

ACRC KOREA

Annual Report 2014

Contents

Forward ●●● 4

Overview ●●● 6

Part 1. Promoting Cooperation ●●● 11

Chapter 1. Public-Private Partnership ●●● 12

Chapter 2. International Cooperation ●●● 16

Chapter 3. Public Relations ●●● 20

Part 2. Handling Complaints ●●● 23

Chapter 1. Overview of Complaint Handling ●●● 24

Chapter 2. Investigation and Handling of Complaints ●●● 31

Chapter 3. Integrated Management and Analysis of Complaints ●●● 36

Part 3. Fighting Corruption ●●● 47

Chapter 1. Establishing and Implementing Anti-Corruption & Integrity Policies ●●● 48

Chapter 2. Handling Corruption and Public Interest Violations and Operating Code of Conduct ●●● 61

Chapter 3. Anti-Corruption Educational Training and Promotional Activities ●●● 76

Part 4. Improving Laws & Regulations ●●● 83

Chapter 1. Overview of Institutional Improvement ●●● 84

Chapter 2. Key Examples of Institutional Improvement in 2014 ●●● 85

Part 5. Adjudicating Administrative Appeals ●●● 89

Chapter 1. Overview of Administrative Appeals ●●● 90

Chapter 2. Operation of the Central Administrative Appeals Commission ●●● 91

Chapter 3. Operation of Administrative Appeals System ●●● 93



Foreward

The Anti-Corruption and Civil Rights Commission (ACRC) is a government agency that protects people's rights and interests from wrongful or unjust measures of administrative agencies, and monitors and rectifies public official's corruption from the perspective of the public. By doing so, the ACRC enhances public's trust in the government administration and upholds people's rights and interests. To achieve our mission, the ACRC has four functions of complaint handling, corruption prevention, administrative appeals, and institutional improvement. In 2014, the ACRC's activities unfolded in various sectors, marking the second anniversary of the launch of Park Geun-Hye Administration.

First and foremost, the ACRC put its efforts in preventing social conflicts caused by collective petitions and in reducing social cost as a result. In 2014, the ACRC handled 54 collective complaints through mediation. Also, we laid the foundation for the enactment of the Bill on Collective Complaint Mediation which contains the adoption of specialized mediators to preemptively respond to collective complaints.

Second, thanks to the ACRC's active efforts to establish a society of trust by addressing corrupt practices, the Act on the Prohibition of Improper Solicitations and the Offer and Acceptance of Money, Gifts, etc. was passed by the National Assembly in March, 2015 and is expected to be enforced in 2016. In addition, we are devising the Bill on the Prevention of False Claims for Public Funds to fundamentally prevent false or wrongful claims for public funds that lead to the waste of government budget.



Moreover, the ACRC recommended improvements for 63 unreasonable systems that cause complaints and corruption to agencies in charge. We enabled the voices of people to be reflected in the government policy in a rapid manner by providing the result of analysis on people's complaints or opinions to ministry in charge.

The ACRC's efforts to prevent corruption and protect people's rights and interests are well documented in the "ACRC Annual Report 2014." I wish all of you with interest in the ACRC find this paper meaningful.

April 2015

A handwritten signature in black ink that reads "Sungbo Lee". The signature is written in a cursive, flowing style.

Sungbo Lee

Chairman
Anti-Corruption and Civil Rights Commission
Republic of Korea

Overview

1. ACRC: Achievement of 2014

Field-centered Resolution of Collective Complaints and the Peoples' Inconveniences

The year 2014 could be stated as the year the Anti-Corruption and Civil Rights Commission (ACRC) made tangible results through focused activities to solve collective complaints and reduce social costs. The number of on-site mediation and agreements for collective complaints rose continuously, reaching 54 in 2014, a 26 % increase from 43 in the previous year. In the meantime, since 2014, the ACRC has propelled to enact the “bill on collective complaint coordination,” which is about introducing a professional mediator system and coordination through prior investigation, to lay the foundation for a proactive response to collective complaints. The Commission held a public hearing in September 2014 to collect opinions to prepare the enactment and pre-announced the legislation in December 2014.

The Commission also exerted much effort to reach out to and solve the complaints of the socially disadvantaged and the alienated classes. In particular, by operating the “Onsite outreach programs,” the ACRC actively solved the inconveniences of the people in their daily lives. In 2014, about 1600 complaints were consulted in 52 sites across the country, among which 634 complaints were solved. In addition, the ACRC actively contributed to solving the inconveniences of companies and boosting the economy by operating its “Corporate Ombudsman,” exclusively in charge of handling complaints from companies. The Commission also held meetings to identify complaints related to the regulations on companies, identifying 51 regulations and solving 43 cases through corrective recommendations, mediations, and agreements.

The administrative appeals sector was no exception in field-centered and people-centered activities to protect the people's rights. To close the loopholes in protecting rights due to geographical and financial limits, the ACRC held the “Onsite administrative appeals service” a total

of 7 times by province such as Gangwon, Daejeon, and Gwangju, to broaden the opportunities of administrative appeals. Moreover, it held a total of 4 briefing sessions by province such as Busan and Gwangju, to explain the cases of administrative appeals to frontline public servants in local provinces, in order to expand the field-centered protection of the people's rights.

Efforts to Solve Corrupt Practices to Realize a Society of Trust

The ACRC actively pushed forward the policies to eradicate corrupt practices related to paternalism and nepotism pervasive in our society. To root out the chronic paternalism-related corrupt practices, the Commission actively carried out the enactment of the bill on the Prohibition of Improper Solicitations and the Offer and Acceptance of Money, Gifts, etc. After submitting the government proposed bill to the National Assembly in August 2013, the ACRC held a public hearing for the National Policy Committee in July 2014. After 6 review sessions by the subcommittee for legislation of the Assembly's National Policy Committee, the bill on the Prohibition of Improper Solicitations and the Offer and Acceptance of Money, Gifts, etc. was passed by the National Assembly on March 3, 2015, and promulgated on March 27, 2015. It is scheduled to be implemented on September 28, 2016. Significant improvement of corrupt practices is expected as a result, in that even an offer or acceptance of money, gifts, etc. unrelated to duty or without a return of favor would be a subject of punishment and that an improper solicitation without money or gifts involved would also be punishable.

Moreover, the ACRC recommended the “Plan to normalize punishment of corrupt officials” to all public organizations in order to eradicate paternalistic practices in punishing corrupt public servants and to establish a principle of zero tolerance toward corrupt officials. The recommendation covers toughening disciplinary measures such as strengthening disciplinary standards, preventing resignation at a corrupt official's own request,

restricting mitigation of disciplinary measures on a corrupt official, and intensifying disadvantages in salary and personnel affairs. It also organizes the standard of criminal prosecution, such as obligating public servants to report corrupt officials whose amount of duty-related corruption exceed KRW 2 million, and including retired public officials and civilian committee members in the subject of mandatory reporting.

Meanwhile, the ACRC reinforced its countermeasures against budget waste such as leakage of national finance. In order to effectively respond to false welfare claims, the Commission launched the Government Welfare Fraud Report Center in October 2013, and the expected restitution at the end of 2014 was approximately KRW 44 billion. From this year, the center was reorganized as the Center for Reporting Public Subsidy Fraud to cover all sectors of subsidies, putting its priority on preventing the leakage of public finance. In addition, to fundamentally prevent the chronic false and fraud claims of public finance, the Commission pushed forward the enactment of the bill on the prevention of false claims of public funds about punitive redemptions of false claims. The bill stipulates that if a fraud claim is intentional or repetitive, up to 5 times the amount of received subsidy will be redeemed. The ACRC preliminarily announced the legislation of the bill in October 2014, and held a public discussion in November 2014.

The ACRC also promoted public interest whistleblowing to realize a safe society and to secure public health. In 2014, the number of public interest whistleblowing reports in regard to public health and safety was 7,359, a 389% year-on-year increase. The Commission prevented safety hazards by proactively responding to the behaviors that infringe the public interest, such as violation of management obligations on fire prevention equipments and fraudulent construction of groundwork for transmission towers. The ACRC is also pushing ahead the revision of the Act on the Protection of Public Interest Whistleblowers to include the acts related to public health and safety, including the School Meals Act and the Marine Transport Act, as the targets of the Act. The Commission

submitted the government-proposed bill to the National Assembly in September 2013. The revised draft was laid before the subcommittee for legislation of the Assembly's National Policy Committee in December 2014 and is being reviewed.

Improvement of Irrational Institutions by Reflecting “the Voice of the People”

Last year, the ACRC not only addressed individual civil complaints, administrative appeals cases, and corruption reports, but also actively discovered corruption-causing or complaint-causing irrational institutions and practices and made 63 recommendations (434 detailed tasks) to the concerned agencies (central government agencies, local governments, and public service-related organizations). The Commission prioritized institutional improvements in the areas of reforming irrational regulations, increasing the public safety, and protecting the socially vulnerable such as the disabled, pregnant women, and infants and children. In addition, it also focused on institutional improvements to eradicate social irregularities and budget-wasting practices and to solve the problems regarding the blind spots of management and supervision of chronic corruption-prone areas.

Moreover, the ACRC expanded the opportunities of the people to participate in policy-making, by promoting the communication channels between the government and the people, such as “People’s Happiness Center for Public Policy Suggestions” and “Public discussions on e-People.” Last year, the People’s Happiness Center for Public Policy Suggestions received 3,820 ideas to improve the administration to reflect the ideas and suggestions in public policies. The ACRC also collected 101,566 opinions of the people on 2,854 laws and policies through the policy discussions on e-People where the people are able to suggest their ideas across the whole process of making a government policy.

The Commission also analyzed the ‘big data’ of the people’s voice received by e-People and provided them for the concerned government agencies so that the voice

of the people can be promptly conveyed to government policies. In particular, the ACRC introduced the “Early-alert system of preventable complaints” that monitors in real time the complaints that are repetitively filed for a certain period. If a complaint shows signs of spreading, the system issues a 3-stage warning. The system issued 43 early-warnings on spreading complaints, such as complaints over noise between floors in apartments, contributing to the early resolution of problems.

2. Future Direction

In 2015, the ACRC will do its utmost to solve the difficulties of the people from a minor inconvenience and an illegal, unfair administration measure to a large-scale collective complaint, as well as to realize a clean and transparent society.

First of all, to implement the Act on the Prohibition of Improper Solicitations and the Offer and Acceptance of Money, Gifts, etc. in a stable manner, the Commission is planning to promptly push forward follow-up measures such as the enactment of the enforcement decrees of the Act. It will create the enforcement decree by collecting various opinions of the concerned agencies, citizens, experts, and public officials through such means as public hearings. It will also distribute the manuals and instructions on specific guidelines for each sector, including public organizations, private schools, and media. In the meantime, the Commission will actively carry out education and promotions for not only public officials but also ordinary citizens, to establish a culture of transparency in society. Moreover, the ACRC is planning to promptly draw the bill on the prevention of false claims of public funds, which is about punitive redemptions of false claims up to 5 times the amount if the fraud claim is intentional and repetitive, and the bill on collective complaint coordination, which enables the ACRC to mediate a big issue with huge social ripple effects through prior investigation. These draft bills are expected to be submitted to the National Assembly.

In addition, the ACRC is going to make more efforts to improve institutions by enhancing the communication with the people. In 2015, in particular, the ACRC will establish a more convenient communication system led by the people. Moreover, to solve the inconveniences of

the people, the Commission will actively address the so-called “ping-pong complaints” and operate the “complaint forecast system.” To realize a “one-stop communication system,” the ACRC will connect its e-People system with major government portal websites such as the Regulatory Information Center (www.better.go.kr), the Safe People (www.safepeople.go.kr), and the Welfare Online Portal (www.bokjiro.go.kr). In addition, the Commission will provide an online platform for policy-making led by the people, tentatively named the “Nationwide communication platform.” This website is a communication platform that combines the existing “People’s Happiness Center for Public Policy Suggestions” and “Policy discussions on e-People”. With this platform, the ACRC is planning to create a communication system based on collective intelligence in which if a citizen suggests an idea, many people voluntarily participate in discussions and develop the suggestion into a refined policy.

To address the “ping-pong” complaints, named so for the way the concerned agencies toss the responsibility of handling the issue to one another, the ACRC will mediate and designate a responsible agency if a complaint is forwarded for the third time, so that a certain complaint won’t be pending for too much time. The Commission will also introduce the “Complaint forecast system” that enables the concerned agencies to proactively respond to repetitive inconveniences in daily life, such as bad smells in summer, by analyzing the big data of civil complaints, which reaches 4 million a year.

Moreover, the ACRC will make strong efforts to secure the public’s confidence. It will expand the onsite investigations when addressing civil complaints and inform civil complainants of handling processes in more detail. In the meantime, the Commission will actively protect the people’s rights and interests that could be infringed by illegal or unfair administrative dispositions, by reviewing with more care the cases of livelihood-related administrative appeals and actively improving irrational laws and regulations during the evaluation process.

In 2015, the ACRC will continue to do its utmost to make Korea a “society free of corruption,” a “society of communication,” and a “society full of confidence” to realize a transparent society, with the aim of national innovation and improvement of national competitiveness.



ACRC KOREA
Annual Report 2014

ACRC KOREA

Anti-Corruption & Civil Rights Commission



Part 1

Promoting Cooperation

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

Chapter 1

Public-Private Partnership

Section 1 | Overview

In line with the launch of the new administration in 2013, the ACRC expanded the communication and cooperation with civil societies. The Commission also strengthened its efforts to provide government support to economic organizations and corporations, to spread and settle the culture of ethical management.

To promote private-public governance, the ACRC carried forward the reorganization of the anti-corruption public-private consultative group, whose activities have been more or less suspended since December 2008. In cooperation with private anti-corruption organizations such as Transparency International Korea and Hung Sa Dan, the Commission made efforts to recover the trust between the government and civil society organizations.

Moreover, working with the civil society organizations, the ACRC established the “Public-private network for improvement of the people’s rights” (12 organizations in 6 areas) for the socially discriminated in need of special interest and care, to solve their difficulties and improve irrational institutions.

In addition to these efforts, the ACRC supported private projects with the national budget, to spread the autonomous atmosphere for anti-corruption of private organizations and to support the projects for the protection and improvement of the people’s rights. This year, the ACRC continued to support KRW 305 million for 21 projects, including “enhancing transparency of local assemblies,” “eradicating budget waste,” “strengthening anti-corruption and integrity awareness,” and “improving the people’s rights.”

Supporting corporate ethical management is one of the ACRC’s important projects to improve transparency in the private sector. The ACRC monthly publishes the “Business Ethics Brief,” which contains the latest issues and trends at home and abroad as well as special materials about ethical management, and provides it for policy customers such as businesses, economical groups, and the academia. The Commission made efforts to spread and settle the culture of ethical management of businesses, by enhancing cooperation between the government, businesses, and the related organizations, following the trend of the international society to strengthen the ethical management of businesses.

The Commission is also providing customized education programs for the capacity-building of the compliance officers and for the awareness-raising of all employees and executives.

Section 2 | Major accomplishments

1. Strengthening Pan-social Cooperation and Communication

Launch of Korean Network on Anti-Corruption and Transparency

In December 2008, the Council for the Korean Pact on Anti-Corruption and Transparency, an anti-corruption public-private consultative body, was dismissed due to the changes of political, economic, and social circumstances and different views on the direction of their activities. Later, the Policy Council for Transparent Society was launched on December 9, 2009. Even this, however, was suspended after the general assembly in March 2012, resulting in the suspension, in effect, of all activities by anti-corruption public-private governance.

In accordance with the “Government 3.0” stance of the new administration inaugurated in 2013, the ACRC pushed ahead to succeed the spirit of the K-Pact and improve it

one step further, reorganizing it into a new anti-corruption public-private consultative body focused on participation and practice.

As a result, on September 3, 2014, the Korean Network on Anti-Corruption and Transparency (KNACT), a new anti-corruption public-private consultative body, true to its name, was launched, participated by 38 organizations in 4 sectors (civil society, public organizations, local organizations, and professional associations). Accordingly, for the first time in 6 years, the Commission restored the anti-corruption public-private consultative body, whose activities had, in fact, been suspended after the dismissal in December 2008, and laid the foundation for the anti-corruption public-private governance to leap forward once again.



Inauguration Ceremony of Korean Network on Anti-Corruption and Transparency (September 3, Seoul Station)



Integrity Campaign during Anti-Corruption Week (December 11, Seoul Station)

Organizations participating in KNACT

Sectors (38)	Organizations
Civil Societies (8)	Transparency International Korea (TI), National YWCA of Korea, Transparent Society Movement Center under Hung Sa Dan, Korea Manifesto Center, Korea National Council of Women, YWCA of Korea, National Council of Green Consumer Network in Korea, Anti-Corruption Network of Korea
Public Organizations (19)	Anti-Corruption and Civil Rights Commission, Korea Land & Housing Corporation, KORAIL, Korea Rail Network, K-Water, Korea Expressway Corporation, Korea Workers' Compensation and Welfare Service, KSPO, Korea Environment Corporation, Korea Transportation Safety Authority, Korea Teachers Pension, Korea Rural Community Corporation, Korea District Heating Corporation, Korea Airports Corporation, Human Resource Development Service of Korea, Korea Occupational Safety & Health Agency, Korea Gas Safety Corporation, Korea Hydro & Nuclear Power Co. Ltd, National Agricultural Cooperative Federation
Local Organizations (5)	Busan Network on Anti-Corruption and Transparency (105 organizations, including Busan Headquarters of TI Korea), The Council for the Daegu Pact on Anti-Corruption and Transparency (30 organizations including Daegu Metropolitan City), The Council for the Gyeongsangnam-do Pact on Anti-Corruption and Transparency (25 organizations including Gyeongsangnam-do Province), The Council for the Ansan Pact on Anti-Corruption and Transparency (63 organizations including Ansan City), The Council for the Guri Pact on Anti-Corruption and Transparency (53 organizations including Guri City)
Professional Associations (6)	Korea Chamber of Commerce and Industries, Korea Federation of SMEs, Korean Institute of Certified Public Accountants, Korea National Council on Social Welfare, Korea Association of the Welfare Institutes for the Disabled, Junior Chamber International Korea

Establishment and Operation of "Public-private Network for Improvement of the People's Rights"

To protect the overall rights of the socially discriminated and vulnerable classes, the Commission made efforts to solve the difficulties of the socially disadvantaged and to discover and improve abnormal institutions, by building networks with civil society organizations.

To do this, in April 2014, the Commission launched the "Public-private network for improvement of the people's rights," participated by 12 major civil society organizations in 6 sectors of society that require special care and interest, namely, the disabled, multicultural families, children & youth, women, safety & consumers, and social welfare.



Launching Ceremony of Public-private Network for Improvement of the People's Rights (April 2, ACRC)

Organizations Participating in the Public-private Network for Improvement of the People's Rights

Sector	Organizations	Major activities
① The Disabled	① Korea Association of the Welfare Institutes for the Disabled ② Research Institute of the Differently Aabled Person's Right in Korea (RIDRIK)	✓ Human rights of the disabled, self reliance & self support, welfare for the disabled, improvement of facilities for the disabled, emergency relief
② Children & Youth	③ Korea Association of the Community Child Center ④ Child Fund Korea ⑤ The National Council of Youth Organizations in Korea	✓ After school daycare, Rights of children, child abuse & disappearance, juvenile violence & disappearance from home, juvenile support
③ Multicultural Families	⑥ Multicultural General Welfare Center ⑦ Korea National Council of Multicultural Family Support Centers	✓ Daycare, healthy family, immigration & residence, language education, management of local centers
④ Women	⑧ Korea National Council of Women ⑨ YWCA of Korea	✓ Rights of women, gender equality, sexual violence, balancing between work and family, female labor
⑤ Safety & Consumers	⑩ National Council of Green Consumer Network in Korea, ⑪ Korea Association for Safe Communities	✓ Relief of consumer damage, food safety, living safety (transportation/ physical safety/ facilities), protection from disaster, safety education
⑥ Social Welfare	⑫ Korea National Council on Social Welfare	✓ Protection of recipients of basic living support, culture of sharing, welfare of local community (children/ seniors/the disabled/ women/homeless, etc.)

The Public-private network for improvement of the people's rights has held 5 policy-briefing sessions by sector, and received 45 suggestions for institutional improvements. It reviewed and carried out institutional improvements (13 cases), addressed a civil complaint (1 case), forwarded to the People's Happiness Center for Public Policy Suggestions (20 cases), and provided information and explanations (11 cases).

2. Government-subsidized Private Projects

Since 2007, the ACRC has supported private organizations with government subsidies, to spread the autonomous atmosphere for anti-corruption of civil society organizations and to support the protection and improvement of the people's rights.

In 2014, the Commission selected 21 projects (16 in the anti-corruption area, 5 in the protection of the people's rights area) out of 47 applied projects through a strict screening process consisting of 3 screenings, and supported the national budget of KRW 305 million.

In particular, as the local election was held in June 4 of this year, the ACRC supported the projects to improve the anti-corruption policies and the sense of integrity of local politics. On top of this, the ACRC supported the projects regarding "youth education and nurturing integrity lecturers," "strengthening integrity awareness," and "enhancing autonomous ethical management and transparency of social welfare facilities." The Commission also conducted fact-finding surveys on "advertising of plastic surgeries" and "illegal operation of convalescent hospitals" and achieved the outcome to find out the tasks of institutional improvements to prevent the infringement of the people's rights.

3. Support for Autonomous Corporate Ethical Management

As corporate ethical management is closely connected to the ACRC's anti-corruption policies, including "transparent accounting," "anti-corruption and integrity," and "fairness," the Commission has supported the government projects to spread and settle the ethical management of businesses since 2002 (at the time of KICAC, the former anticorruption body).

Moreover, along with the announcement of the Guidance on Social Responsibility (ISO26000) on November 1, 2010, and the introduction of the International Financial Reporting Standards (IFRS) in 2011, it is expected that those standards will, in fact, act as a non-financial trade barrier. Under such circumstances, transparency and ethical management of companies have emerged as key elements for their survival and competitiveness.

In light of this, the ACRC continued to carry out various projects in 2014 to create a transparent and fair business environment and settle the culture of ethical business management.

Publication of Monthly Online Magazine, Business Ethics Brief

The ACRC has published the “Business Ethics Brief,” the sole magazine covering ethical management in Korea, since April 2005, to support ethical management for the improvement of the global competitiveness of domestic companies. Containing the latest issues and trends relating to ethical management within and outside of Korea, the magazine is distributed on a monthly basis via e-mail and brochure to ordinary citizens, compliance officers of companies, and the academia.

