Protection System for Public Interest Whistleblowers, which was acknowledged by Canada, Taiwan and Malaysia as a best practice.

The ninth Regional Anti-Corruption Conference of ADB/OECD Anti-Corruption Initiative was held from November 15 to 17 in 2017, and the first Meeting of the Public Integrity Network (PIN), the third Meeting of the Law Enforcement Network (LEN) and the 22<sup>nd</sup> Steering Group Meeting of ADB/OECD were held on the side-lines.



The opening ceremony was attended by Prime Minister Lee Nak-Yeon and Minister and Deputy Minister-level senior officials from Sri Lanka and Palau. In the subsequent high level panel discussion, each member country and representatives of international organizations discussed “Achievements and Challenges, and Future Priorities for the Asia-Pacific.” Chairperson Pak Un Jong of the ACRC presented on the key elements of the Improper Solicitation and Graft Act, the Act’s achievements over the past year and future priorities.



Regional Anti-Corruption Conference of ADB/OECD Anti-Corruption Initiative (Seoul, Nov. 15)

### *Anti-Corruption Cooperation with International Organizations*

The ACRC has been involved in active exchanges with the International Anti-Corruption Academy (IACA), an international organization in charge of anti-corruption education and training, since the two organizations signed an MOU in March 2012. Since 2013, the IACA’s customized anti-corruption educational courses have been provided to Korea’s working-level anti-corruption practitioners, and 26 people received education from May 23 to the 31 in 2017.

The ACRC cooperates with the UNDP to share Korea’s anti-corruption experiences and pass on its excellent anti-corruption systems to developing countries. As the first such cooperative project, a pilot project was launched to pass on Korea’s Anti-Corruption

Corruption Initiative Assessment (AIA) to public organizations of Vietnam. On March 16, 2017, the ACRC, the UNDP and the Government Inspectorate of Vietnam (GIV) held a joint workshop to share pilot results and discussed how to expand the AIA to the central government of Vietnam. Training was also provided to 7 Vietnamese officials from the GIV, the Central Committee of Internal Affairs and the Prime Minister's Office in Sejong for three days from October 24 to 26.

### *Bilateral Cooperation*

The ACRC, based on its MOUs on anti-corruption cooperation signed with Indonesia, Vietnam, and Mongolia, has promoted cooperation in order to pass on its anti-corruption policies and aid its partners in strengthening internal anti-corruption capabilities.

The Meeting on Anti-Corruption Cooperation was held in Vietnam on November 29, 2017 to report progress of cooperative activities and share major anti-corruption policies. The ACRC introduced the policy direction on anti-corruption of the new government and integrity education while Vietnam shared the key elements of their amended Anti-Corruption Law and key anti-corruption activities of 2017.

## **2. International Cooperation for Ombudsman**

The ACRC actively participates in the International Ombudsman Institute (IOI) and Asian Ombudsman Association (AOA), and signs MOUs with Ombudsmen of other countries to engage in policy exchanges and protect the rights of Korean residents in those countries.

### *Multilateral Cooperation*

Since the launch of the ACRC in 2008, its Chairpersons have actively worked at the IOI's Board of Directors and at conferences as board members representing Asia and





incorporating Asia's opinions into the IOI's policies. Pak Un Jong who became the Chairperson in June, 2017 was elected as Regional Director on December 4, 2017, taking over the role of her predecessor.

The ACRC hosted the 15<sup>th</sup> Asian Ombudsman Association (AOA) General Assembly in PyeongChang, Gangwon Province from May 16 to 19, 2017 together with the Ombudsman Commission of Gangwon Province. In addition to the 15<sup>th</sup> AOA General Assembly and the 20<sup>th</sup> Board of Directors Meeting, the Global Ombudsman Conference was held under the theme of "Past, Present and Future Perspective of Asian Ombudsman," where 450 people attended including delegations from 25 member countries, guest speakers, the Chairman of the National Policy Committee of the National Assembly and ombudsmen representing cities and provinces.



Opening Ceremony of the Global Ombudsman Conference (Pyeongchang, May 17)



Panel session presentation by ACRC Chairperson Sung Young-Hoon (Pyeongchang, May 17)

### *Bilateral Cooperation*

Since it signed an MOU with Indonesian Ombudsman to protect Korean expats abroad and exchange best policies in 2010, the ACRC has expanded its efforts to build bilateral cooperation by signing additional MOUs with Thailand, Vietnam, and Australia.

In June, 2015, the ACRC signed an MOU with Commonwealth Ombudsman of Australia



where there are over 150,000 Korean Australians and over 50,000 Korean students and working holiday makers. On December 6, 2017, it held a meeting on MOU implementation with Australian ombudsman and exchanged information regarding policies and service systems in Canberra, Australia.

Since the signing of their MOU in December 2011, the ACRC and the Ombudsman of Thailand have cooperated actively by opening exclusive consultation windows for each other and conducting joint discussions on complaints. The ACRC had a meeting with the Thai Ombudsman in Vienna on April 26, 2017 when they attended the IOI Board of Directors meeting, sharing the efforts and achievements of the ACRC and the Thai Ombudsman with regard to protection of the rights and interests of the Korean and Thai residents in Thailand and Korea, respectively.

The ACRC and the Indonesian Ombudsman have held regular bilateral meetings since the signing of their MOU in December 2012. On May 18, 2017, the ACRC extended an MOU with the Indonesian Ombudsman who was in Korea for the AOA General Assembly. The extended MOU added a clause on cooperation for the two Ombudsmen's further development and capability enhancement and revised the obligation clause.

Following the ACRC's proposal for signing an MOU in May 2012, the ACRC and the GIV signed an MOU on March 27, 2013. In November, 2017, a meeting on MOU implementation was held in Hanoi, Vietnam. The Ombudsmen of the two countries shared cases of complaints filed by their respective expats and introduced key policies, and discussed implementation of the MOU.

### 3. Policy Cooperation and International Promotion

#### *Technical Support*

The ACRC opened the ACRC Training Course for International Anti-Corruption Practitioners

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in 2013 in order to contribute to the improvement of the anti-corruption capabilities of public officials throughout the world. In 2017, the courses were provided for two weeks beginning April 17, in Sejong, Cheongju (at the Anti-Corruption Training Institute), and Seoul with the aim to share practical knowledge and techniques for systematic and effective response to corruption. A total of 14 participants from 14 countries including Indonesia, Tunisia, and Senegal attended the sessions. The ACRC is helping trainees maintain ties for networking and information sharing through a Facebook page ([www.facebook.com/acrc.training](http://www.facebook.com/acrc.training)) opened in 2016 and continues to update success cases such as trainees incorporating what they learned in Korea into their own policies.

In addition to policy training for technical transfer to the countries with which the ACRC signed MOUs, it also provides in-depth training to officials from the countries where efforts are underway to introduce policies based on the technical support the ACRC provided.

The number of countries that received such training (Malaysia (twice), Vietnam, Tunisia, Moldova) increased significantly in 2017 compared with 2016 (Bhutan, Indonesia). For Malaysia, Vietnam, Tunisia and Moldova, training was provided on Integrity Assessment (Feb. 7 to 9)/Institutional Improvement (Nov.1 to 3), Anti-Corruption Initiative Assessment (AIA) (Oct. 24 to 26), AIA/e-People (Mar. 6 to 10) and anti-corruption policies including Corruption Risk Assessment (Nov. 21 to 22), respectively.

### *International Promotion*

The ACRC has held annual policy briefings for foreign CEOs in Korea in order to hear their difficulties in business and explain the Korean government's efforts toward improving national integrity. Twelve executives of the Chambers of Commerce in Korea, including the American Chamber of Commerce, the Korean-German Chamber of Commerce and Industry, and the Seoul Japan Club attended the policy briefing held in March 2017. The participants showed expectations that the Improper Solicitation and Graft Act would contribute to building a fairer and cleaner society while requesting improvements on some unclear clauses.

To enhance awareness of the ACRC and promote the Korean government's activities for improving people's rights, the ACRC also produces yearly promotional brochures, newsletters, and white papers for distribution to foreign governments, international organizations, international assessment organizations, foreign economic organizations in Korea, and foreign reporters. It also provides access to press releases, key policy documents and English publications via its English website ([www.acrc.go.kr/en/index.do](http://www.acrc.go.kr/en/index.do)).

Each year, employees of many foreign anti-corruption authorities and public officials of relevant organizations visit the ACRC in order to benchmark its anti-corruption and ombudsman policies and operating experiences. A total of 2,272 such visitors have been recorded since the 2008 launch of the ACRC including Director General of the European Anti-Fraud Office, Integrity Vice President of the World Bank, and Chairman of the Indonesian Corruption Eradication Commission. In 2017, 345 people from 40 countries—primarily in Asia, the Middle East, and Africa—visited the ACRC on 30 occasions.





## Chapter 5. Public Relations

The ACRC has conducted publicity activities through media, new media, policy advertising in order to form social consensus and improve understanding of its major policies and activities.

In 2017, people-centered, field-centered, and cooperation-centered promotion was utilized to allow people to more closely feel the achievements of policies. To this end, the ACRC focused on promoting its major achievements and key tasks from the beginning of the year and utilized new types of media (including social media) to expand the scope of participation of and communication with citizens.

As a result of these efforts, the number of policy customers using social media increased 19% year-on-year, and national awareness of major policies rose by 1.6%p.

### 1. Improving Understanding and Social Consensus of Policy through Media

The most effective way to improve understanding and social consensus regarding major policies is through media promotion using TV, newspapers, and the Internet. The ACRC has orchestrated a variety of promotional activities involving the Chairperson and Vice Chairpersons. It also held a press conference for foreign reporters and contributed columns of Chairmen of foreign Chambers of Commerce to newspapers.

Meanwhile, the preliminary announcement of the amendment to the Enforcement Decree of the Improper Solicitation and Graft Act (Dec. 12) attracted a great deal of interest from the media, citizens, civic groups and stakeholders as it was a matter that could potentially have direct impact on the people's lives.

## 2. Expanding Communication with People through New Media

The ACRC focused on online means for more effective communication with the people on new policies in a changing environment where smart phone-based PR activities became the norm. For instance, key policies of the ACRC and major civil complaints and administrative appeals are delivered via story-telling and visual content such as card news and video clips.

The ACRC also made most use of online channels to provide correct information on the Improper Solicitation and Graft Act and to correct false information as quickly as possible. When there is potential misunderstanding of the Act, the ACRC quickly distributed reference materials, FAQ infographics and card news via various social media channels.

Lastly, the ACRC actively supported the 13th ACRC Blog Reporters Team to produce a large amount of content appealing to the young generation. Considering the public preference for visual content such as images and videos, it produced a wide variety of promotional content in the form of card news, webcomics and user-created content to provide an engaging outlet for communication with the citizens.



## 3. Improving Awareness of Major Policy through Policy Advertising

The ACRC has undertaken policy advertising campaigns using the media tools of public organizations across the country in order to improve national awareness of major policies.

It exposed promotional content to TV, radio, newspapers, buses, electronic display boards in order to improve awareness of the ACRC's policies and guide active participation and usage.

Intense promotional activities have been undertaken utilizing media advertisements, online advertisements and many other means to promote the new government's strong commitment to corruption prevention and eradication and to improve the national image.

#### 4. Forming a Social Consensus through Newsletters and Videos

The ACRC produced and distributed ACRC Newsletter, a newsletter covering its major activities and citizen-friendly policies, as well as video clips explaining major policies.

The first issue of ACRC Newsletter was released in March 2008, and 55 issues in total (the 55th was the Winter 2017 issue) have been distributed to locations serving as points of contact for citizens such as community service centers, post offices, and libraries.

An electronic version of the newsletter was also developed and distributed to online bookstores in order to make sure that ACRC news can be accessed online. An English version of the newsletter titled ACRC Quarterly was distributed (in a print run of 1,000) to major official residences, foreign reporters, and foreign CEOs.

In addition to the Newsletter, the ACRC developed video clips on its major policies such as the 110 Government Call Center and the People's Idea Box of e-People and uploaded them on YouTube.





Part  
**02**

Incorporation of Feedback into  
Government Policies through  
Communication with the People





## Chapter 1. Operation of a Public-Centric Communication System

### 1. Establishment of One-Stop Communication Channel

As a communication channel between the public and the government, and under the slogan of “No voice left unheard,” the ACRC has launched *e-People*, an online communication portal integrating the management of civil petitions, public policy suggestions and participation that were previously handled individually by each administrative agency.

Starting with the integration of civil petition, policy suggestion and public participation systems of seven central administrative agencies in August 2005, *e-People* brought together all central administrative agencies by July 2006, and connected equivalent systems in local governments and major public organizations in February 2008. As of 2017, 934 such organizations use *e-People*.

Since 2016, the ACRC has also led the transformation of *e-People* into the Integrated *e-People* Operating System that directly handles all complaints submitted to local governments including civil petitions, inquiries and proposals with the exception of legal complaints.

### 2. Enhanced Quality Control of e-People Civil Petition Services

The ACRC has supported training and consulting services regarding the operation of *e-People* in order to enhance the capability of different organizations in handling



complaints. The ACRC inspects and assesses the quality of *e-People* services provided by administrative agencies every year in order to provide the public with a quality civil petitioning service.

Notably, in order to improve the prevalent practice of passing over complaints among organizations (“ping-pong complaints”), the ACRC introduced a system for ping-pong complaint mediation in 2015. Since then, the ACRC has made efforts to stabilize the system with consistent reviews and monitoring in addition to revising complaint categorization chart that serves as a reference for assigning which organization is responsible for handling certain types of complaints.

As a result, the average handling period of a ping-pong complaint that had been transferred more than three times was maintained at 2.5 days, providing a basis for prompt submission and handling of complaints. In addition, the ACRC successfully lowered the number of ping-pong complaints by 72.4% compared to 2016.

### 3. Provision of Multilingual Services on e-People

The ACRC provides *e-People* services in 14 languages, starting with English, Chinese and Japanese in June 2008.

**Timeline of Launch of Multilingual Complaint Service**

Launch	Jun 2008	Dec 2009	Jun 2010	Nov 2010	Feb 2011	May 2011	Sep 2011	Nov 2011	Dec 2012	Nov 2013	Jun 2016
Language	English Chinese Japanese	Vietnamese	Mongolian	Indonesian	Thai	Uzbek	Bengali	Cambodian	Sinhala	Nepali	Russian Burmese

The multilingual *e-People* service allows Korean expats and foreigners residing in Korea that have no command of Korean to file civil complaints in their mother tongue. The concerned public organization then handles the civil complaints and notifies the petitioner

of the translated outcome.

#### 4. Foundation for Online Public-Private Partnership

*e-People* Policy Suggestion is a government channel for online and offline policy suggestions, that seeks to enhance the quality of administrative services by incorporating people's ideas for policy improvement identified in their daily lives, and to proactively offer user-centered services.

The aim of the system is to gather a range of public opinions from the field on any shortcomings in policy design or undetected issues in the implementation of laws, institutions, or government projects, and to identify better solutions and improvement measures based on public-private partnerships.

In 2017, 5,391 out of 61,967 suggestions filed were adopted, a 26.7% increase year-on-year.

The ACRC has also created the *e-People* Policy Participation function to better communicate and work together with the public in establishing, implementing, and assessing government policies.

The *e-People* Policy Participation is an online communication channel that provides a venue for free exchange of ideas between the public and the government on enactment and revision of laws, or government projects and policies. Using this integrated communication channel, each administrative agency can gather public opinions while the public can present their ideas on government policies more easily.

As of 2017, the *e-People* Policy Participation system has been integrated with the policy participation channels of 203 government organizations. Over the past year alone, 2,484 items from different organizations went through online hearing, policy discussion and survey, facilitating communication with the public that offered a total of 42,971 opinions.



## e-People Policy Participation Status

(Unit: case)

Year	Total		Online hearing		Policy discussion		Survey	
	Items	Opinions	Items	Opinions	Items	Opinions	Items	Opinions
2011	700	71,357	636	66,345	41	612	23	4,400
2012	994	51,676	906	35,341	53	3,594	35	12,741
2013	1,359	44,044	994	3,688	280	11,075	85	29,281
2014	2,869	51,588	2,085	7,716	627	10,257	157	33,615
2015	3,870	74,334	2,642	21,636	976	19,958	252	32,740
2016	3,642	90,023	2,330	20,855	964	35,991	348	33,177
2017	2,484	42,971	1,893	7,766	379	13,127	212	22,078

In order to actively meet the need for public policy participation, the ACRC launched the People's Idea Box ([idea.epeople.go.kr](http://idea.epeople.go.kr)), a mobile communication platform in conjunction with *e-People*, on March 28, 2016. The People's Idea Box aims to serve as a venue for communication and collaboration between the government and the public to address the challenges of the existing communication system and identify policy alternatives with collective intelligence.

The People's Idea Box offers users a mix of different functions including idea suggestion, discussion, voting, and survey to identify the optimal policy alternatives based on public consensus. With such functions, the public that is the ultimate beneficiary of policies can directly participate in designing government policies and administrative services as policy prosumers.

In its second year of service, the People's Idea Box has seen a fourfold increase in its membership from the previous year to a cumulative total of 52,756. The cumulative total number of items (2,371) and participation counts (79,413) also increased three to fourfold year-on-year.

## 5. Global Acknowledgement of e-People

The *e-People* system has been globally acknowledged for its ability to actively communicate and engage with the public. Korea has ranked first in terms of E-Participation Index (EPI) in three consecutive UN e-government surveys in 2010, 2012 and 2014. At the AOA Board of Directors' Meeting in 2016, *e-People* was introduced to AOA members as a best practice in integrating ICT and administrative services.

The significant amount of attention *e-People* has received worldwide has led to the export of the system. Notably, the Tunisian government has been cooperating with the ACRC since it reviewed the adoption of the *e-People* system in 2012. In 2016, the two countries renewed their mutual agreement and MOU in order to facilitate Tunisia's full adoption of the system. As part of this effort, the ACRC sent experts on laws, institutions, and ICT development to Tunisia with an aim to implement a three-phase roadmap for "expanding participation of the Tunisian people and building a transparent government." The system will be completed by February 2018.

The strengths of the *e-People* system have also been widely recognized in Korea. In 2017, it was selected as an Excellent Administrative Service and was inducted into the Hall of Fame as one of the top 50 persons and services selected by citizens in a vote conducted by the Ministry of the Interior and Safety as part of celebrating the 50<sup>th</sup> anniversary of the Korean e-government.





## Chapter 2. Operation of the 110 Government Call Center

The 110 Government Call Center was established in order to provide a “one-call, one-stop” service through which petitioners can make inquiries, reports, or suggestions regarding government affairs by dialing 110. Call center operators are able to offer direct counseling or redirect calls to relevant organizations.

The nationwide 110 call service began on May 10, 2007, and the call center was relocated from Seodaemun, Seoul to Government Complex Gwacheon on May 20, 2013. On July 1, 2016, the ACRC also added the 110 Non-emergency Call Center in Yeongdeungpo, Seoul. The centers combined have 263 counselors (138 in Gwacheon, 125 in Yeongdeungpo) who handled 23 million accumulated calls in 2017, including 2.93 million that year alone.

Simple inquiries or standard counseling are internally managed and concluded at the call centers, while those requiring professional help are connected to relevant organizations through direct calls to the person in charge or call-backs to the petitioner from the organization.

### 1. Counseling Status in Numbers

In 2017, the 110 Government Call Center received 2,931,598 calls, among which 2,817,404 were answered and 3,055,942 were handled. The calls handled outnumber the calls answered because they include the additional number of calls made from the Call Center to the petitioners to provide the requested service. In 2017, the average number of incoming calls per day stood at 10,868, a 2.8% decline from 11,176 in 2016. The response rate and service level (rate of calls answered within 20 seconds) reached 96.1% and 87.7% respectively, nearly the same as those of 2016, indicating stable call services are being offered to the public.

Category	Incoming calls	Calls answered	Calls handled	Rate of calls answered	Service level	Incoming calls per counselor
Counseling status	2,931,598	2,817,404	3,055,942	96.1	87.7	10,868

## 2. Activities of the 110 Government Call Center

### (1) Call Center for the People's Transition Committee for the New Government

Between May 24 and July 12, 2017, the 110 Government Call Center received and offered counseling on around 8,000 calls made to the representative number of the People's Transition Committee set up after the new administration was inaugurated. The Center gathered and delivered the vivid voices of the public on what they want from the new government, including policy suggestions on government affairs.

### (2) Counselor Protection Guideline and Working Environment Improvement

The 110 Government Call Center Counselor Protection Guideline was adopted with increasing need for more proactive protection for the emotional labor of the counselors working at the front lines of the center's services for the public. They have been consistently exposed to malicious and harsh petition calls that include sexual harassment, verbal abuse, swearing and insults. The protection measures have been implemented since September 2017, including prevention of recurring calls from malicious and harsh callers, shortening exposure of counselors to such calls, and stronger protection of counselors after petitions are submitted.

### (3) Communication Channel with the Public in Nationwide Emergencies

In light of the earthquake that hit the city of Pohang in North Gyeongsang Province on November 15, 2017, the 110 Government Call Center collaborated with relevant organizations including the Ministry of the Interior and Safety to establish a prompt

response system to the public's inquiries, such as sending earthquake alerts and notification of safety and evacuation measures via text messages. As the government decided to postpone the state-administered college entrance exam in the aftermath of the earthquake, the Center also received and managed relevant inquiries through its 24/7 operation in cooperation with the Ministry of Education.

#### **(4) Counseling Service on behalf of the Korea Fair Trade Commission**

The 110 Government Call Center initiated the handling of petition calls previously received by the Korea Fair Trade Commission (KFTC)'s general civil complaint call center. The efforts were made in line with the new administration's goals to become "a government that is truly dedicated to serving the people" and to remove silo mentality among different administrative agencies. Specifically, a dedicated counseling team for the KFTC calls has been set up at the Center to offer counseling on fair trade-related issues such as prevention of monopoly and regulation of unfair trade practices. The service is widely regarded as the most exemplary inter-agency collaboration practice since the inauguration of the new government as it leveraged the Center's outstanding counseling infrastructure to improve the KFTC's otherwise weak counseling system.

#### **(5) Enhanced Public Convenience with Improved Counseling Service**

The 110 Government Call Center offers counseling via text messages and counseling reservation service through its website and mobile application. The Center also runs diverse communication channels, including online counseling via messaging apps and social media, and sign language and video-based counseling for people with hearing and verbal impairment. In collaboration with the Korea Tourism Organization, Hi Korea (e-Government for Foreigners) and Korea Support Center for Foreign Workers, the Center is also building a counseling system that can accommodate the needs of a globalized Korea including interpreting and translation services for foreigners.







## Chapter 3. Policy Improvement through Complaint Analysis with Big Data

The number of complaints made by the public against the central or local governments reached 3.1 million in 2017, a 34.5% increase from 2.3 million in 2016, recording the highest year-on-year hike since 2010. Such rise is largely attributable to a number of factors including the public's high expectations on the new administration, the heightened sense of civil rights and expanded integration of local governments in the e-People system. It also demonstrates that it has become very common for people to have interest and participate in administrative agencies' policy development and assessment.

Handling complaints raised by an individual would primarily satisfy the petitioner himself. Going a step further, a comprehensive review of all the complaints can reveal certain trends with implications. Analyzing who raised complaints in which areas on what grounds would help the government identify any inconvenience or difficulty incurred by certain policies and consequently derive improvement in policy directions. Such big data-based analysis of complaints serves as a critical channel for incorporating the public's feedback into the government policies.

### 1. Analysis of Weekly or Monthly Complaint Trends

The ACRC analyzes complaints submitted to e-People on both weekly and monthly basis, and keeps track of the fluctuations in the number of complaints on major issues and in each administrative agency, in addition to identifying major complaint examples. The findings are revealed in its weekly and monthly publications of Voice of the People, which are distributed to over 350 public organizations for reference in complaint handling and

policy implementation.

In 2017, a total of 133 cases of complaints were distributed to public organizations through both weekly and monthly publications of Voice of the People, 74 among which were reported to have been reflected in improving their services and policies. Specifically, 48 out of the 74 led to direct institutional improvements—an increase of 1.3%p from 34.8% in 2016 to 36.1% in 2017.

### Utilization of Complaints in Government Policies

(Unit: case)

Year	Cases in total	Utilized cases	Type of utilization*				Not utilized
			Institutional improvement	PR & education	Investigation & inspection	Others	
2013	217	106	52	21	-	33	111
2014	226	145	65	45	-	69	81
2015	199	116	61	24	11	20	83
2016	207	118	72	6	9	31	89
2017	133	74	48	5	1	5	59

\* For 2014, some types of utilization overlap.

## 2. Analysis of Complaints on Major Issues

The ACRC conducted 19 feature analyses on specific topics including key policy projects, government initiatives and social issues in 2017.

The key issues include abuse of power in the workplace and unfair treatment of workers that fuelled strong public backlash (April), public sector employment which is one of the main policy pledges of the new administration (June), addressing massive public disputes (September), companion dog debate triggered by deaths or injuries by

the attack of neighbors' dogs (December), and the overheated speculation in bitcoin (December).

### 3. Customized Analysis of Complaints

Customized analysis of complaints is conducted in line with the need of relevant organizations. In 2017, the ACRC analyzed complaints regarding disaster safety management (Ministry of Science and ICT) and small and medium-sized enterprises (Ministry of SMEs and Startups). The consequent results have been used as a reference for the ministries respectively in selecting disaster safety platform technology development as a new initiative, and in addressing key challenges of startups and small business owners with improvement in regulations.

### 4. Operation of Complaint Forecast System

The complaint forecast system was introduced as a pilot program in 2013 before its official launch in 2015. Under the forecast system, complaints filed in recent three years are monitored and those that are more prevalent during a specific monitoring period are selected as subjects of forecast. Complaint forecast is made one month prior to the actual occurrence of the complaint in question based on analysis of complaint types and major complaint cases.

Complaint forecast took place 11 times during 2017. A total of seven regular forecasts were made including those regarding the use of public baths and sauna during the winter season (January), prevention of sexual assaults at schools ahead of the new semester (February), and the proper use of Korean language in celebration of the Hangul Day, or the Korean alphabet day (September). A total of four on-demand forecasts took place including those regarding the hotly-debated issue of female sanitary pads containing hazardous chemicals (August), and the government's policy to suspend English classes in after-school curriculum of elementary schools (November) which resulted in deferment of

its implementation in January 2018.