The ACRC is making efforts to improve the contents of the “Business Ethics Brief” through production and planning meetings. In 2014, the Commission reinforced the customized contents for the working-level staff of public and private companies, such as intensifying feature articles about best practices and operating programs by industry sector and category.

In particular, to help companies establish an effective ethical management system, the magazine serially covered the “ethical management system guidance” in the order of the stages of establishing the system. In addition, the magazine ran an “ethical management study” corner by translating the latest reports and expert materials that are not easy for individuals to acquire, providing practical sources that compliance officers can utilize in their management.

In the meantime, the Commission conducted a satisfaction survey targeting the magazine subscribers and held editing advisory meetings in both the first and the second

half of the year to figure out the opinions and demands of customers. Based on such activities, the ACRC made efforts to improve the contents and increase customer satisfaction.

The Commission has continuously aimed to expand the number of subscribers. As of December 2014, it distributes the magazine via e-mail to 5,839 individuals and organizations such as public and private companies, economic organizations, and the academia.

Statistics of Subscribing “Business Ethics Brief” by Year

Year	December 2010	December 2011	December 2012	December 2013	December 2014
Subscription	901 Individuals	1,577 Individuals	2,665 Individuals and organizations	3,297 Individuals and organizations	5,839 Individuals and organizations
Growth rate	35%	75%	69%	24%	77%

Educational Courses for Ethical Management

The ACRC has operated educational courses for ethical management since 2009, supporting the effort to promote corporate ethical management in a systematic manner and building the capacity of compliance officers.

The educational programs included lessons on how compliance officers can enhance their capability. They were composed of special lectures by experts that covered the latest issues such as ISO 26000 (social responsibility) and IFRS (International Financial Reporting Standards), case presentations on best companies of ethical management, ethical management practice process, and discussions on ethical conflict situations.

In 2014, the ACRC provided education courses 2 times to pass on its know-how of integrity policies, which garnered a lot of interest from the private sector, including large companies, actively sharing with the private sector the public sector’s know-how of integrity policies.

The frequency of the customized educational programs, which started in 2012, was increased from 2 times (118 participants, 2012) to 6 times (437 participants, 2013),

and 11 times (1,081 participants, 2014) as the number of participants significantly increased (more than two-fold year on year).

In particular, in 2014, the ACRC and the Defense Acquisition Program Administration jointly provided customized visiting education 3 times to the staff in the defense industry in charge of contract and purchase (69 employees of 44 companies). The Commission also provided customized visiting education 3 times to the executives of cooperative companies (748 companies) of Hyundai Engineering & Construction, contributing to the spread of the ethical management culture.

Communication & Cooperation with Related Organizations such as Economic Organizations

For the improvement of transparency in the private sector and the advancement of social awareness of ethical management, the Commission has been building a communication and cooperation system with various organizations such as major economic organizations, including the Federation of Korean Industries and the Korean Chamber of Commerce.

The Commission signed an MOU on the promotion and the settlement of ethical management with the Korean Chamber of Commerce and the Federation of Korean Industries in 2012 and 2013, respectively. It has since pursued joint cooperation projects with them such as public relations for the spread of ethical management and finding and sharing outstanding cases of ethical management.

In 2014, the ACRC organized the “Advisory Group of Ethical Management,” comprised of experts in the academia, research institutes, and companies. The Commission requested for consultation on its direction, collecting opinions on the Commission’s projects to support corporate ethical management.

In addition, working with the Korea Business Communicators Association, the ACRC provided the contents of the “Business Ethics Brief” to 3,700 member companies of the association and encouraged them to use the contents when publishing their in-house magazine. Also, the Commission made efforts to spread

the awareness of ethical management to the whole society, by actively responding to the request for support by ethical management-related organizations such as “Global Compact Network Korea” and “Business Ethics and Sustainability Management for Top Performance.”



The ACRC Chairman is delivering his keynote speech in the anti-corruption session (organized by Global Compact Network Korea) of the Jeju Forum. (May 29, Haevichi Hotel & Resort, Jeju)

Chapter 2

International Cooperation

Section 1 | Overview

In 2014, the ACRC actively engaged in and implemented international anti-corruption conventions and anti-corruption rounds to improve the awareness of the international community on Korea’s achievements in anti-corruption. It also strengthened international cooperation with foreign Ombudsman bodies through such ways as hosting an international Ombudsman conference.

As the head of Korean delegation for the G-20 Anti-Corruption Working Group, the ACRC consulted other concerned agencies, including the Ministry of Justice. The ACRC implemented the Action Plan and reported the anti-corruption efforts of the Korean government to the G20 Summit. It also actively responded to the preparation of reviews of Cycle 2 of the UN Convention against Corruption (UNCAC) and the implementation of the OECD Working Group on Bribery.

In addition, the ACRC actively participated in global anti-corruption activities such as presenting Korea's efforts to enact the anti-corruption-related bills in the meetings of the APEC Anti-Corruption & Transparency Working Group and ADB/OECD Anti-corruption Initiative. The ACRC also held the Korea-UK Anti-Corruption Seminar in December as part of the Korea-UK Anti-Corruption Partnership Initiative, to improve the understanding of UK companies in Korea regarding the Act on the Protection of Public Interest Whistleblowers.

In regard to anti-corruption technical assistance, the ACRC conducted training seminars 4 times for anti-corruption technical assistance to MOU partners such as Indonesia on anti-corruption cooperation. In May, the ACRC provided anti-corruption training courses targeting the officials of foreign anti-corruption bodies. It also held discussions with the World Bank on anti-corruption technical assistance. Furthermore, the ACRC strengthened its efforts to increase the Corruption Perception Index, by holding the 7th ACRC policy briefing session for foreign CEOs in Korea and presenting the Korean government's anti-corruption activities to the CPI assessment organizations.

Meanwhile, in regard to the Ombudsman MOUs the ACRC concluded with 5 countries, including Indonesia, the Commission proceeded with the cooperative projects to improve and protect the rights of overseas Koreans, such as holding a meeting with Korean residents in Thailand to listen to their difficulties and inconvenience.

In July, the ACRC successfully hosted the Board of Directors Meeting of the Asian Ombudsman Association (AOA) and the Asian regional meeting of the International Ombudsman Institute (IOI), as well as the Ombudsman Global Conference. The ACRC introduced Korea's outstanding policies and systems to the international community and actively promoted the e-People system at the IOI Board of Directors Meeting.

Section 2 | Major Accomplishments

1. Participation in G20 Anti-corruption Agenda

At the 5th G20 Summit held in Seoul in 2010, the leaders of the G20 shared the need to prevent and eradicate

corruption and adopted the Anti-corruption Action Plan as an Annex of leaders' statement, clearly showing that they would play a leading role in the anti-corruption agenda.

The G20 Anti-corruption Action Plan calls on the G20 countries to join the major international conventions related to anti-corruption. It includes important issues such as international cooperation and public-private partnerships for anti-corruption and whistleblower protection of corruption reporters.

After the launch of the G20 Anti-corruption Working Group in 2011, the ACRC, as head of the Korean delegation, monitored the overall anti-corruption regulations and policies in Korea and made efforts to improve them to actively implement the Action Plan. The ACRC also closely cooperated with the concerned agencies such as the Ministry of Justice and the Ministry of Foreign Affairs. In 2014, the Commission collected data on the ways that Korea is working to implement the G20 Anti-corruption Action Plan, and took the lead in writing the 4th implementation review report for the G20 Anti-Corruption Action Plan.

2. Active Response to Global Anti-corruption Rounds

Korea signed the UNCAC in 2003, and the National Assembly ratified the convention by passing the act on its implementation, the Act on Special Cases Concerning the Confiscation and Return of Property Acquired through Corruption Practices, on February 29, 2008. After the ratification of the convention, the ACRC attended the Conference of State Parties, showing Korea's will for the implementation of the convention. In November 2013, first Cycle of the UNCAC review of Korea was completed.

In 2014, the ACRC and the Ministry of Foreign Affairs jointly participated in the meetings of the implementation review group and its resumed meetings in June and October and presented the stance of the Korean government. Also, the ACRC attended the corruption prevention working group meetings and submitted the report of the current status related to corruption prevention activities.

The International Anti-Corruption Academy (IACA) is an international organization in charge of research, education, and training related to preventing and eliminating

corruption. The IACA achieved the status of international organization in March 2011, and as of December 2014, has a total of 75 member countries, including 62 parties. On March 27, 2012, the ACRC and the IACA signed an MOU to share anti-corruption knowledge and expertise.

In May 2014, the ACRC selected and seconded a director-level official to the IACA as a senior academic specialist to contribute to the IACA's academic activities such as operating academic programs and giving lectures. In addition, as the IACA decided to apply the ACRC's Integrity Assessment and whistleblower protection system, both highly regarded on a global scale, to the curriculum of the IACA program, it is expected that the outstanding anti-corruption policies of Korea will spread throughout the world.

The OECD Anti-Bribery Convention, which came into effect in 1999, marked its 16th anniversary in 2014, with the number of parties to the convention increased from 33 to 41. Along with Ireland, Korea conducted the Phase 3 bis on Greece in November 2014, and is scheduled to participate as an examiner in the Phase 3 bis of the OECD Working Group on Bribery on Greece at the plenary meeting in March 2015. In preparation for the review report, the ACRC is planning to respond in cooperation with the concerned authorities such as the Ministry of Justice and the Ministry of Foreign Affairs.

3. Technical Assistance to Enhance Anti-corruption Capacity of Developing Countries

As the ACRC's technical assistance, which started in 2007 with Indonesia and Bhutan, has been carried out successfully, many other countries have made requests for technical assistance. The UN and other international organizations have also paid attention to Korea as their partner for technical assistance in anti-corruption. In particular, the ACRC's Integrity Assessment has been successfully implemented in Indonesia, Thailand, and Mongolia. These countries represent the outstanding cases of implementing Korean anti-corruption policies to the international community as well as of the ACRC's contribution to the anti-corruption capacity building of the recipients through technical assistance.

MOUs on Anti-Corruption Cooperation

The ACRC signed MOUs on anti-corruption cooperation

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

The Korea-Indonesia MOU on anti-corruption was the first of its kind to be signed between Korea and a foreign country. Under the MOU, the ACRC has shared various programs with Indonesia since 2007, such as the Integrity Assessment, Anti-Corruption Initiative Assessment, and Corruption Impact Assessment, and those programs have been implemented, targeting the central and local governments and the public corporations in Indonesia since 2008.

Along with the Indonesian Anti-corruption Commission (KPK), the ACRC jointly held the 8th Korea-Indonesia Anti-corruption Cooperation Meeting in Seoul on August 18, 2014. At the meeting, the ACRC and the KPK shared information on implementing the Korea-Indonesia MOU on anti-corruption and discussed future cooperative projects. The ACRC also provided the KPK with consulting on making improvement plans in conducting the Integrity Assessment.

In response to the proposal of Vietnam, the ACRC signed the Korea-Vietnam Anti-Corruption MOU with the Office of the Central Steering Committee for the Anti-Corruption of Vietnam (OSCAC) on February 3, 2010, and has since held joint workshops annually to share and exchange information on anti-corruption. When the OSCAC was integrated into the Central Commission for International Affairs (CCIA) in February 2013, the CCIA agreed on succeeding the MOU between the ACRC and the OSCAC. Accordingly, an anti-corruption cooperation meeting and workshop were held in Seoul on November 13-14. At this workshop, the ACRC introduced its Integrity Assessment and process of handling corruption reports, while the CCIA presented the anti-corruption-related bill and corruption prevention measures of the Vietnam government.

2nd ACRC Training for International Anti-Corruption Practitioners

In 2013, the ACRC launched the "ACRC Training Course for International Anti-Corruption Practitioners" to contribute to enhancing the anti-corruption capacity of public officials around the world. With the goal of providing knowledge

and techniques for working-level officials to respond to corruption in an effective and systemic manner, the course was held for 2 weeks starting on May 19. A total of 10 officials from 10 countries such as Singapore, Thailand, and Nigeria attended the course.

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



Completion Ceremony of the 2nd ACRC Training for International Anti-Corruption Practitioners (May 30, 2014)

4. Hosting and Participating in International Conferences on Ombudsman

The International Ombudsman Institute (IOI) is a non-profit corporation consisting of 186 Ombudsman institutions from about 91 countries. The IOI was established in 1978 for the purpose of spreading the concept of protecting the people's rights. The ACRC has worked as a board member of the IOI Asian Region since joining the IOI in 1996, and suggested and created a regional by-law for Asia. It has made efforts to coordinate the stance and opinions of the Asian region and reflect them in the IOI agenda.

Marking the 20th anniversary of the introduction of the ombudsman system into Korea, the ACRC successfully hosted the Ombudsman Global Conference on July 2~3 in Seoul, combining the Board of Directors Meeting of the Asian Ombudsman Association (AOA) and the Asian regional meeting of the International Ombudsman Institute (IOI) on July 1, 2014. The conference was attended by about 200 people of Ombudsman institutes from 12 countries, such as the U.S., Canada, and China.

The Asian Ombudsman Association (AOA) was established in 1966 for the purpose of spreading and developing Ombudsman systems in the Asian region. At present, the AOA's institutional members consist of 32 Ombudsman institutions from 20 countries such as Korea, China, Japan, Pakistan, and Thailand. The ACRC is a founding member of the AOA and has worked as the treasurer since 2003. It has also held AOA board meetings or General Assemblies in Seoul in 1997, 2004, and 2014.

5. Expanding Ombudsman Cooperation through MOU

The ACRC promotes cooperation with the Ombudsman organizations of other countries to expand the tasks carried out by Ombudsmen, protect the rights of overseas residents and companies that have entered foreign markets, and handle the complaints they make. The Ombudsman organizations of both countries that have signed an MOU should actively cooperate to help resolve complaints or inconveniences experienced by overseas residents (including companies) in the other country. If a resident of a partnering country files a complaint to the administrative body, the result will be reported back to the resident in the partnering country's native language, in English, and, if possible, in the residents' native language. Moreover, an administrative official will visit companies, workers, or multicultural families of the other country to offer counseling services to resolve their complaints. In addition, a two-way complaint-handling window will be opened to provide the language service where residents of the partnering country can file a complaint and communicate in their own language, and the results shared.

In February 2010, the ACRC signed the first MOU with the Ombudsman of Indonesia. On July 4, 2014, the chief Ombudsman of Indonesia, Mr. Danang Girindrawardana visited the ACRC and signed on the extension of the MOU with the ACRC Chairman and listened to the presentations about e-People and the ACRC's analysis on civil complaints. Also, on December 18, 2014, the ACRC representatives led by a Standing Commissioner visited Thailand and signed on the extension of the MOU between Korea and Thailand. Meanwhile, on December 17, the ACRC and Thailand Ombudsman co-organized a

meeting in Bangkok for the Korean residents in Thailand and listened to their grievances.

Section 3 | Future Plans

For the purpose of enhancing the international society's awareness of the integrity level of Korea, which has been at a standstill for a couple of years, the ACRC plans to put more effort into bringing itself into compliance with the global standards proposed on rounds of global anti-corruption, such as the UN Convention against Corruption and the OECD Anti-bribery Convention. In addition, the ACRC aims to facilitate the implementation of the G20 Anti-corruption Action Plan in closer cooperation with the Ministry of Justice and the Ministry of Foreign Affairs.

As a party of the IACA, the ACRC will seek ways for capacity building as the representative anti-corruption agency of Korea by actively participating in the Academy's educational programs, and cooperate further with the IACA for its outstanding anti-corruption policies such as Integrity Assessment to be included in the regular course of the IACA.

The ACRC plans to continuously carry out technical assistance projects for those countries that signed an MOU with the Commission. In addition, the Commission plans to expand the technical assistance recipients to the countries in Africa and the Middle East, through the training course for foreign anti-corruption practitioners, which was first conducted in 2013. The Commission also plans to strengthen the projects to share major Ombudsman policies (e.g. e-People and the online complaint analysis systems) with the international society as a brand, as well as to expand MOUs to protect overseas residents.

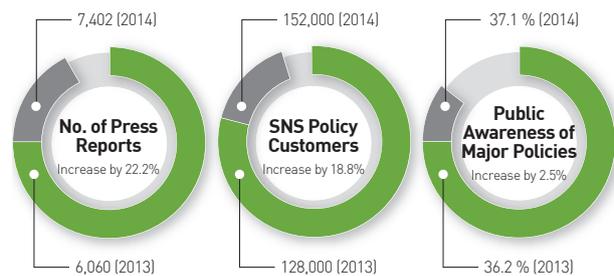
The ACRC will try to promote its major policies and accomplishments such as the Act on the Protection of Public Interest Whistleblowers, the Integrity Assessment, e-People, and the online complaint analysis systems via the newsletters of major Ombudsman or anti-corruption related organizations around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

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

Chapter 3

Public Relations

In 2014, the number of press reports increased by 22.2%, and the number of SNS policy customers also increased by as much as 18.8%. Furthermore, public awareness of major policies rose by 2.5%, compared to the previous year.



2014 Major Public Relations Index

1. Spread of Policy Understanding and Social Consensus through Press Reports

To maximize the effectiveness of public relations, the ACRC carried out multidirectional promotion activities, such as distributing press releases, conducting special reports, holding press conferences, and supporting on-the-spot coverage. Under the principle of "One press release per day," a total of 412 press releases were made, resulting in 7,402 media reports in 2014, an increase of 1,342 reports from the previous year.

Moreover, the ACRC's executive-level officials, including the Chairman, actively communicated with the media, such as holding regular meetings with reporters to explain the ACRC's policies.

The ACRC also made efforts to help the people understand policies and to secure their support by conducting special reports on new policies and projects carried out in 2014. On the Commission's core policies, the Chairman and executive-level officials gave firsthand explanations through interviews or contributions to newspapers. In addition to such efforts, the ACRC utilized the media by writing feature stories and opinion leaders' columns for in-depth reports.

As the Commission is the very contact point between administrative agencies and the people, it actively carried out field-centered promotional activities. The ACRC communicated with the socially disadvantaged and vulnerable class through e-People, and highlighted its functions and roles to solve social conflicts on site with the residents. To do this, the ACRC formed cooperative relations with the local media in advance, to deliver the reality of the site to all citizens.

Last but not least, marking the 20th anniversary of introducing the ombudsman system into Korea, the ACRC made active efforts to widely introduce the status and roles of the Commission as a representative Korean model for the protection of the people's rights to the international community. In particular, the ACRC hosted the Ombudsman Global Conference on the occasion of the Board of Directors Meeting of the Asian Ombudsman Association (AOA) and the General Assembly of the International Ombudsman Institute (IOI) Asian Region in July 1~3, 2014. Taking this opportunity, the ACRC shared its achievements with the foreign press through expert contributions and interviews at home and abroad and releasing special reports on representative English newspapers in Korea.

2. Expansion of Communication with the People through New Media Sources

Due to a rapid growth of mobile infrastructure based on smart phones, the latest trends of public relations have been switched to new media sources such as SNS. Actively responding to such change in the environment, the ACRC focused on utilizing online platforms for the expansion of communication with the people and the spread of policies.

Accordingly, reflecting the changing environment of SNS channels, the ACRC closed the account of Me2day of NHN, operated since 2010, while strengthening the use of Facebook and Cacao Story in line with the latest trends of policy customers. As a result, the accumulated number of visitors to the ACRC blog has increased to 5.06 million, and the number of SNS policy customers has also increased to 152,000.

In addition, the ACRC created and spread emotional storytelling contents, utilizing the (10th) blog reporters team, and developed visual-centered contents such as UCC, video clips, infographic, and webtoons, to help the people easily access the policies of the Commission and communicate with the ACRC.

3. Expansion of Social Consensus Using Magazine and Casebooks

The ACRC published and distributed the ACRC magazine and casebooks that contain policy cases and major activities. The ACRC magazine is a bimonthly magazine, and a total of 41 volumes (No.41, November + December 2014) have been produced since the release of its first edition in March 2008. In 2014, 16,000 copies were printed per edition and distributed to the contact points with the people, such as community centers of local governments, post offices, banks, and libraries.

In particular, the Commission developed its mobile application and provided e-book service to 9 online bookstores such as Kyobo bookstore and Interpark, improving the access of users in their 20s~40s and expanding the range of promotion activities to online. Moreover, the English edition of the magazine, "ACRC Quarterly" has been published on a quarterly basis to be distributed to major embassies, foreign reporters, and foreign CEOs.

The casebook "Delivering hope full of happiness," which consists of emotional storytelling of major complaint-handling cases written by a children's book author, was also favorably commented at the Cabinet meeting and posted on Facebook, garnering enthusiastic responses from the people, with a record of 200,000 "People Talking About This."

ACRC KOREA

Anti-Corruption & Civil Rights Commission



Part 2

Handling Complaints

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

Chapter 1

Overview of Complaint Handling

Section 1 | Functions for Complaint Handling

1. Corrective Recommendations and Expression of Opinions about Illegal/unfair Administrative Measures

The ACRC receives and handles “public complaints,” which refer to (general) complaints such as opinions, suggestions, and proposals of the people to the government, especially cases in which inconveniences, grievances, or the infringement of the people’s rights occur because of the illegal, unfair, or passive practices (including factum and nonfeasance) of administrative organizations. When an investigation of a case concludes that there is probable reason to recognize that the practices of the investigated administrative organization are illegal or unfair, corrective recommendations are made to the related administrative organization. When it is judged that a complainant’s claim has probable reason, opinions will be delivered to the related administrative organization.

2. Recommendations for Improvement and Expression of Opinions about Unreasonable Laws and Systems

When it is recognized during the process of investigating/handling a complaint that it is necessary to improve laws, systems, or policies, recommendations for reasonable improvement or opinions are delivered to the head of the related organization. Such acts aim to prevent the recurrence of the same complaints.

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

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

4. Counseling for Civil Complaints

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

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

The ACRC operates the “e-People,” which integrated an online complaint window and a proposal window for the people. The service has resolved the inconveniences that the people suffered when they did not know where to file complaints in the past, and has expanded the communication channel for the people to participate in policy discussions. Furthermore, the ACRC runs the “110 Government Call Center” to which the people can make a call anytime anywhere in the country for information and

counseling about complaints against the government. All of these services play a role in connecting the administration and the people both online and offline.

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

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

Section 2 | Policy Direction for Complaint Handling

In 2014, the ACRC expanded its policy functions in addition to playing its original role of resolving civil complaints.

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

In particular, in 2014, to grasp the current status of complaint-handling of each administrative organization, the Commission expanded the scope of its fact-finding investigations on complaint-handling status to 243 local governments, including mandatory and applied organizations. Moreover, it addressed numerous collective complaints through onsite mediation and settlement, and solved large-scale public conflicts jointly working with the Office for Government Policy Coordination.

Also, the ACRC strived to diversify its policies adding the function of "solving public conflict" to the role of the

"Complaint Special Investigation Team" and thereby expanding the team, which was originally in charge of handling 'unusual or repetitive complaints', pointed out as wasteful factors of the administration to raise the satisfaction of complainants.

Section 3 | Major Accomplishments

1. Expansion and Enhancement of Field-centered Complaint Handling

Introduction

The ACRC believes that reaching out to people and listening to their voices firsthand is the most basic prerequisite and effective method to address the peoples' grievances. With this belief, the ACRC continues to operate "Onsite Outreach Programs," which it started in Cheongju, Chungchengbuk-do in 2003, to solve the grievances of all the people.

After the launch of the Commission, it expanded the operation of the Onsite Outreach Programs to listen to the difficulties of the people onsite and provide timely solutions. To this end, it created an exclusive division and ran a regularly operating system using the total human resource pool of the ACRC investigators. In addition, the complaints filed during the onsite outreach program were monitored with special attention for them to be preferentially handled in the most prompt and faithful manner. After 2011, the ACRC expanded the scope of the sectors to protect the people's rights, by operating the "customized onsite outreach programs" by sector for the socially discriminated who were in the blind spot. In particular, in 2014, to solve the grievances of the socially vulnerable, the Commission operated the customized onsite outreach programs for the multicultural families, the visually impaired, immigrant laborers, North Korean defectors, and the residents of permanent rental apartments.

Furthermore, to reduce the growing social expenses caused by public conflicts or the complaints of multiple

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

Operation of Onsite Outreach Program

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

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

For the complaints filed during the performance of an Onsite Outreach Program, the ACRC invites the concerned agencies to participate in the program to address the issues that can be settled onsite. In the case that further investigation is necessary, the ACRC receives the issue as a civil complaint and handles it through investigation and deliberation. When there is a policy proposal or request for institutional improvement, the Commission also

seeks a solution through consultation with the concerned agencies, frequently notifying the handling process to the proposer or the local government, and thoroughly monitors the handling process to the end.

Since its establishment in 2008, the ACRC has visited 281 regions for “active onsite administration” and has consulted and addressed 9,805 complaints. Such an accomplishment is a great improvement from the performance of the Onsite Outreach Program before the launch of the ACRC (1,543 cases handled in 55 regions during 2003 ~2007).

In addition, about 20% of the consultations were handled onsite through active mediation and settlement. In 2014, the number of handled complaints onsite exceeded 2,400, serving as a means for the people to directly experience their grievances being resolved.

Separate from complaint counseling, since 2010, the Commission has visited 284 regions and received 1,334 policy proposals and institutional improvement issues, and requested the concerned agencies to reflect those issues in their policies.

In terms of system operation as well, since 2012, the ACRC changed the form of operation from the Commission’s exclusive operation to the joint government operation, to strengthen the comprehensive problem-solving functions by encouraging the participation of the concerned agencies and experts in the private sector when discussing the conflicts between government agencies, pending collective complaints, social issues, or specific areas.

The Commission has also increased the quality of complaint counseling by operating the counseling team based on outstanding investigators equipped with expertise through the “counseling investigators resource pool system.”

Status of Onsite Complaint–Counseling

(Unit: number of counseling cases)

Category	Total	Before 2008	2008	2009	2010	2011	2012	2013	2014
No. of Visited Regions	336	55	20	28	33	46	51	51	52
No. of Counseling Cases	Filed Complaints	1,846	541	86	272	199	129	196	245
	Handled on Site	2,473	–	96	244	290	244	332	633
	Counseling & Guidance	7,029	1,002	381	1,004	1,000	865	1,103	937
	Total	11,348	1,543	563	1,520	1,489	1,238	1,631	1,748

Moreover, in May 2013, it opened a counseling window to resolve the difficulties of ordinary people, and is finding and supporting the low-income bracket that is in the blind spot of the social welfare system. The ACRC is also pursuing services in connection with the 'Good Neighbors' of the Korea National Council on Social Welfare branch in each province or city, or the Community Chest of Korea for the handling of complaints related to daily life such as civil petitions.

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

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

In 2014, it expanded the customized programs for the socially vulnerable (14 times in 2012 → 15 times in 2013 → 26 times in 2014), striving to handle the difficulties of the residents of remote regions, overseas Koreans, immigrant laborers, multicultural families, and the disabled.

The ACRC is planning to visit more people in need and the residents in the blind spots of receiving the protection of their rights, as well as to expand its customized onsite outreach programs targeting foreign laborers, marriage immigrants, and overseas Koreans by concluding MOUs with foreign Ombudsman institutions.

2. Active Resolution of Public Conflicts, Grievances, and Unreasonable Complaint Conducts

Introduction

As today's society has become diversified and specialized,

and as public awareness on the people's rights has been raised, the number of unusual and repetitive complaints showing unreasonable response to the result of a complaint handled in accordance with the legitimate process or public conflicts involving multiple stakeholders is on the rise.

The loss caused by the increase in such public conflicts accounts for KRW 30 billion¹ per year, and the social expenses thereby are increasing every year. There are, however, not enough organizations to take a neutral stance to identify, monitor, and actively mediate pending conflict issues. Accordingly, the necessity was raised to establish an exclusive body responsible for preventing the spread of such conflicts.

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

Therefore, the ACRC recognized the need to use its impartiality and expertise to solve collective complaints at the early stage and prevent the spread of such conflicts. Also, to promote the mediation and settlement of public conflicts, it expanded the range of mediation targets and increased the possibility of successful mediation and settlement by cooperating with the Office for Government Policy Coordination to resolve public conflicts. In addition, the Commission launched an exclusive channel to solve such unreasonable unusual & repetitive complaints to create an environment where public officials can focus on their own duties and to reduce the administrative expenses caused by unusual and repetitive complaints.

Furthermore, the Commission established a system to practically solve difficulties and inconveniences of businesses by creating an exclusive window for corporate complaints, and by extension, contributed to enhancing national competitiveness and promoting the economy. Also, it focused on handling the petitions regarding economic distress, to solve the grievances of ordinary people.

¹ Samsung Economic Research Institute, 2009.

Coordination of Collective Complaints and Pushing Forward the Enactment of the Bill on Collective Complaint Coordination

The ACRC has actively utilized the coordination and settlement systems to resolve in a prompt and fair manner the complaints involving multiple stakeholders or recognized as having huge social repercussions.

As today's society has become complicated and diversified, the social conflicts in Korean society have also intensified, and such conflicts are being expressed in the form of collective complaints. The number of collective complaints is on the increase. Accordingly, as the social costs caused by such collective complaints increase, the ACRC is expanding the number and the scope of onsite mediation and settlement to remove conflicts by resolving collective complaints through coordination and settlement, and thereby contributing to national cohesion. To solve a conflict issue involving complicated interests or multiple administrative agencies, the Commission comes up with the best coordination and settlement plan to satisfy all the stakeholders through active onsite investigation, identification of facts and stances, and arbitration, contributing to the resolution of social conflicts and the people's grievances.

The onsite mediation on the collective complaint, "Request for the use of the Ureuk bridge of the Gangjeong Goyreong weir for vehicle traffic" (September 2014) can be considered a representative example of such coordination. The residents of the 2 relevant regions filed a collective complaint after having suffered for 3 years from the sharp conflicts between those regions, Goryeong county and Dalseong county, on the use of Ureuk bridge for vehicle traffic. After the ACRC conducted more than 10 onsite investigations and held meetings, it finally coordinated the parties by drawing up a third alternative plan to construct a new road between Daegu city and Gyeongsangbuk-do. This is a very meaningful case in that the Commission contributed to the regional cohesion with a win-win alternative and removed the economic and social costs caused by the conflict.

Another onsite mediation case on collective complaint, "Request for the provision of urban gas in Gangwon Innovation City" (June 2014) was filed by about 700

residents of the region, who could not move to the town for a long time as the urban city facility was not installed because of the different opinions between the concerned agencies. The Korea Land and Housing Corporation, Gangwon-do provincial government, and the urban gas provider had different views on the obligation of installation and the burden of the costs. The ACRC coordinated their different stances and made an arbitration plan to promptly install the urban gas facility. As a result, the difficulties of the residents, who could not move into their homes even when they had completed their housing payment, were finally solved.

In the meantime, the ACRC is pushing forward to enact the bill on collective complaint coordination since 2014, as a part of its efforts to promote, specialize, and systematize its coordination systems. Meanwhile, the social conflict index of Korea ranks the second highest among OECD countries, and accordingly, the social costs caused by such social conflicts are estimated to be over KRW 200 trillion won per year. Even if the Office for Government Policy Coordination and the Presidential Committee for National Cohesion carry out the general functions of managing national conflicts, they lack the capacity for practical resolution, and national institutions are not fully established compared to other advanced countries.

Therefore, the ACRC has prepared to push ahead the enactment of the bill on collective complaint coordination to settle its coordination system based on the Commission's accumulated experience, capacity, and expertise. After research on the bill by the commissioned research institute (~ August 2014), public hearing (September 2014), and collecting opinions of the concerned agencies (December 2014), the ACRC is preparing for the preliminary announcement on the bill in February 2015.

This bill contains the operation of a professional coordinator system to enhance fairness and expertise; expansion of coordination range by granting administrative agencies the authority to apply coordination; reinforcement of pre-emptive response to conflict through preliminary investigation; and conducting research on coordination systems and fact-finding surveys. The bill is very meaningful for the Commission in that it enables the ACRC to not only carry out practical coordination works, but also expand the scope of relief of the people's

rights; pre-emptively respond to collective complaints across the society; and therefore establish a Korean-style coordination system by analyzing and utilizing the best practices of coordination.

The ACRC will do its utmost to settle the coordination system that gives practical help in protecting the rights of the people, by expanding its onsite mediation and settlement works and institutionalizing the system, such as laying the legal grounds.

Raising Efficiency in Handling Complaints by Operating an Exclusive Team for Unusual and Repetitive Complaints

In July 2011, the ACRC organized a Special Investigation Team for the first time in the government, to find solutions to the problems caused by unusual and repetitive complaints. As a result of its choice and concentration strategy, as of December 2014, the ACRC closed 68 unusual & repetitive complaints out of 94 long-pending complaints, through agreement, understanding, and persuasion, positively proving the achievements of the system.

Accordingly, it has resulted in the enhanced quality of public service for all the people, by improving the inefficiency of works and reducing the stress of investigators caused by unusual and repetitive complaints in each division of the Commission.

The Special Investigation Team handles complaints by reinvestigating an issue from the start, in the presence of the complainant, in a field-centered way. In particular, the ACRC investigators are focused on recovering the trust of complainants by visiting them in advance and listening carefully to their accounts.

While the team has solved unusual and repetitive complaints, it has also created a sense of sympathy with

other government agencies to deal with such unusual, repetitive complaints. Moreover, it provided various support such as publishing a manual on how to handle unusual and repetitive complaints and distributing it to government agencies.

In addition, the team created the “Response manual to unusual & repetitive complaints” by dividing the types of unusual & repetitive complaints into 29 categories, and distributed 2,500 copies to 350 public organizations. The ACRC additionally published a revised edition, providing it along with the counseling service for public organizations disturbed by unusual and repetitive complaints.

Also, as the Special Investigation Team focused on handling collective complaints on chronic public conflicts as well as individual’s unusual and repetitive complaints, it significantly contributed to resolving the complicated collective complaint, “Request for the use of the Ureuk bridge for vehicle traffic,” intricately involving 6 public organizations: Daegu metropolitan city government; Gyeongsangbuk-do provincial government; Dalseong district office; Goryeong district office; Busan Regional Construction Management Administration; and K-Water.

The Special Investigation Team will continue to handle such collective complaints on public conflicts with special care.

Operating the Exclusive Window for Corporate Complaints

In line with the government’s stance to make a fair society and to support businesses, the ACRC opened an exclusive window for corporate complaints to lay the foundation for the practical resolution of grievances and difficulties of companies.

Since January 2009, the ACRC opened an exclusive window for micro-enterprises and small- and medium-

Status of Corporate Ombudsman Handled

(Unit: number of cases)

Period	Total	Corrective Recommendations	Expression of Opinions	Mediation, Settlement	Dismissal, Rejection	Guidance of Deliberation	Transfer, Referral	Guidance, Reply	Withdrawal Closure
'09~'13	1,365	29	50	209	70	92	12	448	455
'14	400	7	12	78	32	19	5	72	175

sized enterprises (SMEs) at the ACRC Seoul Complaints Center and also opened an online window on e-People, to put its emphasis on managing the difficulties and complaints of businesses.

With the motto of “Field-centered, prompt complaint-handling and raised acceptance rate” for the complaints filed to the exclusive window, the ACRC dispatched its investigators into the field and encouraged them to promptly handle the complaints within the legal period.

After introducing the Corporate Ombudsman, as of the end of December 2014, the acceptance rate of corporate complaints is 21.8%. Because the relief of micro-enterprises and SMEs when their rights are infringed could be relatively neglected, this corporate ombudsman system serves as a prompt and faithful one-stop window to relieve those rights.

Moreover, the continuous operation of the exclusive window for businesses plays a role to resolve regulations and difficulties that undermine free economic activities of SMEs and their efforts to overcome financial problems. As a result, it is contributing to supporting management and business projects of SMEs.

In particular, the ACRC conducted the customized onsite outreach programs for the Korea Venture Business Association in Guro-gu, Seoul, and Deagwang Industrial Complex of Rural Areas in Gimchen, Gyeongsangbuk-do, to counsel and handle the grievances and difficulties of businesses on site. It also played its role as a connecting window for business-related organizations, by visiting organizations related to SMEs and micro-enterprises, listening to their difficulties, and discussing and discovering institutional improvement factors.

In addition, the ACRC held meetings to identify corporate complaints related to business regulations 5 times. From the meetings, the Commission identified 51 business regulation cases, of which 43 were handled through corrective recommendation, mediation, or agreement. To more actively identify business regulation cases, from 2015, it is scheduled to hold the regular meeting on a monthly basis to identify corporate regulation complaints.

In the future, the ACRC will continue to diversify the windows for receiving corporate complaints in connection

with e-People, such as visiting the regions where businesses have a lot of difficulties and grievances. It will continue to improve the network with corporate ombudsmen and professional associations such as Korea Federation of Micro Enterprises, to share and spread the know-how of handling corporate complaints. In addition to such efforts, the Commission will promote onsite meetings and cooperation with the concerned agencies, to identify and improve abnormal practices, the policies and systems to regulate businesses, called “a thorn under the nail,” so that it can practically resolve the difficulties and grievances of the micro-enterprises and SMEs, which are the economically disadvantaged.

Prevention of Civil Complaints

As today’s society is becoming more diversified and complicated, and as public awareness on the people’s rights is on the rise, the number of civil complaints is also increasing. The right way to increase the convenience and interest of the people is preventing complaints in advance rather than handling them after they occur, because psychological and economic expenses occur in solving the complaints. Therefore, the ACRC is carrying out preventive policies with the awareness that the more active way to protect the rights of the people is to build the capacity in handling the complaints of the frontline administrative agencies to prevent the occurrence of civil complaints.

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

First, the Commission assesses the current status of frontline administrative agencies in solving civil complaints in order to enhance the fairness and accountability of the agencies in handling complaints and to increase the satisfaction of the people on administrative services. To this end, the Commission developed the concerned indexes and is expanding the number of target organizations.

Second, the ACRC analyzed the conditions and current status of administrative agencies in handling civil complaints, and conducted customized consulting for each agency. In this way, the ACRC enhanced the cooperative

system with other agencies to raise the capacity to prevent and address civil complaints by transferring its experience and techniques.

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

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

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

Major Characteristics of the ACRC

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

“Civil Complaints” refers to the complaints caused by measures or systems of an administrative agency in the public sector. The details of the civil complaints are as follow:

First, illegal/unfair practices (including factum) or nonfeasance of the administrative organizations, which result in inconvenience, grievance, or the infringement of the people's rights or interests (including complaints related to active officers and men and those who are serving obligatory military service); second, passive administrative actions or nonfeasance of administrative organizations such as ambiguous standards or processing delay; third, inconvenience, grievance, or the infringement of the people's rights because of unreasonable administrative systems, laws or policies; and fourth, other infringements of the people's rights or unfair treatment experienced by the people due to the administration.

In 2014, the ACRC focused on and addressed the areas in which the government's attention was more needed, such as complaints related to the people's hardships in life and safety issues, and sought to find a new way to realize the protection of the rights in quality rather than quantity. As a result, it recorded the highest performance since 2010, reaching 21.4% in acceptance rate, and the satisfaction rate (75.9 points) also increased by 0.4 points despite distrust in the public service sector after the Sewol Ferry accident, bearing the fruit of its active efforts in solving the difficulties of the people.

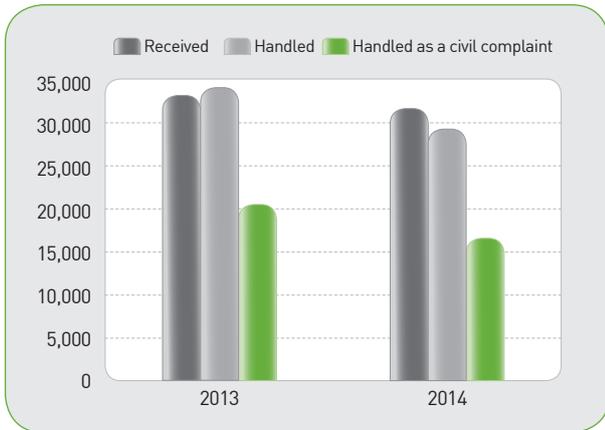
Chapter 2

Investigation and Handling of Complaints

Section 1 Introduction to Complaint Investigation and Handling

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

Performance in Handling Complaints Compared to 2013



Comparison of Key Indicators between 2013 and 2014

Category	2013	2014	Comparison (Notes)
Filed Complaints	31,681	30,038	△5.2%
Handled Complaints	32,737	28,744	△12.2%
Handled as Civil Complaints	20,341	16,366	19.5% ↑
Average Period for Handling Civil Complaints	18.0 days	16.0 days	Reduced by 2 days
Satisfaction Level	75.5 points	75.9 points	0.4 points increased year-on-year

The statistics based on the regions that filed complaints showed that Seoul recorded 22.8%, followed by Gyeonggi-do at 19.0%, Gwangju at 8.2%, and Incheon at 6.1%. The metropolitan area that includes Seoul and Gyeonggi-do showed the highest rate of filed complaints at 47.9%. Also, over the last 3 years there were over 70 cases of collective complaints filed by over 100 complainants, which requires the ACRC to play a bigger role in resolving large-scale public conflicts.

Trend of Collective Complaints Filed by over 100 Complainants over the Last 3 Years

Year	2012	2013	2014
Received	73	78	72

Looking at the statistics on the filing channels, the rate of filing a complaint through e-People was down by 10.9%

points compared to the previous year, mainly because of the decrease in the number of complaints unrelated to grievances (unclear complaints, simple proposals or requests, wish to be selected, or private opinions). In addition, as the ACRC dealt with the complaints that were filed to the Office of the President, the rate of “reception through Office of the President” increased by 9.7% points compared to the previous year.

Section 2 Investigation and Handling of Complaints

1. Complaint Handling Status and Analysis by Type

In 2014, a total of 28,744 complaints were handled, and 3,495 cases were accepted. In detail, 257 were handled by corrective recommendation, 474 by expression of opinions, and 2,764 by mediation and agreement. This resulted in achieving a 21.4% acceptance rate, a 3.4% points increase from the 18.0% of the previous year. This is the highest level since 2010, showing that the ACRC actively addressed the grievances of the people, considering the trend of the decreasing number of filed complaints and the lowered acceptance rate due to the developments of the administration, such as the consistent improvement of laws and regulations.

Complaint Handling Status of 2013 and 2014

Year	2013	2014	Change (rate of increase)		
Total	32,737	28,744	△3,993	(△12.2%)	
Complaint	Total	20,341	16,366	△3,975 (△19.5%)	
	Corrective Recommendation	277	257	△20 (△7.2%)	
	Expression of Opinions	467	474	7	1.5%
	Agreement, Mediation	2,923	2,764	△159	(△5.4%)
	Guidance of Deliberation, Dismissal	1,717	1,499	△218	(△12.7%)
	Rejection	582	604	22	3.8%
	Transfer, Referral	402	131	△271	(△67.4%)
	Guidance, Reply, etc.	13,973	10,637	△3,336	(△23.9%)
Others	12,396	12,378	△18	△0.1%	

2. Complaint handling status and analysis by sector

Among the 28,744 complaints handled in total in 2014, looking at the 16,366 complaints handled as civil complaints and excluding other types of complaints, 5.7% was raised from police service-related issues (investigations, etc.), 4.8% from taxes (national and local taxes), 4.5% from health and welfare (social welfare, health insurance, etc.), 4.5% from urban area (urban planning projects and facilities, etc.), and 4.3% from roads.

received the highest number at 16 (6.7%), followed by the Seoul Metropolitan Government, 9 (3.8%), and Incheon Metropolitan Government, 5 (2.1%). The local governments located in the greater capital area received 30 recommendations, accounting for 55.6 % of the total for local governments.

Among the 49 corrective recommendations given to public organizations and groups, Korea Land & Housing Corporation received 15 (6.3%), Korea Expressway Corporation received 11 (4.6%), and Korea Workers' Compensation and Welfare Service, 4 (1.7%).

Section 3 Status of Corrective Recommendations

1. Overall Status of Corrective Recommendations

When any illegal or unfair practices of an administrative body are discovered during an investigation into a filed complaint, the ACRC can send corrective recommendations to the concerned agency in accordance with the first clause of Article 46 of the Act on Anti-corruption and the Establishment and Operation of the Anti-corruption and Civil Rights Commission. In 2014, the ACRC issued corrective recommendations for 238 cases (※excluding repeated cases on the same issue).

2. Corrective Recommendations by Type of Organization

Looking at the status of corrective recommendations by type of organization, the central administrative organizations received 135 corrective recommendations (56.7%), the local autonomous governments received 54 (22.7%), and the public organizations and groups received 49 (20.6%).

Among the 135 corrective recommendations given to the central organizations, the National Tax Service received 71 (29.8%) and the National Police Agency received 20 (8.4%), together accounting for 67.4% of the total.