## 5. Review of Major Policy Initiatives and Support of Policymaking

The government organizes and runs a variety of meetings and conferences to facilitate discussions and cooperation among different ministries for seamless implementation of major policy initiatives. The ACRC provides complaint analysis and relevant support regarding the agenda of such meetings and conferences.

In 2017, the ACRC analyzed data of complaints related to five items on the agenda of the Social Affairs Related Ministerial Meeting chaired by the Deputy Prime Minister for Social Affairs (Minister of Education), including on-the-job training in vocational high schools where two fatal accidents occurred in August and November, and physical assaults by professors in the training of medical residents (December). The ACRC also shared the analysis of complaints regarding four items on the agenda of the National Fiscal Strategy Meeting held in July, including future talent development and prevention of women's career interruptions.

In addition, the ACRC organized a policy consultative body on complaints in the financial sector with relevant agencies including the Financial Supervisory Service (FSS) to address issues in small-loan finance for the low income class and difficulties confronting businesses. The consultative body so far held two rounds of working-level and plenary meetings respectively, in which the ACRC identified 12 relevant complaints that were reviewed by the FSS. As a result, the time of day credit card payment is due set by the banks has been extended to 11 p.m. to prevent late payment fees (January 2017).

## 6. Voice of the People Map Pilot Service

The Complaint Information Analysis System is a government-wide system that collects and analyzes complaints and suggestions received and handled by relevant services including e-People. As of the end of 2017, a total of 236 organizations relied on the system



which supports complaint analysis year-round. In 2017, the ACRC established Voice of the People Map as a stepping stone to expanding the system to also share the complaint analysis data with the public in the future.





## Chapter 4. Provision of Quality Counseling Service

The key mission of the Counseling Division is to promote public welfare and ultimately protect the rights of the marginalized members of the society by listening to the voices of those in despair, and offering proper and prompt counseling.

Specifically, the division aims to provide guidance on laws, institutions and procedures of administrative affairs (e.g. permit, authorization, patent, license, approval, designation, recognition, recommendation, test, inspection, qualification), and to offer petitioners with counseling and guidance on how to respond to violation of rights or any inconvenience arising from administrative measures.

The ACRC operates the Sejong Counseling Center serving visiting petitioners or residents of Chungcheong area, and the ACRC Seoul Complaints Center serving residents of the Seoul Metropolitan Area. In addition to counseling service from complaint investigators, the ACRC has also brought in experts from different fields, such as lawyers, certified labor attorneys and tax accountants, as special counselors and appointed retired public officials with abundant experience as complaint counselors to help petitioners find appropriate solutions.

In 2017, the Sejong and Seoul centers combined counseled and guided on a total of 9,658 complaints.

In addition, the ACRC operates a video counseling system between Sejong and Seoul to facilitate services between the complaint investigators at Sejong and petitioners in the metropolitan area who are unable to travel all the way to the head center in Sejong. A total of 963 video counseling took place in 2017.

## Counseling by Center

(Unit: case)

Category	Total	Sejong	Seoul
2017	9,658	2,927	6,731
Average daily	39.7	12.0	27.7
Investigator	6,228	2,610	3,618
Lawyer	1,669	134	1,535
Certified labor attorney	161	29	132
Tax accountant	163	13	150
Complaint counselor	1,437	141	1,296
2016	10,229	3,191	7,038
Average daily counseling	41.1	12.3	28.3



Part  
**03**

**Enhancement of the People's Rights  
and Interests through Field-Centered  
Resolution of Civil Complaints**





## Chapter 1. Civil Complaint Handling System

### Definition of Civil Complaint

The term “complaint” means any complaint on any illegal, unjustifiable or passive action of an administrative agency, etc. (including an actual act and omission) or unreasonable administrative system which violates a citizen's right or causes inconvenience or burden to a citizen (including complaints and grievances of soldiers on service and those who perform their mandatory service related to military). – Article 2.1 of the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission

### *Corrective Recommendations and Expression of Opinions Regarding Illegal and Unfair Administrative Measures*

If the ACRC finds substantial grounds to acknowledge that measures taken by administrative agencies are illegal and unfair as a result of investigations of civil complaints, it makes corrective recommendations to the concerned administrative agencies. If the ACRC finds substantial grounds to the arguments of the petitioners, it expresses opinions to the concerned administrative agencies.

### *Improvement Recommendations and Expression of Opinions Regarding Irrational Legislation and Institutions*

If areas for improvement of relevant laws, systems or polices are identified as a result of investigation and handling process of civil complaint, the ACRC recommends such reasonable improvements or expresses its opinions to the head of the concerned agency to prevent such complaints from recurring.

### *Third Party On-Site Mediation and Settlement*

In addition to making corrective recommendations and expressing opinions on administrative measures, the ACRC serves as a third-party mediator between petitioners and administrative agencies to work toward amicable agreement among stakeholders and prevent large-scale public conflicts.

### *Counseling and Guidance on Various Complaints Related to Public Life*

As the final administrative agency in the complaint handling process, the ACRC plays the role of counselor providing consultation on complaint related inquiries and providing guidance concerning related legislation, institutions, process, and responsible agencies. In this regard, the ACRC offers guidance about complaints and services by working with its own investigators as well as external experts in each sector and specialized human resources from complaint handling related organizations such as the Korea Legal Aid Corporation, the Financial Supervisory Service, and the Korea Consumer Agency.





## Chapter 2. Current State of Civil Complaint Handling

Civil complaint investigation and handling is the key function of the ACRC. It serves as the final complaints handling body in the government by making final deliberations and decisions on the complaints filed the second time due to unsatisfactory results from the first filing.

In 2017, the ACRC has addressed civil complaints closely related to the people's lives by mediating or settling 76 complaints involving over 29,000 stakeholders. One prominent example is the mediation on the protection of the residents in the area submerged by the Seomjin River Dam.

The ACRC has also strengthened its field-centered complaint resolution activities by addressing 880 complaints filed by the socially vulnerable via its on-site outreach program.

### *Current Status of Investigation and Handling of Complaints*

Among the 16,149 cases handled by the ACRC in 2017, 2,586 (174 corrective recommendations, 211 expressions of opinions, 2,201 mediations/agreements), or 25.2% of the cases were accepted.

### Year-on-Year Comparison of Complaint Handling

(Unit: case)

Category	Total	Civil complaints								Other complaints
		Sub-total	Corrective recommendation	Expression of opinions	Agreement / mediation	Guidance of deliberation / dismissal	Rejection	Transfer / referral	Guidance reply	
2017	16,149	10,263	174	211	2,201	696	456	85	6,440	5,889
2016	21,080	11,235	212	252	2,567	949	398	89	6,768	9,845
Change	△4,931 (△23.4%)	△972 (△8.7%)	△38 (△17.9%)	△41 (△16.3%)	△366 (△14.3%)	△253 (△26.7%)	58 (14.6%)	△4 (△4.5%)	△328 (△4.8%)	△3,959 (△40.2%)

The 16,149 cases handled in 2017 can be categorized as follows: 7.25% concerned taxation (national taxes, local taxes); 7.01% concerned urban areas (urban planning projects and facilities); 6.63% concerned the police (investigation); 5.54% concerned road (road occupation, road adjoining zones, etc.); 4.56% concerned housing (rental housing contracts, residential relocation expenses, etc.).

### Complaints Handled by Sector in 2017

Rank	Sector	Cases	Ratio	Rank	Sector	Cases	Ratio
1	Taxation	1,171	7.25%	14	Patriots & veteran's affairs	408	2.53%
2	Urban areas	1,132	7.01%	15	Construction	379	2.35%
3	Police	1,071	6.63%	16	Environment	302	1.87%
4	Roads	894	5.54%	17	Water resources	209	1.29%
5	Housing	737	4.56%	18	Personnel administration	175	1.08%
6	National defense	694	4.30%	19	Education	172	1.07%
7	Administration & safety	634	3.93%	20	Civil & judicial affairs	163	1.01%
8	Industry & resources	569	3.52%	21	Culture & tourism	142	0.88%
9	Agriculture	555	3.44%	22	Military	92	0.57%
10	Finance	496	3.07%	23	Maritime & fishery	72	0.45%
11	Health & welfare	495	3.07%	24	Broadcasting & communications	52	0.32%
12	Transport	464	2.87%	25	Foreign affairs & unification	8	0.05%
13	Labor	438	2.71%	26	Others	4,625	28.64%



## Chapter 3. Field-Centered Resolution of People's Grievances

### 1. On-Site Outreach Program

The on-site outreach program was introduced in 2003 to visit every corner of the country to listen to and resolve the residents' grievances first-hand.

#### *On-site Outreach Program at Regional Levels*

Between the establishment of the ACRC in 2008 and 2017, the on-site outreach program team visited 470 regions, handling 15,369 cases. This is a drastic expansion of the program compared with before the launch of the ACRC, when it had visited 55 regions and handled 1,543 cases between 2003 and 2007.

Moreover, through active mediation and arbitration of civil complaints, over 35% of the complaints raised through the program are now addressed on-site. Last year, the number of cases resolved on-site exceeded 3,900, which is a demonstration that the on-site outreach program is taking root as a useful means for the citizens to rely on to resolve their grievances.

In 2017, the on-site outreach program was run significantly more times than the previous year (61 times with consultations on 1,855 cases in 2016 → 71 times with consultations on 2003 cases in 2017). The quality of the program also improved as demonstrated by the rate of on-site resolution which increased from 41.9% to 43.9%. The rate of on-site resolution refers to the percentage of complaints resolved through on-site consultations.

In addition to individual consultations, meetings with resident representatives were also held as part of the program, which helped resolve collective complaints, for example improvement of passage road expanded under Chuam railway bridge at Donghae-si meeting. The on-site outreach program was also brought to Jindo, Jeonnam and Baengnyeongdo, Ongjin, Incheon as part of its effort to resolve grievances of residents of island areas.

The ACRC has enhanced the operation of its comprehensive complaint-addressing capabilities by collaborating with other government agencies in 2012. Under this collaborative system, the ACRC invites concerned ministries and agencies as well as external experts in the private sector into the discussion on inter-agency conflicts, unresolved collective complaints, or issues related to specific sectors or social issues.

The ACRC has moved to raise the quality of its civil complaint counseling service by creating a “counseling investigator pool,” which includes experienced investigators who possess a great deal of expertise. Moreover, the ACRC provides comprehensive counseling services on complaints related to people’s daily lives as well as administrative agencies by cooperating with external organizations (the Korea National Council on Social Welfare, the Korea Legal Aid Corporation, and the Korea Consumer Agency, the Korea Land and Geospatial Informatrix Corporation, Ministry of Employment and Labor and the Association of Korean Medicine).

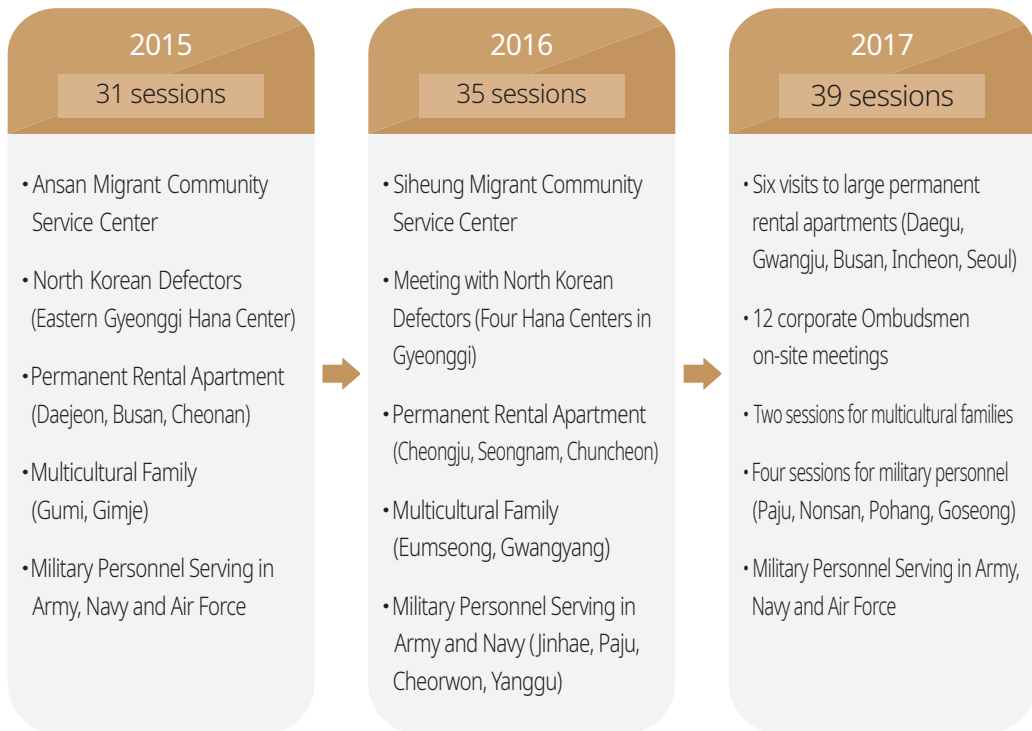
### *Operation of Tailored On-Site Outreach Programs for the Socially Vulnerable*

In addition to the regional on-site outreach program for residents living in local communities, the ACRC began operating small-scale tailor-made on-site outreach programs in 2011 for different groups of people, including small business owners, foreign workers, multi-cultural families, and North Korean defectors.

The ACRC has made greater efforts to resolve grievances of these socially vulnerable



and marginalized people, Korean residents overseas, foreign workers in Korea, multicultural families and disabled people by expanding the program for vulnerable groups in 2017 (from 26 sessions in 2014, 31 sessions in 2015, 35 sessions in 2016 and to 39 sessions in 2017).



## 2. Mediation and Resolution of Collective Complaints

The ACRC has actively utilized a mediation and settlement system to fairly and promptly resolve complaints involving the interests of multiple stakeholders or those entailing great social repercussions.

Collective complaints tend to be caused by conflict of interests between the parties involved, budget issues and legal and institutional limitations regarding public work projects rather than the illegality/unfairness of administrative agencies. Therefore,

approaches to handle normal complaints are not adequate to resolve collective complaints. This makes mediation by the ACRC a good alternative means to resolve conflicts as it facilitates sincere communication and compromise among interested parties to reach an agreement.

The ACRC resolved 76 collective complaints involving over 29,000 people through on-site mediations and agreements in 2017, a 6%p increase from 2016 and a 171%p increase from the 28 cases resolved in 2008, which is a demonstration that the mediation system is a useful means for resolving public conflicts.

### *Examples of On-site Mediation of Collective Complaints*

A primary example of 2017 is the mediation of the collective complaint concerning protection of the livelihoods of the residents in the area submerged by the Seomjin River Dam.

The dam construction started in 1941 and was completed in 1965, and the residents in the area to be submerged by the dam moved en masse and settled in a new location. However, the new location turned out to be 0.7 meter below the high water level of the dam due to measurement errors. The 1969 flood left 97 houses completely destroyed and 700 residents displaced.

In order to resolve the distresses suffered by the settlers, the ACRC had two sessions of on-site mediation in 2008 and 2011. As a result, it resolved a complaint on loss of agricultural production and compensation of cultivation expenses (2008), and another complaint regarding relocation and protection of their livelihoods (2011).

Recently, however, they filed a collective complaint again with the ACRC, saying that the abandoned dried river site that K-Water and the Provincial Office of Jellabuk-do offered to the residents to grow specialty crops (specialty crops compound) as a measure to





help them to make a living was also designed to be lower lying than the design flood level, potentially putting the farming areas at risk of flooding again.

K-Water, the County Office of Imsil-gun, the Provincial Office of Jellabuk-do and Iksan Regional Construction and Management Administration said that additional cost would be incurred to build the earthwork higher than the flood water level, and the master plan and the execution plan for the construction of the Seomjin River Dam need to be changed if they were to accept the demand of the settlers. They went on to say that it was hard for them to accept the demand because the interests of different organizations are intertwined.

Thus, the ACRC conducted a series of on-site investigations, working-level meetings with involved agencies and mediation meetings with experts over the course of two years. As a result, the final agreement was reached at an on-site mediation meeting presided over by Chairperson Sung Young-Hoon. The agreement specifies the following: 1) K-Water shall request the Minister of Land, Infrastructure and Transport to change the master plan for the dam construction; 2) Imsil-gun shall secure the budget required for the purchase of the abandoned river area and the earthwork, review the settlers' project plan and scale, and then provide them with the land; 3) Jellabuk-do shall sell the abandoned river area to Imsil-gun; 4) Iksan Regional Construction and Management Administration shall take steps to approve the execution plan; 5) Jellabuk-do and Iksan Regional Construction and Management Administration shall settle the costs after relocation of the settlers and construction of flood defenses are completed under the transfer conditions.

This successful mediation was the result of the ACRC's relentless efforts to persuade different organizations and stakeholders to resolve the distress of the petitioners. It is an exemplary case as the ACRC never gave up even though it took a great deal of time and patience and there were so many challenges along the way.





## Chapter 4. Stronger Remedy of Violated Rights Including Facilitation of Special Ombudsman Activities

Under the new government's policy blueprint, the importance of enhancing the people's rights and interests in the areas that hardly benefit from the Ombudsman was emphasized.

The ACRC, as the national Ombudsman, tried to ensure more active special Ombudsman functions in order to meet the citizens' high expectations of the new government and to build a systematic rights protection system.

First, the ACRC pushed forward with corporate Ombudsman activities by holding on-site meetings to listen to and resolve the difficulties and grievances of businesses and by launching a dedicated team for corporate complaints handling.

Second, the ACRC engaged in national defense/police related Ombudsman activities. For instance, it inspected the abandoned defense/military facilities in coastal areas across the country and developed measures to clean them up or to make better use of them, and the ACRC also built cooperative ties with relevant organizations to come up with measures to improve road safety.

Third, the ACRC also laid the foundation to adopt the Ombudsman in charge of the Prosecution related matters by driving to amend the Enforcement Decree of the ACRC Act. It was aimed at ensuring that complaints concerning the Prosecution's illegal/unfair actions in the process of investigation such as delay of investigation are addressed in a more systematic way as long as it does not violate the fairness/independence of the Prosecution's investigations.

Moreover, the ACRC has in place a dedicated team for handling special complaints in order to reduce the administrative cost incurred due to repetitive/peculiar complaints and to resolve complaints as quickly as possible through active responses.

## 1. Support Economic Activities of Businesses through Corporate Ombudsman

In 2017 when the new government came to office, the ACRC actively promoted corporate Ombudsman activities to support successful implementation of the new government's policy goal of "make the economy better for everyone" and its key policy agenda items (e.g. creation of decent jobs, promotion of social economy, cooperation between conglomerates and small and medium sized enterprises (SMEs), empowerment of small business owners, formation of sound growth environment for SMEs), and to ensure speedy resolution of related complaints and grievances on the people's side.

In addition, the ACRC launched the Business Complaints Team as an exclusive window to handle related complaints and grievances, as well as to identify and resolve corruption hidden behind corporate complaints and close loopholes if needed.

In 2009, the ACRC opened this exclusive window online on its e-People website to promote businesses' convenient access to complaint filing. The ACRC has implemented Corporate Ombudsman On-site Meetings since 2014 to enhance field-centered handling of grievances and difficulties of SMEs, small business owners and self-employed individuals.

In particular, in 2017, the ACRC significantly increased the number of on-site meetings to 13 times a year, which would otherwise be held quarterly or bi-monthly, in order to reach more businesses from different regions and sectors. In doing so, the ACRC held eight Regional On-site Meetings in Yeosu-si, Gwangyang-si, Dangjin-si, Tongyeong-si, Jeju-si, Seogwipo-si and Wonju-si. On-site Meetings with Themes also took place five times with entrepreneurs from social corporations, ICT start-ups and international companies, other

businesspeople of six major topics, and heads from business-related organizations.

The on-site meetings have been operated to directly communicate with businesses for their grievances and difficulties that arise across business processes regarding license, recruitment, certification, supply channels and finance, and explore reasonable solutions with relevant organizations and agencies.

Meanwhile, as there were an increasing number of complaints from businesses related to unfair contract practices and subsequent damages in working with the central and local governments and public corporations, the ACRC has put a priority on tackling these issues since 2015. Since disputes over public contracts tend to involve relationships between private persons, they pose some difficulties for the ACRC's active intervention. However, as the appeal process and dispute mediation system have passively been operated by the government, a number of complaints concerning public contracts were filed to the ACRC. Therefore, the ACRC has actively intervened to revamp unfair contract practices by public agencies and resolve business grievances and complaints over project delays and ensuing financial difficulties.

The ACRC has worked with the Construction Association of Korea and other relevant agencies to better complaint filing and handling services related to public contracts and provided consultation for local governments and education offices to prevent complaints. In these processes, the ACRC has utilized external advisers (10 persons) to secure expertise and fairness in handling complaints.

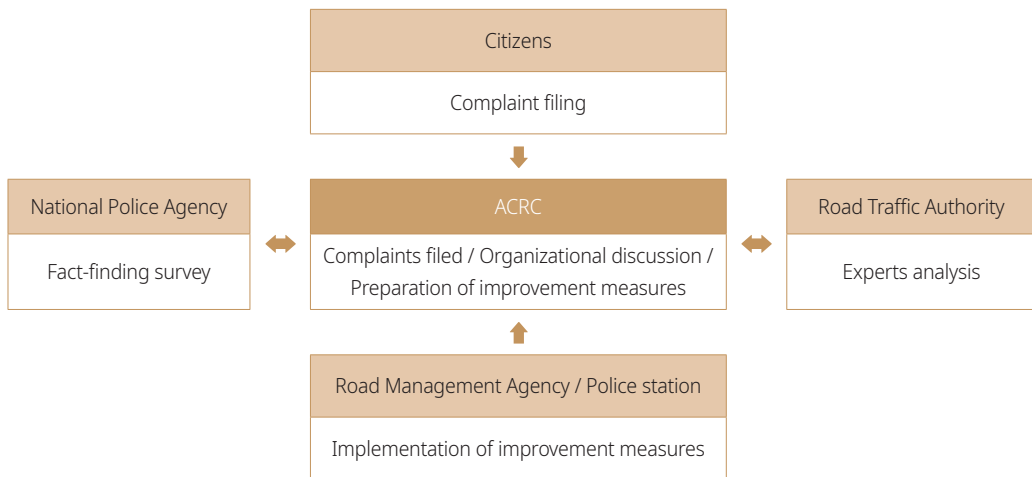
As a result, of the total of 123 complaints filed by various businesses related to non-payment of construction costs, contract signing procedures, contract change requests, compensation for deferment and other unfavourable actions, 53 cases have been accepted (acceptance ratio: 43%).



## 2. Planning and Investigation of Traffic Safety through Police Ombudsman

Civil complaints related to road safety that has a direct impact on people's lives cannot be resolved by a single agency. Therefore, relevant agencies need to work together to come up with and implement improvement measures to tackle these complaints. In order to help them run a seamless operation, the ACRC schemed out a system for planning and investigation of complaints concerning traffic safety.

### System for Planning and Investigation of Civil Complaints Related to Traffic Safety



When civil complaints related to traffic safety facilities are filed, in most of the cases, social and economic costs have already incurred to the residents in related areas due to traffic accidents or other reasons. Therefore, it is essential to launch a pre-emptive investigation of possible causes for such complaints. As such, the ACRC identified 315 problem locations across vulnerable provinces in terms of investment in traffic safety facilities from 2014 through 2017. Among them, improvement has been completed for 53 locations, and progress will be reviewed for the remaining 262 locations in 2018.

## Investigation of Potential Civil Complaints Related to Traffic Safety Facilities and Improvement Progress

(Unit: location)

Province	Year of measure development	No. of locations	Improvement		Locations that require continuous management
			Mediation · Agreement	Self-resolution	
Total		315	20	33	262
Gyeongsang	2014	80	5	20	55
Jeolla	2015 (1 <sup>st</sup> half)	53	5	6	42
Chungcheong	2015 (2 <sup>nd</sup> half)	52	5	7	40
Gangwon	2016	41	5	-	36
Gyeonggi	2017	89	-	-	89

In 2017, the ACRC discussed with the National Policy Agency, the Road Traffic Authority and relevant experts to implement improvement measures for 'accident-prone tunnels and bridges (Project 1)' and for 'road-side structures triggering car accidents (Project 2)'. For Project 1, 380 locations were identified by reviewing car accident reports of the recent three years (2014-2016), and improvement measures were developed for 885 facilities in 214 locations (112 tunnels and 102 bridges) excluding already improved locations. For Project 2, car accident reports for the recent three years (2014-2016) were examined and 635 locations were discovered. The ACRC discussed with police stations and road management agencies and prepared improvement measures for 471 facilities in 398 locations excluding already improved locations.

### 3. Resolution of Civil Complaints Triggering Factors through National Defence Ombudsman



### *Planning and Investigation of Abandoned National Defence and Military Facilities in Coastal Areas for Clean-up or Retrofitting*

As a number of civil complaints were filed related to shut-off of unused pickets or unauthorized occupation/use of national defence and military facilities in coastal areas, the ACRC launched planning and investigation of idle (unused) national defence and military facilities in coastal areas across the nation.

In particular, as local governments pursued tourism development projects (resorts, coastal trekking routes, etc.), unattended and abandoned national defence and military facilities surfaced as the cause for project delay or environment pollution. Therefore, these facilities were needed to be cleaned up or retrofitted.

The military had planned to remove idle facilities only to fail to identify the exact situation, and as a result, most of these facilities were left unattended on the site.

Of the 8,693 km-long coastline of the nation, the ACRC launched an on-site fact-finding survey on the entire coastline of Chungcheong Province and a couple of locations for each local government in Jeolla and Gyeongsang Provinces while holding hearing sessions for border areas in Gyeonggi and Gangwon Provinces. Based on the findings, the ACRC developed improvement measures to discuss with relevant organizations and consult with experts.

According to the survey, issues included occupation/use of private properties, public waters or national park spaces without consent/agreement, combat equipment and military materials left unattended in unauthorized facilities, their restrictions on local development and exercise of individual property rights, building wastes left uncollected after removing facilities and structures, environmental pollution due to waste tires, concrete, slates and barbed wire, and degradation of unattended facilities into crime-ridden areas.



Therefore, the ACRC plans to work with the Ministry of National Defence and relevant local agencies to examine the situations in a more detailed manner through site inspections, thereby determining whether to digitally register and use the national defence and military facilities.

### *Operation of Tailored On-Site Outreach Programs for Soldiers and Complaints Handling in Military Barracks*

Even after army sergeant Lim's shooting incident and private first class Yoon's death in 2014, beatings and harsh treatment continued in the covert form in the military. To respond to this issue, the ACRC has operated tailored on-site outreach programs for soldiers since 2015.

As a part of this initiative, the ACRC has visited military training camps and recruit training centers of front-line divisions to offer counselling to soldiers on service and their families and promote national defence ombudsman.

In doing so, some complaints were filed that senior soldiers harshly treated juniors with abusive and violent language during work in military barracks. Therefore, the ACRC visited the camps in question and conducted a fact-finding survey on soldiers.

## **4. Introduction of Prosecution Ombudsman to Protect and Enhance Civil Rights and Interests**

In accordance with Subparagraph 5 of Article 2 of the ACRC Act, the ACRC in principle may handle civil complaints on grievances related to any administrative agency, which includes the Prosecution. In reality, however, investigation-related civil complaints have been confined to the police sector.

Therefore, the ACRC has pursued to amend Article 17.1 of the Enforcement Decree of





the ACRC Act by adding a sub-committee that would handle civil complaints related to the Prosecution while limiting the scope of these complaints to illegal/unfair actions in the process of investigation in order not to violate the fairness and independence of the Prosecution.

The ACRC expects that the Prosecution Ombudsman will soon be enacted, thereby contributing to protecting and enhancing civil rights and interests.

## 5. Operation of Dedicated Team for Repetitive Complaints to Enhance Efficiency in Handling Civil Complaints

The ACRC has operated a dedicated team for handling special complaints since July 2011 in order to tackle issues posed by repetitive/unreasonable complaints. The team has resolved 133 repetitive/ unreasonable complaints out of the unresolved 165 cases difficult to be handled by ministries so far (July 2011–December 2017) through settlements and persuasions.

By doing so, the burden and stress of investigators in charge of such complaints has been relieved and their ineffective work system has been improved, thereby enhancing the overall quality of civil complaints services. Most of all, the ACRC has strived to help some civil petitioners who suffered from obsession, delusion and anger management disorder to recover their mental health and improve their quality of life.

The dedicated team has dealt with special complaints by re-investigating them from the scratch on the site in the presence of civil petitioners. In particular, the team has focused their efforts on visiting civil petitioners in person, listening to their grievances and showing empathy for them, thereby eliminating any misunderstanding and restoring their trust in public complaint service.



### ○ Example of Special Complaint Handling

The petitioner invested KRW 200 million in a housing construction project. The money was the whole fortune that the petitioner saved and possessed after having operating a stationery business for over four decades. However, the project went bankrupt due to financial difficulties facing the project builder. The petitioner filed over 5,600 complaints to the ACRC from 2011 through 2017, claiming that the project was suspended and went bankrupt due to the wrongful approval by ○○-si and therefore, ○○-si should compensate incurring losses.

→ The court already ruled that ○○-si was not liable to indemnify the petitioner for damages or losses. The petitioner was not able to manage a normal life due to repetitive complaints filing for a long time. Therefore, the ACRC worked together with the related community service center and the Community Chest of Korea to offer the petitioner emergency subsistence aide, housing repair, and living environment improvement. At the same time, the ACRC strived to convince the petitioner that the compensation/indemnification by ○○-si was not an issue that any administrative agency could handle. Thanks to these efforts, the petitioner stopped filing complaints and returned to a normal life.

Meanwhile, the ACRC has held a workshop on special complaints six times with related public agencies, transferred related knowhow to 5,931 public officials from central and local governments through 32 on-site lectures, and offered phone consultations (over 200 times).





## Chapter 5. Efforts to Prevent Civil Complaints

Under the recognition that empowering administrative agencies in terms of civil complaints handling, thereby preventing civil complaints, is a better way to proactively protect the rights and interests of the people, the ACRC has made every effort to lay the foundation to prevent civil complaints and help administrative agencies build capacity for resolving civil complaints.

First, the ACRC has carried out surveys on administrative agencies regarding the state of their civil complaints handling in order to secure fairness and accountability in their complaints handling and enhance public satisfaction of administrative services. The ACRC is constantly developing and improving survey indicators while increasing the number of agencies participating in the survey.

Second, in order to promote transparency in administrative affairs and improve civil complaint services, the ACRC has supported local governments to operate their own independent Ombudsman. In doing so, the ACRC has strived to protect and enhance the rights and interests of local residents through facilitating local Ombudsman.

Lastly, the ACRC has provided online and group training sessions to share and transfer skills and knowhow of complaints handling, thereby enhancing civil complaint services across public agencies. The ACRC has also trained its own investigators to sharpen their expertise and build their capacity for complaints handling.

### 1. Implementation of Surveys on the State of Civil Complaint Handling

In order to enhance public satisfaction of administrative services and secure fairness



and accountability in civil complaints handling, the ACRC carries out annual surveys of administrative agencies regarding their state of civil complaints handling. The ACRC is constantly developing and improving survey indicators while increasing the number of agencies participating in the survey.

The ACRC integrated the survey into the Comprehensive Civil Service Evaluation with the general civil service assessment by the Ministry of the Interior and Safety in 2017 to reduce the burden of agencies subject to the survey.

For this survey, each organization carries out a self-diagnosis in the first half of the year, and the ACRC provides consulting service for those organizations graded as “unsatisfactory” or “poor” to encourage improvement. In the second half of the year, the ACRC grades the organizations and finalizes its reports after holding document reviews, field surveys, and review committees.

The ACRC encourages organizations to make voluntary efforts for improvement by releasing survey outcomes to the media and granting awards on the ACRC Day.

Meanwhile, the ACRC received applications from organizations other than local governments for the survey, including 10 organizations (1 central ministry, 2 gu offices, and 7 public corporations/agencies) in 2013, 7 (1 education office and 6 public corporations/agencies) in 2014, 6 (public corporations/agencies) in 2015, and 3 (public corporations/agencies) in 2016. In 2017, the survey was conducted on 4 public agencies such as the National Health Insurance Service, the Korean Workers' Compensation & Welfare Service, the National Pension Service, and the Road Traffic Authority.

The ACRC expects that its continuous efforts to improve the quality of the survey will help administrative agencies build the framework to handle civil complaints and build their capacity to resolve related issues, thereby enhancing civil petitioners' satisfaction and remedying violated rights.



## 2. Expansion of Local Ombudsman and Support for Operation

The ACRC encourages local governments and affiliated agencies to operate their own independent Ombudsman in order to swiftly and fairly address complaints.

In order to facilitate the establishment and operation of local Ombudsman, the ACRC has amended and distributed the standard ordinance on the establishment and operation of local Ombudsman. Working with the Local Ombudsman Council kicked off in December 2016, the ACRC provided meetings and workshops to promote exchanges and cooperation with local Ombudsmen.

Local Ombudsman is a tool tailored to each local government to swiftly address civil complaints. Local Ombudsman has expanded to 28 local governments, including Anseong-si and Yeosu-si that joined the program in 2017.

### Local Ombudsman Establishment/Operation

- Metropolitan/provincial local government (4): Seoul; Gyeonggi Province; Gangwon Province; Chungcheongnam Province
- Primary local government (24): Anyang-si; Bucheon-si; Siheung-si; Hwaseong-si; Wonju-si; Jecheon-si; Iksan-si; Seongnam-si; Yeosu-si; Namyangju-si; Yangsan-si; Sangju-si; Yeongdong-gun; Gangdong-gu, Seoul; Gangbuk-gu, Seoul; Gwanak-gu, Seoul; Guro-gu, Seoul; Mapo-gu, Seoul; Seodaemun-gu, Seoul; Seongdong-gu, Seoul; Eunpyeong-gu, Seoul; Nam-gu, Incheon; Anseong-si; Yeosu-si

※ Number of local Ombudsmen: 14 (1997-2014) → 19 (2015) → 25 (2016) → 28 (2017)

## 3. Capacity Building Education for Public Agencies and Investigators

Since 2008, the ACRC has provided yearly group training sessions specialized in civil complaints and Ombudsman for relevant officials from public organizations. Over 1,200 trainees have completed the course.

The online course on the Remedy of Violated Rights and Ombudsman consists of introduction to Ombudsman system, roles and responsibilities of the ACRC, and knowhow and best practices of complaint handling. The course was designed for public officials and launched in September 2012. A total of 69,000 trainees have completed the course so far. In the year 2017 alone, 20 cyber-training sessions were provided to over 20,000 officials.





## Chapter 6. Current State of Civil Complaints Handling by Sector

### 1. Administration, Culture, Education, Foreign Affairs, Unification, Civil Affairs, and Legal Affairs Sector

The administration, culture, education, foreign affairs, unification, civil affairs and legal affairs sector can be categorized into five sub-sectors: administration/safety, personnel administration, culture/tourism, education, and foreign affairs/unification/civil affairs/legal affairs. Administration/safety concerns the issues related to local finance, land registry, resident and family relation registration, civil defence/disaster/fire-fighting, and general administrative affairs. Personnel administration handles complaints over personnel management, compensation/travel expenses, reward/punishment/appeal, test, pension, and administrative management. Culture/tourism deals with issues about culture promotion, cultural assets, culture industry, tourism and sports. Education involves complaints related to educational policy, school management, educational management, life-long/vocational training, and policy on teachers. Foreign affairs/unification/civil affairs/legal affairs address foreign affairs, immigration, unification, overseas Koreans and others.

In 2017, the number of civil complaints handled stood at 5,456 cases, decreased by 3,745 from 9,201 cases year-on-year. The decrease was due to the operational change that the repetitive complaints among others category were concurrently handled. Among the cases handled, a total of 233 cases were accepted, slightly lowered by 45 from 268 cases in 2016. They included corrective recommendations, expression of opinions, mediation, and agreement.

## Complaints handled by sector

(Unit: case)

Period	Total	Administration / safety	Personnel administration	Culture / tourism	Education	Foreign affairs / unification / civil affairs / legal affairs	Others
2017	5,456	631	172	142	172	106	4,233
2016	9,201	742	111	113	98	90	8,047
Change	3,745 ( $\Delta$ 41%)	$\Delta$ 111 ( $\Delta$ 15%)	61 (55%)	29 (26%)	74 (76%)	16 (18%)	$\Delta$ 3,814 ( $\Delta$ 47%)

## Result of complaints handled

(Unit: case)

Period	Total	Corrective recommendations	Expression of opinions	Mediation / agreement	Dismissal	Rejection	Guidance of deliberation	Transfer / referral	Guidance reply	Withdrawal, Closure
2017	5,456	9	7	207	0	69	80	15	701	4,368
2016	9,201	5	9	254	0	32	31	3	697	8,170
Change	$\Delta$ 3,745 ( $\Delta$ 41%)	4 (80%)	$\Delta$ 2 ( $\Delta$ 22%)	$\Delta$ 47 ( $\Delta$ 19%)	-	37 (116%)	49 (158%)	12 (400%)	4 (1%)	$\Delta$ 3,802 ( $\Delta$ 47%)

## 2. National Defence and Veteran's Affairs Sector

The national defence and veteran's affairs sector can be categorized into three sub-sectors: national defence, veteran's affairs, and military. National defence concerns issues related to military installation protection zones, land for military use, general national defence affairs, and military service affairs. Veteran's affairs involve complaints over decorated patriots and veterans and their benefits. Military handles issues related to beatings and harsh treatment in military barracks and general services for soldiers in service, affairs for discharged soldiers and civilian military employees.



In 2017, due to the increasing awareness of the Military Complaint Resolution System introduced in 2008 and expectations towards change of government, the number of civil complaints handled increased 20.6% (204 cases) year-on-year. Complaints handled by national defence and veteran's affairs sectors increased by 37.7% (190 cases) and 29.5% (93 cases), respectively, while the ones for military sector concerning soldiers in service decreased by 45.6% (77 cases) year-on-year. Corrective recommendations and expressions of opinions remained the same as the previous year while mediation/agreement (12.4%), dismissals (250.0%), rejections/deliberation guidance (90.9%), guidance reply (15.0%), and withdrawals (36.8%) all increased.

### Complaints handled by sector

(Unit: case)

Period	Total	National defense	Veteran's affairs	Military	Others
2017	1,194	694	408	92	
2016	990	504	315	169	2
Change	204 (20.6%)	190 (37.7%)	93 (29.5%)	△77 (△45.6%)	△2 (△100.0%)

### Result of complaints handled

(Unit: case)

Period	Total	Corrective recommendations	Expression of opinions	Mediation / agreement	Rejection	Dismissal / guidance of deliberation	Guidance reply	Withdrawal	Transfer / referral
2017	1,194	18	23	191	21	84	760	93	4
2016	990	18	23	170	6	44	661	68	
Change	204 (20.6%)	-	-	21 (12.4%)	15 (250.0%)	40 (90.9%)	99 (15.0%)	25 (36.8%)	4

## ○ Example of Corrective Recommendation

### Recognition of Death on Duty

#### (1) Summary of Complaint

The late private Huh (hereinafter “the deceased”), son of the petitioner, was killed by three shots of M16 rifle during his service at GOP of the 8th Army Division on April 2, 1984. While the military concluded his death as ‘suicide’ after investigation, the Presidential Truth Commission on Suspicious Deaths suggested it as murder. Meanwhile, the first and the appeals courts ruled it as murder and suicide, respectively, while the Supreme Court recognized neither of them as the cause of death. The petitioner demanded that the deceased should be recognized as a decorated patriot as he died on duty.

#### (2) Key Issue

The causal relationship between his death and performance of duties

#### (3) Handling Process and Investigation Result

The ACRC concluded that the substantial truth behind the death could not be verified as there was no clear evidence to support whether he was murdered or committed suicide as the Supreme Court ruled. However, the ACRC assumed that when a soldier on compulsory military service died in a military camp, the nation had obligations to reveal the cause of death and offer appropriate words of consolation and compensation. In particular, the cause of death could not be verified due to poor investigation by the military, which indicated the nation’s violation of lawful procedures. In this case, even though the cause or method of death was unclear, the death should be recognized as a death on duty if it had to do with military duties. The deceased died within a military camp while serving his duties at GOP near the DMZ. Therefore, the ACRC put forward a corrective recommendation to recognize his death as a death on duty unless there was any clear evidence to claim otherwise. Afterwards, the Central Review Committee on Death during Honourable Service acknowledged the cause of death of the deceased as ‘unverifiable’ and classified his death as a Death on Duty II (general death on duty) on April 28, 2017, and the Ministry of Patriots and Veterans Affairs determined to register the deceased as a soldier who died in the line of duty.

#### (4) Takeaway

Private Huh’s death and the ensuing provision of veteran’s compensation and posthumous respect provides an exemplary case of the recovery of honor for the deceased and his family, and the protection of civil rights. Though the cause of death could not be identified due to poor investigation by the military, he was nevertheless recognized and registered as a soldier who had died in the line of duty.



## Overdue Complaint Related to a Suspicious Death in the Military Finally Resolved

Deceased army 1st Lt. Kim Hun was found dead by a gunshot wound at a military outpost in the de-militarized zone near Panmunjom. At that time, the army concluded that officer Kim killed himself.

However his family members did not accept the army's conclusion, arguing that a series of improper investigations were conducted including damaged crime scene, and evidence for murder ignored

The Supreme Court ruled at the lawsuit filed by the bereaved family that the initial investigation had been conducted poorly, not complying with basic principles of inspection and investigation, and declared that it could not conclude whether his death was a suicide or a homicide. In addition, the Fact-Finding Committee about Suspicious Deaths in the Military made a decision that it was not able to find the truth, due to not enough motive or evidence for either suicide or murder.

Under the circumstances, his family filed a complaint with the ACRC to re-investigate the case in September 2011.

The ACRC conducted a close re-investigation such as gun firing test jointly with the Investigation Headquarter of the Defense Ministry and the National Forensic Service to re-enact the crime. After the investigation, the ACRC decided that the initial hasty decision that 1st Lt. Kim committed suicide affected the overall investigations of the authority, making it impossible to discover the substantial truth now.

The ACRC made a recommendation in August 2012 that if a death occurs in the military and the cause of death is unable to be identified due to faulty initial investigation by the authority, then the responsibility shall be born by the state, therefore if the death occurs while serving the military, it needs to be recognized as a death on duty. The ACRC also made a recommendation in 2013 to improve relevant laws so that death, the cause of which is unable to be identified, shall be recognized as a death on duty.

As such, the ACRC has made continuous efforts to resolve suspicious deaths in the military for the last 5 years since August 2012 along with the National Assembly and the Supreme Court. On July 31, 2017, the Ministry of Defense finally recognized 1st Lt. Kim's case as a death on duty.

### 3. Police Sector

The police sector can be categorized into four sub-sectors: investigation, traffic, public safety, and general policing affairs. Investigation complaints concern requests for reinvestigation, or delays or unfairness in investigation. Traffic complaints are related to (re) investigation of traffic accidents, objection to crackdowns on traffic violations and driver's license appeal, and improvement of traffic safety facilities. Public safety handles complaints regarding prevention of crimes, reporting to and mobilizing of the police, assembly and demonstration, and information security activities. Finally, general policing affairs concern issues related to conscripted police service, coast guard safety, and police administration.

#### Complaints handled by sector

(Unit: case)

Period	Total	Investigation	Traffic	Public safety	General policing affairs	Others
2017	1,072	432	310	42	285	3
2016	993	439	325	42	187	0
Change	79 (8.0%)	△7 (△1.6%)	△15 (△4.6%)	- (0%)	98 (52.4%)	3 (300.0%)

#### Result of complaints handled

(Unit: case)

Period	Total	Corrective recommendations	Expression of opinions	Mediation/ agreement	Dismissal	Rejection	Guidance of deliberation	Transfer / referral	Guidance reply	Withdrawal, Closure
2017	1,072	32	18	247	20	28	138	19	462	108
2016	993	31	10	216	19	18	138	23	456	82
Change	79 (8.0%)	1 (3.2%)	8 (80.0%)	31 (14.4%)	1 (5.3%)	10 (55.6%)	- (0%)	△4 (△17.4%)	6 (1.3%)	26 (31.7%)

#### 4. Welfare, Labor, and Broadcasting and Communications Sector

The welfare, labor, and broadcasting and communication sector can be categorized as follows: the health and welfare area handles complaints related to social welfare, health, medical service, pharmaceutical service, family and gender equity, food, health insurance, and national pension; the labor area concerns issues over labor standards, labor-management policies, occupational health and safety insurance, employment stability, vocational training, employment insurance, and assurance of wage claims; and the broadcasting and communications area involves complaints related to wired and wireless phone and broadband services.

More specifically, the health and welfare area faced a number of complaints regarding national basic livelihood support and health insurance premiums. Among them, the number of complaints, related to the damages due to bank accounts frozen for non-payment of health insurance premiums, has gradually decreased since 2016 when recommendations to improve related regulations were issued, attesting to the effects of improvement. Complaints concerning unpaid wages and occupational accidents were the most frequently filed cases in the labor area, followed by some over assurance of wage claims and vocational training. A majority of complaints in the broadcasting and communications area were related to issues with telecommunication providers such as mobile fees and subscription and termination of broadband and mobile services.

In 2017, this sector resolved 5 cases with corrective recommendations, 22 with expression of opinions, and 138 with settlements.

#### Complaints handled by sector

(Unit: case)

Period	Total	Health & welfare	Labor	Broadcasting & communication	Others
2017	989	494	437	52	6
2016	1,762	948	735	77	2
Change	△773 (△43.9%)	△454 (△47.9%)	△298 (△40.5%)	△25 (△32.5%)	4 (300.0%)

## Result of complaints handled

(Unit: case)

Period	Total	Corrective recommendations	Expression of opinions	Mediation/ agreement	Dismissal	Rejection	Guidance of deliberation	Transfer / referral	Guidance reply	Withdrawal, Closure
2017	989	5	22	138	0	49	42	1	561	171
2016	1,762	17	29	279	4	44	95	20	1,086	188
Change	△773 (△43.9%)	△12 (△70.6%)	△7 (△24.1%)	△141 (△50.5%)	△4 (△100%)	5 (11.4%)	△53 (△55.8%)	△19 (△95.0%)	△525 (△48.3%)	△17 (△90%)

### ○ Example of Expression of Opinions

#### Retroactive Payment of Childcare Allowances

##### (1) Summary of Complaint

The petitioner delivered a child out of wedlock on September 28, 2015, but as she was involved in a lawsuit against the child's biological father for domestic violence before the childbirth, the petitioner filed a belated birth registration of the child and applied for childcare allowances on May 8, 2017. However, the petitioner was told that childcare allowances could not be paid retroactively to the child's birthdate. The petitioner requested retroactive payment of childcare allowances, citing the belated birth registration.

##### (2) Key Issue

In accordance with Article 34-2 (Child Home-Care Allowances) and Article 34-4 (Applications for Subsidies and Allowances) of the Infant Care Act, the childcare project guideline issued by the Ministry of Health and Welfare stipulates that childcare allowances can be paid retroactively only when applications are made within 60 days from the birthdate.

##### (3) Handling Process

The ACRC investigated the reasons for the petition and thoroughly reviewed related documents and related laws, regulations and precedents.

#### (4) Result

The ACRC found that the petitioner had inevitable reasons to file a belated childbirth registration. Due to domestic violence of the child's biological father that started from the petitioner's four month pregnancy, their de facto marriage was broken, and she got involved in civil and criminal lawsuits even until after childbirth. The petitioner demanded the child's father be stated as father in the child's birth registration, but he denied biological father-child relationship and refused to be registered as father. As a result, the petitioner confirmed the biological relationship through genetic testing on April 4, 2017. Article 34-4.1 thereof only stipulates that "a guardian of an infant may file an application for subsidies and allowances" without describing restrictions on application date. In addition, the provisions of the Infant Care Act, the Mother and Child Health Act, and the Framework Act on Low Birth Rate in an Aging Society describe that the central and local governments should take responsibility and fulfil obligation for rearing infants and promoting their health, taking measures as needed to protect the health of mothers and children, and implementing policy for every child not to be discriminated and live a safe and happy life. Based on these findings and the intent and purpose of the 'childcare allowance system', which was introduced to resolve low birth rates, the ACRC expressed its opinions that it would be desirable for the petitioner to get retroactive payment of childcare allowances. The ACRC's recommendation was accepted by the relevant ministry and the childcare allowances were thereby paid retroactively.

## 5. Finance and Taxation Sector

The finance and taxation sector consists of two areas: the finance area handles complaints related to national property, banking, insurance, securities, fair trade, tobacco, and procurement; and the taxation area concerns complaints related to national taxes, tariffs, and local taxes.

The number of complaints handled by this sector fell by 18.4% in 2017 compared to the previous year. Complaints in the finance area dropped by 27.4% while the ones in the taxation area decreased by 13.9%.



## Complaints handled by sector

(Unit: case)

Category	Total	Finance	Taxation
2017	1,666	491	1,175
2016	2,041	676	1,365
Change	△375 (△18.4%)	△185 (△27.4%)	△190 (△13.9%)

## Result of complaints handled

(Unit: case)

Period	Total	Corrective recommendations	Expression of opinions	Mediation / agreement	Dismissal	Rejection	Guidance of deliberation	Transfer/ referral	Guidance reply	Withdrawal / closure
2017	1,666	44	3	283	24	66	7	21	1,023	195
2016	2,041	77	1	284	167	31	8	6	1,236	231
Change	△375 (△18.4%)	△33 (△42.9%)	2 (200%)	△1 (△0.4%)	△143 (△85.6%)	35 (△112.9%)	△1 (△12.5%)	15 (250%)	△213 (△17.2%)	△36 (△15.6%)

## 6. Industry, Agro-Forestry, Environment and Maritime Sector

The industry, agro-forestry, environment and maritime sector can be sub-sectored as follows: the industry and resources area concerns complaints regarding general trade affairs, patent, electricity, oil, mining, natural gas, postal service, and postal finance; the agro-forestry area involves complaints related to agriculture, stockbreeding, food policy, agro-livestock cooperatives, and forestry administration; the environment area addresses complaints over pollution, stockbreeding, waste, water supply, drinkable spring water, national parks, and sewage system; and the maritime area concerns issues over maritime and fisheries, fisheries cooperatives, and ocean ports.

As simple inquiries, statutory interpretations, and complaints concerning relationship



between private persons decreased, the number of complaints in this sector diminished by 475 cases (24.0%) in 2017 year-on-year. Of the total 1,502 complaints, 579 (38.5%) were related to industry and resources, 553 (36.8%) to agro-forestry, 300 (20.0%) to the environment, and 70 (4.7%) to maritime and fisheries.

### Complaints handled by sector

(Unit: case)

Period	Total	Industry & resources	Agro-forestry	Maritime & fisheries	Environment
2017	1,502	579	553	70	300
2016	1,977	600	828	102	447
Change	△475 (△24.0%)	△21 (△3.5%)	△275 (△33.2%)	△32 (△31.4%)	△147 (△32.9%)

### Result of complaints handled

(Unit: case)

Period	Total	Corrective recommendations	Expression of opinions	Mediation/ agreement	Dismissal	Rejection	Guidance of deliberation	Transfer/ referral	Guidance reply	Withdrawal/ closure
2017	1,502	39	34	280	5	97	43	10	835	159
2016	1,977	25	34	419	6	48	60	7	1,147	231
Change	△475 (△24.0%)	14 (56.0%)	0 (0%)	△139 (△33.2%)	△1 (△16.7%)	49 (△102.1%)	△17 (△28.3%)	3 (42.9%)	△312 (△27.2%)	△72 (△31.2%)

## 7. Housing and Construction Sector

The housing and construction sector includes housing and construction administration areas. The housing sub-sector involves house construction projects, supply and management of public rental housing, operation of the national housing fund, housing management, rental housing management, residential improvement project,

redevelopment/reconstruction projects, establishment of housing association, and real estate brokerage. The construction area concerns building permission/reporting, approval for building use and change of use, building ledger management, compliance charges/vicarious execution for illegal building, and building and technical license.