Among the 54 corrective recommendations passed onto local governments, Gyeonggi-do Provincial Government

Corrective Recommendations by Type of Organization (2014)

	Corrective Recommendations (cases)	Percentage (%)
Total	238	100
Central Administrative Organizations	135	56.7
National Tax Service	71	29.8
National Police Agency	20	8.4
Ministry of Defense	16	6.7
Others	28	11.8
Local Governments	54	22.7
Gyeonggi-do	16	6.7
Seoul Metropolitan Gov.	9	3.8
Inchen Metropolitan Gov.	5	2.1
Others	24	10.1
Public Organizations or Groups	49	20.6
Korea Land & Housing Corporation	15	6.3
Korea Expressway Corporation	11	4.6
Korea Workers' Compensation and Welfare Service	4	1.7
Others	19	8.0

※ The number of recommendations for cities and provinces includes the numbers for lower-level local governments.

3. Corrective Recommendations by Sector

When classifying based on the sector, the finance & taxation sector received the highest number of recommendations at 75 (31.5%), followed by the road and transportation with 35 (14.7 %), and the national defense,

patriots, and veterans sector with 28 (11.8 %), together accounting for 58.0% of the total.

Corrective Recommendations by Sector (2014)

	Corrective Recommendations (cases)	Percentage (%)
Total	238	100.0
Finance & taxation	75	31.5
Road and Transportation	35	14.7
National Defense, Patriot & Veterans	28	11.8
Police	23	9.7
Housing & Construction	18	7.6
Welfare & Labor	18	7.6
Industry, Agro-Forestry & Environment	17	7.1
Urban area & Water resources	14	5.9
Administration, Culture & Education	10	4.2

4. Status of Implementing Corrective Recommendations

Among the 1,629 corrective recommendations that have been made by the ACRC over the last 5 years, 1,478 cases (90.7%) were accepted while 123 cases (7.6%) were not. In particular, the number of corrective recommendations has been annually decreasing due to the administrative development of all the administrative agencies and the decrease in large-scale public projects.

Among the 238 corrective recommendations made in 2014, 198 cases (83.2 %) were implemented while 22 cases (9.2%) were not. As an administrative agency that receives a recommendation takes a long time to implement the recommendation, for reasons such as revising the concerned guidelines and securing budgets, the acceptance rate of the corrective recommendations of the year is low.

Implementation of Corrective Recommendations over the Last 5 Years

Section	Total	Accepted		Not Accepted		Un-decided
		Subtotal	Acceptance Rate	Subtotal	Non-Acceptance Rate	
Total	1,629	1,478	90.7%	123	7.6%	28
2010	450	406	90.2%	40	8.9%	4
2011	333	317	95.2%	15	4.5%	1
2012	323	303	93.8%	18	5.6%	2
2013	285	254	89.1%	28	9.8%	3
2014	238	198	83.2%	22	9.2%	18

The acceptance rates by type of organization were 87.0% by local governments followed by 83.0% by central administrative organizations, and 79.6% by public organizations and groups. The lower acceptance rate for central administrative organizations compared to local governments shows that the recommendations for the central government agencies include policy elements that affect ordinary people, delaying the decision of acceptance. In response to this, the ACRC strives to communicate and cooperate with other government agencies by holding “national policy coordination meetings” and “consultative meetings with the concerned agencies for complaint-handling.”

5. Efforts to Enhance the Implementation of Corrective Recommendations

To secure effectiveness in opinion expression as well as corrective recommendations, customized follow-up management strategies were established through comprehensive review and revision of such factors as statistics on follow-up management. The implementation was pursued systematically through reports at the vice ministers’ meeting, media announcements, and encouragement to working-level implementation, in an organically connected manner.

Section 4 | Agreement

1. Overview

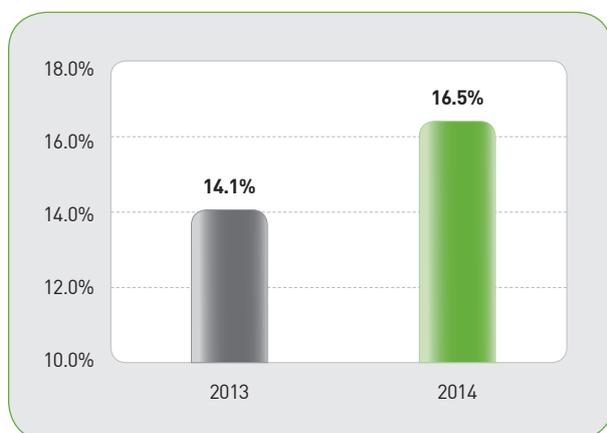
The ACRC strives to put its priority on suggesting the second alternative and arbitrating when there is a limitation related to budget, laws, and systems, in order for the complainants to be satisfied with the outcome. This is because if complaint-handling is based on a related act and merely by means of making a corrective recommendation, should the administrative agencies not accept them, it would be difficult to fundamentally solve the problem even though the complaint is dealt with in an administrative way.

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

2. Trends of Settlement by Agreement

Among the complaints handled in 2014, 2,705 cases were addressed by agreement, recording 16.5%, a 2.4% points increase from the 14.1% of the previous year. This was the highest rate among the acceptance rates.

Trends of Settlement by Agreement between 2013 and 2014



3. Status of Settlement by Agreement by Sector

In 2014, the taxation (rectification of national tax) sector reached the highest rate of agreements with 11.1%, followed by the police service sector (installation of traffic regulation facilities according to the Road Traffic Act, investigation manner, etc.) with 10.6%, roads (compensation for damages caused by road constructions, compensation for building and residual lands) with 8.9%, urban area (designation/revocation of and compensation of housing site development districts) with 8.9%, and housing (permission of housing cooperatives, management of public housings) with 9.6%.

Agreements by Sector in 2014

Rank	Sector	Total	Percentage
	Total	2,705	100.0%
1	Taxation	301	11.1%
2	Police	286	10.6%
3	Roads	241	8.9%
4	Urban area	241	8.9%
5	Housing	225	8.3%
6	Health & Welfare	206	7.6%
7	Administration & Safety	169	6.2%
8	Industry & Resources	129	4.8%
9	Environment	125	4.6%
10	Transportation	114	4.2%
11	Finance	111	4.1%
12	Agro-Forestry	107	4.0%
13	Construction	97	3.6%
14	National Defense	75	2.8%
15	Water Resources	71	2.6%
16	Labor	53	2.0%
17	Education	27	1.0%
18	Military	24	0.9%
19	Patriots & Veterans	23	0.9%
20	Personnel Affairs & Administration	22	0.8%
21	Culture & Tourism	20	0.7%
22	Civil Cases & Judicial Affairs	15	0.6%
23	Maritime Affairs & Fisheries	13	0.5%
24	Foreign Affairs & Unification	6	0.2%
25	Broadcasting & Communication	3	0.1%

Chapter 3

Integrated Management and Analysis of Complaints

Section 1 | Operation of e-People

1. Government-Wide One-Stop Communication System

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

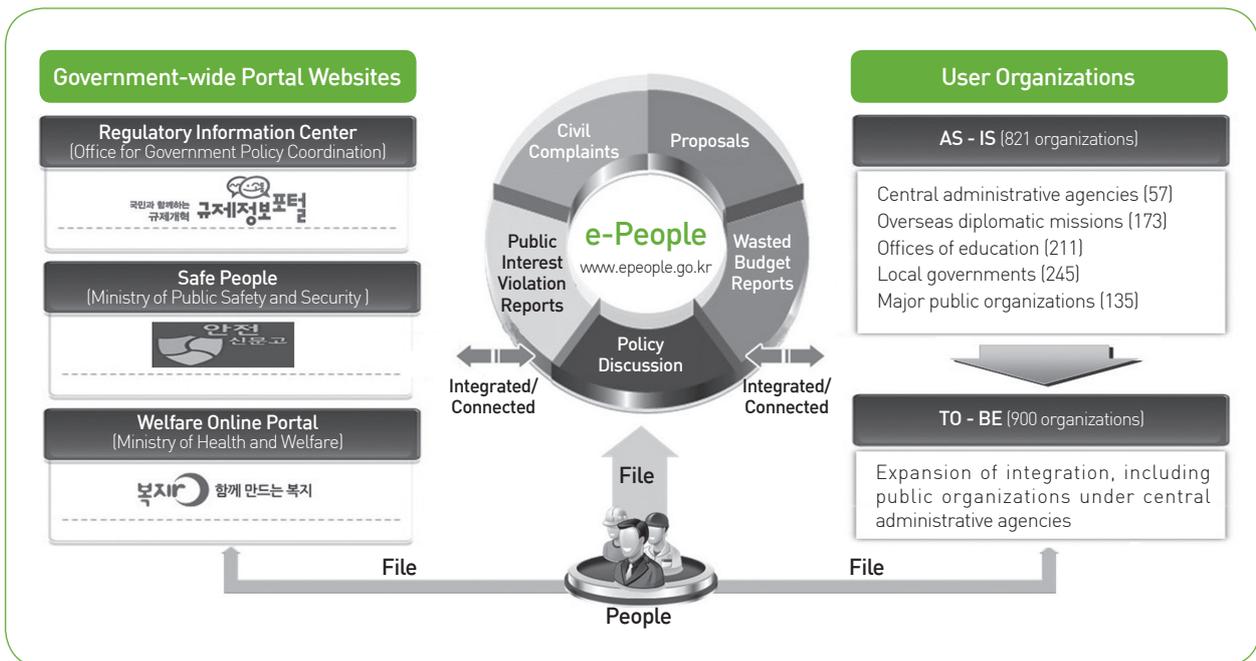
Starting with the integration of the complaint handling systems of 7 central administrative bodies in August 2005, e-People integrated all central government departments in July 2006 and connected local governments and

major public organizations in February 2008, to lay the foundation for a one-stop service in handling civil complaints. From then until 2014, it integrated the complaint-filing channels of about 800 organizations. Consequently, the number of complaints filed through e-People is constantly increasing, rising from 402,442 in 2006, 556,532 in 2007, 623,434 in 2008, 696,470 in 2009, 797,873 in 2010, 1,068,811 in 2011, 1,242,826 in 2012, 1,514,043 in 2013 to 1,689,785 in 2014.

In 2012, the “Wasted Budget Report” center was created by integrating all other report centers of central administrative agencies and local governments, to receive reports on false budget execution of administrative agencies. In 2014 alone, a total of 3,231 reports were received. In 2013, the ACRC added another function of reporting violations of public interest into e-People, to help people file a report to the concerned administrative or supervisory agency on the behaviors infringing the public interest, including public health and safety, the environment, consumer interest, and fair competition. The number of received reports in 2014 reached 11,826.

In particular, in 2014, the ACRC connected e-People with the current issues of state affairs, such as “Normalization of Abnormal Practices” and “Regulatory Reforms,” to realize a government-wide one-stop communication system. In

One-Stop Communication System through e-People



January, the Commission in cooperation with the Office for Government Policy Coordination opened a window to discover tasks of “Normalization of Abnormal Practices,” and in April established a connection system between the “Regulatory Information Center” and “e-People” so that the reports filed to the Regulatory Information Center that are not about regulatory information can be forwarded to e-People. As a result, a total of 12,437 civil complaints were addressed in a one-stop way.

In 2015, the Commission is scheduled to establish a two-way system by forwarding the civil complaints filed with e-People but related to regulatory information to the Regulatory Information Center, to help discover hidden regulations. In addition to the Regulatory Information Center, the ACRC is planning to connect e-People with other specialized websites such as Safe People and Welfare Online Portal, to create a system to promptly forward the reports filed with those centers to the concerned agencies.

2. Improvement of Quality Control of Civil Service on e-People

Following the Sewol Ferry accident in April 2014, the media stated that the civil reports on Cheonghaejin Marine Company were poorly addressed. Consequently, questions on the government’s complaint-handling were raised, and the ACRC strengthened its management of the complaint-handling process of government agencies on e-People.

Incomplete handling and poor management of the complaints received via e-People may cause new complaints and undermine the communication between the government and the people through civil complaints. To prevent such situations, in October 2014, the ACRC in cooperation with the (former) Ministry of Security and Public Administration distributed the “Guidelines on handling civil complaints on e-People” to all administrative agencies. The Guidelines regulate specific guidelines and points of attention at each stage of receiving & assigning a civil complaint, addressing the complaint, notifying the result, and taking follow-up measures. At the same time, it includes the standard forms of reply letters to the received complaints through the Office of the President and the Regulatory Information Center. It thereby improves the convenience of the officials in charge of handling civil

complaints and defines the basic direction of complaint-handling by administrative agencies.

Moreover, in October 2014, the ACRC conducted its first inspection on the complaint-handling status of 41 central administrative agencies (20 ministries, 17 administrations or services, and 4 commissions) since the establishment of the e-People system. The Commission selected a certain amount of samples (100 samples, 60 samples, and 30 samples) among the handled complaints on e-People, and inspected the foundation of the system operation such as appropriateness of answers and management of unsatisfied complainants as well as the system’s legal basis. In 2015, it is scheduled to conduct the inspection on a regular basis (twice a year) and improve the index of the “e-People Civil Service Evaluation.”

3. Improvement of Foreign Language Services on e-People

In line with the vision of the Government 3.0, the ACRC has opened a complaint-receiving window in foreign languages in the e-People system (www.epeople.go.kr) since June 2008, to provide customized service for the users and to protect the rights of the foreign residents in Korea. Starting with 3 languages (English, Chinese, Japanese), the system now provides 12 foreign language services.

Launch of Foreign Language Services

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

To enhance the convenience of foreign users, in 2014 the ACRC improved the system to provide SMS and e-mail services, enabling users to file a complaint and check the handling procedure in 12 languages. The satisfactory survey for the foreign language users was also introduced so that they can evaluate the results of a complaint. In addition, the Commission actively carried out promotional activities targeting possible users of the foreign language services on e-People, by attending events for multicultural families organized by local governments, visiting migrant workers' centers and embassies, and distributing leaflets to 395 organizations.

Moreover, the application for a patent of the “e-People GPS (Global e-petition System)” was accepted under the name of the country in February in 2014, in recognition of the uniqueness of the complaint handling system in foreign languages of e-People.

4. Promotion of “People’s Happiness Center for Public Policy Suggestions” and “Policy Discussion on e-People”

The People’s Happiness Center for Public Policy Suggestions is a government-wide on- and off-line window. It aims to reflect good ideas for better administration that ordinary citizens notice in daily life so that the government can improve the quality of the administrative service and proactively pursue consumer-centered administration desired by the people.

Marking the first anniversary of the launch (website: April 27, 2013/ Visitors’ consultation counter: May 6, 2013) of the People’s Happiness Center for Public Policy Suggestions, the ACRC carried out various promotional activities from May 2014. The Commission created video advertisements and showed them on 150 media such as cable TV channels, electronic display boards, and publications owned by public organizations. Also, it printed paper advertisements on free newspapers and free magazines that are closely related to the people’s daily life, and placed posters in 4000 public places, including community centers, to encourage the people’s participation in suggesting ideas.

The Commission also published a storybook (titled “A small idea bears fruit”) that dramatizes cases of ideas

reflected in public policies and carried out a wide variety of promotional activities by distributing it on-line (e-book distribution on 7 online bookstores, and mobile micro blog “Naver Post” service) and off-line (distribution of books to 2200 public places such as community centers).



Online and Offline Promotion of Storybook about People’s Happiness Suggestion

In the meantime, the ACRC continued to integrate the system targeting the administrative agencies yet to be integrated. It also reorganized the website such as introducing a system to let proposers check the history of the process to reflect their ideas in policies, establishing a user-centered, open communication environment such as the SNS log-in system, and sharing more information that the people would want to know, including how their suggestions were reflected into policies and the changes caused by their suggestions. Furthermore, the Commission re-organized the “Policy participation team of people’s happiness suggestion,” reforming the existing “Evaluation team of people’s happiness suggestion” to promote the operation of the center through the activities of prosumers who can suggest ideas in a more active way. In November, a workshop was held where the “Policy participation team of people’s happiness suggestion” met the officials in charge from administrative agencies, as the first step of practical communication.

As a result of promotion activities, monitoring, and establishment of feedback systems through the People’s Happiness Center for Public Policy Suggestions, a total of 118,446 suggestions were proposed in 2014 (an increase of 4.6 % compared to the year 2013), and 3,820 suggestions among those were accepted (an increase of 13.7 % compared to the year 2013), showing gradual improvement in performance. The ACRC will make more efforts to improve the center to be a more open and smarter communication channel to better reflect individuals’ voices so that even a small idea can bear great fruit.

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

As of 2014, the “Policy Discussion on e-People” has integrated the policy discussion channels of 199 government agencies. Furthermore, based on this system, in 2014, the ACRC has communicated with the people on 2,869 issues of various agencies through electronic hearings, policy forums, and surveys. Moreover, the ACRC directly selected the issues or policies that were closely related to the daily lives of the people, such as “regulatory reform in the internet sector (April),” “Countermeasures for single households (June),” “Solving inconveniences related to traffic accidents (September),” and “Establishing future visions for Korea (October),” working with the concerned agencies and private portal sites to listen to the opinions of the people across the nation. The collected opinions were provided to the concerned agencies (Ministry of Science, ICT, and Future Planning, Presidential Committee for National Cohesion, and National Police Agency).

The ACRC will promote the participation of the people by establishing a more convenient and easier discussion platform that, for example, allows the users to log in using SNS accounts (Facebook and Twitter, etc.) and participate in discussions, even if they do not sign up as a member of e-People or verify themselves through the user authentication process.

5. e-People Gaining Worldwide Recognition

The functions of e-People are globally praised for the communication and the participation of the people. In 2014, the ACRC introduced e-People at the Ombudsman Global Conference as a case to graft the ICT of Korea onto administration services, garnering a lot of interest from AOA and IOI member countries. E-People also ranked first place 3 times in a row (2010, 2012, 2014) at the E-Participation Index of UN E-Government Survey.

At present, many countries show much interest in adopting the e-People system to improve national transparency and to enhance communication with the people. In particular, the Tunisian government has kept a cooperative relationship with the ACRC, concluding the Korea-Tunisia MOU on cooperation for informatization since 2012. In 2014, Korea and Tunisia signed an intergovernmental contract agreement to carry out an ODA project in 3 steps for the “Establishment of Tunisia e-People” starting from 2015.

Major Awards Won by e-People

- Ranked 1st at the E-Participation Index of UN E-Government Survey 3 times in a row (2010, 2012, and 2014)
- UN Public Service Awards (June 2011)
- Passed the 1st Evaluation of the ReinhardMohn 2011 (August 2010)
- Exhibition at the CeBIT Australia 2009 (May 2009)
- Best Demonstration Stand at e-Challenge 2008 (European e-Gov and IT Conference) (October 2008)
- Best Practice at the E-government’s Five-year Performance Competition, the Prime Minister Award (September 2007)
- “International Certified Brand” Prize at the Government Innovative Brand Competition (November 2006)
- Asia’s Best Practice by the IOI (October 2006)
- Top 10 at the World e-Gov Competition in France (October 2006)

Section 2 | 110 Government Call Center

1. Operation of 110 Government Call Center

The 110 Government Call Center is an integrated government call service hub that services all government-related inquiries. The phone number “110” can be dialed from all across the country, improving the accessibility to government services. General inquiries are directly dealt with by the ACRC counselors, while more complex inquiries are forwarded to the relevant organizations.

The Call Center initiated its nationwide service on May 10, 2007, and has 138 counselors as of 2014, operating from 8 AM to 9 PM on weekdays and from 9 AM to 1 PM on Saturdays. On Sundays and national holidays, incoming calls are transferred to voicemail (ARS) and dealt with on the morning of the next business day.

In addition to placing a direct call, another way to use the service is to send a text message requesting counseling. It is also possible to access the website and make a reservation for phone counseling. The Call Center also provides “Smart 110 Service” for smart phone users via the mobile website (m.110.go.kr) that has text message counseling service and reservation service.

Moreover, the Call Center has also been operating a video counseling system (See-talk system) for the hearing or speech impaired. In order to enhance the convenience of the service users, the Call Center established a chat and video counseling system for PCs and smart phones in order that the hearing or speech impaired who are unable to use the voice-based counseling service can have easy access to the counseling service.

In addition, real time SNS counseling service is available on Twitter and Facebook. To diversify the counseling channels, the Call Center is also providing counseling services on “Knowledge-in” of the portal site and on its blog, enhancing the communication with the people.

2. Status of Received and Handled Inquiries and Complaints

General Status of Complaint Counseling

The average number of daily calls received by the 110 Call Center has been continuously increasing from 5,808 in 2007 to 5,824 in 2008, 6,251 in 2009, 7,592 in 2010, 8,594 in 2011, 8,416 in 2012, and 8,446 in 2013. The number of received calls in 2014 was 9,251, a 9.5% increase from the previous year.

The Call Center received a total of 2,319,637 calls as of the end of 2014. Among these, the Center responded to 2,112,077 calls and handled 2,413,917 cases in total. The figures show that more than one inquiry or complaint is filed per call.

The response rate of the Call Center in 2014 was 91.1% on average, increased by 0.5% from 90.6% of last year, while the service level of this year was evaluated as 84.5%, a 3.9% increase from an average of 80.6% in the previous year.

Status of Counseling Calls to the 110 Government Call Center in 2014

Month	Received Calls	Responded Calls	Response Rate	Average Received Calls Per Day
January	189,458	173,419	91.5	76.3
February	160,449	148,425	92.5	84.7
March	173,455	162,798	93.9	87.9
April	188,895	173,696	92.0	86.6
May	196,952	180,786	91.8	84.0
June	206,478	185,525	89.9	75.6
July	227,331	203,411	89.5	81.2
August	185,120	160,064	86.5	81.5
September	192,700	170,847	88.7	85.1
October	188,741	173,582	92.0	91.0
November	183,318	171,055	93.3	92.5
December	226,740	208,469	91.9	92.0
Total	2,319,637	2,112,077	91.1	84.5

Types of Counseling Calls by Sector

Among the total 2,413,917 counseling calls received by the 110 Government Call Center, 2,074,479 calls (85.9%) were counseled directly by the Call Center, while 339,438 calls that required specialized counseling were forwarded to and handled by the concerned agencies. Among them, 268,226 cases (11.1%) were handled by forwarded phone calls and 71,212 cases (3.0%) were handled by text.