The number of complaints filed and handled in the housing and construction sector stood at 1,116 in 2017, falling by 94 cases (7.8%) year-on-year. While the number of complaints concerning housing sector was 736 cases, lowered by 29 cases (3.8%) year-on-year, complaints in the construction sector decreased by 67 cases (2.5%) to 375 during the same period. This sector resolved complaints with corrective recommendations for 8 cases, expression of opinions for 55 cases, mediation and agreement for 251 cases, rejection for 2 cases, dismissal for 30 cases, deliberation guidance for 36 cases, guidance reply for 570 cases, and withdrawals for 164 cases.

### Complaints handled by sector

(Unit: case)

Category	Total	Housing	Construction	Others
2017	1,116	736	375	5
2016	1,210	765	442	3
Change	△94 (△7.8%)	△29 (△3.8%)	△67 (△15.2%)	2 (66.7%)

### Result of complaints handled

(Unit: case)

Period	Total	Corrective recommendations	Expression of opinions	Mediation / agreement	Dismissal	Rejection	Guidance of deliberation	Transfer / referral	Guidance reply	Withdrawal / closure
2017	1,116	8	55	251	2	30	36	0	570	164
2016	1,210	17	60	381	0	119	70	0	371	192
Change	△94 (△7.8%)	△9 (53%)	△5 (△8%)	△130 (△34%)	2 (△85.6%)	△89 (△75%)	△34 (△49%)	-	119 (54%)	△28 (△15%)

## ○ Example of Corrective Recommendation

### Appeal Against Imposing Interest on Public Housing Fund for Deposit-Based Rental Housing

#### (1) Summary of Complaint

While residing in a deposit-based rental house as a child breadwinner, the petitioner was put into prison for five years and not able to stay in the house. The petitioner demanded cancellation of interest and overdue charges on the rental house deposit financed by the public housing fund.

#### (2) Key Issue

Whether no exemption of levying interest and overdue charges for the public housing fund incurred during the petitioner's imprisonment is valid as the petitioner made no contact to the lessor.

#### (3) Handling Process and Result

The ACRC put forward a corrective recommendation that the interest and overdue charges levied for the post-contract termination period should be cancelled while the charges for the contract period should be recalculated and levied given the situations as follows: the respondent could not be deemed to make every effort to contact the petitioner, and the interest and overdue charges for the post-contract termination period would not be imposed if the respondent contacted the petitioner before the termination of the contract or executed eviction procedure afterward; however, the petitioner did not send any notice to the respondent for the termination of the contract even if the petitioner was no longer able to reside in the house before the termination of the contract due to arrest and imprisonment; therefore, the petitioner should take responsibility for the interest imposed for the period before the contract termination regardless of the petitioner's actual residence in the house. The respondent cancelled and recalculated interest and overdue charges. Meanwhile, the ACRC also expressed its opinions to improve related regulations and introduce additional measures as similar cases could occur among tenants of rental housing, in particular to adequately respond to single-person for the cases of contact disruption, long-term non-payment, or death.

## 8. Urban and Water Resources Sector

The urban and water resources sector can be divided into two parts: the urban area handles complaints related to urban development or housing site development projects, other large scale public development projects, determination of urban facilities and management planning, management of limited development districts, and development permission; and the water resources area concerns complaints related to rivers and dams.

In 2017, 1,329 complaints were handled in this sector, increasing 11.5% from 1,192 cases year-on-year.

### Complaints handled by sector

(Unit: case)

Period	Total	Urban	Water resources	Others
2017	1,329	1,122	207	1
2016	1,192	999	190	3
Change	137 (11.5%)	123 (12.3%)	17 (8.9%)	△2 (△66.7%)

### Result of complaints handled

(Unit: case)

Period	Total	Corrective recommendations	Expression of opinions	Mediation/ agreement	Dismissal	Rejection	Guidance of deliberation	Transfer/ referral	Guidance reply	Withdrawal / closure
2017	1,329	7	26	323	0	36	53	0	718	166
2016	1,192	10	26	253	1	37	95	1	463	306
Change	137 (11.5%)	△3 (△30%)	0 (0%)	70 (27.7%)	△1 (△100%)	△1 (△2.7%)	△42 (△44.2%)	△1 (△100%)	255 (55.1%)	△140 (△45.8%)

## 9. Transportation and Road Sector

The transportation and road sector includes sub-sectors as follows. The transportation

part involves complaints over remedy for damage(s) incurred by accidents by road vehicles (bus, taxi, truck, etc.)/flights/trains/subways; issues on license/registration (cancellation, release from seizure, etc.); parking, stopping and other vehicle-related fines and penalties; compensation for residual land after railroad construction; and compensation for losses. The road part concerns issues related to compensation for residual land after road construction, appeal for compensation evaluation, compensation for losses, construction of entry/exit route, appeal for road occupation/occupation fees/indemnities, and soundproof walls.

The number of complaints handled in the transportation and road sector increased by 9 cases (0.6%) in 2017 year-on-year. In details, complaints related to transportation fell by 36 cases (7.3%) while road-related complaints rose by 40 cases (4.6%). These results seem to attest to the results of the ACRC's efforts to build the capacities of relevant officials and to enhance complaint handling systems across agencies which suffered from frequently filed complaints. As a preemptive measure regarding civil complaints, the ACRC has offered consulting on handling civil complaints and meetings with those agencies since 2015.

### Complaints handled by sector

(Unit: case)

Period	Total	Transportation	Road	Others
2017	1,357	456	893	8
2016	1,348	492	853	3
Change	9 (0.6%)	△36 (△7.3%)	40 (4.6%)	5 (166.6%)

### Result of complaints handled

(Unit: case)

Period	Total	Corrective recommendations	Expression of opinions	Mediation/ agreement	Rejection	Guidance of deliberation	Transfer/ referral	Guidance reply	Withdrawal / closure
2017	1,357	11	21	256	59	165	19	746	79
2016	1,348	12	60	310	63	201	29	529	144
Change	9 (0.6%)	△1 (△8.3%)	△39 (△65.0%)	△54 (△17.4%)	△4 (△6.3%)	△36 (△17.9%)	△10 (△34.4%)	217 (41.0%)	△65 (△45.1%)



Part  
**04**

Realizing a Trust-Based Society  
through the Creation of an Ecosystem  
of Integrity



## Chapter 1. Building and Solidifying a Foundation for Anti-Corruption

### 1. Establishment and Operation of the Anti-Corruption Policy Consultation Council

#### *Establishment of the Anti-Corruption Policy Consultation Council*

The launch of the new administration came as a result of the people's strong commitment to anti-corruption. The primary reason citizens voted for the incumbent president, from among several other candidates, was his stated willingness to root out corruption and irregularity. Responding to this public sentiment, the newly launched government reaffirmed its commitment to anti-corruption, using the first two of its "100 Policy Tasks" to address anti-corruption related issues.

The effectiveness of anti-corruption policy can be guaranteed only when it is formulated and implemented holistically at the national level rather than by individual public institutions. In an attempt to enable the implementation of comprehensive and systematic anti-corruption countermeasures through the direction of anti-corruption policy and development of detailed measures at the national level, the Anti-Corruption Policy Council was restored and held its 1st Anti-Corruption Policy Consultation Council meeting on September 26, 2017.

The council, which was presided over by the president, was attended by the chairperson of the Anti-Corruption and Civil Rights Commission, the Chairperson of the Korea Fair Trade Commission, the Chairperson of the Financial Services Commission, the Minister of Justice, the Minister of National Defense, the Minister of the Interior and Safety, the

Minister of Personnel Management, the Minister of the Office for Government Policy Coordination, the Prosecutor General of the Supreme Prosecutors' Office, the Commissioner of National Tax Service, the Commissioner of Korea Customs Service, the Commissioner General of the Korean National Police Agency, and the Senior Presidential Secretary for Civil Affairs. Also in attendance were heads of agencies related to items on the council agenda, along with the Chairperson of the Board of Audit and Inspection of Korea and the Director of the National Intelligence Service.

While the Working-Level Consultation Council on Anti-Corruption Policy was established for effective implementation, the chairperson is one of three vice-chairpersons of the ACRC—which is in charge of corruption prevention—and council members are designated by the heads of pertinent organizations from among director general-level public officials from the agencies of which the council is composed.

### *Launch of the 1<sup>st</sup> Anti-Corruption Policy Consultation Council*

During the 1<sup>st</sup> Anti-Corruption Policy Consultation Council held on September 26, 2017, strategies for implementing anti-corruption policy (proposed by ACRC), stern enforcement actions to be taken against serious corruption offenses and measures for eradicating deeply entrenched irregularities (Ministry of Justice), ways for rooting out unfair practices related to people's every day life (Korea Fair Trade Commission), and measures for preventing corruption in defense acquisitions (Ministry of National Defense) were discussed.

The council began with an ACRC report on the new government's anti-corruption strategies, followed by a discussion on the necessity of concerted efforts by both the government and civil society, in contrast to the conventional top-down government-led approach. The Ministry of Justice expressed its commitment to curbing serious corruption offenses and regional and indigenous irregularities by carrying out far-reaching and regular crackdowns, and by conducting investigations while taking into





account the actual circumstances of each region based on analyses of chronic problems by region.

The Korea Fair Trade Commission will institutionalize a system to prohibit large conglomerates from coercing their small- and medium-sized subcontractors into signing exclusive contracts, for the improvement of unreasonable power relationships. Strict sanctions against the abuse of power will be imposed on franchise headquarters and efforts to identify and impose sanctions on collusion will be intensified.

Among the items proposed by the Ministry of National Defense and discussed were measures for converting the current voluntary reporting system of defense consultant firms into a mandatory one, expanding the scope of retirees subject to limitations on employment to include small-scale defense businesses workers and defense trade agents, and strengthening penalty provisions on corrupt public officials.

## 2. Establishment of the 2017 Anti-Corruption Policy Guidelines

The ACRC establishes and promotes anti-corruption policy guidelines early every year. The objective of the guidelines is to encourage public institutions to voluntarily work hard for anti-corruption by providing necessary information for the implementation of integrity initiatives and to ensure that government-wide anti-corruption activities are smoothly implemented by sharing the government's anti-corruption policy direction.

The 2017 Anti-Corruption Policy Guidelines briefing meeting was held at the conference hall of the Korea Railway Corporation on February 8, and attended by audit officers from 1,300 public institutions-including central government agencies, local governments, metropolitan and provincial offices of education and organizations related to public service.

The ACRC distributed the guidelines setting out key tasks to be implemented by each



institution in 2017.

First, the importance of reinforcing anti-corruption infrastructure and successfully implementing new laws and regulations to achieve the desired effects was highlighted. Especially, for the Improper Solicitation and Graft Act to firmly take root in our society, the ACRC shared its intention to expand support and cooperation for stronger operational foundation of all public institutions, to enhance training on the Act for institutions at each level, and to make multidimensional promotional efforts. In addition, the ACRC aims to introduce rules for preventing conflicts of interest through a revision of the Code of Conduct for Public Officials so that public officials are preemptively prevented from pursuing private interests, and counter-measures against improper solicitation by public officials to the private sector are to be come up with.

Second, it was emphasized that legal and institutional improvements to corruption-prone areas such as solicitation, budgetary waste, and abuse of public authority would be pursued to fundamentally prevent the occurrence of corruption. The ACRC decided to make institutional improvements to eradicate solicitation practices, to improve unreasonable institutions and practices leading to budgetary waste and the abuse of power, and to effectively monitor the implementation of recommended improvements using its institutional improvement management system.

Third, the ACRC expressed its commitment to enhancing its anti-corruption diagnosis and assessment for public institutions in order to induce strong voluntary improvement efforts from them. Following the implementation of the Improper Solicitation and Graft Act, questions on experiences related to improper solicitation were added to the Integrity Assessment survey. Examinations of each institution' web-based disclosures of Integrity Assessment results will be strengthened, and assessment indicators for Anti-corruption Initiatives Assessment will be improved.

Fourth, the ACRC pledged to continuously enhance integrity education, which has been



mandatory since October 2016, so that a sound culture of integrity may take root in the public sector.

Finally, the ACRC shared its commitment to strengthening education and promotion for facilitating corruption and public interest whistleblowing, as well as enhancing the management of cases referred to investigative authorities, and requesting re-investigation or re-examination on previously acquitted cases in a more active manner, while enhancing the follow-up management of acts of corruption, including securing effective restrictions on the employment of public officials dismissed for corruption.

### **3. Efforts to Enact the Proposed Act on the Prohibition of False Claims of Public Funds and Recovery of Illegal Profits**

The government strives to ensure that public funds are utilized for legitimate beneficiaries, while making legal and institutional efforts to maintain financial integrity in preparation for increased expenditures due to factors such as ageing society. The ACRC has also pushed forward the enactment of the Act on the Prohibition of False Claims of Public Funds and Recovery of Illegal Profits in order to close loopholes in the existing individual legislation-centered management system by providing regulations on recovery principles and procedures for handling budgetary waste, as well as protection and reward for reporters.

The Act on the Prohibition of False Claims of Public Funds and Recovery of Illegal Profits stipulates that any illegal profits and interest gained from unqualified claims, excessive claims, the use of funds for unintended purposes, or false acceptance shall be fully recovered. In addition, a punitive surcharge of up to five times the amount of wasted public funds will be imposed for illegitimate claims, excessive claims, and the use of funds for unintended purposes.

In February 2014, the ACRC raised the necessity of implementing this act. The bill was



originally submitted following legislative procedures by the ACRC in June 2015 to the 19<sup>th</sup> National Assembly; however, it was resubmitted in June 2016 to the 20<sup>th</sup> National Assembly after undergoing re-legislative procedures, having been scrapped due to the expiration of the session. The ACRC will strive for the swift enactment of the act.





## Chapter 2. Achievements and Improvement Plans of the Implementation of the Improper Solicitation and Graft Act

### 1. Achievements of the Implementation of the Improper Solicitation and Graft Act

On September 28, 2016, the Improper Solicitation and Graft Act was implemented in the midst of interest and expectations of the public. The ACRC has pushed forward the enactment of the Act since 2011 in order to curb the vicious cycle of solicitation and entertainment practices leading to illegal acts and corruption, and the ACRC's five-year effort finally came to fruition.

#### (1) Response to the Implementation of the Improper Solicitation and Graft Act

##### *Counseling and Response to Inquiries*

Public inquiries regarding authoritative interpretation have been on a steady increase along with the growing public interest in the law. A total of 17,323 authoritative interpretation inquiries were submitted to the ACRC between August 2016 when the public started to make earnest inquiries on the Improper Solicitation and Graft Act, and the end of December 2017.

Illustrating strong public interest in the law, 53,845 consultations were recorded by the Government Call Center (reached by dialing 110). Matters related to public education accounted for the largest percentage of consultations at 39.2%, followed by issues with public organizations at 33.4%, and issues with general institutions at 21.3%.



### *Education and Awareness Campaign*

Following the implementation of the Improper Solicitation and Graft Act, the ACRC held workshops for officials in charge of solicitation prevention, who actually handle reports and counseling, in an attempt to ensure the legal expertise of those responding for enforcing the law. The Commission has provided lecturers and education materials for pertinent agencies to carry out in-house education sessions which could familiarize them with the content of the Improper Solicitation and Graft Act. Online education on the act has been provided, with an instructional book, manuals for each institution (administrative institutions, schools and media), slide-show presentations and video clips being produced and distributed.

The ACRC has continuously implemented multidimensional promotional activities to earn public support and expand social consensus of the law. Card news and leaflets with information necessary to day-to-day lives of the public are produced and distributed by topic and period, addressing issues such as what spouses of public officials should be aware of and what parents of freshmen might be curious of when school begins.

### **(2) Improper Solicitation and Graft Act Violation Reports Received and Resolved**

The ACRC conducted an investigation on the status of violation reports received and resolved, and provided education targeting all levels of public organizations, for the ten-month period following the implementation of the Improper Solicitation and Graft Act (September 28, 2016 through July 31, 2017).

The investigation revealed that 4,052 violations of the act had been reported, among which 242 cases regarding improper solicitation, 620 cases involved the acceptance of money or valuables, and 3,190 cases concerned honorarium for outside lectures. Considering the total number of reported violations in six months following the implementation stood at 2,311 cases, a significant increase in reporting can be seen.



Violations concerning honorarium for outside lectures, which accounted for the largest number of reports received were mainly carried out by individuals at organizations with no regulations or disciplinary measures regarding outside lectures, with delay or failure to report accounting for the largest percentage of such violations at 99.4%.

Of all cases, a total of 121 cases were referred to investigative agencies or resolved by imposing penalties on the concerned public agencies, which is an increase of 64 cases from the 57 cases reported six months after the implementation. In addition, there has been an increase in the imposition of sanctions, with 21 cases of penalty imposition, 8 cases imposing disciplinary action, and 11 cases of indictment (including cases sent to the prosecution).

### Statistics on receipt & handling of reports

(Sept. 28, 2016 ~ July 31, 2017, 10 month)

(Unit: case)

		Improper solicitation	Prohibited money, goods, etc.	Outside lecture*	Total
Receipt of reports		242	620	3,190	4,052
Handling of reports	Request for imposing administrative fines	3	85	-	88
	Request for investigation	8	25		33
	total	11	110		121
Sanction	Imposition of administrative fine	1	28	-	29
	Prosecution	1	10		11
	total	2	38		40

\* Delayed reporting or non-reporting of outside lectures do not lead to requests for imposing administrative fines or investigation. Only if honorarium of outside lecture exceeds the permitted amount, then it is subject to administrative fine.

\*\* This data were collected through cooperation of public institutions. There is a possibility of data omission or overlap.

## 2. The Effects of the Implementation of the Improper Solicitation and Graft Act

## (1) Enhanced Integrity in Public Institutions

The implementation of the Improper Solicitation and Graft Act has led to tangible outcomes, including reduced solicitation and offerings of entertainment in the public sector, by eradicating cases of money gifts to teachers and curbing the provision of money or valuables by public service users, indicating that the implementation has thus far served as an opportunity to enhance integrity among public officials.

In September 2017, the Korea Institute of Public Administration (KIPA) released the results of an awareness survey conducted of 3,010 citizens (including 1,000 ordinary citizens, 500 public officials, 300 executive officers and employees of organizations related to public service, 406 faculty members of elementary, middle, and high schools and universities, 204 journalists, and 600 employees of affected businesses) regarding the Improper Solicitation and Graft Act. According to the results, both citizens and public officials saw the fairness of public service enhanced, with informal interactions and solicitation being reduced, thus feeling the anti-corruption effects of the act. Among the 3,010 respondents, 90.2% of public servants and 85% of officers of organizations related to public service indicated decreases in the occurrence of being offered with entertainment or gifts, while the overwhelming majority including 85.8% of public officials and 80% of employees of organizations related to public service, indicated that fairness in performing public duties had been enhanced.

### Percentage of Respondents who Indicated Feeling Changes

(contents in the brackets indicate results of a November 2016 survey)

Changes after the implementation of the act	Ordinary Citizens	Public Officials	Organizations related to public service	Faculty Members	Journalists
Decrease in solicitation using personal networks	62.1 (57.8)	81.0 (70.1)	71.7 (70.6)	73.6 (66.0)	64.7 (62.5)
Decrease in unofficial meetings with work-related personnel	56.6	88.4	84.0	78.8	77.5
Decrease in offering of entertainment or gifts to work-related personnel	-	90.2	85.0	90.4	91.2
Increase in impartiality of public officials	57.1	85.8	80.0	76.1	43.1

\* Source: KIPA, September 2017

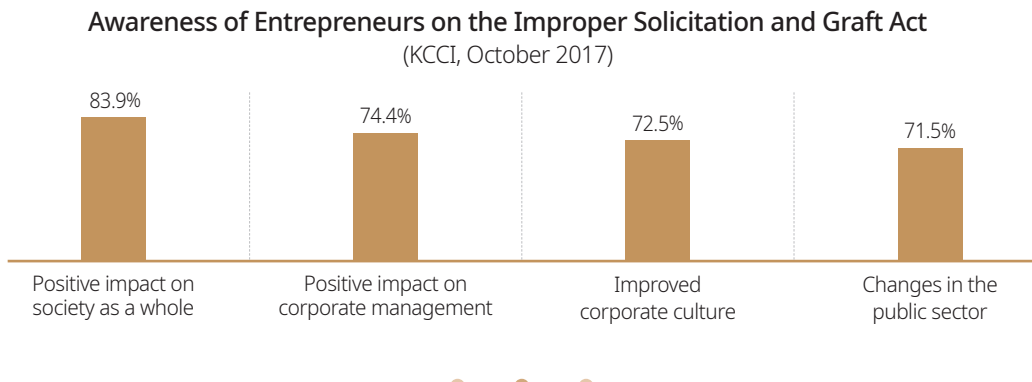


## (2) Improvement in the Corporate Management Environment

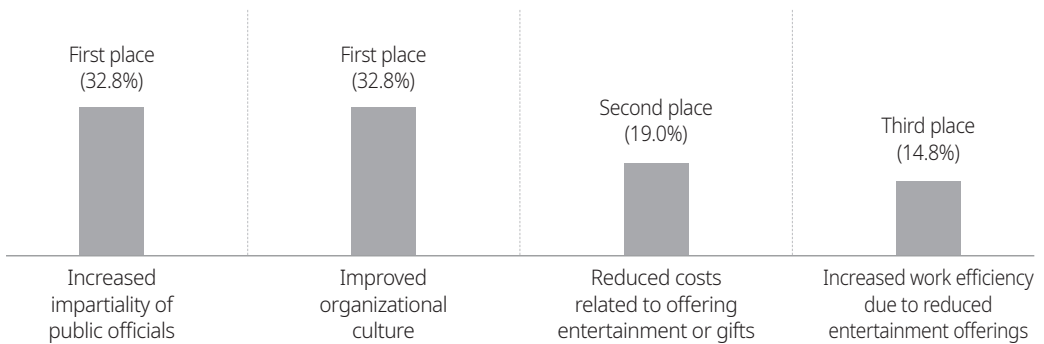
The Improper Solicitation and Graft Act brings about positive changes in the business environment. Corporate credit card payments for entertainment saw a reduction compared to the previous year, and entrepreneurs agreed that it helps to improve corporate culture and makes an overall positive impact on the business environment.

According to the results of a November 2017 study by the KIPA, the percentage of entertainment payments compared to sales management expenses of companies decreased by 0.3-0.6%, regardless of the characteristics of the industry or business, since the implementation of the Improper Solicitation and Graft Act. Businesses with substantive amounts of sales coming from the public sector such as gas and electricity, construction, media and communication, and information services, saw the largest declines.

The results of numerous surveys regarding the Improper Solicitation and Graft Act show that it has been well-received by businesses. According to the results of a survey by the Korea Chamber of Commerce and Industry (KCCI) released in October 2017, 74% of entrepreneurs said that there has been an improvement in the business environment since the implementation of the act due to increased impartiality of public officials and reduced entertainment costs. In addition, 71.5% of respondents indicated that they had witnessed changes in bureaucracy since the enactment, while 72.5% noted the improved corporate culture, and 83.9% pointed out the positive impact of the act on society as a whole.



### Ranking of improvements since the enactment

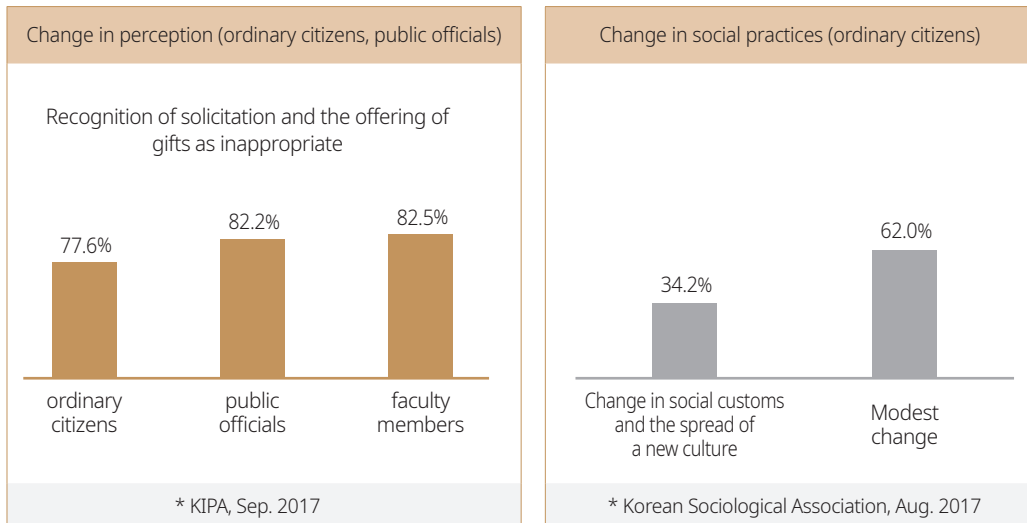


### (3) Social and Cultural Consequences

The implementation of the Improper Solicitation and Graft Act has promoted reasonable spendings, and encouraged reasonable social practices and cultural traditions-including increased leisure time and individual spending and the spread of the culture of "going Dutch", or splitting meal bills.

Marking the 1<sup>st</sup> year of the implementation of the Improper Solicitation and Graft Act, many institutions released survey results showing raised public awareness and disapproval of improper solicitation and entertainment-practiced which had been tolerated throughout society. According to the results of the KIPA survey, the percentage of respondents who didn't approve of such practices was highest among faculty members (82.5%), followed by public officials (82.2%), and ordinary citizens (77.6%). The results also indicated that a majority of people believe that social customs have changed following the implementation of the act, and a new culture has started to take root in society along with these change in perception.