The types of counseling calls can be categorized by sector as follows (in order of no. of calls): 987,465 calls in the administration/education/culture sectors; 347,631 calls in the foreign affairs/unification/defense sectors; 233,856 calls in the welfare/labor sectors; 214,190 calls in the environment/industry/ICT sectors; 48,048 calls in the national budget/finance sectors; 43,211 calls in the civil case/criminal case sectors; 26,739 calls in the agriculture & forestry affairs/marine affairs sectors; and 22,643 calls in the construction/transportation sectors

Status of Counseling Calls by Sector in 2014

Month	Total	Administration / Education / Culture	Welfare / Labor	Environment / Industry / ICT	Agriculture & forestry affairs / Marine affairs	National budget / Finance	Construction / Transportation	Civil case / Criminal case	Foreign affairs / Unification/ Defense	Simple inquires
January	189,878	101,324	18,948	7,659	150	3,196	1,334	3,068	33,305	20,894
February	168,411	77,810	20,232	8,543	184	2,383	1,487	3,087	29,784	24,901
March	179,804	84,401	22,003	9,755	1,542	2,788	1,872	3,571	29,188	24,684
April	195,580	86,617	22,375	11,554	2,874	4,904	1,921	3,859	27,628	33,848
May	204,668	75,222	22,576	19,354	1,451	6,756	2,023	3,691	26,626	46,969
June	202,075	77,554	18,176	17,788	1,188	2,660	1,763	3,440	33,589	45,917
July	229,789	96,850	21,737	21,843	3,406	3,438	2,018	3,791	31,212	45,494
August	191,746	70,633	17,718	23,782	2,959	5,569	1,845	3,593	25,907	39,740
September	201,533	75,989	16,183	23,274	2,911	5,178	2,453	3,708	27,526	44,311
October	208,248	75,674	18,115	24,687	3,118	4,477	2,174	4,020	27,637	48,346
November	202,274	69,661	17,630	21,997	3,501	3,415	1,918	4,059	26,208	53,885
December	239,911	95,730	18,163	23,954	3,455	3,284	1,835	3,324	29,021	61,145
Total	2,413,917	987,465	233,856	214,190	26,739	48,048	22,643	43,211	347,631	490,134

Performance of Integrated Counseling Service

The main numbers of the Ministry of Oceans and Fisheries(March 1), the Ministry of Agriculture, Food and Rural Affairs(July 1), and the Ministry of Education(July 25) were integrated into #110 and run on a trial basis, receiving 38,711 calls, among which 28,277 calls (73.0%) were received by the main numbers of the

ministries, and 10,434 calls (27.0%) were received by # 110.

At the early stage of the integration in March, the rate of received calls through the main numbers of the ministries was 91.2%. As the integration has been stabilized, the number of calls decreased to 67.9% in December 2014, and the calls to #110 are increasing.

Performance of Integrated Counseling Service of the 110 Government Call Center in 2014

Month	Received Calls			Handled Calls			Received Calls Per Day	Handled Calls Per Day
	Subtotal Number of Calls	Main Numbers of Ministries	# 110	Subtotal Number of Calls	Closed Counseling Calls	Forwarded Calls to Concerned Agencies		
March	952	868	84	1,258	862	396	45	60
April	2,163	1,116	1,047	2,663	1,996	667	99	124
May	1,071	643	428	1,282	904	378	54	64
June	756	526	230	935	645	290	40	49
July	2,901	2,356	545	3,443	2,509	934	106	150
August	5,037	3,725	1,312	3,877	2,705	1,172	211	289
September	6,037	4,947	1,090	3,249	2,158	1,091	135	171
October	6,021	4,564	1,457	3,871	2,743	1,128	141	184
November	6,431	4,544	1,887	4,277	3,016	1,261	154	214
December	7,342	4,988	2,354	4,277	2,880	1,397	158	194
Total	38,711	28,277	10,434	29,132	20,418	8,714	159	209

3. Improvement of Counseling Service Quality and User Satisfaction

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

The Commission signed the Service Level Agreement (SLA) with the outsourced-operation partner to increase the productivity and the efficiency of the 110 Government Call Center. Specific criteria were laid down to check the performance, such as the monthly answering rate, daily calls per counselor, service level, counseling quality assessment, user satisfaction level, and counselors' work-related knowledge.

Establishing and Strengthening the Government Cooperative System

To facilitate the engagement of government agencies in handling counseling calls, the 110 Government Call Center designates the officials in charge of managing and handling call inquiries and complaints in 317 agencies: 47 central government agencies, 244 lower-level local governments, 17 offices of education, and 9 public organizations. The Center also provides interpreter services for foreigners, in cooperation with the Korea Tourism Organization, Help Center for Foreigners, and Korean Immigration Service.

Efforts to Improve Counseling Quality

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

The ACRC has also conducted service training and work process training 6 times per year for the officials in charge of civil complaints from 317 organizations, including information on handling forwarded inquiries from the Call Center, operating video-counseling service, understanding the relief of rights and ombudsman, and communication skills.

Survey on User Satisfaction

In 2014, the result of user satisfaction level was surveyed

as follows: 91.5% in the first quarter, 92.3% in the second quarter, 91.9% in the third quarter, and 91.3% in the fourth quarter. The average satisfaction level in 2014 was 91.7%, a 0.3% increase from 91.4% of 2013.

Happy-Call Service

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

Counseling Service for the Socially Vulnerable

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

As of the end of 2014, the service is provided to 5,495 public organizations, and a total of 30,764 cases have been counseled since the service was launched in June 2012.

4. Future Directions

The 110 Government Call Center has successfully completed the first trial operation on the use of the single government representative number for the 4 government agencies (the ACRC, Ministry of Education, Ministry of Agriculture, Food, and Rural Affairs, and the Ministry of Oceans and Fisheries) that the Center was able to accommodate with its system and counselors. It is expected to establish the government integrated counseling system and additionally include 4 more agencies (Ministry of Science, ICT and Future Planning, Ministry of Foreign Affairs, Ministry of Land, Infrastructure and Transport, and Korea Meteorological Administration)

as the second trial operation in 2015, gradually expanding the number of government agencies integrated into the single number system.

In addition, to raise the user satisfaction levels, the ACRC will improve the user convenience by integrating the complaint counseling service for general inquiries and specialized counseling that do not require an urgent response into the 110 call service so that the people simply need to know the number 110 to receive complaint counseling. Also, the Commission plans to introduce the automated response system (ARS) that automatically forwards the users to the desired complaint counseling center through #110.

Section 3 | Enrichment of Complaint Counseling Service

The main role of the Counseling Division of the ACRC is to listen to the various complaints of the people who visit the ACRC and appeal their unfair circumstances and to promptly and accurately counsel them. In this way, the ACRC contributes to stabilizing the public welfare and ultimately protects the rights of the socially discriminated.

In detail, the Division responds to the people's inquiries on laws, regulations, and procedures of administration and counsels the people about their inconveniences and infringed rights caused by administrative dispositions. In addition, when the people need the advice of experts such as a lawyer but cannot afford to it, the Division provides them with information about appropriate countermeasures or legal processes to respond to various legal conflicts that can easily happen in daily life.

Accordingly, the ACRC established the Sejong Complaints Center for the complainants who visit the Commission as well as the ACRC Seoul Complaints Center for the residents of the metropolitan area of Seoul and Gyeonggi province, to help the people who do not have legal information or are in the low income bracket who might be in the blind spot of the protection of the rights to easily visit the centers and receive counseling on their inconveniences and difficulties whenever they need.

1. Complaint Counseling by ACRC Investigators

The ACRC investigators under the Ombudsman Bureau of the Commission counsel those who face damages caused by illegal or unfair actions of an administrative agency or by irrational institutions, or who do not know specific procedures of administration. The counseling is available via video counseling system or phone calls at the Sejong Complaints Center and the ACRC Seoul Complaints Center.

2. Complaint Counseling by Specialized Counselors

To meet the people's requests on complaints counseling, which require more and more diversified and specialized information and knowledge, the ACRC appointed various experts by sector, including lawyers, judicial scriveners, certified labor attorneys, licensed tax accountants, and social welfare workers, as specialized counselors to provide counseling service.

Counseling Status by Center

(Unit : no. of cases)

	Total	Sejong Center	Seoul Center	Local Centers
In 2014	14,455	117	14,338	-
Average no. of counseling per day	67.6	9.8	57.8	-
ACRC investigator	11,679	117	11,562	-
Lawyer	1,977	-	1,977	-
Judicial scrivener	63	-	63	-
Certified labor attorney	66	-	66	-
Licensed tax accountant	19	-	19	-
Social welfare worker	5	-	5	-
Honorary counselors	646	-	646	-
In 2013	26,311	-	16,540	9,771
Average no. of counseling per day	105.6	-	66.4	39.2

※ The ACRC moved to Sejong city on December 15, 2014. The local centers were closed at the end of 2013.

Section 4 | Policy Improvement through Complaint Analysis

1. Communication with the People and Policy Improvement through Complaint Analysis

Since its establishment, the ACRC has collected and analyzed the cases of complaints caused by unreasonable administration among the civil complaints received through e-People and the 110 Government Call Center. To draw policy implications, the analysis results are published in the Voices of the People Weekly, and provided to central government agencies, local government offices, and public organizations. In addition, the ACRC makes efforts to timely analyze the complaints that are receiving a lot of social attention, to promptly deliver the people's opinions on government policies.

In 2010, the Commission introduced the online complaint analysis system to analyze complaint information in a more systematic and statistical way, going beyond the existing manual work of analysts on case analyses. In 2012, it developed a complaint-predicting and early-warning system. In 2014, in line with the government's core policies and state affairs, including policy tasks of the administration, tasks related to straightening out the misguided practices of the past, regulatory reform, and the people's safety, the ACRC divided repetitive complaints into 3 stages and started to operate the Early-alert system of preventable complaints.

In 2014, among the 226 cases provided to public organizations, the total reflection rate by the concerned agencies is 64.2%, a 15.3% point increase compared to the previous year. The reflection rate for institutional improvement is 28.8%, a 4.8% point increase year-on-year. This shows that the reflection rate of complaint cases provided to the concerned agencies through the Voices of the People Weekly has continuously increased since 2012.

Current Status of Using "Voices of the People Weekly" by Public Organizations

Year	No. of Provided Cases	Type of Reflected Policies				
		Total	Institutional Improvement	Strengthening PR	Training of Officials	Policy Reference
2013	217	106	52	13	8	33
	(100%)	(48.9%)	(24.0%)	(6.0%)	(3.7%)	(15.2%)
2014	226	145	65	23	22	69
	(100%)	(64.2%)	(28.8%)	(10.2%)	(9.7%)	(30.5%)

2. Promotion of Big Data of Civil Complaints

As the modern society has become diversified and subdivided socially and economically, the characteristics of civil complaints have also changed from the existing simple and individual ones to collective ones in various sectors and regions against central government agencies, local governments, or public organizations. But it is not easy for an individual administrative agency to figure out all the circumstances and courses in handling a collective complaint. There were some limitations to promptly grasp and respond to a collective complaint or public conflict involving multiple agencies. Accordingly, since 2014, the ACRC started to operate the Early-alert system of preventable complaints for the government to respond to the damages and conflicts of the people in a more prompt way, by subdividing the degrees of spreading a complaint and providing the concerned agencies with the information. In this way, the Commission supports the government-wide decision-making process on the timing and direction of responding to civil complaints.

The process of the Early-alert system of preventable complaints is divided into the following 3 stages: 1) monitoring civil complaints, 2) issuing and spreading an alert, and 3) taking countermeasures. When issuing and spreading an alert, the alert is divided into 3 stages, "Caution - Warning - Emergency" every week, and notified to the concerned agency through Voices of the People Weekly to prevent the complaint from spreading. The ACRC could introduce the Early-alert system of preventable complaints because the Commission has already established the "online complaint analysis system" that comprehensively analyzes the voices of the people from

4 million complaints per year (as of 2014) accumulated in e-People and the 110 Government Call Center and supports the administrative agencies to reflect them in their policies.

The online complaint analysis system was created in the process of seeking ways to prevent the reoccurrence of similar complaints by grasping the trends of the civil complaints from e-People and the policies made by administrative agencies. The online complaint analysis system was created for 3 years starting from 2010, supported by the budget for e-Government projects. Since the year following its establishment, the system has gradually opened to public organizations for common use.

Since the trial service for 4 organizations started in 2011, the number of organizations to share the system increased to 20 in 2012 and 45 in 2013. As of December 2014, the number of organizations to use the system has expanded to 152. In terms of performance as well, in 2014 the system issued alerts on 43 collective complaints that showed signs of spreading. Compared to the 7 cases in the past that showed similar aspects of spreading, the average period from the first occurrence to the reduced stage of the complaints was also decreased to less than 3 weeks from 5 weeks after the introduction of the Early-alert system of preventable complaints.

3. Future Direction

Although the ACRC is supporting administrative agencies to make policy decisions and preventing civil complaints from spreading through the online complaint analysis system and the Early-alert system of preventable complaints, it is necessary to make more efforts on the following tasks.

First of all, while the windows to receive civil complaints against central administrative agencies are integrated into e-People, the civil complaints against local governments can be received via both e-People and the website of each local government. As the complaint data that can be used for the online complaint analysis system is limited to the complaints filed through e-People (only 30% of the complaints against local governments), there is a limitation to comprehensively grasp the inconveniences of the people reflected in the complaints against local

governments. To overcome such limitation, since 2014, the ACRC, in cooperation with the Ministry of Government Administration and Home Affairs, is pushing ahead the establishment of an environment to integrate and analyze the complaint data of local governments.

As of December 2014, the complaint data of 17 offices of education in cities and provinces and 5 local governments can be integrated and analyzed on the online complaint analysis system. It is planned to additionally integrate 89 local governments in 2015 and 77 local governments in 2016. In this way, the ACRC is planning to expand the target of complaint analysis to the whole nation, raising the status of the system as the 'national analysis system for big data of complaints.'

In addition, it is important to help system users recognize the significance of complaint information and raise their capacity to use the information. Accordingly, it is necessary to continuously hold workshops and meetings and to provide customized consulting for the public officials in charge of each agency, in order to emphasize the budget-saving effect by sharing the ACRC's system as well as the necessity of reflecting the voices of the people into policies by analyzing the big data of complaints. But more important than expanding the organizations to share the system is that the ACRC should frequently provide collective training for system users and customized training for each organization so that the organizations can actively utilize the online complaint analysis system to reflect the information in their policies.

Last but not least, it should be guaranteed that complaint cases are continuously discovered and the user organizations appropriately use the analyzed information. The ACRC should not only distribute the Voices of the People Weekly, but also inspect the public organizations on whether they are using the information in an appropriate way. Moreover, it is necessary to continue to discover new information on complaints required by each organization. In this way, it is possible to induce proper and active changes in administration.

ACRC KOREA

Anti-Corruption & Civil Rights Commission



Part 3

Fighting Corruption

- Chapter 1. Establishing and Implementing Anti-Corruption & Integrity Policies
- Chapter 2. Handling Corruption and Public Interest Violations and Code of Conduct
- Chapter 3. Anti-Corruption Educational Training and Promotional Activities

Chapter 1

Establishing and Implementing Anti-Corruption & Integrity Policies

Section 1 | Establishment and Distribution of Anti-Corruption & Integrity Policy Guidelines for 2014

1. Overview

On February 2014, the ACRC held a meeting where the Anti-Corruption & Integrity Policy Guidelines were distributed to compliance officers from all levels of public organizations, including central government agencies, local governments, and public service related agencies.

The purpose of establishing the Anti-Corruption & Integrity Policy Guidelines was to share the philosophy of the government's anti-corruption and integrity policy directions with all levels of public organizations and to provide information to help them establish their own anti-corruption and integrity initiatives, eventually pushing forward government-wide anti-corruption and integrity policies in an effective way.

The year 2014 was the second year of the Park administration, and therefore a very important period to look back on the first year of the new administration to analyze its achievements and challenges, and establish specific strategies to push ahead anti-corruption and integrity policies. In this context, the directions of anti-corruption and integrity policies of this year drew more attention than ever.

2. Major Tasks

The Anti-Corruption & Integrity Policy Guidelines for 2014 have 5 major tasks: 1) pushing ahead "Straightening Out the Misguided Practices of the Past" for the top 3 corruption practices; 2) enhancing cooperation

to implement anti-corruption initiatives through "Government 3.0"; 3) spreading the culture of anti-corruption and integrity; 4) promoting the protection & compensation systems for corruption reporter and public interest whistleblowers; and 5) strengthening evaluation and circulation of the integrity level in public organizations.

Among these tasks, looking at the main task, "pushing ahead "Straightening Out the Misguided Practices of the Past" for the top 3 corruption practices," the ACRC selected the top 3 corruption practices to fight against in 2014 as ▲"Seeking comprehensive countermeasures against the corruption incurring loss of national finance," ▲"Straightening out the tolerant punishment practices on corrupt officials," and ▲"Improving structural and chronic corruption areas such as lax management of public organizations." The Commission also announced specific guidelines to fight against these top 3 corruption practices, and requested for the cooperation of public organizations.

The ACRC's specific guidelines for each task are as follows: First, in order to create preventive measures on the corruption factors incurring loss of national finance, the ACRC would improve the effectiveness of the handling process of welfare fraud reports such as counseling, reporting, fact-checking, investigating, and handling, through the "Center for Reporting Public Subsidy Fraud." It would also push ahead the enactment of the bill on the prevention of false claims of public funds to strengthen the restraints on false and illegal claims of public funds.

Second, in order to straighten out the tolerant punishments of corrupt officials, the ACRC would create and recommend the "Plans to strengthen the punishments of corrupt officials of public organizations" that contain the standards of punishments and disciplinary measures for the employees of public organizations to be toughened up to the standards of public officials. It would also reinforce the management on the employment restrictions of public officials dismissed for corruption.

Third, in order to improve structural and chronic

corruption factors, such as lax management of public organizations, the ACRC would inspect the areas where the lax management of public organizations is easily found; strengthen the Integrity Assessment on irregular practices of public organizations; and focus on conducting the Corruption Impact Assessment on the current tasks of state affairs.

Section 2 | **Enactment of the Act on the Prohibition of Improper Solicitations and the Offer and Acceptance of Money, Gifts, etc.**

1. Background

The solicitations and influence-peddling practices are caused by paternalism and nepotism deeply rooted in Korean society and recognized as the main reasons for corruption and the chronic harmful effects of corruption. At present, however, such practices are being punished by the Criminal Act, etc. only when these solicitations are connected to receiving money, gifts, or any other interests, and there is no effective tool in fact to sanction the improper solicitations. Also, it is also common for a civil servant who received money or gifts to go unpunished because the connection of the act with the person's official duties or a return of any favor was not recognized. As a result, there are still unjust practices such as sponsoring or receiving bribes, and it is difficult for the government to appropriately respond to new types of clandestine and diversified corruption practices such as guaranteeing the employment of one's child, payment of school tuition, lease agreement with higher price, or leakage of insider information.

Therefore, the ACRC pushed ahead to enact the Act on the Prohibition of Improper Solicitations and the Offer and Acceptance of Money, Gifts, etc. to supplement the blind spots of the existing corruption-control system, and to prevent the chronic corruption practices in society such as solicitation, influence peddling, and sponsoring, and

thereby to establish the corruption prevention system to the standard of advanced countries.

2. Enactment Process

Process of Enactment

- ▶ The ACRC raised the need to enact the law when reporting the "Plans to realize a fair society and to expand integrity with the people" at the Cabinet meeting. (June 14, 2011)
 - ▶ The ACRC held open discussions 2 times. (October 18, 2011/February 21, 2012)
 - ▶ The Korea Legislation Research Institute conducted the research supporting legislation analysis. (April to July 2012)
 - ▶ The ACRC held presentation sessions by region to explain the act to the people: Gwangju (April 23, 2012) Daejeon (April 24, 2012), and Busan (May 2, 2012)
 - ▶ 5 civil groups, including People's Solidarity for Participatory Democracy and Hung Sa Dan, held a discussion. (June 21, 2012)
 - ▶ The government proceeded legislative procedures. (May 7, 2012~July 30, 2013)
 - Collecting opinions of the concerned agencies (May 7~18, 2012) and consultations (May 2012 ~ June 2013)
 - Preliminary announcement of the act (August 22 ~ October 2, 2012)
 - Decisions at the Vice Ministers' meeting (July 26, 2013) and Cabinet meeting (July 30, 2013)
 - ▶ The National Assembly is proceeding legislative procedures (August 5, 2013 ~ Present)
 - Submitting (August 5, 2013) and forwarding (August 6, 2013) the bill to the National Assembly
 - Laying the bill to the Assembly's National Policy Committee (December 6, 2013) and forwarding to the subcommittee for legislation (December 10, 2013)
- * (January 2015) The bill was passed in the National Policy Committee.

3. Main Contents of the Government-Proposed Bill

The Act on the Prohibition of Improper Solicitations and the Offer and Acceptance of Money, Gifts, etc. (government-proposed bill) consists of mainly 3 parts:

The first part is about preventing improper solicitations. Improper solicitation to civil servants, etc. on their official duties is strictly prohibited. The term "Improper solicitation"

means an act of exerting influence on a civil servant performing his or her duties to violate laws and subordinate statutes, or to abuse his or her position or authority, thereby undermining the fair performance of official duties. Under the existing laws, a person who offers or receives money or gifts when soliciting a public servant or trading by influence is subject to criminal punishments. This new act, however, regulates an act of improper solicitation itself using connection or superior position, even if the solicited civil servant was not given any money or gifts. In short, when a stakeholder improperly solicits a civil servant via a third person, or a third person directly or indirectly solicits a civil servant even if the solicitation is not related to him/her, both the stakeholder and the third person will be fined for negligence. But, even though an act of a stakeholder directly soliciting a civil servant is included in the prohibited solicitation, the stakeholder will be excluded from the subject of punishment in order that communication between the government and the people, such as filing a complaint or petition, will not be daunted.

The second part is about preventing or regulating the acceptance of money or gifts regardless of any duty-relatedness or return of special favor. If a civil servant receives money or gifts in connection with his or her official duties or through influence occurring from his or her position or status, he or she would be the subject of criminal punishment regardless of whether such offer is given in exchange for any favors. Moreover, regardless of any duty-relatedness or special favor in return, if a civil servant receives money or gifts from anyone, he will be fined for negligence. But, the act specifically stipulates some exceptions in money or gifts that can be offered for the smooth performance of public duties or that are allowed by social rules.

Furthermore, a civil servant who knew the fact that his/her family received unacceptable money or gifts but did not report, return, or deliver the money or gifts will also be punished. This provision was created to prevent the indirect offering of money or gifts through family members. In addition, the person who offers unacceptable money or gifts is also the subject of punishment.

Under the provisions related to bribery of the "Criminal Act," it was not easy to punish an act of bribery if the offer was not recognized as an exchange of favor in the receiver's performing official duties, but this new act supplements the limitation. Accordingly, significant improvements are expected in regard to unjust practices such as sponsoring or receiving bribes by civil servants.