## Improved awareness of solicitation and the offering of entertainment



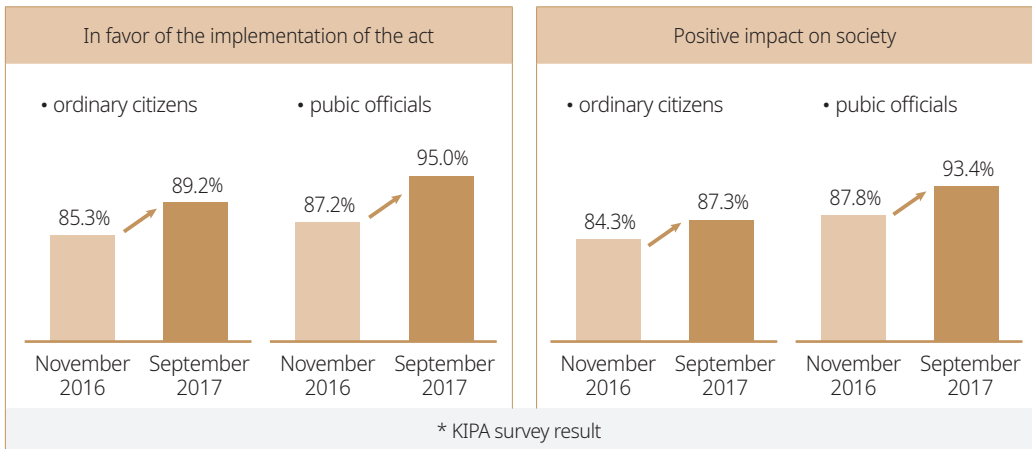
The implementation of the Improper Solicitation and Graft Act has helped to create a culture which promotes practicality rather than the offering of expensive goods and entertainment, a trend which led to a sharp increase in the sales of reasonably priced gift sets during the 2017 Chuseok holiday compared to the previous year.

In addition, the practice of splitting restaurant bills has become more common, and new ways of making payments have been emerged with Dutch pay service applications for cash transfers and credit card services for Dutch pay. According to the results of the September 2017 KIPA survey, 72.8% of public officials indicated that splitting meal bills with acquaintances from work had become common. Since the implementation of the act, increasingly more employees have been able to maintain a harmonious balance between work and life, enjoying personal time after work with families or on hobbies rather than on entertaining business acquaintances. According to the May 2017 results of a survey by the Korea Rural Economic Institute, since the implementation of the act, there have been increases in both the frequency of family eating at home (up 22.4%) and eating out (19.9%) together.

#### (4) Anti-Corruption Effect

According to the results of awareness surveys conducted by the KIPA, 89.2% of ordinary citizens and 95% of public officers indicated that they agreed with the implementation of the Improper Solicitation and Graft Act. In addition, 87.3% of ordinary citizens and 93.4% of public officials responded that the act has made a positive impact on society, thus indicating a positive evaluation from an absolute majority of respondents. Most significantly, the numbers have shown increases from the previous year, confirming increased public support for the act.

##### Anti-Corruption Effect of the Improper Solicitation and Graft Act



#### (5) Economic Impact on Related Industries

An economic impact analysis of the Improper Solicitation and Graft Act conducted by the KIPA and the Konkuk University Industrial Cooperation Foundation found that the Act's impact on the service industry in general was limited, but it drove down revenue for some industries including agriculture, livestock, fisheries, forestry, and horticulture.

It was observed that by industry beef farms, horticulture, and restaurants had experienced some decreases in production, number of transactions, and price, with its impact gradually declined afterwards. It was analyzed that the production decline in



affected industries including Korean beef and horticulture caused a ripple effect throughout the economy, with the decrease of gross production by 902 billion won and of overall employment by 4,267 jobs. The results of a survey on agriculture and food products conducted by the Korea Rural Economic Institute in May 2017 also show the decrease in sales and transactions of agriculture and livestock products compared to the previous year.





## Chapter 3. Encouraging the Voluntary Anti-Corruption efforts of Public Institutions

### 1. Integrity Assessment for Public Institutions

The ACRC has been conducting an annual integrity assessment for public institutions since 2002, in an attempt to measure the level of integrity and corruption of public institutions and to promote voluntary efforts toward anti-corruption and integrity initiatives thereby increasing integrity in public sector as a whole.

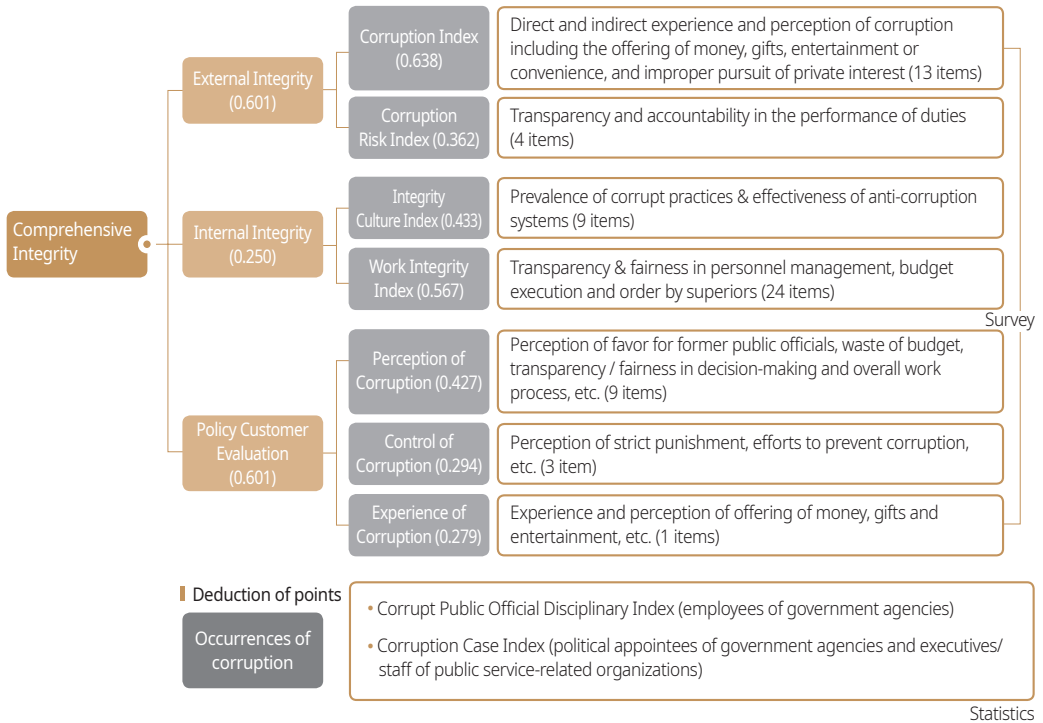
#### (1) Structure of the Integrity Assessment

The final results of a public institution's integrity level are announced as "Comprehensive Integrity." Comprehensive Integrity is calculated by combining the results of external integrity, internal integrity, policy customer evaluation, and occurrences of corruption to provide a comprehensive understanding of each institution's level of integrity and frequency of corruption cases.

External integrity refers to a pertinent public institution's integrity level assessed by public service users based on their experiences and perception, while internal integrity is assessed internally by employees of an institution from the perspective of internal customers on their personnel management and budgetary execution. Policy customer evaluation is assessed through surveys of policy customers-including experts, work-related personnel, local residents and parents of students-on the integrity level of the policy decision process and overall work of a pertinent public institution. The Occurrences of corruption evaluation interprets corruption cases that have actually occurred as numeric scores which are then deducted from the overall score to arrive at Comprehensive Integrity.

The integrity of institutions with functions differing from regular public institutions, such as local government councils, public health institutions, and national and public universities is assessed based on a separate model.

○ Comprehensive Integrity Assessment Model (2017)



(2) 2017 Integrity Assessment Results

Target Institutions

In 2017, the Integrity Assessment was conducted for 702 institutions including 42 central government agencies; 17 metropolitan city or do government offices; 226-si/-gun/-gu government offices; 17 metropolitan city or do offices of education (73-si/-gun/-gu offices



of education); 198 public service related institutions, including state-owned enterprises; 47 local government councils, 46 public health institutions and 36 national and public universities.

### *Survey Methods*

A total of 235,652 respondents took part in the survey conducted between August and November of 2017. Of these respondents, 151,986 citizens who had directly experienced the public service of the target public institutions during the period from July 1, 2016 to June 30, 2017 were surveyed to assess external integrity, the responses of 63,272 employees working for the target public institutions were used to assess internal integrity, and 20,394 experts, work-related personnel, local residents, and parents of students were surveyed for the policy customer evaluation<sup>1)</sup>.

Reflecting the original purpose of the Improper Solicitation and Graft Act, not only the general perception but also the actual experiences of respondents based on their level of involvement with improper solicitations during work were evaluated. In response to the increased prevalence of international transactions of public institutions, foreigners were also included in the survey to measure corruptions taking place in such transactions.

### *Overall Assessment Results*

The average Comprehensive Integrity score of all target public institutions was recorded at 7.94 points on a 10 point scale, a slight increase (by 0.09 points) from the

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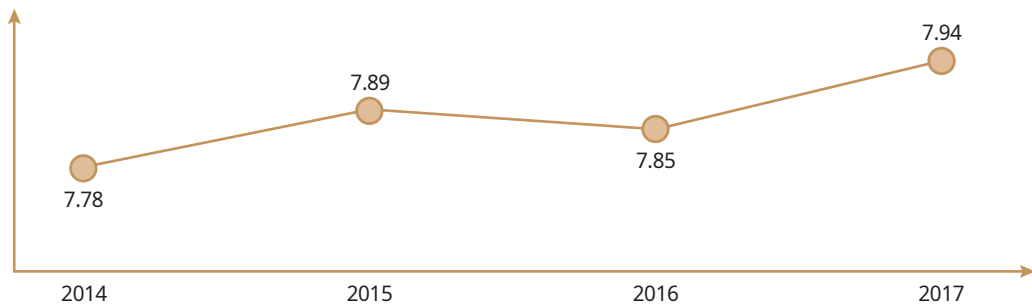
1) In addition, 19,744 respondents including local residents, social & economic associations and experts, and work-related parties answered to integrity assessment survey on local government council, 8,482 respondents including employees of public medical institutions, medicine/medical appliances agencies, patients, and policy customers to survey on public health institutions, and 12,214 respondents including contractors, faculty members to survey on national and public universities.



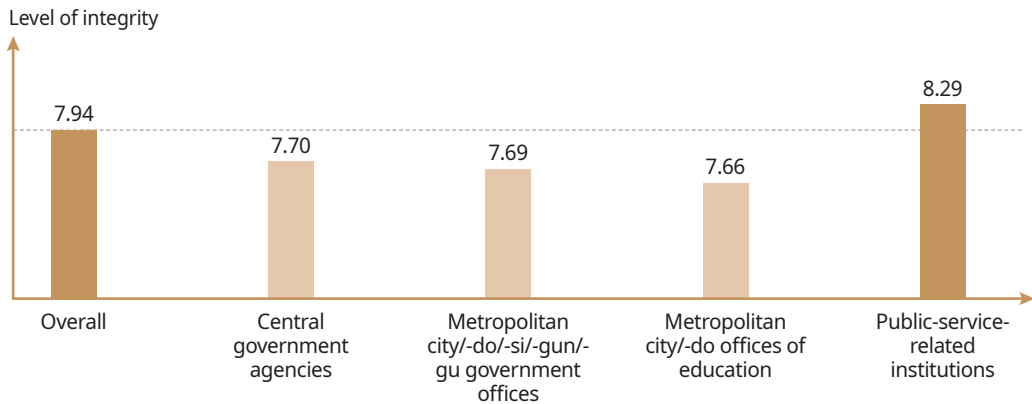


previous year. Organizations related to public service received the highest scores for comprehensive integrity (8.29 points), while metropolitan city and do government offices recorded the lowest scores (7.65 points).

### Changes in Comprehensive Integrity Scores of Public Institutions



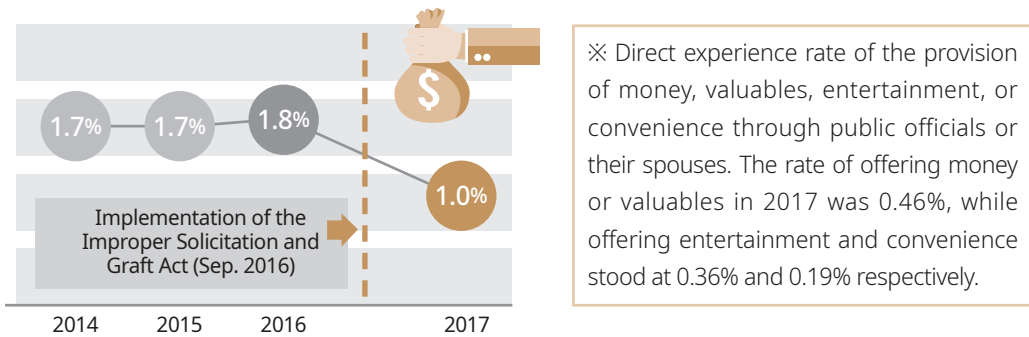
### Comparison of Institutions



The external integrity score assessed by citizens who had experienced the public service increased by 0.09 points from 2016 to reach 8.13 points. Organizations related to public service received the highest average score at 8.55 points, while education offices recorded the lowest score at 7.82 points.

The number of cases involving the provision of money, valuables, entertainment, or convenience declined substantially from the previous year (when it stood at 1.8%) to reach just 1.0%. Respondents' experiences of the offering of entertainment, and money and other valuables showed considerable declines of 57% and 34%, respectively, indicating a significant reduction in the occurrence of such practices involving public officials since the September 2016 implementation of the Improper Solicitation and Graft Act.

### Changes in the Rate of Experiencing the Offering of Money, Valuables, Entertainment, or Convenience



Internal integrity scores assessed by employees of target institutions were recorded at an average of 7.66 points, down by 0.16 points compared to 2016. Both the Integrity Culture Index, which evaluates an organization's culture and corruption prevention system, and the Work Integrity Index, which evaluates personnel management, the execution of budget and improper orders given by superiors, showed deterioration. Education offices recorded the highest scores at 7.90 points on average, while -si/-gun/-gu government offices scored the lowest at 7.55 points.

The policy customer evaluation, which was conducted by experts, work-related personnel, local residents, and parents of students, reached 7.29 points, up from 7.20 points in 2016. Scores marking the perception of corruption, corruption control, and indirect experience of corruption all increased compared to the previous year.

### (3) Assessment Results of Organizations Applying a Separate Model

#### *Results of Local Government Councils*

The integrity of local government councils has been assessed every year since 2013 except for 2014 when a local election took place. In 2017, the integrity assessment targeted 47 councils, including all metropolitan and provincial government councils and -si/-gun/-gu government councils in areas with population of 500,000 or greater.

The comprehensive integrity score of local government councils stood at 6.11 points on a 10 point scale, relatively stable for the past three consecutive years, but lower than the average comprehensive integrity score of public institutions and local governments.

#### *Results of Public Health Institutions*

In 2017, the average comprehensive integrity score of public health institutions was recorded at 7.64 points on a 10 point scale, showing a trend of decline over the recent three years. By type of institution, scores of university hospitals (7.04 points) lagged significantly behind public health institutions (7.64 points), while dental clinics (8.14 points) reached 0.5 points higher than the average.

Among the three primary work areas of medicine/medical devices procurement, patient care, and billing of medical treatment, patient care (7.31 points) showed the lowest integrity level. Lower levels of integrity within the organizational culture (5.72 points) and with the anti-corruption system (6.14 points) were attributed to unfair orders given by superiors, nepotism-based personnel management and ineffective functioning of autonomous audits.

#### *Results of National and Public Universities*



The integrity assessment for national and public universities has been in place since 2012. The assessment identifies vulnerable and corruption-prone areas of four-year national and public universities through scientific dialogue in order to induce autonomous improvements.

In 2017, a total of thirty-six national and public universities went through the assessment, recording an average of 6.53 points of comprehensive integrity scores on a ten point scale. Though the scores are increasing, they remain lower, on average, than those of research institutes under public institutions or public service-related organizations, suggesting the necessity of more multi-dimensional efforts by each university.

## 2. Anti-Corruption Initiative Assessment (AIA) for Public Institutions

In an attempt to encourage enhanced integrity in the public sector by evaluating and supporting voluntary anti-corruption efforts by public institutions, the ACRC has conducted anti-corruption initiative assessments of public institutions since 2002.

The anti-corruption initiatives of 256 institutions were assessed in 2017. Institutions, which had received scores of level two or higher for two consecutive years, were excluded in the assessment, while institutions, which had received scores of level four or five in the 2016 Integrity Assessment, were newly listed for the assessment of anti-corruption initiatives, thereby enhancing the correlation between integrity assessment and anti-corruption initiative assessment.

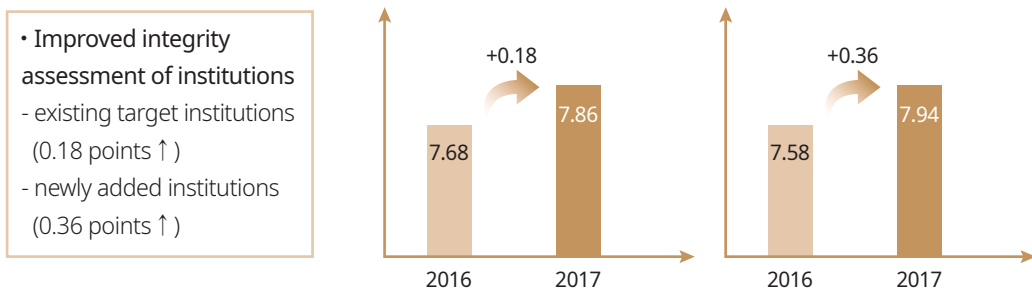
The assessment score is reached by reviewing achievements of each institution through written evaluation and field examinations by outside experts. The existing 233 target institutions were divided by type to assess levels, while the 23 newly added institutions were evaluated if they had earned an achievement score of sixty points or higher.



Corresponding the procedures for integrity policies, the assessment is composed of a three-step process of planning, implementation, and achievement and wide adoption. Corruption cases detected outside and the non-implementation of anti-corruption systems were incorporated as point-deduction factors.

The specific tasks set forth in each step are as follows: the drawing up of an anti-corruption implementation plan in the planning step; the creation of an ecosystem of integrity, improved removal of corruption risks and firm establishment of a culture of integrity in the implementation step; and an appraisal of the effects of improved integrity and the development and promotion of best anti-corruption practices in the achievement and wide adoption step.

According to the 2017 results, institutions with excellent AIA scores thanks to their leadership's strong implementation of anti-corruption commitments also recorded high scores in the Integrity Assessment, and the Integrity Assessment scores of institutions which actively made anti-corruption efforts through AIA increased as well. The results indicate that anti-corruption efforts through initiative assessments have led to increased integrity.



### 3. Support for Integrity Consulting for Institutions Vulnerable to Corruption

While public institutions make voluntary efforts toward anti-corruption, to achieve effective anti-corruption and integrity policy it is necessary to objectively analyze the

characteristics of the work and the challenges faced by pertinent institutions from a third-party perspective. To meet this need, the ACRC has begun to provide consulting services for public institutions.

The ACRC, which began offering consulting services to 2 institutions in 2006, has provided such services to a total of 101 institutions as of 2017. In 2017 alone, the ACRC offered consultation to 15 institutions selected from 66 institutions which had applied for the consulting project.

The ACRC conducts anti-corruption capability diagnoses by analyzing aspects of target institutions such as work, systems, anti-corruption implementation framework, internal control system, and employee behavior in order to identify causes for low integrity, and to devise solutions customized to each institution. Upon receiving the final results of the diagnosis, which reflect the advice of experts in the private sector, institutions autonomously set up and carry out improvement plans.

In order to ensure momentum for the implementation of voluntary improvement plans established on the basis of consulting results, the ACRC held an Policy Council meeting, where heads of institutions and other high-ranking officials reaffirmed their commitment and discussed methods of further improvement. The Commission conducted mid-progress reviews and monitored the implementation status of each stage while collecting feedback and suggestions. At the end of the year, the ACRC selected the best initiative practices among consulting recipient institutions and shared them with all public institutions.

Most consulting recipients institutions have seen increases in integrity levels. Among fifteen institutions which have autonomously established and carried out improvement plans according to consulting recommendations, twelve institutions (80%) showed significant improvement in levels of integrity. Institutions whose leaders, high-ranking officials and employees joined forces to put their commitment into practice demonstrated especially sharp increases.



## 4. Establishment and Operation of Integrity Clusters in Ten Innovation Cities

To secure promotional momentum for a sustainable culture of integrity embracing both the private and public sectors, the ACRC has established and operated anti-corruption consultation bodies in eleven innovation cities since 2016.

In 2016, the ACRC developed a basic plan for establishing integrity clusters and studied policy demand. Accordingly, the establishment of anti-corruption consultation groups under ten innovation cities has been completed including five in Gwangju/Jeonnam, Busan, Gangwon, Chungbuk, and Daegu established in 2016, and five others in Ulsan, Gyeongnam, Jeonbuk, Gyeongbuk, and Jeju established in 2017. In December 2017, a policy workshop for ten integrity clusters was held to share the operational achievements of each region and to discuss future development measures.

The ACRC provides three primary types of support regarding the establishment and operation of integrity clusters.

First, the ACRC organizes anti-corruption and integrity policy consultation groups in each innovation city through the phased establishment and operation of integrity clusters, and assists hosts of periodic working-level meetings and in the preparation of a regular contact system.

Second, the ACRC provides active support for the implementation of anti-corruption initiatives of public institutions and builds collaboration systems customized to each innovation city.

Finally, the ACRC co-hosts anti-corruption and integrity cultural event held in parallel with local festivals and cultural events to reach out to people in their local setting. Bitgaram Integrity Cultural Festival (Gwangju/Jeonnam), Mountain Chiak Integrity Festival (Gangwon), Ulsan Integrity Eoullim Festival (Ulsan), and Jeonbuk Integrity Nuri Cultural Festival (Jeonbuk), which were held in 2017, are examples of such events.





## Chapter 4. Establishing an Effective Corruption Response System

### 1. Corruption Risk Assessment

The Corruption Risk Assessment is a system which prevents acts of corruption through the analysis and evaluation of corruption-causing factors in laws and other types of regulations. The system was introduced through a revision of the Anti-Corruption Act on December 29, 2005. The assessment is conducted mainly on new or recently amended bills, current laws and subordinate statutes, local government ordinances, and internal rules of public-service-related institutions. Once an assessment has been completed, countermeasures for improvement are recommended to the pertinent institutions.

#### (1) Corruption Risk Assessment for New or Amended Bills

In 2017, 1,440 draft or revision bills were assessed for the possibility of corruption. Within these bills, 395 corruption-causing factors were identified in 110 statutes, and revisions of the concerned provisions were recommended to the institutions in question.

#### Statistics of New & Amended Bills Assessed in 2017

Total number of bills assessed	Agreement on the original bill	Recommendation for improvement
1,440 (100%)	1,330 (92.4%)	110 (7.6%) with 395 recommendations



Of the 110 statutes receiving recommendations for improvement, 24 were laws, 57 were presidential decrees and 29 were prime minister's ordinances or ministerial ordinances. A breakdown of recommendations by sector shows that 145 recommendations were made regarding 33 statutes in the environment/health sector-the highest among all sectors, followed by industry/development with 109 recommendations regarding 39 statutes and then general administration with 43 recommendations regarding 17 statutes. As for assessment criteria, 100 out of 395 recommendations were made based on the "possibility of conflict of interest," 77 cited the "adequacy of sanctions" while 67 identified the "predictability."

## (2) Corruption Risk Assessment of Current Statutes

### *Measures to Raise Transparency in the Operation of Residential Support Projects in Neighborhood of Power Transmission/Distribution Facilities, Airports, and Metropolitan Landfill*

In 2017, a bottom-up Corruption Risk Assessment was conducted of the process of reviewing internal regulations of organizations related to public service to identify and improve corruption-causing factors. Due to the lack of a system for securing transparency in residential support projects in neighborhood of power supply, waste landfill, etc., corruption and budgetary waste were commonplace. In response, the ACRC came up with improvement measures such as drafting or revising regulations to ensure accounting transparency, business management and supervision, and objectivity of business selection. The ACRC made ten improvement recommendations to the relevant ministries and sent these recommendations to fifteen related public institutions.

### *Corruption Risk Assessment of Internal Regulations of Organizations Related to Public Service*

Preemptive measures for preventing corruption-causing factors in the internal regulations



of five organizations related to public services closely linked to public life have been in place since 2016. As a result, a total of eighty-three improvement recommendations of internal regulations regarding overseas businesses, small- and medium-sized business support, residential support projects, and small business loans were made and delivered to pertinent organizations, and seventy-three improvement recommendations were put into practice.

### (3) Strengthening Effectiveness of the Corruption Risk Assessment

Follow-up investigations aimed at ensuring that recommendations for improving draft or revision bills have been acted upon have been continuously conducted to strengthen the effectiveness of the Corruption Risk Assessment. In 2017, the ACRC conducted mid-progress reviews on tasks which had not been fulfilled as of the 2016 review, leading to a 92.7% implementation rate.

## 2. Code of Conduct for Public Officials

The Code of Conduct for Public Officials is the standard of behavior to which public officials must comply in order to perform their public duties with integrity and prevent corruption. All OECD member countries, including the Republic of Korea, establish and implement such a code of conduct for public officials. Article 8 (the Code of Conduct for Public Officials) of the ACRC Act requires all public institutions to establish and implement their own code of conduct.

The Code of Conduct for Public Officials, enacted as a presidential decree, is applied to both state and local public officials; the Code of Conduct for Local Assembly Members is applied to local assembly members; the Code of Conduct, established as a regulation of other constitutional institutions, namely, the National Assembly, Supreme Court, Constitutional Court and National Election Commission, is applied to public officials of those institutions; while the Code of Conduct for Executive Officers and Employees



of Organizations Related to Public Service, enacted as an internal regulation of such organizations in accordance with Article 3-2 of the Public Service Ethics Act, is applied to all employees of organizations related to public service.

With the enactment of Code of Conduct for National Assembly Public Officials established as National Assembly Regulation in November 2017, all constitutional institutions have established and is in operation of their own code of conduct.

### (1) Operation of Code of Conduct

#### *Code of Conduct Operation of the ACRC*

The ACRC is in charge of the code of conduct for public servants, and supports operation of the code of conduct for public institutions while handling reports of violations against the code of conduct and inspecting the operation and implementation status of the code of conduct at public institutions.

#### *Code of Conduct Operation of Institutions*

The code of conduct for public servants aims at allowing each institution to launch and operate a code reflecting its own characteristics and thereby implement autonomously established regulations. To accomplish this, each public institution appoints the head of the department of audit or ethics as a code of conduct officer to take responsibility for and oversee the operation of the code of conduct.