The third part is about establishing various measures to

prevent and manage any situation of conflict of interest that may happen during the process of civil servants' performing public duties. The act prohibits a civil servant from performing a duty that has a private interest such as a connection, and stipulates the measures to exclude, avoid, and evade the duty. It also stipulates that if a person who worked in the private sector, including a private company, is newly hired as a high-ranking public official, he or she should report his private interest before being hired and should be prohibited from performing the relevant duty for 2 years after employment. These provisions are to overcome the harmful effects of the so-called 'revolving door personnel affairs' and to help an expert in the private sector to effectively manage the situations of conflict of interest during the performance of his/her public duty when hired as a high-ranking public official. In addition, the act stipulates the provisions about restrictions on outside activities related to official duties, restrictions on real-estate transactions or borrowing money from duty-related persons, and prohibition of the private use of public budget, goods, or positions. Furthermore, the act strictly prohibits high-ranking public officials, etc. from hiring their family members into the organization they belong to without going through an open competitive recruitment process, signing a private contract with the organization they belong to, or acquiring financial interests using or through the confidential information that they acquired while performing public duties.

* The Act on the Prohibition of Improper Solicitations and the Offer and Acceptance of Money, Gifts, etc. that was passed at the National Policy Committee in January 2015 reflected the following changes that were discussed in the National Assembly: Deleting the provisions related to the conflict of interest; Expanding the targets to private schools and media; Specifying the kinds of improper solicitations into 15 parts; Expanding the exceptions of improper solicitation from 4 to 7; and limiting the punishment on a civil servant whose family members received money or gifts to only when the offering is related to the civil servant's official duties.

4. Future Direction

In 2014, the government put its priority on the reforms to straighten out irregular practices that are pervasive in Korean society. The Act on the Prohibition of Improper Solicitations and the Offer and Acceptance of Money, Gifts, etc. was suggested as a new corruption prevention system to break out the circle of corrupt practices and to normalize the public service sector. To recover the trust in the public service sector, it is necessary to suggest specific guidelines

for civil servants to follow and thereby to prevent them in advance from becoming involved in corruption, and to protect the civil servants in good faith, going beyond just uncovering and punishing corrupt acts that already occurred. This new act is an advanced corruption prevention system and will serve as a good opportunity to improve irregular practices in Korean society and to shift the anti-corruption and integrity systems of Korea to be in line with the preemptive prevention policies of advanced countries.

Section 3 Efforts to Enact the “Act on the Prevention of False Claims of Public Funds”

1. Background

There have been growing voices demanding that the government budget be executed in a more accountable and effective manner as more financial strains are put on the government budget with the increasing mandatory expenditure for social welfare services and the aging population. To this end, the Korean government formulated the “3-year Economic Reform Plan” in 2014, emphasizing the need to maintain the government’s fiscal soundness for future expenditures while continuing with the major public projects and services that are essential to the people’s lives. In line with this idea is that eradicating the deep-rooted practices of wasting public funds is a prerequisite.

However, the current public funds management system has some limitations in preventing and preemptively responding to the issue of wasted government budget. More specifically, there are control systems under the Subsidy Management Act and other related laws, but they are only applied to specific public projects or contracts, making it difficult to prevent and control the leakage of public funds in other areas. Moreover, waste of public funds in the private sector is not only hard to detect due to its secretive nature, but it is also almost impossible to recover the wasted money due to the lack of legal grounds.

There is a need for a legal framework that can strictly prevent such waste of public funds as well as recover the

leaked government money. In an effort to build such a system, the ACRC embarked on the legislation procedures to enact the “Act on the Prevention of False Claims of Public Funds” as a basic legal framework to prevent the waste of public funds and to redeem the illegitimately used government money. The Act would stipulate the principle of recovery of the wasted public funds, the recovery procedures, and the protection and reward for whistleblowers, thereby filling the loopholes in the existing budget waste control system which is different in each relevant law.

2. History of Legislation Efforts

History of Legislation Efforts

- ▶ It was suggested that a comprehensive law for this issue should be enacted at the government business reporting session to the President. (Feb. 5, 2014)
- ▶ Analytical research was conducted on major domestic and overseas legislation examples. (Feb.–May 2014)
 - * The False Claims Act in the US, the Proceeds of Crime Act 2002 in the UK
- ▶ Research on the current status of false/illegal claims to public funds and the recovery system was conducted. (June–July 2014)
 - * On-site investigation at 10 public organizations and public corporations, desk-review of 42 related agencies including the Ministry of Health and Welfare and the Seoul Metropolitan City Government
- ▶ Experts and relevant institutions were sought for opinions on the bill. (July–Aug. 2014)
 - * Meetings with field experts (3 times) and officials in charge of recovery at public service-related organizations and local governments
 - * Consultation with 11 legal experts including professors of constitutional law, administrative law, criminal law, public administration and civil law
- ▶ The draft bill and the purport were drawn up. (Aug.–Sep. 2014)
- ▶ Consultation with relevant ministries was conducted and the pre-announcement of the enactment was made. (ongoing from Oct. 2014)

3. Main Contents

Currently under the legislative procedures, the Act consists of three main parts. The first part is the prohibition of false and any other illegitimate claims to public funds and the imposition of surcharges for punishment. The Act would apply to all types of public organizations, including

constitutional institutions (the National Assembly, the Court, the National Elections Commission, etc.), central government agencies, local governments, offices of education of cities and provinces, public service-related institutions, public organizations and national/public schools under the Act on the Management of Public Institutions. And the public funds to which the Act prohibits false claims mean any types of property, including money or bond, a public institution can directly control or has administrative authority to manage under the relevant law, or the property it created/acquired or managed/disposed through a contracted person. The Act strictly bans anyone from making false claims to the abovementioned public funds, and states that an administrative agency may make a corrective order, such as the suspension of payment procedures, for such a false claim.

As for the penalty and recovery of the public funds illegally paid, all damage done to public funds must be undone to redeem any illegal profits from false claims. And a surcharge for punishment of up to five times the amount of wasted public funds may be imposed if false claims were made over the course of the distribution of public funds by a public institution leading the distribution process. Moreover, punitive damages compensation of up to five times the illegally paid amount can be pursued for false/illegal claims to public funds made when a public institution and an individual are equivalent parties to the contract. This shows that the Act stipulates different types of recovery methods depending on the nature of legal relationship under which false/illegal claims were made.

The second part is provisions on the ways to secure the effectiveness of the measures to prevent false claims and any other wrongdoings. Among them, those who made false claims to public funds managed by a public institution may be prohibited from signing a public project contract with the public institution for up to 2 years after the legal relationships regarding the imposition of the punishment surcharges is established, and the details of the charge will be notified to other public institution. And many other measures to secure the effectiveness of the control system are included in the bill so that the ACRC can monitor and investigate the internal control measures public institutions put in place to prevent the leakage of public funds.

The third is provisions on the disclosures of false/illegal claims made and protection and reward for whistleblowers. Any person may file a report to the competent public institution which manages the public funds in question or the ACRC when he/she believes that a false claim has been made or is likely to be made. In order to encourage whistleblowing against false claims to public funds made in secrecy, the Act stipulates the prohibition of disadvantageous measures against the whistleblower and the protection and reward for whistleblowers, such as the payment of reward money of up to KRW 2 billion.

Section 4 | Guidelines for Development of Anti-Corruption Initiatives for Public Institutions

1. Background

Traditionally, short-term solutions, detection and ex-post punishment have been promoted in corruption cases in the public sector, but they did not produce any tangible results in reducing the corrupt practices deeply-entrenched in the public sector. In particular, public sector corruption detected by the inspection authorities is mainly focused at the individual-level and regarded as personal wrongdoings by that public official, and rarely contributes to rooting out corruption. Therefore, there is an urgent need to establish and implement anti-corruption initiatives and policies to prevent corruption from occurring in the first place. Developing effective anti-corruption initiatives, however, requires a lot of efforts and entails many trials-and-errors, which can make it difficult for public institutions to independently set out such anti-corruption initiatives.

Therefore, in 2014, the ACRC encouraged public institutions to forge a collaborative network system to share best cases of anti-corruption initiatives with excellent performance developed by each institution. First it provided guidelines on developing anti-corruption initiatives to public institutions. And the Commission examined many great initiatives operated by public institution that are not shared with other institutions, and encouraged exchanges of such initiatives with other public institutions, subsidiary institutions and contractors so that

they could establish a comprehensive solution against corruption from both the supply and the demand sides. Over the course, some best practices and initiatives were brought to attention, and those initiatives were introduced to many international organizations, leading to the improvement of the international community's perception toward Korea's corruption level.

2. Guidelines for Development of Anti-Corruption Initiatives

The ACRC provided guidelines for development of anti-corruption initiatives to public institutions after collecting and analyzing existing anti-corruption initiatives from each public institution in July 2014. The main principle behind the guideline is to strictly punish corruption, to control corruption risks in advance to prevent similar cases from reoccurring, and to comprehensively manage both the demand and the supply of corruption. The details of the guidelines are as follows:

First, a special management system needs to be established for specific task areas chronically vulnerable to corruption. The analysis of corrupt practices at public institutions showed that certain types of corrupt practices occur repeatedly with little progress in curbing such corruption. Therefore, there is a need to establish a corruption prevention system specially designed for deep-rooted corrupt practices. Major examples of such a system is to make it mandatory for public officials to fill out a self assessment checklist to examine whether there are corruption risks in corruption-prone areas or in work areas that may be affected by self-interest.

Secondly, it is suggested that appropriate measures are put in place to prevent conflict of interest to ensure a fair performance of duties by public officials. "Conflict of interest" means a situation where a public official's personal interest and the public's interest are conflicted in the course of performing a public duty, and under this situation, it is highly likely that secretive and serious types of corruption occur, for example, a public official wields his influence so that his child can get a job at other institutions, or he/she works to change the city development plan for personal gains or any other third party. In particular, retired public officials are especially vulnerable to the revolving door-style corruption, playing

a role in building an illegitimate relationship between the private and the public sectors. In this regard, it is necessary to institutionalize a variety of tools to prevent conflict of interest so that public officials cannot abuse their public authority for personal gains while performing public duties. A case in point is that high-ranking officials are prohibited from taking jobs which are likely to provide benefits to the companies or institutions at which they previously worked.

Third, appropriate measures should be put in place to ensure that the institution is operated in a transparent manner, especially in terms of entering into contracts, executing the budget and managing human resources. There have continuously been corrupt practices in the government. We have consistently seen corruption practices in our society such as striking private contracts that are unfairly favorable to specific people, receiving money, valuables and gifts in return for licenses or permits, and unfairly promoting people with personal connections. Therefore, the guidelines emphasize that entering into contracts and other operating procedures must be clear and specific, that anti corruption systems need to be continuously monitored and improved upon, including enhancing the transparency of public institutions. The ACRC's guidelines suggest public institutions disclose all of its private contracts, regardless of the amount involved in contracts, in order to enhance transparency of the private contract management.

The fourth principle is the spread of anti-corruption activities through public-private cooperation. To eliminate the root cause of corruption, comprehensive corruption prevention measures are needed not only for public officials, but also for the private sector where corruption can occur in connection with the public sector. One of the major recommendations is hiring external experts such as lawyers and accountants for the internal audit of public institutions so as to guarantee the transparency and professionalism of the audit.

Next, a culture of integrity and corruption-sensitive atmosphere need to be fostered through strengthened anti-corruption training at each institution. Efforts are needed to change the corporate culture and the mindset of each employee to root out the longstanding systematic corrupt practices that lasted a long period. For example,

high-ranking officials can participate in anti-corruption trainings and take the lead in involving other employees.

Finally, a strict punishment guideline against corrupt officials needs to be established. The number of corruption cases and wrongdoings by public officials is on the rise, while the punishment for those corrupt officials is minimal, because in many cases a light disciplinary action is imposed or the corrupt official resigns before any punishment is handed down. This lax punishment practice is undermining the efforts to curb corruption in the public sector, generating the need for a zero-tolerance principle against corruption of public officials and ensuring that the public officials are held accountable for their corrupt actions. The guidelines suggested rules to prohibit public officials not only from receiving, but also from asking for money or other valuables and stipulating punishment for the violation of the rule.

3. Future Plans

The ACRC recommended that each institution develop and operate its own anti-corruption initiatives best suited to the situation of each institution, based on the provided guidelines, and share best practices with other institutions through the ACRC. The sharing and cooperating among public institutions regarding the best anti-corruption initiatives can contribute to the realizing the vision of “Government 3.0 (Collaboration, Communication and Openness)” and enhancing the level of integrity in the public sector.

Section 5 Integrity Assessment and Anti-Corruption Initiatives Assessment

1. Integrity Assessment for Public Institutions

Overview

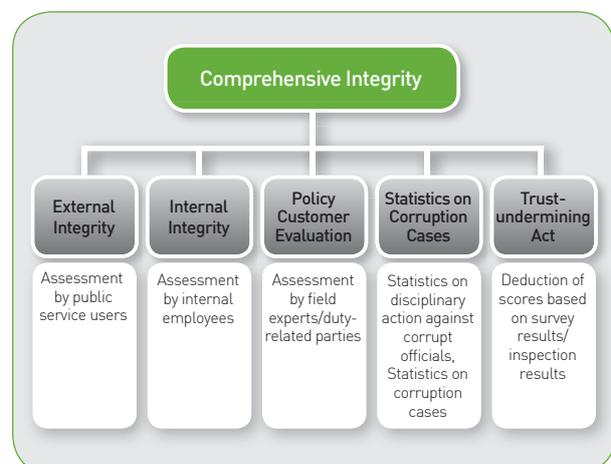
The Integrity Assessment for public institutions has been conducted every year since 2002 under Article 12 of the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission of Korea (the ACRC Act).

“Integrity level” is defined as “a measure of the degree of transparency and fairness in the way a public official performs his/her public duty and implements policy without committing corrupt acts.” The assessment of integrity level of public institutions is conducted for mainly three purposes: (a) to measure the level of integrity of a public institution in an objective and scientific manner, (b) to make public institutions identify work areas that are vulnerable to corruption and are in need of improvement by assessing the level of integrity in each work area, and (c) to create an environment where the public sector can make voluntary efforts to drive up its integrity level by publicly disclosing the assessment results. The Integrity Assessment provides an opportunity to promote a culture of integrity both in the public sector and the private sector.

Structure of the Integrity Assessment

The final result of public institution’s integrity level is announced as the “Comprehensive Integrity”. It is an indicator which is calculated by combining the results of external integrity, internal integrity, policy customer evaluation, statistics on corruption scandals, and disciplinary actions as a result of reliability-undermining acts. That is, the comprehensive integrity is an indicator that shows the level of integrity and the current status of corruption at a certain public institution, evaluated by the perspectives of the general public, employees of the institution, and policy customers.

Structure of Comprehensive Integrity



2014 Integrity Assessment Result

(1) Target institutions

In 2014, Integrity Assessment was conducted for 40 central government agencies, 17 metropolitan local government offices, 226 provincial and county government offices, 17 city/provincial offices of education (105 local offices of education), 235 public service-related institutions including state-owned enterprises, 45 public health institutions, and 36 national and public universities.

(2) Survey methods and major changes from previous model

For the Integrity Assessment, surveys were conducted by a total of 253,819 persons. For the measure of external integrity, the 176,081 people (citizens/public officials) surveyed all had experienced the public service provided by the target institution in relation to the work areas assessed, over the period from July 1, 2013 to June 30, 2014. The measure of internal integrity assessment was carried out for 56,701 employees of the target institutions, and 21,037 people participated in the policy customer evaluation survey included scholars, journalists, officials of the National Assembly and the Board of Audit and Inspection, and others from civil groups and public institutions.

Points were deducted from the total score for comprehensive integrity for acts of corruption, which was calculated from the statistics on corrupt officials who were disciplined and punished for corruption, auditing documents provided by the Board of Audit and Inspection and the supervisory institution, and the media coverage on corruption scandals at the target institution. Points were further deducted on acts of breach of reliability, for example, whether the institution tried to influence the survey respondents into giving a high score.

(3) Overall assessment result

In 2014, the average score of the comprehensive integrity of all the target institutions recorded 7.78 pts on a 10-point-scale, a slight decrease (by 0.08 pts) from the previous year.

Changes of Comprehensive Integrity Score by Year (2002–2014)

(Unit : pts)



※ There are gaps in the time series due to changes of assessment model in 2008 and 2012.

(4) External integrity result

The External Integrity score assessed by citizens and public officials who have received or experienced public services over the last 1 year decreased to 7.95 pts from 8.90 pts in 2013. While the indirect corruption experience and the perception on corruption have improved, there was an increase in the number of respondents who reported that they have personally experienced exchanges of money, gifts, entertainment, and favors.

(5) Internal integrity result

The average score of the internal integrity assessed by employees was 7.82 pts, down by 0.11 pts compared to 2013. The rate of direct/indirect experience of corruption in personnel management improved, but the experience and perception of corruption in budget execution and unfair work order deteriorated from the previous year. And the assessment both for the corporate culture, such as the level of nepotism within the organization, and the effectiveness of the internal whistleblower protection system was also lower compared to 2013.

(6) Policy customer evaluation result

The policy customer evaluation was carried out by field experts and duty-related parties, local residents, parents, etc. The result was 6.86 pts, a slightly lower figure than that of 2013 (6.95 pts). The rate of corruption experience

slightly increased compared to the year before, but the perception on issues such as budget waste and the wielding of undue influence by retired officials remained the same as the previous year. As for corruption control, including the severity of punishment and disciplinary action against corruption perpetrators as well as the effectiveness of the whistleblower protection measures, the perceptions of the survey respondents somewhat deteriorated compared with the last year.

(7) Assessment result of institutions with tailor-made models (public health institutions, national and public universities)

a. Assessment result of public health institutions

The Integrity Assessment for public health institutions was conducted for the third time since the Integrity Assessment was first carried out in 2010. This year, in particular, a separate assessment model was used, one that has been specially designed to reflect unique characteristics of public health institutions. The comprehensive integrity measure of public health institutions was calculated by first collecting survey results (internal integrity, external integrity, and policy customer evaluation), and then deducting points based on the statistics on corruption cases, receipt of illegal rebates, and lack of improvement efforts to eliminate loopholes in the medical expense deduction system.

The average score for 46 public health institutions including national/public university hospitals and public medical centers was 7.72 pts out of 10 pts, 0.14 pts lower than the comprehensive integrity score for public institutions in 2013, which was 7.86 pts.

Among the most frequently mentioned problems with public health institutions were illegal rebates related with the purchase of medicine and medical devices. Therefore, the survey was conducted on this issue and the employees of those institutions, suppliers, former/retired employees, and supervisory and managing organizations were surveyed. As a result, an average of 28.1% of the respondents said they had received or given rebates. This result indicates that the level of corruption at public health institutions is much higher than that of other public institutions, given that the rate

of corruption experience of public service users was 2.4% (0.7% for direct experience and 1.7% for indirect experience) in this year's integrity assessment.

b. National/public universities assessment result

The assessment of 36 four-year national/public universities showed that the average comprehensive integrity score was 5.67 pts out of 10 pts.

The integrity score for "contracts", which was evaluated by business partners with whom the universities had contractual relationships, was a relatively high 7.22 pts, but the "research and administration" integrity level, evaluated by the full-time professors, part-time lecturers, teaching research assistants and university staff, showed a lower result of 5.38 pts. The assessment results were especially poor in areas of inappropriate external activities of faculty, recruitment and promotion based on nepotism, and the corruption control system.

Future Plans

The ACRC has been and will continue to make strenuous efforts to enhance the assessment model to improve the integrity level of the public sector. It will provide support for public institutions with low integrity level scores by helping them establish countermeasures for improvement in order to drive up their ranking through the implementation of Anti-Corruption Initiatives. At the same time, the Commission is also willing to fully support public institutions by sharing best practices and providing anti-corruption consulting services. On the international front, it also plans to strengthen its technical assistance to developing countries in the Asia-Pacific region in line with its support for global anti-corruption efforts.

2. Anti-Corruption Initiative Assessment for Public Institutions

Purpose and Principle

The Anti-Corruption Initiative Assessment has been conducted on a yearly basis since the launch of the Korea Independent Commission Against Corruption

(the predecessor institution of the ACRC) in 2002 under Article 12.6 (The examination and evaluation of the current state of affairs of public organizations' corruption prevention measures) of the ACRC Act and Article 7 of the Enforcement Decree of the ACRC Act. The Anti-Corruption Initiatives Assessment (AIA) is aimed at evaluating the appropriateness and effectiveness of anti-corruption efforts made by each public institution and then announcing the assessment result, thereby encouraging anti-corruption efforts by public institutions and sharing best anti-corruption practices across the public sector.

In 2008, the ACRC digitized performance report submission process to relieve the workload of the target organizations, and since 2012, the assessment has put a focus on measuring the practical performance and the effectiveness of the target organizations' efforts rather than measuring the number of anti-corruption programs conducted.

In 2014, lower-level local governments and national/public universities were included in the organizations to be assessed, expanding the number of target organizations to 254. Assessment indices were also added in order to realize the government's policy tasks such as straightening out the misguided practices of the past.

In particular, the ACRC led public institutions into carrying out their own anti-corruption initiatives to improve the integrity level across the nation, and recommended those institutions to forge cooperative relationships in order to spread a culture of integrity and anti-corruption attitudes across the public sector. Moreover, the scope of target organizations was expanded, adding 24 lower-level local governments, 11 national/public universities and newly established public service-related institutions.

The final result of the AIA is disclosed to the public, with the target organizations divided into five levels depending on the type of organizations. Since 2011, the ACRC has been producing and providing an "Evaluation Report" for each institution to increase the feedback on the assessment result and make it possible for the assessed organizations to identify exactly areas in which they are showing good or poor performance. In addition, the Commission is helping public institutions to promote anti-corruption initiative on their own by identifying and sharing outstanding anti-corruption policies and initiatives.

Assessment Framework

The divisions of the ACRC in charge of each initiative formed an assessment panel to conduct internal evaluations of major anti-corruption initiatives promoted by the ACRC. An assessment panel consisting of external experts including academia evaluated qualitative assessment indices, such as the appropriateness and performance of each institution's promotion plan and best anti-corruption practices.

Assessment Criteria

The AIA consisted of three main parts, government initiatives, voluntary initiatives and performance in preventing corruption until 2011. However, since 2012, the assessment has only 2 parts, willingness and efforts to prevent corruption, and the actual achievements in corruption prevention. The details for the 2014 assessment are as follows:

The willingness and effort for corruption prevention part consists of the following 5 assessment criteria.

(1) Establishment of anti-corruption infrastructure

Introduction of an incentive system for higher levels of integrity, improvements in internal cooperation, promotion of internal audit and inspection, stricter punishment against corruption, and the heightened integrity level of affiliated organizations, are evaluated.