Records submitted by participating institutions provide an annual breakdown of code of conduct violations. Of the 17,367 violators recorded since the code of conduct was enacted in 2003, violations involving the acceptance of money, valuables, or entertainment accounted for the largest ratio with 43.0% (7,477) of all infractions, followed by budgetary misuse with 32.9% (5,711) of all cases.



## Code of Conduct Violations by Type

(Unit: person, %)

Type of violation	Total	Receipt of money, goods, or entertainment	Use of budget for unspecified purposes	Improper solicitation & influence peddling	Personal use of public property	Violation of duty of reporting outside lecture	Violation of prohibition against borrowing money	Hindering fair performance of duties	Restrictions on notification of festivities and funerals and on receipt of money thereof	Miscellaneous
Total	17,367 (100.0)	7,477 (43.0)	5,711 (32.9)	700 (4.0)	666 (3.8)	1,130 (6.6)	177 (1.0)	178 (1.0)	129 (0.7)	1,199 (7.0)
'03.5-	367	259	32	21	29	5	-	-	7	14
2004	842	624	75	53	45	4	1	1	11	28
2005	937	737	84	31	28	9	3	3	15	27
2006	678	428	133	20	21	6	15	4	7	44
2007	679	392	121	37	16	36	7	39	6	25
2008	764	283	346	17	21	72	6	3	5	11
2009	1,089	381	464	70	60	65	30	8	2	9
2010	1,436	760	424	63	49	50	21	9	9	51
2011	1,506	651	552	80	79	52	15	17	4	56
2012	1,836	701	907	49	55	30	18	16	8	78
2013	2,103	725	977	72	65	144	18	16	8	78
2014	1,965	655	683	69	76	209	15	15	11	232
2015	1,742	498	543	64	47	188	17	37	11	337
2016	1,423	383	370	54	75	260	11	18	15	237

**(2) Major Achievements***Refurbishing the Code of Conduct for Public Servants*

The ACRC carried out the revision of the code of conduct for public officials in an attempt to remove legislative blind spot of the Improper Solicitation and Graft Act such as

conflict of interest among public officials and improper solicitation to the private sector and to lay the institutional foundation for eradicating public officials' improper pursuit of private interest. The amended code of conduct for public officials, which went through legislative procedures such as advance publication of legislation in September 2017 and was adopted at a cabinet meeting in January 2018, will take effect three months after the public announcement.

### *Support for the Amendment/Enactment and Operation of the Code of Conduct for Local Assemblies*

As of the end of 2017, 199 out of 243 local assemblies nationwide (seventeen assemblies of metropolitan cities and provinces and 182 -si/-gun/-gu assemblies) enacted the ordinances of the Code of Conduct for Local Assembly Members. The ACRC conducted the investigation on the operation and implementation status of the code of conduct at ten local assemblies in 2017.

### *Support for the Operation of the Code of Conduct by Institution*

In March, the ACRC held a briefing session on the code of conduct for fifty-eight organizations newly designated as organizations related to public service in the first half of 2017. At the briefing sessions, the necessity and key points of the code of conduct, and anti-corruption initiatives aimed at enhancing the integrity of organizations, were introduced. The ACRC reviewed the draft and revision bills of the codes of conduct from each organization to ensure appropriateness, and made corrective recommendations where necessary.

### **(3) Inspecting Violations against the Code of Conduct**

Any violations of the code of conduct for public officials can be reported to the ACRC, the head of the pertinent institution, or a code of conduct officer. The ACRC reviews reports and-if violations are confirmed-may communicate matters to the head of the responsible institution or supervisory organization who will, in turn, take appropriate



appropriate measures against the violators before notifying the ACRC of the results.

### 3. Restriction on Employment of Public Officials Dismissed for Corruption

Public officials who have rightly resigned, or have been dismissed or removed from office for corrupt acts in connection with their duties, shall be prohibited from getting employment at public institutions or for-profit companies closely related to the department or institution to which the public official belonged for five years before he or she resigns, for five years after the date of resignation. Since its introduction into the Anti-Corruption Act in 2001, the Restriction on Employment of Public Officials Dismissed for Corruption has expanded the scope of subject individuals and institutions of application, according to the revision of the applicable act in March 2016.

The ACRC identifies violators employed by the restricted institutions through the conducting of regular inspections on the employment status of public officials who have been dismissed for corruption and ascertaining whether regulations applied to the employed have been violated.

Over the past five years, a total of 1,752 public officials were dismissed for corruption. By type, receipt of money, valuables, or entertainment accounted for the largest part with 1,175 public officials dismissed for corruption, followed by 349 cases of public funds embezzlement, eighty-three violations of abuse of authority and dereliction, thirty-eight cases of document forgery and counterfeiting, with the rest 106 cases being inappropriateness of work processes, violations of statutes regarding budget and finance, etc.

The inspection on the employment status of public officials who have been dismissed for corruption conducted in the first half of 2017 identified five violations of restriction on employment. The ACRC submitted a request to the pertinent public institutions that all public officials found to have been illegally reemployed be charged and two of them in office be dismissed.





## Chapter 5. Systematic Handling of Reports of Corruption and Public Interest Violation, and the Protection of Whistleblowers

### 1. Receipt and Handling of Corruption Reports

#### (1) Operation of Corruption and Public Interest Violation Reporting Center

Counseling and guidance service on corruption and public interest violation reporting is provided in-person at offices or through counselor visitations, or remotely by phone or online. The professional advisors at the reporting center are employees and retirees possessing considerable counseling experience. Corruption and public interest violations can also be reported free of charge either in person, via mail, fax or internet, or by submitting photographs and videos through the ACRC's smartphone application.

#### (2) Statistics on Counseling and Guidance Services Provided and Corruption Reports Received

From January 25, 2002, when the former Korea Independent Commission against Corruption was launched, to the end of December 2017, a total of 44,583 reports were submitted, with 232 reports received per month on average.

#### Number of Reports Received Annually

Category	Total	'02-'03	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of cases	44,583	4,251	1,763	1,974	1,745	2,544	1,504	2,693	3,099	2,529	2,527	3,735	4,510	3,885	3,758	4,066
Monthly average	232	374	147	165	145	212	125	224	258	211	211	311	376	324	313	339

The largest number of submissions came from reporters belonging to central government agencies and their affiliated organizations with 13,107 reports. In recent times, reports of defraudation of the private sector related to budget execution of public institutions and embezzlement of public funds have been increasing.

Among the cases resolved, 2,112 cases were referred to investigative agencies, of which 401 cases remain under inspection or investigation by investigative agencies and the suspicion confirmation rate of the remaining 1,711 cases was recorded at 72.4%. Among the cases referred to investigative agencies, 3,570 individuals were prosecuted and 1,881 individuals led to disciplinary action, with 1,283 cases confirmed acts of corruption (including 3 cases in which criminal charges were brought). The amount to be recovered or collected as a result of confirmed corruption reports is approximately 782.1 billion won.

### Results of Cases Referred to Investigative Agencies

Category	Result by individual (no. of persons)				Institutional warning (no. of cases)	Others (no. of cases)	Amount to be recovered or collected (mil. won)
	Total	Prosecution	Discipline	Accusation / dismissal from office			
Total	5,549	3,570	1,881	98	192	301	782,126
2002	210	54	153	3	14	-	8,026
2003	223	89	119	15	35	-	40,460
2004	168	62	106	-	9	-	1,859
2005	185	103	75	7	5	6	1,195
2006	304	148	156	-	4	4	9,713
2007	415	236	176	3	14	3	44,622
2008	242	199	42	1	12	4	35,541
2009	297	161	131	5	8	13	26,520
2010	580	517	59	4	6	7	8,486
2011	383	246	134	3	5	7	18,429
2012	378	179	191	8	8	13	294,434
2013	415	212	167	36	7	18	156,103
2014	674	588	77	9	12	62	98,965
2015	570	419	148	3	27	93	25,645
2016	417	311	106	-	18	62	10,171
2017	88	46	41	1	8	9	1,957

\* 401 cases under investigation are not included



Out of the 2,112 corruption reports referred to investigative agencies, 1,093 cases (51.8%) were made internally within organizations. Apart from the 192 cases still under investigation, internal corruption allegations were confirmed in 74.9% of the 901 cases, a rate higher than the overall confirmation rate of 72.4%.

Among the internal corruption reports referred to investigative agencies, 675 cases were confirmed, with 3,646 persons persecuted or submitted for disciplinary measures. It is noteworthy that the amount to be recovered or collected as a result of confirmed internal corrupt reports is approximately 643 billion won, accounting for 82.2% of the total recoverable or collectible amount (782.1 billion won), providing evidence that internal whistleblowing is an effective means of detecting corruption.

### ○ Case Studies of Resolved Corruption Reports

Report details	Investigation results
<p>Allegation that the respondents fraudulently claimed construction fees from an apartment construction project ordered by a public corporation and employees of the public corporation in charge of supervision were given valuables, money, or entertainment in exchange for conveniences in construction.</p>	<p>Referred to the National Police Agency. As a result, among the pertinent thirty-seven persons including construction company officials who swindled 143 million won in industrial safety and health management costs through the issuance of false receipts, and fire-fighting officials and employees of the public corporation who were given valuables, money or entertainment worth 800 million won, five individuals were arrested while thirty-two were sent to the prosecution without detention.</p>
<p>Allegation that the respondent falsified delivery costs and fraudulently gained billions of won by claiming to have manufactured power supplies being used for fire control devices such as K-9 self-propelled artillery units and armored vehicles, when in fact the power supplies had been outsourced.</p>	<p>Referred to the National Police Agency and the supervisory agency. As a result, the respondent was sent to the prosecution without detention, charged with fraudulently gaining approximately 1 billion won by undergoing production cost verification of parts, such as assemblies, as if they had been manufactured in-house. Recovered 3.113 billion won of unfairly gained income and additional charge from two defense industry part suppliers.</p>
<p>Allegation that the respondents fraudulently gained tens of billions of won by supplying recycled Ascon rather than the original ordered by a public institution</p>	<p>Referred to the National Police Agency. As a result, two individuals were arrested while six were sent to the prosecution without detention, charged with fraudulently gaining 30.8 billion won by supplying 3.21 million tons of recycled Ascon in place of original product to construction companies.</p>

## 2. Protection and Reward for Corruption Reporters

### (1) Protection of Corruption Reporters

The corruption reporter protection system is crucial to encouraging reports of acts of corruption and has been in operation since 2002, when the former Korea Independent Commission against Corruption was launched as part of the former Anti-Corruption Act. The current reporter protection system is the result of several rounds of revision of the relevant act.

#### *Guarantee of Confidentiality*

According to the act, any one shall be prohibited from disclosing or alluding to the identity of whistleblowers or disclosing the personal information of those whistleblowers without their consent.<sup>2)</sup>

In cases involving the disclosure of a whistleblower's identity without consent, the ACRC confirms the details of the disclosure and-if a violation is confirmed-takes the necessary measures to request to disciplinary measures against the concerned persons.

#### *Guarantee of Position and Other Economic and Administrative Rights*

In cases a reporter has been subjected to or expected to be subjected to any employment disadvantages or discrimination in working conditions, he/she may request that the ACRC take measures to guarantee position, such as the revoke of the pertinent disadvantageous disposition, or the suspension of transfer or disciplinary action, and other necessary measures. In addition, in cases a reporter

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2) Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission (amended by Act No. 15024 on October 31, 2017 and enforced on February 1, 2018) Article 64 Section 1

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has been subjected to economic and administrative disadvantages, such as the cancellation of permits or licenses, or the termination of contracts, he/she may request the Commission to take necessary measures for recovery from or correction of disadvantages, including temporary maintenance of the effects of the permit, license, or contract.

### *Protection of Personal Safety*

In accordance with Article 64-2 of the ACRC Act, in cases where reporters fear for their physical security, they may request the ACRC to take protective measures for personal safety for themselves, their relatives, or cohabitants. Upon receipt of such request, if the ACRC deems it necessary, it may request the head of the competent district police office to provide physical protection measures.

### *Other Protection Measures*

Those who provide support for audits, investigations, and inspections through statements or material submissions regarding reports are given the same protective measures as for reporters. In addition, if a reporter's criminal involvement is revealed as a result of his/her reporting, culpability of the reporter is mitigated or exempted—a clause which also applies to disciplinary dispositions of public institutions. If a report is filed in accordance with the ACRC Act, reporters are deemed not to have violated their confidentiality obligation on duties notwithstanding the provisions of other statutes, collective agreements, or employment rules, etc.

## **(2) Protection Activities and Achievements**

### *Reporter Protection Cases Resolved*

Between the 2008 launch of the ACRC and the end of December 2017, a total of 182 requests for protection were received by reporters and cooperators.



## Annual Number of Requests for Protection Measures for Corruption Reporters or Cooperators

(Unit: cases)

Category	Total	2008	2009	2010	2011	2012	2013	2014	2015	2017	2017
Total	182	20	14	13	11	27	27	25	23	5	17
Guarantee of position	144	18	12	9	11	19	20	16	20	5	14
Protection for physical safety	20	2	2	3	-	2	4	3	3	-	1
Confirmation of details on identity disclosures	18	-	-	1	-	6	3	6	-	-	2

Protective measures were taken for 43 (33%) of the 144 requests for guarantee of position. Of the 20 requests for protection for physical safety, measures were taken in 17 cases, while 3 cases were terminated. Of 18 requests for the confirmation of details regarding identity disclosures, the ACRC made requests of disciplinary actions against related persons in 5 cases, while 11 cases were terminated.

### ○ Case Studies of Requests for Protection

#### ① Request for Measures for Guaranteeing Position

A reporter made an allegation that the president of Public Corporation A had ordered the manipulation of the job interview scores of two candidates during the 2016 recruitment of grade 9 employees. The individual filed a request for guarantee of position to the ACRC, expressing concerns over possible dismissal due to the reporting. In next month after the reporting, the reporter was fired.

As a result of the ACRC investigation, it was recognized that the reporter had indeed been dismissed due to the reporting. Consequently, the commission asked the president of Public Corporation A to revoke the dismissal and reinstate the reporter, and imposed an administrative fine of five million won on the former acting president of the company who had dismissed the requester.

### ② Request for Measures of Protection for Physical Safety

A reporter made an allegation that the construction company did not construct part of the facility according to design details after City A had placed an order for a sewer construction project. The reporter expressed fear over physical threats such as being stalked by the construction company and requested protection.

As a result of the ACRC investigation, it was recognized that the reporter's request was valid. Consequently, the ACRC asked a competent police office to take physical protection measures such as strengthening patrol in the reporter's neighborhood and providing a GPS tracking device.

### ③ Request for Measures of Confirmation of Details Regarding Identity Disclosures

A reporter made a report that Medical Care Hospital A had committed fraud involving medical care benefits by inflating the number of patients it had treated, and the case was subsequently referred to a police office. The police office distributed a press release citing "the information obtained from former administrative director of Hospital A", thereby disclosing the identity of the reporter. The reporter requested the confirmation of details on the identity disclosure.

As a result of the ACRC investigation, it was decided that the information in the press release—including the district police station, the reporter's position in the pertinent hospital, and changes in the name of the hospital—clearly alluded to the identity of the reporter, violating the guarantee of a reporter's confidentiality. The ACRC requested disciplinary actions against the relevant police officers.

### (3) Rewards and Awards for Corruption Reporters

The reward and award system for corruption reporters is to provide payment to reporters whose disclosures lead directly to the recovery of or increase in revenues, decreased costs to public institutions, or the enhancement of public interest.

#### Statistics on the Annual Payment of Rewards

(Unit: KRW 1,000)

Year	Number of cases	Benefits incurred	Rewards paid
Total	412	137,012,227	11,854,429
2008	18	2,149,407	328,175
2009	20	5,811,771	642,146
2010	23	4,505,568	603,641
2011	12	18,834,014	1,499,401
2012	40	11,131,731	1,400,444
2013	37	8,393,380	951,210
2014	30	6,878,647	619,347
2015	29	28,770,531	1,426,658
2016	90	23,997,537	2,275,033
2017	113	26,539,641	2,108,374

Between 2008 and 2017, 137,012 million won was recovered as a result of corruption reports, and 11,854 million won in reward money was paid on 412 reported cases, with 28.77 million won in rewards paid on average. Since 2008, 629.74 million won in award money has been paid to reporters on 80 cases.

## ○ Case Study of Reward/Award Payment

### Allegation of Fraud Involving Government Contributions for Technology Development

A reporter made an allegation that Company A, which had received government contributions for technology development, had been using the contributions for purposes irrelevant to technological development. The allegation was confirmed through an ACRC investigation and the ACRC decided to recover 765.61 million won from Company A, while paying 71.79 million won in reward money to the reporters, an amount calculated with benefits incurred.

## (4) Strengthening the Institutional Foundation of Protection and Rewards for Corruption Reporters

Since the revision of the ACRC Act in April 2017, protection has been expanded for people who report corruption involving private school faculty members. The October revision of the ACRC Act, which came into effect on February 1, 2017, expanded the scope of guarantee for reporter confidentiality protection. Before the revision, the duty of guaranteeing reporters' confidentiality was only applied to personnel working for the Commission and investigative agencies. However, the revised law prohibits anyone from disclosing or publicizing a reporter's identity or any information alluding to a reporter's identity without that reporter's consent.

## 3. Public Interest Reports Received and Resolved and the Protection and Reward of Public Interest Reporters

The Act on the Protection of Public Interest Whistleblowers was established by the ACRC and put into effect on September 30, 2011, for the purposes of protecting and supporting public interest whistleblowers, and preventing and controlling private sector public interest violations, which can directly impact public life.

## (1) Overview of Public Interest Whistleblower Protection System

Public interest violations subject to report are defined as acts undermining public health, safety, the environment, consumer interests and fair competition, and being subject to criminal punishment or administrative disposition according to 279 applicable laws.

Protective measures for public interest whistleblowers include a prohibition on the disclosure of a reporter's identity, and protection against the implementation of disadvantageous measures. The scope of such disadvantageous measures includes disadvantages to employment status, such as termination and suspension of employment; economic disadvantages, such as wage discrimination and termination of contracts for goods; administrative disadvantages, such as the cancellation of permits or licenses; and psychological disadvantages, such as bullying.

In addition, if national or local government revenues increase due to fines or penalties, a reward of up to two billion won may be provided to internal whistleblowers. For internal or external public interest whistleblowers who contribute to the enhancement of public interest, such as through the prevention of losses (apart from financial interests) and improvement of institutional systems, awards can be paid through screening. Public interest whistleblowers and their relatives and cohabitants can also apply for relief money to reimburse damages or related expenditures, including medical treatment costs, legal costs or loss of wages during the disadvantaged period.

## (2) Statistics on Public Interest Reports Received and Resolved

### *Public Interest Reports Received by Type*

Between the original implementation of the Public Interest Whistleblower Protection Act and the end of December 2017, a total of 24,365 reports were submitted to the

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ACRC. Public health violations, including production of harmful food products and sales of unlicensed medical products, were the most common type of report with 10,747 cases (44.1%), followed by public safety violations, including faulty construction and non-establishment of fire-fighting facilities, with 3,905 cases (16.0%).

### *Annual Reports Received*

Public interest reports submitted to the ACRC had been on a steady increase due to raised public awareness following the implementation of the act. However, that trend reversed since 2014. In order to prevent over-reporting by professional whistleblowers, or so-called “paparazzi,” relevant laws and institutions have been continuously refurbished since the initial establishment of the public interest whistleblowing system. Examples of such changes include the limiting in number of annual rewards to ten cases a year per whistleblower (introduced in October 2014), and the limiting of eligibility for rewards to internal whistleblowers (introduced in January 2016). As a result of these measures against professional whistleblowers, the overall number of reports has decreased.

### Annual Reports Received

(Unit: cases)

Year	Total	Health	Safety	Environment	Consumer interests	Fair competition	Others
Total	24,365 (100.0)	10,747 (44.1)	3,905 (16.0)	2,262 (9.3)	1,213 (5.0)	457 (1.9)	5,781 (23.7)
2012	1,153	389	167	201	118	29	249
2013	2,887	1,208	298	165	191	87	938
2014	9,130	5,570	1,936	312	345	94	873
2015	5,771	1,931	595	1,151	174	39	1,881
2016	2,611	937	377	232	149	69	847
2017	2,521	543	524	191	190	121	952

## Public Interest Reports Resolved

Out of the 24,365 cases received as public interest reports, 14,156 have been referred or forwarded to investigative organizations, with 23,975 cases have been resolved in total since the implementation of the act.

### Annual Reports Handled

(Unit: cases)

Year	Type of handling			
	Total	Referred	Forwarded	Closed
Total	23,975	607	13,549	9,819
2011~2012	1,340	112	674	554
2013	2,509	73	1,427	1,009
2014	8,239	168	6,569	1,502
2015	7,089	90	3,190	3,809
2016	2,560	79	1,155	1,326
2017	2,238	85	534	1,619

As for the result of public interest violation cases, among 12,633 cases referred and forwarded to investigative organizations since the implementation of the act, 6,157 cases were confirmed of the suspicion, resulting prosecution/accusation for 1,425 cases, imposition of fine for 1,425 cases, and penalty surcharge/administrative fines for 1,573 cases.

### Result of Cases Referred & Forwarded

(Unit: cases, KRW mil.)

Cases received	Result of handling			Result of cases referred and forwarded					Result of investigation					
	Total (A+B)	Referral / forward (A)	Termination (A)	Result notification				Under investigation by others	Prosecution	Accusation	Fine	Additional charge	Administrative fine	Others
				Total (D=F+G)	Suspicion confirmed (F)	Rate of confirmation (F/D)	Suspicion unconfirmed (G)							
24,365	23,975	14,156	9,819	12,633	6,157	48.7%	6,476	1,523	623	802	80 (102)	774 (8,637)	799 (933)	2,991

### (3) Statistics on Public Interest Whistleblower Protection

From the date of initial enforcement of the act through December 2017, a total of 121 requests for whistleblower protection were received, including 63 requests for protective measures and 29 requests for the confirmation of identity disclosure details-108 of those cases were resolved. The acceptance rate (excluding rejected and dismissed cases) was 53.4%, with 39 cases, including requests for protective measures, being accepted.

#### Annual Status of Public Interest Whistleblower Protection

(Unit: cases)

Category	Total	2011	2012	2013	2014	2015	2016	2017
Total	121	6	11	17	17	16	20	34
Protective measures	63	2	5	13	3	9	12	19
Physical protection	10	-	3	1	2	1	1	2
Confirmation of details on identity disclosures	29	2	1	2	10	4	3	7
Prohibition of disadvantageous measures	9	2	1	-	1	2	2	1
Mitigation of culpability	10	-	1	1	1	-	2	5

### (4) Statistics on Rewards for Public Interest Whistleblowers

In 2017, KRW 1,976 million was provided in reward money for 1,710 public interest reports, bringing the total reward money paid since the enactment of the act to approximately KRW 4,613 million for 5,705 reported cases.

### Statistics on Total Public Interest Rewards Executed

(Unit: cases)

Year	Handled(a+b+c)	Paid(a)	Dismissed(b)	Concluded(c)	Benefits incurred (KRW 1,000)	Rewards paid (KRW 1,000)
Total	8,404	5,705	677	2,022	25,150,485	4,613,606
2012	32	32	-	-	147,860	28,472
2013	487	319	168	-	1,230,929	227,708
2014	678	657	21	-	2,239,585	397,340
2015	1,154	511	81	562	1,988,446	379,997
2016	3,737	2,476	344	917	8,344,742	1,603,578
2017	2,316	1,710	63	543	11,198,923	1,976,511

## (5) Major Achievements

### *Revision of the Public Interest Whistleblower Protection Act for Enhanced Reporter Protection*

The revision bill of the Public Interest Whistleblower Protection Act aimed at strengthening protection of public interest whistleblowers passed the National Assembly in September 2017, and will come into effect in May 2018 with diverse whistleblower protection systems including punitive damages, conversion of burden of proof and emergency relief. The punitive damages system, which imposes liability up to three times on persons who have taken disadvantageous measures against whistleblowers, is expected to effectively discourage retaliatory actions by companies, etc.

In addition, target areas and laws of public interest whistleblowing will be added to expand the scope of public interest whistleblowing. The commission will carry out regular reviews of protective measures every two years, and the payment of relief

money for public interest whistleblowers will be made more swiftly.

### *Effective Handling of Public Interest Reports and the Expansion of Infrastructure for the Public Interest Whistleblowing System*

The ACRC has effectively handled reported cases by pro-actively cooperating with related institutions to prevent breaches of public interest. The commission encourages public institutions to make voluntary efforts by providing drafts of standard ordinances, manuals, and in-house education materials to support the establishment of autonomously-operated public interest whistleblower protection systems within institutions.

In addition, the ACRC has established an education system for public interest whistleblower protection aimed at private companies. In order to educate the executives and employees of construction companies, the ACRC has included public interest whistleblower protection in statutory education sessions for construction companies in cooperation with the Construction Association of Korea through the signing of an MOU.

### *Raising Awareness of the Public Interest Whistleblowing System*

The ACRC has carried out a variety of initiatives to raise awareness of the public interest whistleblower protection system and to expand social consensus about the need for protecting whistleblowers. Advertisements were aired on radio channels or put on subways, and promotional video clips were posted online or on screens inside KTX trains, in order to encourage a positive perception of internal public interest whistleblowers.

In 2017, the ACRC conducted promotional activities customized to personnel in each field in order to facilitate internal whistleblowing. Posters and guidebooks customized to construction, food service, safety control on dangerous substances, and pharmaceuticals were distributed through promotional and educational channels.



As a result of the strategic employment of diverse promotional and educational activities with regard to the public interest whistleblowing system, awareness of the system increased from 28.4% in 2016 to 30.6% in 2017, showing the steady increase since the implementation of the act.

#### 4. Operation of the Center for Reporting Public Subsidy Fraud

In 2013, the Office for Government Policy Coordination under the Prime Minister and other relevant ministries formed the Task Force for Eradication of Welfare Subsidy Fraud, and the Joint Government Welfare Fraud Report Center was established under the ACRC on October 15, 2013. On January 6, 2015, the center was expanded to handle reports of other subsidy fraud and named the Center for Reporting Public Subsidy Fraud.

Targets for report are the fraudulent receipt of any public services or goods related to government policy, project, or budget (including wages, subsidies and support funds, support for human resources, and material resources). Counseling on reporting-from a representative government call center for civil complaints-is available via telephone by dialing 110 from anywhere in the country.

Since the launch of the Center for Reporting Public Subsidy Fraud, 3,802 cases of fraudulent receipt of public subsidy have been reported. Among these reports, 3,649 cases (97.0%) were handled and concluded, while 153 cases (4.0%) remain under investigation. Of the 3,649 cases completed, 908 cases (24.9%) were referred to investigative or supervisory institutions. Of the cases referred, investigation of 639 cases was completed, with 461 cases confirmed as fraudulent receipts of public subsidies. Accordingly, the recoverable or collectible amount was decided to be 62 billion won.



### Status of Reports Counseled, Received, and Handled

(Unit: cases)

Year	Reports counseled	Reports received	Reports handled				Unresolved (carried forward to the next year)
			Total	Referred	Sent to the public institution	Closed	
Total	12,901	3,802	3,649	661	247	2,741	153
2017	2,353	927	861	168	66	627	153
2016	3,605	1,032	1,020	192	22	806	87
2015	3,602	896	901	197	60	644	75
2014	2,925	802	766	103	78	585	80
2013	416	145	101	1	21	79	44



## Chapter 6. Anti-Corruption and Integrity Education for Raising Integrity Awareness

### 1. Mandatory Implementation of Integrity Education and Consequent Educational System Restructuring

#### (1) Operation of Anti-Corruption Group Training Courses

The ACRC opened its Anti-Corruption Training Institute in October 2012, and has since operated the institute as a specialized education and training organization to support anti-corruption education for public officials.

The revision of the ACRC Act in 2016 mandated anti-corruption education for officials of public institutions, bringing more public attention to integrity education. In a changing policy environment, the anti-corruption training institute has set three core strategies: ① reforming the operational system to fit mandatory integrity education, ② enhancing education on the Improper Solicitation and Graft Act; ③ fostering integrity education lecturers for public institutions

#### *Operational Achievements*

The Anti-Corruption Training Institute provides integrity education and thematic group training courses based on the results of educational needs surveys. The number of public officials completing integrity courses increased by 12% (to 19,805) in 2017 (15 courses, 133 sessions) from the previous year (17,716 persons).

In order to spread a culture of integrity in the public sector, the institute selected



institutions having difficulty in autonomously operating integrity education such as the military, police, fire services, and universities, and implemented on-demand integrity education. In addition, an "integrity concert" was staged 66 times, for 16,355 public officials from fifty-five institutions.

A variety of courses including one for high-ranking public officials, have been launched following the implementation of mandatory anti-corruption and integrity education. The number of high-ranking officials who have taken the course, including 13 holding positions of vice minister, doubled to reach 2,354 public officials compared to the previous year (1,177).

Since the mandate requiring anti-corruption education for public officials, the Anti-Corruption Training Institute has fostered 547 in-house lecturers through basic courses for nurturing lecturers for anti-corruption education. In an attempt to cultivate instructional design and techniques, the institute operates professional courses for nurturing lectures on anti-corruption education. Of those who completed professional courses, 34 passed the lecture demonstration to become professional lecturers able to provide outside lectures.

"Integrity capability" is a concept based on the theory that integrity can be enhanced through education. The Anti-Corruption Training Institute has developed a course focusing on experiences based on self-directed learning for enhanced integrity capability. The 2017 curriculum was comprised of a ten-hour basic course and a thirty-hour advanced course. Assessment tools for integrity-based decision-making ability of public officials were also developed, and from next year the tools will be accessible via mobile and on institution web pages.

## (2) Operation of the Online Anti-Corruption Training Course

The Anti-Corruption Training Institute runs the Online Anti-Corruption Training Course

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through its Online Education Center (<http://acti.coti.go.kr>). In the nine-year period between the establishment of the ACRC and the year 2017, approximately 3.5 million public officials completed online courses, including in-house training courses provided by individual institutions.

A survey of course-takers, aimed at comprehending the effects of online education, showed that 124,981 respondents or 84.7% of the total 147,631 respondents were satisfied with the achievements of their education.

## 2. Operation of Anti-Corruption Outreach Programs to Spread a Culture of Integrity

### (1) Operation of the Public Integrity Content Contest

The Integrity Content Contest is a program organized to identify quality integrity-related works, and to raise public awareness of anti-corruption and integrity through essays describing real-life experiences and a variety of other works based on selected winning essays.

The first round of the contest-which ran from May 30<sup>th</sup> to July 24<sup>th</sup>-received entries from both public officials and ordinary citizens in the form of essays describing experiences of conscience and integrity in everyday life taking place at home, school or the workplace, or stories about changes in daily life following the implementation of the Improper Solicitation and Graft Act.

The second round of the contest-which ran from August 21<sup>st</sup> to November 14<sup>th</sup>-was open to all citizens, and received web comics and play scripts, all produced based on winning essays in contests from 2015 through 2017, or on citizens' own integrity-related experiences.



The Integrity Content Contest received a variety of submissions from participants from all walks of life, including public officials, ordinary citizens, experts in many fields, university students, housewives, teenagers, and servicemen and women. A total of 1,590 entries-including essays, user-generated works, web comics, book reports, lecture scripts, and video clips-were received.

## (2) Integrity Education Lecture Contest

The 1<sup>st</sup> Integrity Education Lecture Contest was held this year in an attempt to share and promote effective integrity education techniques and quality education programs, and to foster lecturers specializing in integrity.

The first round of the contest-which ran from August 16<sup>th</sup> to September 29<sup>h</sup>-received entries from public officials and ordinary citizens aged nineteen or over in the form of videos or abstracts of lectures on anti-corruption and integrity laws and systems, and on promoting integrity awareness.

A total of 130 entries were submitted, drawing significant attention from both the public and public officials. It was particularly noteworthy that ordinary citizens and public officials-not professional lecturers-actively participated, proving the considerable public interest in promoting a culture of integrity through integrity education.





Part  
**05**

Operating Fair and Prompt  
Administrative Appeals



## Chapter 1. Operation of Administrative Appeals

### 1. Overview of Administrative Appeals

#### (1) Primary Roles of Administrative Appeals

The administrative appeals system has two objectives: protecting people's rights and interests, and autonomous control of administration. Protecting people's rights and interests involves the protection of individual rights and interests from illegal or unjust measures of administrative agencies, while autonomous control of administration allows administrative agencies the opportunity to voluntarily correct their wrongdoings, thereby guaranteeing the legality and purposefulness of their administrative actions.

Article 1 of the Administrative Appeals Act clearly explains that the purpose of administrative appeals is the protection of people's rights and interests and the voluntary control of administration when it states that "The purpose of this act is to relieve citizens from the infringement of rights or interests caused by any illegal or unjust disposition or omission of public power by administrative agencies through the administrative appeals procedures, thereby achieving a due operation of administration."

#### *Protection of People's Rights and Interests*

The administrative appeals system is aimed at protecting people's rights and interests from illegal or unjust measures of administrative agencies. It is possible to request that the relevant agency take a more proactive measure through a judgment of unjustness or an appeal for the performance of obligation, requests which cannot be filed through the administrative litigation system. The administrative appeals system is, therefore,

relatively more efficient than administrative litigation in terms of protecting people's rights.

### *Autonomous Control of Public Administration*

Autonomous control of administration allows administrative agencies to autonomously assess and review whether enacted measures are illegal or unjust, thereby ensuring the autonomy and appropriateness of public administration.

### *Enhancing Efficiency and Expertise in Public Administration*

In today's administrative environment, where promptness is essential, the administrative appeals system provides a rational alternative to judicial procedures, as it allows for a swift and simple resolution of administrative disputes, thereby making the process more convenient and efficient. In addition, expert knowledge of administrative agencies enables the protection of people's rights and interests in a fair and precise manner.

## **(2) Characteristics of the Administrative Appeals Commission**

### *Deliberation and Adjudication*

Administrative appeals commissions are collegiate bodies invested with the authority to deliberate and rule on adjudication requests. The commissions are required to deliberate and rule on arguments from an objective third-party perspective, through the examination of evidence and the review of related laws.

### *Collegiate Administrative Body*

The administrative appeals commissions begin their sessions when the majority of the members are present, and rule by a majority vote of the present members. In order to



ensure the objectivity and neutrality of the commission members, the commissions are not entirely composed of public officials, but non-standing private sector members, such as lawyers and professors are included.

### *Quasi-judicial Administrative Agency*

In accordance with the Administrative Appeals Act, to guarantee independent adjudication of the commissions when deliberating and ruling on appeals, various judicial procedures—such as intervention of stakeholders, the exclusion, avoidance or evasion of members, the appointment of agents and examination of evidence—are applied.

### *Temporary Institutions*

Administrative appeals commissions play a pivotal role in administrative appeals; however, they exist as temporary, not permanent, institutions convening for meetings only when an appeal has been filed and deliberation and adjudication becomes necessary.

## **(3) Types of Administrative Appeals Commissions**

### *Central Administrative Appeals Commission (CAAC)*

Established under the ACRC, the Central Administrative Appeals Commission (CAAC) deliberates and rules on appeals filed against the following agents and agencies for their disposition or omission:

- Heads of administrative agencies or their subsidiary agencies
- Mayors of special, metropolitan and special autonomous cities, provincial governors, the governor of the special autonomous province
- Educational superintendents and assemblies of special, metropolitan and special autonomous cities, provinces and the special autonomous province



- Other administrative agencies jointly established by the state, local governments, public corporations, etc.

The CAAC consists of fewer than 70 members, including a chairperson and no more than 4 standing members (currently 3). The chairperson of the CAAC is also a vice chairperson of the ACRC, and when the chairperson is absent or unable to perform duties due to inevitable circumstances, a standing member (in order of seniority of service as a standing member, and in cases of equal seniority of service, in order of age) may act on that chairperson's behalf.

CAAC meetings are attended by nine members: a chairperson, standing members and non-standing members designated by the chairperson for each meeting. The commission rules by a majority vote of the present members when a majority is present.

### *Municipal Administrative Appeals Commissions*

The municipal administrative appeals commissions are established under the mayors of special, metropolitan and special autonomous cities, provincial governors and the governor of the special autonomous province to deliberate and rule on appeals filed against the following agents or agencies for their disposition or omission: municipal administrative agencies, municipal heads and the relevant agencies, and municipal assemblies and administrative agencies jointly established by two or more municipal governments or public corporations. The municipal administrative appeals commissions, as collegiate bodies, have the same characteristics as the CAAC.

### *Other Administrative Appeals Commissions*

Apart from the CAAC and seventeen municipal administrative appeals commissions, the Administrative Appeals Act is also applied to administrative appeals commissions within the following institutions: metropolitan and provincial offices of education (seventeen commissions),





high prosecutors offices (five commissions), regional corrections headquarters (four commissions), the Board of Audit and Inspection, the National Intelligence Service, the Presidential Secretariat, the Korea Communications Commission, the National Assembly Secretariat, the National Court Administration, the Constitutional Court Secretariat, the National Election Commission Secretariat and the National Human Rights Commission, etc.

### *Specialized Administrative Appeals Commissions*

Article 4 Paragraph 1 of the Administrative Appeals Act stipulates that unless it is necessary given the extraordinary and exceptional nature of a specific case, other acts shall not provide for specialized administrative insubordinate procedures that substitute the administrative appeals under this act, or any exceptional case of the administrative appeals procedure under this act. Cases in point include administrative appeals regarding taxes, patents, expropriation and use of land, personnel matters, unfair labor practices, and insurance benefits such as those provided by the National Health Insurance Service.

## 2. Operation of Administrative Appeals

### (1) Field-Centered Administrative Appeals

#### *Circuit Administrative Appeals*

Circuit administrative appeals, which are included in on-demand administrative appeal services, allow claimants who have difficulties attending deliberation in person, to instead receive local visits from CAAC representatives. These appeals were initially held at Daejeon and Daegu Metropolitan Cities in 2014, and a small pilot meeting-attended by four members-was held in 2014. As the CAAC moved to the Government Complex Sejong in 2015, circuit administrative appeals were expanded and continued on a larger scale in 2017.



### *Field Evidence Examination*

As the CAAC deliberates and makes decisions on hundreds of cases per week, written deliberations are more common than actual face-to-face hearings. In order to overcome the limitations of written deliberation and conduct close examinations of facts, officials in charge of reviewing administrative appeal cases actively conduct field evidence examinations. In 2016, more than 220 field examinations took place; however, fewer than 200 examinations were conducted in 2017. In 2018, the CAAC plans to secure a practical and in-depth deliberation process by ensuring a field-oriented case review through proactive field evidence examinations.

### *Swift and Fair Adjudication of Public Issues*

In June 2017, the CAAC decided to accept the appeal against a disposition by the Cultural Heritage Administration. The Cultural Heritage Administration had made a disposition of rejection to the request to change the present condition around cultural properties for constructing a cable car on Mt. Seorak. On the 28th of that month, the adjudicator's written decision was sent to Yangyang-gun and the Cultural Heritage Administration, respectively. In accordance with the decision by the CAAC, the Cultural Heritage Administration approved the building of the Osaek cable car on Mt. Seorak in November 2017. It is expected that the decision may become an opportunity to enable for handicapped citizens better to enjoy their cultural right.

## **(2) Strengthening the Capability of Administrative Appeals**

### *Introduction of the Court Appointed Attorney and Mediation of Administrative Appeals*

In 2017, through a revision of the relevant law, the ACRC introduced court appointed attorneys for claimants who cannot afford to hire lawyers. The Mediation of Administrative



Appeals was also introduced for the smooth resolution of highly disputed cases, or of cases with a significant ripple effect through the allowance for mutual consultation.

### *Implementation of the Indirect Enforcement System*

In an attempt to expand the protection of people's rights and interests and enhance the credibility of the administration, the ACRC revised relevant laws to introduce an indirect enforcement system, which strengthens the implementation capability of administrative agencies for acceptance rulings on administrative appeals. The system has been in operation since October 2017.

### *Corrective Measures on Unreasonable Laws*

In accordance with Article 59 of the Administrative Appeals Act, if an order (including presidential decrees, ordinances of the prime minister or any of the ministries, directives, established rules, notifications, and municipal ordinances and rules) which constitutes grounds for a disposition or omission, is substantially unjust due to the absence of a statutory basis, conflict with superior legislation or excessive burden to the citizens, the CAAC may request that a relevant administrative agency take a proper corrective measure, including amendment or repeal of order in question.

### *Appointment and Operation of the Administrative Appeals Advisory Committee*

According to the provision on the operation of the Administrative Appeals Advisory Committee for the in-depth review of complex cases, advisory committee with 16 members is set up on 3 areas of general affairs, labor, and veterans/medical care. The members are appointed by the chairperson of the ACRC and they serve up to two two-year terms. The current advisory committee consists of members of six lawyers, five professors, and five doctors.



### (3) Bolstering Cooperation among Concerned Administrative Appeals Agencies

#### *Professional Education Offered by Disposition Agencies by Area*

The pertinent content of the professional education offered includes instruction on laws upon which administrative disposition is frequently based, example cases of relevant adjudication, and an introduction to the administrative appeals system and the Administrative Procedures Act. The ACRC has ensured that the instructional content is helpful and applicable to everyday practice by arranging for incumbent public officials at relevant ministries to act as lecturers. In 2018, the ACRC will continue the education by selecting areas which can provide the tangible assistance to public officials at the forefront of administration.

#### *Policy Meetings with the Korean Bar Association*

The ACRC and the Korean Bar Association held a policy meeting at the Korean Bar Association in June 2017. Participants held discussions concerning significant achievements toward the promotion of people's rights and interests, eliminating deep-rooted administrative corruption, and the future direction of administrative appeals for the realization of a fair and reliable administration. Opinions were also collected regarding revisions of the Administrative Appeals Act such as the provisions for court appointed attorneys, and mediation of administrative appeals.

#### *Joint Academic Conference with the Korean Administrative Law Association*

At Sungkyunkwan University on December 21, 2017, the ACRC held a joint academic conference with the Korean Administrative Law Association on measures to strengthen the integrity of the administrative appeal system. During the conference, measures for integrating and enhancing the objectivity of administrative appeals were discussed, as was the future direction of the system.

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### *Exchange and Cooperation with Law Schools*

With the aim of nurturing legal talent to proactively protect people's rights and interests, the ACRC operates a practical training course for law school students, offering hands-on experience with administrative appeals in the field. Since 2016, the Model Administrative Appeal Contest has been held annually to make administrative appeals more accessible to the public and to provide law school students-future members of the legal community-with opportunities to understand and experience administrative appeals, which are representative measures for the protection of people's rights.

#### **(4) Establishment and Operation of the Hub-system for Online Administrative Appeals**

The Hub-system for Online Administrative Appeals provides citizens with a prompt all-in-one stop for services from filing administrative appeals via the Online Administrative Appeals Service-regardless of time, place or jurisdiction-to checking written decisions. The system also provides disposition agencies and ruling institutions with an entirely online method of conducting the necessary procedures-from receipt, response, and review, to decision and delivery-of the administrative appeal process.

#### *Establishment Status of the Hub-system*

As of 2016, the hub-system for online administrative appeals was available at administrative appeals commissions within the following institutions: four national administrative agencies, seventeen metropolitan/do administrative appeals commissions, seventeen metropolitan/do offices of education administrative appeals commissions, sixteen metropolitan/do and office of education appeals commissions, four high prosecutors office administrative appeals commissions, and five regional corrections headquarter administrative appeals commissions. Additionally in 2017, the ACRC added the Geographical Indication Appeals Commission to this list, providing the online service to sixty-four commissions in total.



The services available through the online hub-system have made the appeal procedures accessible and convenient, raising productivity and effectiveness through the improvement of the work of administrative agencies.

### *Operation and Promotion of Utilization*

Since the hub-system for online administrative appeals was completed and put into operation in earnest in 2017, the ACRC has been carrying out a wide range of promotional and educational activities to ensure the effective utilization by growing number of users, with focus being placed on the reliable provision of the service. The commission plans to strive harder to offer swift protection of rights and interests of even more citizens through online administrative appeals.





## Chapter 2. Achievements of the Central Administrative Appeals Commission

### 1. Administrative Appeals Received and Resolved

The CAAC received 27,918 administrative appeals in 2017, an increase of 1,188 cases from the previous year. By type, the number of general complaints increased by 1,120 cases, cases concerning veteran's affairs increased by 73 cases, while appeals on driver's licenses fell by 5 cases. The number of resolved cases stood at 25,775 in 2017, a decrease of 305 cases from the 26,080 cases in 2016. The resolution of general cases increased by 69 cases, while veteran's affairs declined by 81 cases and appeals on driver's licenses by 293 cases.

#### Status on Appeals Received and Resolved in the Past Five Years

(Unit: cases)

Year	Received	Deliberated & adjudicated				Acceptance rate (%)	Withdrawn / referred
		Total	Accepted	Rejected	Dismissed		
2013	25,570	24,405	4,227	18,820	1,358	17.3	1,089
2014	25,301	25,270	4,131	19,164	1,975	16.3	1,068
2015	24,425	24,947	3,933	18,627	2,387	17.4	1,433
2016	26,730	26,080	3,901	19,315	2,864	16.8	1,699
2017	27,918	25,775	3,584	19,105	3,086	15.8	1,307

### 2. Analysis by Type

In 2017, 20,742 (or 74.3%) of the cases received by the CAAC involved appeals on driver's licenses, 1,445 (5.2%) concerned rewards for patriots and veterans, and 5,731 (20.5%) were general complaints cases.

Violations regarding driver's licenses constitutes the largest percentage of cases received. It can be explained by both an increase in car ownership and the provision of the Road Traffic Act, which requires claimants to go through an administrative appeal procedure before filing administrative litigation.

### Statistics on Cases Received by Type

(Unit: cases, %)

Category	Appeals on driver's licenses		Cases on rewards for patriots and veterans		General complaints	
	Received	Ratio	Received	Ratio	Received	Ratio
2015	18,655	76.4	1,454	6.0	4,316	17.6
2016	20,747	77.6	1,372	5.1	4,611	17.3
2017	20,742	74.3	1445	5.2	5,731	20.5

#### (1) General Complaint Cases

General complaint cases vary in origin, and include cases concerning employment and labor, information disclosure, national defense, legal affairs, land and transportation, a variety of exams, health and welfare, school bullying, fiscal affairs and finance, the environment, and culture.

In 2017, 4,669 general complaints cases were resolved—an increase of 69 cases compared to 2016. Of these cases, 2,770 were dismissed, a sharp increase compared to the number of general complaint cases resolved as a whole. Analysis suggests that a primary cause for the increase of dismissals was the repetitive filing of groundless administrative appeals by a small number of claimants. Measures to deal with groundless claims (filed at no cost to the claimant) are needed. The CAAC is taking a multifaceted approach to explore methods for reducing the groundless filing such as selectively imposing application fees, investing the chairperson with the authority to reject applications, and placing a limit on the number of claims under a specific condition.



## General Complaint Cases Received and Resolved

(Unit: cases)

Category Year	Cases received	Cases resolved			
		Total	Accepted (acceptance rate)	Rejected	Dismissed
2015	4,316 (17.6%)	4,230	405 (19%)	1,727	2,098
2016	4,611 (17.3%)	4,600	390 (18.8%)	1,685	2,525
2017	5,731 (20.5%)	4,669	266 (14.0%)	1,633	2,770

The majority of general complaint cases require significant time and personnel for case review due to the often complex nature of case content, and the significant number of related records. In addition, the types of cases vary as disposition agencies include central administrative institutions, as well as local governments and their affiliated organizations. The result of this is that only approximately 15% of general complaint cases are resolved.

### (2) Cases Concerning Rewards for Patriots and Veterans

Cases concerning rewards for patriots and veterans are those appeals related to applications for persons of distinguished service to state, persons of distinguished service to independence, war veterans, patients suffering from actual or potential aftereffects of defoliants, and persons of distinguished service according to the related laws on rewards for patriots and veterans and their families. Most cases are disputes over registration as persons of distinguished service to state against the Ministry of Patriots and Veterans Affairs and Regional and District Offices of Patriots and Veterans Affairs.

Cases on rewards for patriots and veterans are relatively less complex compared to general complaint cases. However, as the events that serve as the backgrounds of disputes—such as the Korean War and Vietnam War—occurred long ago, there are often few related existing records to serve as proof of wounds of claimants. In addition, cases regarding rewards for patriots and veterans require both legal and medical assessment

to determine correlation between a claimant's wounds and public duties served.

In order to resolve cases concerning rewards for patriots and veterans based on professional advice, the Specialized Committee on Rewards for Patriots and Veterans and Medical Treatment, which consists of medical experts, is operated under the CAAC. Assessment and advisory consulting from outside professionals also frequently takes place.

### Cases Concerning Rewards for Patriots and Veterans Received and Resolved

(Unit: cases)

Year	Category Cases received	Cases resolved			
		Total	Accepted (acceptance rate)	Rejected	Dismissed
2015	1,454 (6.0%)	1,421	61 (4.5%)	1,287	73
2016	1,372 (5.1%)	1,424	52 (3.8%)	1,314	58
2017	1,445 (5.2%)	1,343	42 (3.3%)	1,244	57

### (3) Appeals on Driver's Licenses

Appeals on driver's licenses are those claims concerning administrative appeals regarding administrative dispositions of suspension or cancelation of driver's licenses in accordance with the Road Traffic Act. Each year, approximately 300,000 administrative dispositions are handed down, and a number of appeals are consequently filed.

Appeals on driver's licenses have the characteristics of "cases related to livelihood," as they are closely associated with employment or the means for living of claimants. The quantity of such appeals is larger than that of general complaint cases or cases regarding rewards for patriots and veterans; however, such cases present few juridical controversies, and factual relevance (such as the fact that a claimant was driving under the influence of alcohol) is comparatively straight forward.

## Appeals on Driver's Licenses Received and Resolved

(Unit: cases)

Category Year	Cases received	Cases resolved			
		Total	Accepted (acceptance rate)	Rejected	Dismissed
2015	18,655 (76.4%)	19,296	3,467 (18.2%)	15,613	216
2016	20,747 (77.6%)	20,056	3,459 (17.5%)	16,316	281
2017	20,742 (74.3%)	19,763	3,276 (16.8%)	16,228	259

Appeals on driver's licenses account for approximately 75% of all cases received, while the acceptance rate was between 17 and 18% of cases resolved. The acceptance rate in 2017 lower than 17% may be explained by a social atmosphere emphasizing the need for heavier sanctions on driving under the influence of alcohol.

### 3. Resolution Time

Article 45 of the Administrative Appeals Act specifies that a ruling on an administrative appeal should be made within 60 days from the date on which a respondent or commission received the written appeal. In the event that inevitable circumstances exist, a chairperson may extend the period by 30 days ex officio, meaning that cases should be resolved within 90 days under these special circumstances<sup>1)</sup>.

Due to the steady increase of cases received and a lack of personnel, overdue cases resolutions occur every year. In particular, written responses from the disposition agencies regarding general complaints cases with difficult and complex content are often sent past

1) Administrative Appeals Act

Article 45 (Period for Making Rulings)

- ① A ruling shall be made within 60 days from the date on which the appellee or the commission has received a written appeal under 23. Provided, that if unavoidable circumstances exist to the contrary, the chairperson may extend the period for another 30 days ex officio.
- ② If a ruling period is extended under the proviso to paragraph (1), the chairperson shall inform the parties thereof by seven days before the ruling period expires.

the due date, which is ten days from the receipt of the claim.

The CAAC has taken a number of measures to reduce appeal resolution time, including improving internal processes, placing special focus on cases which have remained unresolved for lengthy periods, enhancing the expertise of working-level personnel, and requesting concerned agencies to observe submission deadlines. The CACC recognizes the need for the swift resolution of appeals, and the organization will continue its efforts to shorten resolution time.