(2) Enhancement of policy transparency and reliability

The transparency of administrative procedures and the reliability of policy implementation, the transparent disclosure of expenditures including operating expenses, and the operation of the Integrity Ombudsman and the public-private governance, are assessed.

(3) Eradication and improvement of corruption-causing factors

The implementation of recommendations for institutional improvement and recommendations based on the result of the Corruption Impact Assessment, voluntary promotion of anti-corruption initiatives, and the improvement in corruption-prone areas are evaluated.

(4) Promotion of a culture of integrity in the public sector

The will and effort of the head and high-ranking officials of the target organization, the promotion of anti-corruption education and training, and the spread of best practices in corruption prevention are evaluated.

(5) Encouragement of corruption prevention activities and whistleblowing

The establishment of a system to prevent violations of Code of Conduct for Public Officials, the encouragement of public interest whistleblowing and the protection of whistleblowers, and the support for reporting of welfare fraud and waste of government funds are assessed.

The second part of the assessment, achievements in preventing corruption, reflects the level of improvement of integrity and the statistics on corruption cases at the institution.

Target Organizations

The number of target organizations has been steadily increasing until 2013, when the supervisory institutions assessed their affiliated institutions, leading to the number of target organizations to 225 institutions. In 2014, the number was increased to 254 institutions to eliminate blind spots in the corruption prevention area.

Results of the 2014 Assessment

(1) Overview

2014 was the second year of the Park administration, and the AIA focused on spreading anti-corruption measures government-wide and reinforcing the capabilities of public institutions to initiate voluntary anti-corruption policies. As a result, public institutions are more aggressively working on the implementation of anti-corruption initiatives reflecting their characteristics and situation.

For example, most of the target organizations joined in the anti-corruption efforts to straighten out the misguided practices of the past, and a number of best practices were identified which may have applications not only in the

public sector but also in the private sector. Also, adding an assessment item of whether central government agencies conduct the anti-corruption initiatives assessment for their affiliated institutions, encouraged supervisory organizations to conduct assessments of affiliate institutions, thereby effectively expanding the range of target organizations. This was significant in that it showed that the assessment is effective as a tool to reduce corruption-prone areas. Moreover, evaluating target organizations on their progress on implementing best initiatives from the previous year's assessment increases feedback on best practices, and can be an effective measure to build a sound foundation for a culture of anti-corruption at public institutions.

However, some institutions are still emphasizing anti-corruption activities aimed to achieve high scores on the assessment, rather than addressing the fundamental issues in their organizational culture and anti-corruption programs. Other problems are that some institutions continue to maintain existing anti-corruption policies and initiatives without correcting previously identified issues, or simply adopt other institutions' examples without customizing to suit their own situation.

Aside from the above mentioned issues, there are still many challenges ahead, including developing and introducing indices that can more accurately show the performance of target organizations, establishing a more effective assessment framework while reducing the burden on institutions, and promoting anti-corruption initiatives that will have a transformational impact on the nation.

(2) Assessment results by type of target organizations

In 2014, there were a total of 40 Level 1 organizations, including 6 central government agencies, 10 local governments (2 metropolitan governments, 5 lower-level local governments, 3 city/provincial offices of education), 2 national/public universities and 22 public service-related institutions.

By type of institutions, central government agencies showed increase in differences in assessment results in general, except for Type 1 organizations. This can be explained with the lack of will and effort in anti corruption initiatives in

some target organizations in the assessment group.

As for metropolitan governments and the city/provincial offices of education, the level of deviation in the assessment results of each institution decreased, indicating that most of the institutions actively implemented anti-corruption policies and assessment results in all organization improved.

Follow-up Measures and Future Direction

Individuals who played a leading role at high performing target organizations and the institutions with overall high scores are awarded with medals and financial reward every year.

In addition, the comprehensive assessment results and the results for each target sector, as well as the analysis report on the high performing institutions are provided to the target organizations, so that each institution can self evaluate and identify areas for improvement. Meanwhile, the ACRC plans to further develop the AIA by strengthening evaluation criteria for institutions' practical efforts to curb corruption, such as improving the long-standing structure of corruption, rooting out unfair practices especially in areas that directly impact the people, and reforming unnecessary regulations. Through these measures, the AIA will become more advanced assessment framework that will encourage public officials to meet the high expectations of the people and reinforce the morality of public officials.

Section 6 | Corruption Impact Assessment

1. Overview

The Corruption Impact Assessment is a system to identify and remove corruption-causing factors in the legislation draft or revision bills, the existing laws and subordinate statutes, administrative rules, local government regulations, and internal regulations of public service-related institutions. The Corruption Impact Assessment was introduced on Dec. 29, 2005 with the revision of the Anti-Corruption Act, and conducted from Apr. 1, 2006. The assessment for the public service-related institutions was first carried out on Dec. 28, 2007.

In 2014, the ACRC announced its three main policy priorities to fill the loopholes in existing laws and regulations, with the purpose of eliminating chronic corrupt practices in the area of outsourcing and contracting out functions closely related to the people's lives by local governments. The Corruption Impact Assessment was conducted in line with the announced policy priorities. The Commission also provided consulting services to two government ministries (the Ministry of National Defense and the Ministry of Environment) as part of the "On-demand Corruption Impact Assessment Consulting Service" which was launched to strengthen each agency's capabilities to conduct the assessment. It also offered support to employees in charge of the Corruption Impact Assessment by distributing case-study books and providing online training courses. These are among the various policies the ACRC implemented to build the groundwork for the related institutions to conduct self-assessments in the long term.

2. Major Achievements

(1) Corruption Impact Assessment for the draft of laws or revision bills of existing ones

In 2014, a total of 1,889 draft or revision bills were assessed. Among them, 230 corruption-causing factors in 137 laws were identified and revisions of the provisions in question were recommended to the competent government agencies.

① Improvement recommendation by types of law

Recommendations were made for 137 laws and subordinate statutes to remove corruption-causing factors, including 29 cases for laws, 68 for presidential decrees, 40 for prime minister's ordinances and ministerial ordinances. As for the ratio of the number of recommendation cases to the total number of assessed cases, presidential decrees was the highest with 68 cases out of 825 (8.2%), followed by laws with 29 out of 382 (7.6%), and prime minister's and ministerial ordinances with 40 out of 673 (5.9%).

② Improvement recommendation by sector

Breakdown of recommendations by sector shows, 61 cases of recommendation were made out of 108 laws and subordinate statutes in the public administration

sector, the largest number of all sectors. The next is the environment/public health (31 laws and subordinate statutes, 47 recommendations), followed by the industry/development (13 laws and subordinate statutes, 25 recommendations).

③ Improvement recommendation by ministries

Among the 137 laws and subordinate statutes for which revision recommendations were made, the Ministry of Land, Infrastructure and Transport has the most laws under its jurisdiction (18 laws), followed by the Ministry of Environment (17 laws), the Ministry of Food and Drug Safety (9 laws), and the Ministry of National Defense, the Ministry of Health and Welfare, the Ministry of Safety and Public Administration (8 laws respectively).

(2) Corruption Impact Assessment for existing laws and subordinate statutes

The 2014 Corruption Impact Assessment was conducted with the aim of identifying and eradicating corruption-causing factors that are deeply entrenched in laws and regulations, in order to prevent leakage of government funds and make government more accountable and efficient in executing the budget, by thorough assessments of local governments that deal with tasks which most directly impact people's lives. This assessment also aims to contribute to realizing the promises the administration had made on the presidential campaign trail, which are rooting out corrupt practices such as improper solicitation and influence peddling and building a society of happiness for the people.

In line with this, the assessment focused on raising the quality of administrative services for citizens, eliminating inconveniences in people's lives, and relieving the financial burden on the people, by prohibiting illegal and unfair business practices in public service outsourcing, such as outdoor advertising materials and domestic waste treatment, because this type of government outsourcing particularly requires transparency and fairness in its operational procedures. The ACRC also made recommendations for the "improvement of fairness and transparency of outsourcing the management of youth training facilities owned by local governments" in order to prevent any preferential treatment from being given to a

specific party during the bidding and operation processes. To develop the draft of suggestions, the Commission took steps to find more objective and practical solutions, through review of related documents and materials, surveys, on-site inspection and consultation with field experts.

(3) Corruption Impact Assessment for local governments' rules and regulations

Many of corruption-causing factors in the draft/revision bills of laws and provisions of existing laws under the jurisdiction of central government agencies have been revised, because the ACRC conducts the assessment on behalf of the central government agencies. However, the rules and regulations of local governments are to be assessed directly by the local government agencies, so there have been limitations in rooting out corruption-causing factors in the rules and regulations, due to the lack of expertise among local government officials and the relative unwillingness of local governments to conduct the assessment.

To address these issues, the ACRC published and distributed the manual for corruption impact assessment for local government rules and regulations, and developed and provided online training courses for local government officials with the aim to enhance their expertise and capacity to conduct assessment and to lay the foundation for self-assessment. At the same time, an index was added to the assessment criteria on whether the local government put provisions for the mandatory operation of the corruption impact assessment in their rules and regulations, so that the self-assessment system may take root in local governments. As a result, all of the assessed metropolitan governments (17 local governments) and the city/provincial offices of education (17 offices) made it mandatory to conduct the corruption impact assessment under their rules and regulations in 2014. In addition, of the 24 city/county-level local governments (with population exceeding 500,000) which were subject to the Corruption Impact Assessment for the first time, 16 added mandatory corruption impact assessment to their local rules and regulations.

(4) Corruption Impact Assessment for internal regulations of public service-related institutions

The internal regulations of public service-related institutions serve a similar role to that of laws and subordinate statutes because they affect people's legal rights/obligations or are established under the law, which makes the internal regulations closely related with people's lives. However, there are still regulations not disclosed to the public, and established or revised without gathering opinions from stakeholders and related parties, thereby limiting the public's access to information.

To address this, the ACRC actively encouraged public service-related institutions to disclose their internal regulations, and for the regulations that have directly impact on the people, it was suggested that the institutions make a pre-announcement of the establishment or revision of internal regulations and gather opinions from the stakeholders, and suggested to include the pre-announcement process in the regulations so as to institutionalize the process.

Moreover, the Commission recommended that public service-related institutions build their own corruption impact assessment system to eliminate corruption-causing factors in their regulations prior to creating or revising regulations, and reflect as such in the related regulations.

As a result, 108 (75%) out of 144 target institutions decided to disclose all of their internal regulations to the public, and 81 (56%) out of 144 established a separate provision on the disclosure of regulations to be established or revised. In addition, 143 institutions have provisions in their regulations of a special division dedicated to the corruption impact assessment within their organization. This progress signifies that the corruption impact assessment is spreading across public service-related institutions.

Chapter 2

Handling Corruption and Public Interest Violations and Operating Code of Conduct

Section 1 | Receipt and Handling of Corruption Reports

1. Overview of Corruption Report System

Since the ACRC moved to Sejong City, the administrative capital, from Seoul, the Commission receives and provides advice on corruption reports, public interest whistleblowing reports, and complaints on Code of Conduct violations for Public Officials at the ACRC Seoul Complaints Center and the Sejong Complaints Center. Such reports can also be submitted through the Commission's smartphone application.

When a corruption report under the Article 2 (4) of the ACRC Act is submitted, the case is investigated by the ACRC officers, reviewed by the committee, deliberated by the Commission, then referred to the Board of Audit and Inspection, investigative agency or the supervisory agency overseeing the public institutions with which the report is associated (hereinafter "examination agencies").

However, even if a case is classified as a corruption report, it can be sent to the public institution in question when the case lacks reasonable ground to prove corruption and should be handled by the public institution and closed if the ACRC division in charge of the issue judges that the case can be closed.

2. Statistics on Receipt and Handling of Corruption Reports

From the launch of the Korea Independent Commission against Corruption (Jan. 25, 2002) and the launch of ACRC (Feb. 29, 2008) to the end of Dec. 2014, a total of 32,874 reports were submitted to the Commission.

Statistics on Reports Received

(Unit : No. of cases)

Year	Total	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
No. of Cases Received	32,874	2,572	1,679	1,763	1,974	1,745	2,544	1,504	2,693	3,099	2,529	2,527	3,735	4,510

Among them, 32,727 cases were handled in total, 1,271 cases were referred to examination agencies for inspection or investigation (including 3 cases against which a criminal charge was brought), 483 cases were reported to the related institution after violations of the Code of Conduct were confirmed, 9,754 cases were sent to the related public institution and 21,219 cases were closed.

Statistics on Handling of Reports

(Unit : No. of cases)

Handling Result	Total	Referred	Notified of code of conduct violations	Sent to the public institution	Closed
Reports handled	32,727	1,271	483	9,754	21,219

* Excluding 147 cases under review

3. Statistics on Referral to Examination Agencies

Among corruption reports received by the ACRC, a total of 1,271 cases were referred to examination agencies (including 3 cases against which a criminal charge was brought). As at end of Dec. 2014, there were 1,054 cases with the results of the investigation notified, excluding 217 cases under investigation/inspection by the examination agency, and 71.3% of the cases confirmed the corrupt acts allegations.

Statistics on Referral to Examination Agencies

(Unit : No. of cases, %)

Category	Total	Referred to examination agencies				Rate of corruption confirmed (②/①)
		Investigation result notified			Under investigation	
		Subtotal ①	Corruption confirmed ②	Acquitted		
Total	1,271	1,054	752	302	217	71.3

Among the cases referred, a total of 752 cases were confirmed to be corrupt conduct. As a result, 2,170 people were prosecuted, 1,468 people were handed disciplinary actions, 95 people were charged, dismissed or have resigned, 126 warnings were issued against institutions, and 82 recommendations for institutional improvement were made. In addition, as much as KRW 553 billion is to be recovered or to forfeit as penalty tax/criminal proceeds from corruption.

By type of examination agencies to which the 1,271 corruption cases were referred, and by lead institution when 2 or more agencies are involved, 554 cases were referred to the National Police Agency (43.6%), 325 cases to the Supreme Prosecutors' Office (25.6%), 133 cases to the Board of Audit and Inspection (10.5%), 137 cases to central government agencies (10.8%), 101 cases to local governments (7.9%), and 21 cases to other institutions (1.7%).

Of the 236 referred cases in 2014, by the type of institutions where corrupt officials worked, the private sector institutions showed the largest number with 201 cases (85.2%), followed by local governments with 15 cases (6.4%), and public service-related institutions with 11 cases (4.7%). As for the type of corrupt conduct, 191 cases (80.9%) were swindle of money in relation with welfare benefits/subsidies or the bidding of construction project, making up the largest proportion of the total, followed by embezzlement or illegal use of public funds with 14 cases (5.8%), and bribery with 10 cases (4.2%).

4. Statistics on Receipt and Handling of Internal Whistleblowing Reports

From Jan. 2002 to the end of Dec. 2014, a total of 1,271 corruption reports were referred to examination agencies, and among them, 637 cases, or 50.1%, were reports made within the organization. Apart from the 117 cases under

investigation, results of 520 cases were concluded and notified, and 74.2 % of the cases were confirmed to be corrupt acts. The rate of confirmed corruption from internal reports was higher than the overall rate of 71.3%.

Among the internal corruption reports referred to examination agencies, corrupt conduct was confirmed in 386 cases. After the investigation, 2,348 people were formally charged or faced disciplinary action. What is noteworthy is that the amount recovered or collected as a result of internal corrupt reports is KRW 450 billion, accounting for 81.4% of the total amount to be of KRW 553 billion which will be recovered from corruption cases. This proves that internal whistleblowing is an effective tool to detect corruption.

Section 2 | **Restriction on Employment of Public Officials Dismissed for Corruption**

1. Purpose

The ACRC has put in place restrictions on the employment of public officials who were dismissed for corrupt acts and wrongdoings, in order to enhance the degree of integrity in the public sector. This is a system to ensure public officials work with integrity and impartiality, and to prevent conflicts of interest from the economic activities of the corrupt officials after dismissal.

2. Operational Status

Statistics on the Number of Public Officials Dismissed for Corruption

According to the data submitted to the ACRC from public institutions, 2,161 public officials were dismissed for corruption from 2009 to the first half of 2014. By type of institution, 664 officials were from central government agencies, 526 from local governments, 254 from offices of education, and 717 from public service-related institutions.

By type of corruption, the most often committed corrupt act was bribery and the receipt of hospitality and entertainment with 1,444 perpetrators, followed by the

embezzlement or illegal use of public funds with 466, abuse of public authority or dereliction of duty with 73, forgery of documents with 52, and other types of wrongdoings (inappropriate handling of duty, violations of laws and regulations related with budget and financial management) with 126.

Inspection on Employment Status of Public Officials Dismissed for Corruption

The ACRC compiled the employment statistics of public officials dismissed for corruption based on the list of officials dismissed for corruption submitted by each public institution and employment data from the National Health Insurance Service. The results show that some officials, including local government officials and former employees of public service-related institutions, violated the employment restriction and found employment at constitutional institutions or other public service-related institutions. The ACRC convened Commission's plenary committee with regards to one such public official, and subsequently submitted a request to the public institution that the official be dismissed and be charged.

Section 3 | **Operation of Corruption Inspection Team**

1. Overview

The Corruption Inspection Team is mandated to conduct investigations into institutions and areas with high risk of corruption, to collect corruption-related information and provide information on how to file a corruption report, and to conduct special inspection on corruption-prone areas, contributing to eradicating corruption-risk factors and enhancing the ACRC's role and status as the national corruption-prevention agency.

2. Major Achievements

Inspection on Embezzlement of Government Subsidies in Line with the Government-Wide Efforts

The inspection team opened an investigation into

the management of thousands of millions of KRW of government subsidies which were provided to attract citizens to rural areas and to boost the local economy. The investigation discovered speculations on land by registering with borrowed names, illegal sale of subsidized land by migrant residents, and mismanagement by public officials, leading to the waste of government budget of KRW 37.3 billion in 26 areas nationwide. The inspection team referred those cases to investigative agencies and notified the supervisory agencies.

Inspection on Corruption-Causing Factors Derived from Misguided Work Practices

The ACRC selected the “leakage of public funds due to irregular work practices across the nation” as its priority task, and conducted an investigation into the collection of recovered public funds by the court ruling over the last 5 years for 12 city/county governments. As a result, it was revealed that there were losses to the revenues of local governments because the public officials and lawyers who had been in charge of the lawsuit for the recovery of wasted funds did not return the collected funds to the local governments. Therefore, the ACRC notified the Ministry of Government Administration and Home Affairs of the need for a nation-wide inspection on the issue and to improve related procedures.

Detection of Waste of Public Funds and Corruption by Public Officials

A report was submitted with allegations that local government officials in charge of audit swindled education and training expenses. The ACRC randomly chose 8 metropolitan governments and investigated the payment of education and training expenses to public officials made over the last 3 years. The investigation revealed that local governments have wrongfully received tens of millions of KRW. The Commission referred the case to related agencies and requested to the Audit and Inspection Training Institute to make necessary improvements of the system.

Section 4 | Operation of Code of Conduct for Public Officials

1. Overview

Concept and Purpose

The Code of Conduct for Public Officials is the standard for behavior to which public officials must comply to perform their public duties with integrity and to prevent corruption. The code of conduct has the characteristics of both the code of ethics, which includes basic values the members of an organization should uphold, and the code of practice, which stipulates specific procedures and criteria members should follow.

Legal Grounds for Code of Conduct

Korea’s Code of Conduct for Public Officials has its legal ground in the Act on the Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission of Korea (the ACRC Act). The Act stipulates the obligation to establish sound ethical standards in society and to prevent corruption in Article 3 (Responsibilities of Public Institutions), and to observe the law, to perform one’s public duties with kindness and integrity, and to not engage in any form of corruption and behaviors undermining the dignity as public officials in Article 7 (Public Officials’ Obligation for Integrity). Article 8 (Code of Conduct for Public Officials) requires that the Code of Conduct for Public Officials be established in the form of Presidential Decree, the National Assembly Rule, the Supreme Court Rule, the Constitutional Court Rule, the National Elections Commission Rule or the internal regulation of public service-related institutions, thereby obligating all public institutions to establish and implement a code of conduct for their members and employees.

Operation of Code of Conduct by the ACRC

The ACRC supports the operation of the code of conduct at each public institution while manages and monitors the overall system of code of conduct. The Commission also receives the reports of violations of code of conduct,

and monitors the operation and management of code of conduct by each public institution.

2. Major Achievements in 2014

Revision of the Guidelines on the Operation of the Code of Conduct for Public Officials to Prevent Improper Solicitation and Influence Peddling

According to the ACRC's survey conducted in Dec. 2013, both public officials (35.0%) and citizens (27.0%) of the respondents said that improper solicitation and influence peddling can be seen most frequently in personal relationships associated with regional background, education, and religion.

Based on the result, the ACRC gathered suggestions from 224 institutions including central government agencies, local governments and public service-related institutions, and revised the Guidelines on the Operation of the Code of Conduct for Public Officials in June 2014. The revised bill was notified to 1,216 public institutions across the country.

Under the revised guidelines, a public official should consult his/her immediate supervisor or the code of conduct officer (or the auditor) at the institution on the evasion of duty when his/her duty-related counterparty is a retired official who worked at the same division or who has a personal connection with him/her in terms of education, origin, religion, or profession.

It is expected that the revision would build a fairer work environment in the public sector by preventing conflict of interest from illegal solicitation and influence peddling based on personal connections.

Recommendation for Measures to Improve the Level of Compliance among Public Doctors

There are public doctors who are practicing medicine at public health institutions in rural areas, as an alternative to the mandatory military service. Under the law, they are contract government officials providing medical services to the people.

The ACRC's Code of Conduct Division conducted an

investigation on the compliance status of the code of conduct for public doctors at 12 public health institutions over the period of two months, from Apr. to May, 2014. The division made improvement recommendations for around 270 institutions including the relevant government agency (the Ministry of Health and Welfare), the Military Manpower Administration, local governments, national/public hospitals, and local public hospitals, in order to address problems found as a result of the inspection.

Recommendations Suggested

Recommended action	Related institution
1. Inclusion of "public doctors" in the list of public officials covered by the Code of Conduct	Institutions with public doctors
2. Compliance with the prohibition of using budget for unspecified purposes	
3. Strengthen education and training on the Code of Conduct for public doctors	
4. Reinforcement of criteria for disciplinary action on the receipt of money/valuables and the pursuit of personal gains	
5. Monitor and inspect the implementation of Code of Conduct and the Code training programs	

If the above recommendations are implemented as suggested, it is expected to improve the integrity level of public doctors while enhancing the quality of public health services provided to citizens.