### Status of Resolution Time in the Past Three Years

(Unit: cases)

Category	Total number of cases resolved	Resolution time on average (days)	Number of cases resolved within resolution time		Number of cases exceeding resolution time
			Within 60 days	Within 61-90 days	Exceeding 90 days
2015	24,946	66.59	17,281 (69.3%)	2,696 (10.8%)	4,969 (19.9%)
2016	26,080	75.55	15,101 (57.9%)	6,553 (25.1%)	4,426 (17.0%)
2017	25,775	77.16	15,981 (62.0%)	3,986 (15.5%)	5,808 (22.5%)

## 4. Oral Hearings

Administrative appeals can be deliberated orally or in writing. Oral hearings consist of the hearing of statements and deliberation conducted with the pertinent parties at a commission office. Oral deliberation provides additional clarity compared to written deliberation as question and answer sessions allow for the easy analysis of factual evidence, and dubious information and contradictions can easily be detected and resolved. Because of these strengths, oral hearings have been adopted as a general principle of deliberation in trials, becoming an official part of lawsuits. The Administrative Appeals Act institutionally guarantees the claimant's right

to apply for oral hearings by allowing oral deliberation to be conducted upon request, except for in certain cases.

## 5. Suspension of Execution and Temporary Disposition

The Administrative Appeals Act adopts the principle of non-suspension of execution. This means that the disposition which is subject to appeal remains in effect despite an appeal having been made. However, if it is deemed that non-suspension could possibly cause serious loss to a claimant, a suspension of execution can be requested by the party or ex officio.

Suspension of execution plays an important role in protecting procedural rights of the public; however, it is not always a sufficient response to breaches of rights and interests due to illegal or unjust dispositions of refusal or omission, as it is limited to restoring the status as it was prior to disposition. In consideration of this, the Administrative Appeals Act allows for the enactment of temporary dispositions in order to more ably protect against instability for parties who can not be relieved by suspension of execution alone.

When it is highly likely that a disposition or omission will be deemed illegal or unjust, but suspension of execution is not adequate in providing relief, a temporary disposition to grant protection to the party from a possible disadvantageous risk may be requested.





Part  
**06**

Institutional Improvements for  
Fundamentally Correcting Factors Causing  
Public Inconveniences and Corruption



## Chapter 1. Overview of Institutional Improvements

### 1. Overview

Public institutions are designed to deal with needs of society as a whole; perfect institutions, which are able to satisfy all members of society members, are rare. Furthermore, continuous improvements and complementary efforts are required to keep up with changes in society. People are increasingly calling for reasonable improvements in a variety of institutions as a result of this rapidly changing administrative and social environment.

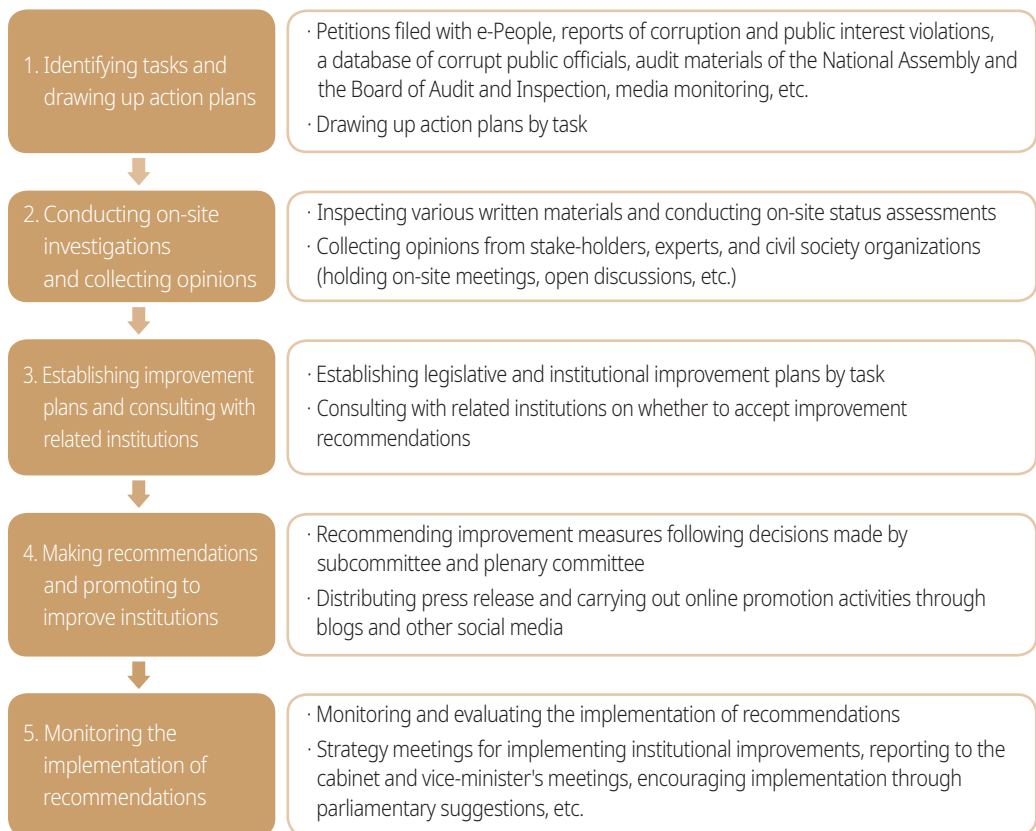
In response to such requests, the ACRC listens to and analyses the voices of the people through a variety of channels including e-People-its online portal for public grievances, complaint counseling, and corruption reporting. In its pursuit of the improvement of unreasonable administrative institutions which cause corruption and public grievances, the ACRC strives to secure the appropriateness of government administration and to contribute to the establishment of a solid sense of integrity in the public sector and society as a whole.

Article 12 of the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission (the ACRC Act) stipulates that the ACRC is responsible for: providing recommendations or opinions when it has been deemed necessary to improve an administrative system that may be the cause of a civil petition for grievances (Paragraph 3), surveying and evaluating the status with respect to civil petitions for grievances by the ACRC and improving administrative systems (Paragraph 4), formulating anti-corruption policies and making corruption prevention recommendations to assist public organizations to strengthen their system and policies, and conducting status surveys of public institutions for the purposes (Paragraph 5).



When deemed necessary as per Article 27 of the ACRC Act, the ACRC may recommend the improvement of an institution for the prevention of corruption to the head of an administrative agency. Also, according to Article 12 and Article 47 of the same act, when it has been judged that the improvement of an institution is necessary in conjunction with related administrative institutions, which have caused a civil petition for grievances, the ACRC may recommend reasonable improvement or express opinions to the head of the administrative institution in question. In addition, the ACRC has the authority to request information and to monitor the current state of affairs (Articles 12 and 29 of the act), to monitor and confirm compliance with recommendations, to make public announcements thereof (Articles 27, 52, 53), and to propose institutional improvements (Article 77), for the purpose of effective enforcement of institutional improvements.

#### • Flow Chart of Institutional Improvement





## 2. Institutional Improvement in Corruption-Prone Areas for Eradicating Chronic and Systematic Corruptions

In order to support the newly launched administration's policy task of anti-corruption reform and the rooting out of bad practices, the ACRC has selected solicitation practices, budgetary waste, and the abuse of authority as three key anti-corruption areas, made twenty-four improvement recommendations for pertinent laws and systems. The ACRC strives to support the stable establishment of the Improper Solicitation and Graft Act, and to eradicate chronic corruption-prone elements that are blamed for causing reduced national competitiveness, including budgetary waste and opaque governmental decision making.

Among the twenty-four improvement recommendations in 2017, active collaboration with related institutions has already led to improvements being made in "raising transparency in hiring fixed-term teachers", "raising transparency in accounting control of application fees for university admissions", "improving the unjust receipt of management allowances when approving the use of school facilities."

Regarding the task of preventing high-profile acts of corruption with significant ripple effects or complicated intertwined interests, the ACRC has endeavored to raise public interest regarding the necessity of institutional improvement and to collect diverse opinions on improvement measures through public discussions. In the first half of 2018, by establishing reasonable improvement measures based on collected opinions, the ACRC plans to recommend institutional improvements in three task areas: increasing the effectiveness of the corporate compliance management system; boosting decision-making impartiality within public institutions, and deliberative and advisory bodies; and reforming medical rebate practices.

## 3. Improvement in Unreasonable Institutions for Public Grievance Relief and Prevention

Based on the analysis of petitions filed with e-People and opinions collected through

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the People's Idea Box, the ACRC has singled out laws and institutions causing grievances and inconveniences as targets for improvement. By doing so, the ACRC strives to actively respond to the growing public needs for policy participation and push forward institutional improvements suited to public interests.

Thirty-six plans for institutional improvements were drawn up and recommended in 2017 through the selection of four key areas: employment grievance relief, protection of the weak, reduction of public inconveniences, and enhanced life security. As a result of active collaboration with relevant ministries, some of these recommended tasks have already seen early results including lowered standards for approving industrial design companies, and measures for extending the payment period of the principle and interest for the National Happiness Fund.

#### 4. Enhancing Follow-up Management for Practical Effects of Institutional Improvement

The ACRC has enhanced follow-up management to encourage relevant institutions to implement accumulated recommendations, ensuring tangible public benefits such as the improvement of government policies and increased quality of life through institutional improvements.

##### Annual Recommendation Status of Institutional Improvements

(Unit: case)

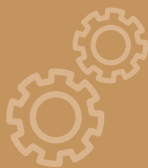
Year	Total number of recommendations	Anti-corruption recommendations	Grievance relief recommendations
2008	96	9	87
2009	117	18	99
2010	91	22	69
2011	81	33	48
2012	66	22	44
2013	66	16	50
2014	63	18	45
2015	57	14	43
2016	51	10	41
2017	60	24	36
Total	748	186	562

In 2017, the ACRC strengthened its review and evaluation of recommendation tasks by conducting an overall investigation of the implementation status of tasks assigned in the previous five years and expanding the scope of implementation evaluation to include grievance relief recommendations.

An implementation strategy meeting was held in an attempt to bolster cooperation with three central administrative institutions with significant numbers of recommendation tasks, while institutional improvement consulting was provided to seven institutions experiencing difficulties in implementing recommendations. The ACRC reported the implementation status of its institutional improvement recommendations during a cabinet meeting, and asked for cooperation to ensure swift improvements.

Regarding four cases which required the revision of laws closely linked to public life, the ACRC suggested such revisions to pertinent standing committees, including the Legislation and Judiciary Committee of the National Assembly.





## Chapter 2. Examples of the Improvement of Anti-Corruption Institutions

### *Improvement in the Practice of Making Preferential Contracts with Public Institution Retiree Organizations*

The government has pushed forward a wide range of measures for dealing with budgetary waste caused by irregularities of former and current public officials, such as restrictions on the employment of retired public officials.

However, blind spots in managing retired public officials remain, a fact which has led to the call for measures to eradicate irregularities regarding preferential contracts in connection with organizations composed of retirees.

#### Relevant Regulations By Type of Institution

Category	Public corporations · Quasi-government agencies	Other public institutions	Local public corporations, investment organizations
Private contract with recent retirees (up to two years retired) or institutions hiring retirees as executives are prohibited	○	×	×
Employment status checks are conducted before entering into contracts with retirees	○	×	×
In the case of irregularities with employees or executives during the contract process, contract-related work is consigned to the Public Procurement Service for two years	○	○	×
Contract details and reasons are disclosed when entering into private contracts with specific organizations	○	○	×
Consultation is made with the Minister of Strategy and Finance when setting standards for screening contrary to relevant statutes	○	○	×
Private contracts with retiree organizations, subsidiaries of retiree organizations, or member companies are prohibited	×	×	×
Budgetary assistance to retirees or retiree organizations is prohibited without legal grounds	×	×	×

Accordingly, the ACRC made recommendations that retiree organizations, their member companies, and any subsidiaries be included in the list of entities subject to prohibition of contract under its Regulations on Contracts for Public Corporations and Quasi-Government Agencies, and budgetary assistance to retiree organizations be prohibited without legal basis in an attempt to realign regulations on unreasonable private contracts with public institutions, and to cast light on the remaining management blind spots. The ACRC also made recommendations that other public agencies apply the Regulations on Contracts for Public Corporations and Quasi-Government Agencies when signing private contracts and regulations to prohibit private contracts with retirees be newly inserted within the Enforcement Decree of the Local Public Enterprises Act.

### *Prohibition Plan for the Fraudulent Receipt of Oil Subsidies for Freight Vehicles*

Since July 2001, the government has been providing oil subsidies in order to alleviate the burden of oil taxes on freight companies. However, fraudulent use of oil grant cards by vehicle without mandatory insurance coverage, which are not entitled to the oil subsidy, and by drivers whose licenses have been cancelled, had seen a continuous increase. Exacerbating the problem, local governments provide oil grants without deducting illegally paid amounts, thereby increasing the amount of unrecovered money due to fraudulent receipts.

According to a survey by the ACRC, fraudulent receipts using oil grant cards during uninsured periods (despite mandatory insurance) accounted for a significant portion of all fraudulent oil subsidy claims. In the case of local government A, the fraudulent use of oil grant cards during uninsured periods (forty-seven cases) accounted for 90.4% of its total of sixty-three fraudulent claims, while in local government B, twenty-one cases out of twenty-six fraudulent receipts, or 80.7%, were in relation to oil grant cards.

Furthermore, the majority of freight vehicle owners who were found to have illegally



received oil subsidies, had forgotten to extend mandatory insurance and had been using invalid oil grant cards when their fraud was identified. Freight vehicle owners filed petitions against the administrative disposition, leading to difficulties for local government employees in charge of the work. Once the fraudulent receipt of an oil subsidy is uncovered, the illegal recipient cannot receive the subsidy for a certain period of time depending on the number of fraudulent receipts, and must return the illegally received oil grant money. For example, if the owner of a fifteen-ton freight vehicle is found to have wrongly receive a grant once, the owner is prohibited from receiving further grants for a period of six months and must pay up to nine million Korean won, while an owner would face a twelve-month prohibition and pay up to eighteen million won if found to have illegally received grants for two occasions.

In order to fundamentally preclude the fraudulent claims of oil subsidies, the ACRC and the Ministry of Land, Infrastructure and Transport have established and implemented institutional improvement measures that prohibit the utilization of oil grant cards when vehicle owners are not eligible for subsidy claims by linking information from relevant institutions such as the Korea Insurance Development Institute and card companies. This institutional improvement will not only hamper the illegal receipt of grants, but also contribute to protecting public security and property by increasing the mandatory insurance coverage rate of freight vehicles.

### *Raising Transparency in Apartment House Complex Subsidy Projects*

Annually, 224 si/gun/gu governments nationwide provide tens of millions to billions of won for maintenance of apartment house complexes for projects involving roads, street lights, senior community centers, playgrounds, sewage systems, parking lots, and landscaping.

In an ACRC status assessment, some local governments were found to show the tendency to provide assistance for populist projects due to a lack of selection and



screening standards regarding apartment complexes. In addition, the assessment revealed insufficient supervision and irregularities in management over excessive appropriation of construction fees, collusion with specific companies due to individual orders by each apartment complex, the submission of construction completion documents in place of tests of completion, and the fabrication of evidential documents.

In response to this, the ACRC has prepared improvement measures and made recommendations to those 224 local governments nationwide. The recommended improvement measures include the establishment of an avoidance and evasion system of committee members for evaluating apartment maintenance subsidy projects, solidifying the operation of committee in charge of project selection including verification of duplicated applications, the introduction of an open tender system for subsidy projects, the operation of a pre-consulting system to assess construction costs, inspection by public officials in charge of supervision, enhancing supervision and management such as administrative restrictions on insolvent apartment complexes, and the mandatory disclosure of accounting results of apartment maintenance support projects.

Since October 2017, each local government has pushed forward the revision of municipal ordinances. The budget allocated for maintenance subsidies is therefore expected to be of practical assistance to apartment complexes-particularly those with aging facilities-in need of maintenances rather than provided to pork-barrelling projects undertaken at the end of the year for sharing budget unexecuted.

### *Raising Transparency in Accounting of University Application Fees*

University entrance is so closely linked to our life that the attention of the general public, not to mention that of high school seniors and their parents, is annually focused on college entrance exams during exam season. The government-administered College Scholastic Aptitude Test was recently made into selective, and the proportion of rolling admissions among all college admissions increased to 70%, thus increasing chances for

students to apply. Along with these changes, however, the burden of application fees on applicants has also increased.

Petitions filed with e-People regarding university application fees over the past two years (2015-2016) numbered 103 cases, most of which complained about unreasonable and exorbitant pricing.

An applicant can submit up to nine applications including six rolling admission, and three for regular recruitment; if an applicant were to take all available opportunities, application fees would amount to approximately one million won. Some applicants choose to pay this significant amount of application money, while others cannot afford such fees and are forced to selectively choose the best opportunities.

According to the results of a status assessment by the ACRC, application fees are different depending on the regions and universities. Compared to other state-administered tests, application fees for university entrance exams are high, with application fees for private universities being most costly. However, application fees appear to be randomly decided through superficial consideration procedures, without any clear estimation basis. In addition, revenues and expenses from application fees, standards for budget allocation, and budgetary documents are not disclosed. It is difficult to raise any questions regarding exorbitant application fees because only the most basic revenue status and expenses are being made public.

Furthermore, the budget for university entrance application fees is executed in a lax and inappropriate manner. Each university has different standards for paying allowances and food expenses for admissions officers. Differences in budget size are also significant. During the admissions period, some universities spend disproportionate amount on public expenses, rent for test venues, and promotions.

In response, the ACRC has devised improvement measures and recommended them to the





Ministry of Education. These measures include implementation of calculations for standard costs by type of entrance exam; the disclosure of standards for budget allocation and budgetary documents; the solidification of operations through the participation of outside parties in the university entrance exam management committee; and the revision of relevant regulations in order to clarify the standards for executing labor expenses, public charges, and publicity expenses.

As a result, application fees for national, public, and private universities starting for 2018 rolling admissions have decreased by around 10% and are expected to further decline next year to alleviate the financial burden on students and their parents.





## Chapter 3. Examples of the Institutional Improvement for Grievance Relief

### *Reduction of Requests for Excessive Personal Information and Resolution of Inconveniences Involving Advance Confirmations of Online Applications*

At present, the majority of public institutions and private companies accept online applications for job openings. As per the standards for screening candidates set by the companies, job seekers enter their personal information, career experiences, and other information to be considered for employment.

However, most recruiting sites require users to sign in or verify their identities before being allowed to fill out the information necessary for application, and the information the job seekers are asked to provide differs depending on the companies and occupations, thus making it difficult to predict what will be necessary. Job seekers therefore face difficulties in ascertaining their eligibility for positions in advance.

In addition, some companies request job seekers to provide too much-sometimes irrelevant-information during the hiring process.

Accordingly, the ACRC recommended that the Ministry of Employment and Labor devise plans that the information to be included on online application forms is required to be disclosed in advance and employers are prohibited from requiring excessive irrelevant personal information from candidates during the hiring process.

### *Lessening Approval Standards for Industrial Design Companies*

For the advancement and enhanced competitiveness of industrial design, the government has supported and nurtured companies specialized in industrial design. In order to receive government support, an industrial design company must have reached 100 million Korean won in revenue during the previous fiscal year-or reached that amount over three years on average-while employing at least three professional personnel.

Due to these requirements, a one-person company could be caught in an irrational situation in which the company-despite having sufficient revenue-is not eligible for government support simply because it does not meet the standard of holding three or more professional personnel.

To address this issue, the ACRC recommended the lowering of the standard so that one-person companies are eligible to receive support. Thus, the Ministry of Trust, Industry and Energy revised the Industrial Design Enforcement Regulations to lower the application standards for authorized industrial design companies to include all companies with one or more professional personnel.

### *Improving Methods of Supporting Single-Parent Families with Child-Rearing Costs*

The number of low-income, single-parent families in urgent need of child-rearing support as a result of divorce is increasing, and petitions complaining about irrational requirements by the Child Support Agency for emergency child rearing expense support have been constantly submitted.

\* Petitions filed with e-People regarding child-rearing costs : 120 cases (2015) → 226 cases (2016)

According to an ACRC status assessment, the Act on Enforcing and Supporting Child Support Payment dictates that low-income, single-parent families should be the first to receive child support payment assistance, but priorities for support are unclear and



entitlement to assistance is difficult to confirm. Even in difficult times, single-parent families are eligible for claims of emergency support for temporary child rearing expenses only after receiving living support under the Emergency Aid and Support Act. In addition, some single-parent families fail to apply for assistance due to a lack of detailed information regarding emergency support for temporary child rearing expenses.

To remedy this, the ACRC recommended that the Ministry of Gender Equality and Family improve the application form for child rearing expenses to reflect the priorities of support, and to expand the scope of beneficiaries for temporary support of child rearing expenses, while providing relevant information through eligibility notification letters as per the Emergency Aid and Support Act by collaborating with the Ministry of Health and Welfare so that no eligible candidates fail to apply for emergency support for temporary child rearing expenses due to lack of information.

These recommendations, when carried out, are expected to provide practical assistance in child rearing for single parent families.

### *Improvement in the Practice of Requesting Joint Liability When Filling Out Hospital Admission Form*

Though it is not officially mandatory, many hospitals ask patients to indicate jointly liable persons on their hospital admission forms, which patients are required to complete before receiving treatment, causing patients to mistakenly believe that such information is a prerequisite for hospitalization. Rejecting the hospitalization of a patient on the grounds that the patient has no jointly liable persons is in violation of the right to receive medical care under the Medical Care Assistance Act. Nevertheless, people have consistently submitted petitions that they had suffered inconveniences of being required to provide persons jointly liable, encouraging the ACRC to push forward this institutional improvement.



The ACRC analyzed hospital admission forms from 118 hospitals including 55 leading public hospitals and 63 private general hospitals nationwide, and found that 85 of these admission forms (72%) included a section for patients to enter jointly liable persons. A total of 37 out of 55 public hospitals (67.3%) included a section on admission forms for jointly liable persons, while 48 out of 63 private hospitals (76.2%) asked for such information. A status assessment of the 34 public hospitals with a section for joint liability on their admission forms revealed that more than 95% of hospitalized patients provided joint liability information at 67.7% of the 34 hospitals.

In an attempt to address this problem, the ACRC asked public hospitals to eliminate sections on admission forms asking for jointly liable persons by March 2018, while recommending that the Ministry of Health and Welfare encourage private hospitals to voluntarily remove the section or to clearly indicate that it is not required information by June 2018.

For three months following the removal of the admission form section regarding joint liability, the ACRC reviewed the number of unpaid bills from thirteen public hospitals including Seoul National University Hospital and Chungbuk National University Hospital. In nine hospitals, the rate of non-payment had reduced or remained the same following the removal, while the number had increased by less than 1% at the other four hospitals. This data provided clear evidence that no correlation exists between the number of cases of unpaid bills and the inclusion of a section for jointly liable persons on patient admission forms.

This recommendation, when carried out at other hospitals, is expected to significantly alleviate inconveniences and burdens for patients and their guardians caused by joint liability.

### *Restrictions Against Paid Add-On Service Memberships When Paying by Mobile*

The ACRC and the Ministry of Science and ICT jointly carried out a status assessment to look into damages caused to the public by advertisements for paid add-on services which

are displayed during the mobile service payment process. It was discovered that some users had mistaken advertisements for additional services, which popped up while making payments on primary services, as part of the payment process. Furthermore, users experienced difficulties in cancelling memberships after realizing the signup had been completed and often failed to recognize that monthly service fees were being paid without closely checking bills because small monthly charges of 550 Korean won were added to the overall fee for mobile service. Users had steadily raised doubts over notifications for paid add-on service memberships due to the difficulty in telling notifications from spam messages.

In one specific case in April, Mr. Kim found that he had been paying 550 Korean won monthly for a Mobile ISP service fee, a paid add-on service, since July 2011, and filed a petition to immediately cancel the membership with the help of an ACRC investigator. Another Mr. Kim in Busan realized that he had accidentally subscribed to the Mobile ISP service while purchasing a movie ticket with his smart phone in December 2016. After cancelling the service, he made an online petition at e-People to request countermeasures for preventing further damages to other mobile payment service users. Thus far, no satisfactory solution has been put forwarded regarding the issue of mistaken memberships to paid add-on services, leading to concerns being repeatedly raised by media and consumer organizations.

In order to solve this issue, the ACRC and the Ministry of Science and ICT have prepared improvement measures including the requirements for paid add-on services to include a sign stating "You are now viewing an advertisement for paid membership irrelevant to your payment" and restriction against irrelevant commercial advertisements during mobile payment processes.

### *Institutional Improvements in Grievance Relief for Vehicle Management*

Public suggestions and petitions received over the past two years, as well as relevant

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field investigations, have indicated that there have been many cases in which vehicle owners have been issued administrative fines due to being uninsured, or because they have failed to receive text messages reminding of regular checkups and get regular checkups on time.

The ACRC, in conjunction with the Ministry of Land, Infrastructure and Transport, selected twenty-four local governments as a sample group and conducted a survey. Last year alone, there were more than 100,000 cases of the late renewal of mandatory insurance or failure to conduct timely regular inspections, which resulted in the imposition of administrative fines. Most petitions complained that they had forgotten the time limits for fulfilling their vehicle-related duties due to work and other life responsibilities.

For the sake of public convenience, the Korea Transportation Safety Authority offers a service to users with phone numbers registered on its website by which reminders of the date of biannual regular checkups are sent via text message. Still, the percentage of subscribers to the messaging service is only about 21% of the number of registered cars, or 4.57 million out of 21.8 million vehicles.

In response to this discrepancy, the ACRC and the Ministry of Land, Infrastructure and Transport have striven to expand the notification service. To this end, every vehicle owner is now required to enter a phone number on the registration form of a newly purchased car or transfer registration so that all car owners can will receive notifications for regular inspections. Furthermore, insurance companies offering vehicle mandatory insurance, which must be renewed every year, are required to notify subscribers of the termination of insurance in accordance with the Act on the Guarantee of Compensation for Loss Caused by Automobile. Since most companies send notification letters by regular mail, in some cases, companies must resend letters, which have been returned due to moves or unknown addresses. However, insurance companies often resend letters to the same addresses without seeking address confirmation or correction. Therefore it is planned to revise the Work Process Regulations on the Notification of Mandatory Insurance Expiration so that insurance companies are required to correct subscriber addresses before resending returned mail.









Anti-Corruption &  
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# ACRC

## 2017 Annual Report

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