Recommendations on the Revision of the Code of Conduct of Public Health Institutions to Prevent Illegal Rebate

In order to root out the practices of illegal rebates for medicines, the Government has been continuously working on this issue, as can be seen in the introduction of the dual punishment system in 2010, and the strengthening of administrative punishment against those who received rebates in 2013.

In line with such efforts, the ACRC prepared improvement measures based on the result of an investigation on illegal rebates at public health institutions (including national hospitals and health centers) conducted from March to April 2014. After a discussion forum with related government agencies such as the Ministry of Health and

Welfare in June, the Commission made recommendations on the “measures to improve the Code of Conduct for public health institutions to eliminate illegal rebates” to a total of 3,671 public health institutions.

According to the ACRC’s recommendations, each public health institution shall add provisions on the definition of illegal rebate in their codes of conduct and obligate public health institutions to take disciplinary action against employees who received illegal rebates. Moreover, they will establish the Review Council on medicine and other matters to prevent illegal rebate.

Support for Local Assemblies and Other Institutions for the Operation of the Code of Conduct

① Encouraging the establishment of the “Code of Conduct for Local Assembly Members” as Municipal Ordinance and drawing public attention to the importance of compliance to the Code On Feb. 3, 2011, the ACRC enacted and implemented the Code of Conduct for Local Assembly Members to create a clean, transparent public sector with local assembly members performing their duty as representatives of the local people in a fair and clean manner.

In 2014, the ACRC continued its effort to make local assemblies enact a municipal ordinance for an effective implementation of the Code of Conduct for Local Assembly Members. As of end of 2014, 89 local assemblies out of 243 across the country have the code of conduct in place, 38 more local assemblies having established the code of conduct compared with 51 local assemblies in the end of 2013.

In addition, the ACRC held a briefing session on the Code of Conduct for Local Assembly Members to strengthen the public support necessary for its successful implementation. The executive officers of the Secretariat of 243 local assemblies and the auditors of local governments attended the briefing session, and there the need to establish the code of conduct was reiterated. Also, the results of the code of conduct implementation inspection and major cases of code of conduct violation were shared among participants, leading to the enhanced awareness of the importance of integrity and the necessity of the code of conduct.

② Support for the implementation of the code of conduct at each institution

The ACRC has been providing support for the effective implementation of the code of conduct of each institution. Among these efforts, briefing sessions on the code of conduct were held twice in April and September 2014, for 86 institutions which were newly designated as public service-related institutions. At the briefing session, the necessity of the code of conduct and major challenges in the establishment process, key points of the code of conduct, and anti-corruption initiatives to enhance the integrity level of institutions were introduced. The ACRC reviewed the draft and revision bills of the code of conduct from each institution to ensure the appropriateness of the code of conduct, and made corrective recommendations where necessary. In 2014, the codes of conduct of 146 institutions were reviewed by the ACRC.

Next, the ACRC offered support on the code of conduct to public institutions by providing advice on the operational issues and legal interpretations of the standards for behaviors. There were an average of 300 cases a month via official documents and phone-counseling, amounting to around 3,600 cases a year. Moreover, counseling was provided for 209 cases through the eCLEAN system, a dedicated online counseling channel on the ACRC’s administrative information system.

Finally, in 2014, the Commission distributed the casebook of code of conduct best practices and the compilation of the code of conduct related laws and statutes, so that public institutions have easy access to necessary information when they operate the codes of conduct. The ACRC’s investigators also visited public institutions and held lectures for employees throughout the year.



ACRC Investigator’s Lecture for Public Institution Employees

4. Assessment and Future Plans

The Code of Conduct for Public Officials has played a leading role in driving public officials to perform their duties with fairness and integrity. According to the 2013 survey on the code of conduct, 90.0% of public officials responded that they were aware of the code of conduct, and 75.0% said the code of conduct positively affected their efforts in carrying out their duties in a fair and transparent manner.

However, with the high public expectations for a stricter and more transparent public sector, there is increasing demand for the need to revise the Code of Conduct for Public Officials to better reflect its function as the most important standards of behavior for public officials, as well as the need for local assemblies to enact their own code of conduct in the form of a municipal ordinance in line with the Code of Conduct for Local Assembly Members established in 2011.

In 2015, the ACRC plans to work on the enactment of the Code of Conduct for Ministers (tentative) and to promote a culture of integrity across the public sector with high-ranking officials taking the lead through the spread of best practices in terms of the amount of honorarium paid to high-ranking officials and the gift money for personal festivities and funerals. Meanwhile, it also plans to conduct an investigation into the external lectures given by public officials, to set a ceiling on the amount they can receive as honorarium for the lecture and manuscript, which will be recommended to public institutions. As for the Code of Conduct for Local Assembly Members which was established 5 years ago, the ACRC will carry out inspection on the operation of the code of conduct by each local assembly and provide on-site counseling service so that the code of conduct will take a firm root in local governments and assemblies.

For the reports of the code of conduct violations, swift and strict responses will be continued. The Commission will analyze corruption-prone areas and select priorities for inspection, and monitor each public institution's code of conduct operational status from a strategic perspective to secure the effectiveness of the code of conduct.

Section 5 | Operation of the Protection and Reward System for Whistleblowers

1. Protection of Corruption Reporters

Concept of Whistleblower Protection System

Whistleblower protection system is a legal mechanism to encourage any person who has learned of corruption or violation of codes of conduct to report the wrongdoing to the ACRC or the institution to which the person belongs without fear of reprisal.

The reporter can request and receive from the ACRC protective measures such as protection of identity, employment, physical safety and mitigation of culpability under the protection system. Major protective measures under the ACRC Act are as follows.

Key Details of Whistleblower Protection System

(1) Conditions for protection

A corruption report should be made in written form and include the reporter's personal information, intention and reasons for reporting. The reporter should also clarify the subject and evidence of his/her report in order to be protected. However, the reporter cannot be protected if the reporter made a disclosure knowing that the allegations were not true or was likely to know that it was false.

(2) Key protective measures

a. Protection of identity

If the identity of the whistleblower is revealed without his/her consent, the ACRC conducts an investigation into how the revelation happened, when it is confirmed that the confidentiality was violated, and the ACRC takes necessary steps such as requesting to the employer to take disciplinary action against those involved in the leakage of the whistleblower's identity.

b. Guarantee of employment and other economic/administrative rights

The ACRC Act stipulates that any person who has filed a report or testimony or submitted documents in accordance with the Act, may not be subject to discrimination or disadvantages in terms of the person's employment or working conditions from the institution, group or company to which the reporter belongs. If the reporter suffers or is likely to suffer any disadvantageous measures for having filed a report, he/she can request the ACRC to take necessary actions to protect his/her employment, including the reinstatement of reprisal.

If the request is concluded to have reasonable grounds after investigation into the request, the ACRC may require the head of the institution involved to take necessary steps, which the head of institution should follow unless there are justifiable reasons not to do so. If the reporter is a public official and he/she requested protective measures for personnel management and the request is found to be reasonable, the ACRC can request the Ministry of Government Administration and Home Affairs or the head of institution in charge follow the request.

The ACRC may make a request to the employer or disciplinary officer to take disciplinary action against those who subjected the whistleblower to discrimination or disadvantages in terms of employment status or working conditions, and the Commission may directly impose a penalty not exceeding KRW 10 million on that person. When the person who took discriminatory action does not follow the ACRC's demand, he/she will be punished with a sentence of imprisonment of up to 1 year or a fine not exceeding KRW 10 million.

c. Physical protection

The reporter can ask for protective measures when the reporter, his/her family members, or cohabitants feel threatened as a result of the report. When such a request is made and the ACRC conducts an investigation and finds the protection necessary, the ACRC can request for protection to the chief officer of the police station in charge.

The chief of the police station that received the request should implement one of the following protective measures as necessary: ① protection at a specific place or facility, ② provision of a bodyguard, ③ provision of escort on the reporter's way to and from the police to give testimony or a witness, ④ regular patrolling around the reporter's residence, and ⑤ any other necessary measures deemed necessary to protect the safety of the reporter.

(3) Other protective measures

If a whistleblower reports in accordance to the ACRC Act, and as a result, it is revealed that the whistleblower him/herself is involved in a crime, his or her culpability may be mitigated or exempted, and this can be applied mutatis mutandis to any disciplinary action imposed by public institutions.

In addition, if the disclosure was made under the ACRC Act, it will be deemed that the whistleblower has not violated their employer's confidentiality obligation regardless of provisions under other laws, collective agreements or employment regulations.

Protection Efforts and Achievements

(1) Protection efforts

a. Preventive and cooperative efforts for protection

To prevent any disadvantages against whistleblowers, the ACRC appointed a whistleblower protection officer who identifies cases requiring protection from the initial stages of report filing. In June 2014, the ACRC sent an explanatory memorandum on the whistleblower protection system to 1,300 public institutions, in order to provide support to the institutions in operating the internal protection system. In addition, from Oct. to Dec. 2014, the Commission conducted a written survey and on-site inspection for 600 public institutions including central government agencies, local governments, offices of education (including education support administration offices), and public service-related institutions to monitor the current status of each institution's whistleblower protection system.

b. Medical support and legal aid

The ACRC signed an MOU with the Korean NeuroPsychiatric Association on Apr. 21, 2010 to provide free psychiatric treatment to whistleblowers if they suffer from mental distress as a result of their whistleblowing, and established the Guidelines for Medical Support and Legal Aid for Corruption Reporters, etc. In addition, based on the MOU the Commission previously signed with the Korean Bar Association, it has been offering legal representation and legal aid to corruption reporters.

(2) Statistics on whistleblower protection cases by year

Since the launch of the ACRC in 2008 to end of December 2014, corruption reporters or cooperators submitted requests for protective measures a total of 132 times, or an average of 19 times a year over the past 7 years. In 2014 alone, a total of 25 cases had requests for protection (16 times for guarantee of employment, 3 times for physical protection, and 6 times for investigation on the leakage of identity).

Among the 105 cases where the reporter requested guarantee for employment, the protective measure was provided for 31 cases, or 30%. Aside from these cases, 1 case was dismissed, 18 cases were canceled, and 49 cases were closed, while 6 cases are currently under investigation. Among the cases where the request for employment guarantee was accepted, disadvantageous measures against the whistleblower were invalidated for all 31 cases (100%).

In terms of cases where a penalty was imposed for the violation of the protection of identity, there were three cases in 2009, 1 in 2010, 1 in 2012, and 2 in 2013, for a total of seven cases during the period. The total amount of penalty imposed was KRW 30.5 million, and an average of KRW 4.35 million was imposed in penalty per case.

Since 2008, a total of 16 requests for physical protection have been made, among which 14 cases were accepted and 2 were closed.

During the same period, there have been 16 requests for investigation on the leakage of the whistleblower's identity. The ACRC requested disciplinary action to be

taken against those involved in the leakage for 5 cases. 8 cases were closed, and 3 cases are under investigation.

2. Reward and Award for Corruption Reporters

Concept and Purpose of Reward System

The reward and award system for corruption reporters is to provide financial rewards for whistleblowers whose disclosure recovered illegally wasted public funds, increased revenues of public institutions or contributed to the enhancement of public interest. The system is an effective anti-corruption tool to attract more public involvement in whistleblowing by rewarding an individual's courageous action in the interest of the public, despite the many risks the action can entail.

(1) Recommendation and payment of award

If a disclosure leads to a substantial financial benefit or prevents financial loss of public institutions, or benefits the public interest, the reporter can be recommended for an award under related laws such as the Awards and Decorations Act or as prescribed by the Presidential Decree. The conditions for award can be any of the following : ① when there is public prosecution, suspension of prosecution, exemption of prosecution, imposition of penalty or administrative charge, disciplinary action or corrective measure against the corruption perpetrator, ② when the disclosure contributed to the improvement in related systems including enactment and revision of laws or, ③ when the corruption report prevented financial loss to a public institution by improving, suspending or terminating the implementation of related policies, ④ when the reporter voluntarily revealed his/her receipt of money or valuables, and ⑤ when the Award Decision Council decides that it is appropriate to provide award. If the case satisfies any of the above conditions, an award not exceeding KRW 100 million can be paid to the reporter, and if the person discloses that he/she received money or other valuables, up to 20% of the amount received, but not exceeding KRW 200 million, can be provided as an award.

(2) Payment of reward

Unlike awards, rewards for corruption reporters are

provided upon request by the reporter, if the report led to the recovery or increase in revenues of a public institution or the reduction of costs, or when the legal relationships are established regarding the disclosure.

Rewards can be paid in one of the following cases:

- ① confiscation or imposition of additional collection,
- ② imposition of national/local taxes,
- ③ recovery of funds through compensation or the return of illegal profits,
- ④ decrease in costs by changing conditions in contracts, or
- ⑤ any other measures taken or court rulings (excluding the imposition or notification of a fine, penalty, administrative charge or fine for negligence). The maximum amount of reward is KRW 2 billion, or 4–20% of the recovered amount. The amount may be reduced, depending on the total amount of increased revenues, saved expenses or any other conditions.

Establishment and Operation of the Reward Decision Council

The Reward Decision Council consists of 7 members including the Chairman, one ex officio member, and 5 appointed members. The Council deliberates and adjudicates on the matters regarding the conditions, amount and payment of reward and award.

Statistics on the Payment of Reward and Award

(1) Payment of award by year

Since 2008, financial award of KRW 477.6 million has been provided in 58 cases when a disclosure led to a substantial increase in revenues of a public institution, prevented the institution's financial loss, or enhanced the public interest.

(2) Payment of reward by year

Over the period from 2008 to 2014, the total amount of funds recovered as a result of corruption reports was KRW 57.69 billion. KRW 6.04 billion was paid in reward for 180 cases, with the average reward amount per case amounting to KRW 33.57 million. This makes up an average of 10.4% of the recovered public funds.

Section 6 Introduction and Operation of Public Interest Whistleblower Protection System

1. Overview

With the advancement of people's lives, violations of public interest by the private sector are causing far more serious social disturbance and financial loss to our society than those by the public sector. Unfortunately, however, there had been loopholes in the legal system and social institutions that made it impossible to protect whistleblowers of public interest violations in the private sector against retaliatory disadvantageous measures, because the previous whistleblower protection system under the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission (the ACRC Act) was limited to those who made disclosures of corrupt acts in the public sector, such as the receipt of bribes by public officials and waste of government funds.

To address this, the ACRC established the Act on the Protection of Public Interest Whistleblowers (effectuated on Sep. 30, 2011, hereinafter "the Public Interest Whistleblower Protection Act"), whose main purport is to protect and provide support for public interest whistleblowers while preventing and controlling public interest violations in the private sector which can have a direct impact on people's daily lives.

2. Operational Status

Statistics on Public Interest Reports Received and Handled

(1) Reports received by sector

Since the Public Interest Whistleblower Protection Act took effect, a total of 13,462 reports have been submitted to the ACRC until the end of 2014. By sector, reports regarding public health violations such as production of harmful food products and selling of unlicensed medical products, top the list with 7,336 cases (54.5%), and next in line is related to public safety violations including illegal selling of high-pressured gas products, with 2,409 cases (17.9%).

Statistics on Public Interest Reports Received by Sector (as of end of Dec. 2014)

(Unit : No. of cases, %)

Types of Public Interest Violations	Total	Public Health	Public Safety	Environment	Consumer Interest	Fair Competition	Others
Total	13,462	7,336	2,409	688	700	228	2,101
Proportion	100.0	54.5	17.9	5.1	5.2	1.7	15.6

(2) Reports received by year

The number of public interest violation reports has been continuously increasing since the enactment of the Public Interest Whistleblower Protection Act. In 2014, 9,130 cases of public interest reports were submitted to the ACRC, which is a 3.1-fold increase compared to the previous year. A closer look at the details of those reports shows that the number of reports regarding public safety recorded the highest spike, a 6.4-fold increase compared to a year before, due to the enhanced public awareness of safety issues after the sinking of Sewol Ferry. And the reports related with public health showed a huge increase in number by 4.6 times from the previous year.

Statistics on Public Interest Reports Received by year (as of the end of Dec. 2014)

(Unit : No. of cases)

	Total	Public Health	Public Safety	Environment	Consumer Interest	Fair Competition	Others
2011	292	169	8	10	46	18	41
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

(3) Statistics on handling of public interest reports

A total of 13,462 cases have been reported since the establishment of the Public Interest Whistleblower Protection Act. Among them, 12,347 were handled depending on the nature of each case, with 9,266 cases referred or transferred to examination/investigative agencies.

Of the referred or transferred reports, 3,159 cases were concluded to have reasonable grounds. As a result,

criminal charges were brought against 484 cases, fines were levied for 104 cases, and administrative charges/penalties were imposed for 531 cases.

Statistics on Public Interest Whistleblower Protection

Since the Public Interest Whistleblower Protection Act took effect, a total of 51 requests for whistleblower protection have been handled until Dec. 2014, including 23 cases of request for protective measures and 15 cases of request for protection of identity information (17 cases were addressed in 2014). In details, a total of 7 cases were accepted, including 1 case of request for protective measures, 2 cases for physical protection, 3 cases for protection of identity information, and 1 case for prohibition of disadvantageous measures.

In 2014, what is noteworthy is that among the total of 17 cases of request for protection, as many as 10 cases were submitted requesting for investigation and confirmation of how the whistleblower's identity was revealed after the claim was filed. For example, there was a case where the HR director at OO Hospital was reported to the Prosecutors' Office for the violation of Article 11(Obligation of Confidentiality) of the Public Interest Whistleblower Protection Act after he revealed on the hospital intranet the identity of an employee who had made a report to the authorities that the hospital violated the Occupational Safety and Health Act. Another major example of protection is that a financial institution accepted the ACRC's decision on protective measures and canceled the disciplinary action previously imposed on one of its employees who made a public interest disclosure.

Statistics on Reward for Public Interest Whistleblowers

After the reward system for public interest whistleblowers was launched on Sep. 30, 2011, the first reward case was reported in Sep. 2012, with KRW 7.12 million offered for 6 disclosure cases. Since then, public awareness of the reward system has been growing, leading to more and more disclosures meeting the requirements for reward payment. In 2014, a total of KRW 397 million was provided in reward money to 657 whistleblowers. This

figure is a 14-fold increase from 2012(KRW 28 million), and a 1.7-fold increase from 2013(KRW 227 million).

Statistics on Payment of Reward for Public Interest Whistleblowers (as of Dec. 2014)

(Unit : KRW 1,000)

Year	No. of Cases	Amount of Reward Paid
Total	1,008	653,520
2012	32	28,472
2013	319	227,708
2014	657	397,340

The largest amount of reward money was paid for a whistleblower who reported a company which had violated the Occupational Safety and Health Act by covering up the occurrence of industrial accidents for a number of years. The amount was KRW 43 million, the largest ever amount paid for a single case. The second largest reward was for a case where the whistleblower disclosed the fact that the rice wholesalers and retailers violated the Act on Origin Labeling of Agricultural and Fishery Products by falsely labeling the place of origin, the year of production, the date of processing, etc. of the rice products they sell, thereby endangering the public's health. For this case, KRW 13.6 million was awarded to the whistleblower.

In terms of reported violations by sector, a total of 520 cases were reported for the violation of the "public health", such as cases of retailers selling food products with past expiry dates, and restaurants or supermarkets falsely labeling the place of origin of the agricultural or dairy products they sell to customers. For those reports, a total of KRW 275 million was offered in reward for whistleblowers, the largest amount paid. The next is the "public safety" sector, for which a total of KRW 76 million was paid for 31 disclosure cases. Major cases include a construction company which illegally used a mixture of kerosene and diesel for fueling construction vehicles such as dump trucks and excavators, and another which dismantled and demolished a structure exceeding 50m² in size without conducting an asbestos inspection. As for violations in the "environment" sector, KRW 45 million was provided for 104 report cases such as the act of illegally dumping construction waste or improperly leaving industrial waste including used oil, waste earth and soil, textile waste which require specific treatment

procedures. In addition, KRW 500,000 was paid for 2 cases of violations of "consumer interest", including the act of illegally distributing advertising materials by an unlicensed loan company.

3. Major Achievements

Promotion of Revision of the Public Interest Whistleblower Protection Act for Enhanced Whistleblower Protection

The Act on the Protection of Public Interest Whistleblowers took effect on Dec. 30, 2011, laying the foundation for a protection system for the whistleblowers of public interest violations regarding public health and safety, the environment, consumer interest and a fair competition. However, concerns were raised that the Act had its limitations in fully protecting whistleblowers due to its narrow range of applicability, as the Act does not cover some types of violations that are closely related to people's lives and severely undermine public interests, as well as the fact that the Act does not provide legal authority to enforce implementation of ACRC's recommendations. Therefore, it became necessary to revise the Act in order to solve this issue.

The incumbent administration also agreed to the need for the revision, and made "widening of the range of subject matters of public interest disclosures regarding the public safety and enhancement of whistleblower protection" one of its policy goals.

Then the government set out the draft of the revision bill after gathering various opinions through holding expert panel discussion sessions, consulting with legal experts, and monitoring relevant media coverage. It also consulted with related government departments, posted the prior-announcement of the legislation (June 27-Aug.6, 2013) as a part of the government's legislative process, and finally submitted the draft for the revision to the National Assembly on Sep. 26, 2013. In 2014, the government conducted promotional activities to gain public support for the revision and provided full support over the course of the review process at the National Assembly. Currently, the draft bill is under review after it was submitted to the National Assembly sub-committee on Dec. 3, 2014.

This is the first attempt to revise the Act in 2 years since it was first taken into effect. And this time the revision effort is especially significant in that it can show the strong will of the government to build a more safe and trusted social environment by strengthening the public interest whistleblower protection with the expansion of the range of laws covered by the Public Interest Whistleblower Protection Act, the widening of conditions for the mitigation of culpability of whistleblowers, and the reinforcement of legal authority to secure the effective implementation of protection decisions made by the ACRC.

Meanwhile, the public demand for impartiality and political neutrality of public officials grew after the news that the National Intelligence Service ran secret operations to affect the result of the presidential election. This resulted in the revision of the Act (Jan. 14, 2014) to create legal grounds for public officials to file an appeal when they are ordered to carry out political activities in favor of or against a specific political party or a person, and to prohibit disadvantageous measures against the whistleblowers.

Efforts to Prevent “Bounty Hunter Whistleblowers” from Hunting for Reward Money

As the whistleblower protection and reward system became an established function, people started to raise voices over the issue of bounty hunter whistleblowers, so called “paparazzi”, whose indiscriminate disclosures cause damage to small-sized business in neighborhoods, and that the public interest reporting system was being used to seek personal gains.

Against this backdrop, the ACRC started working on improving the reward system by closely monitoring the related statistics on bounty hunter whistleblowers. The Commission revised the Enforcement Decree of the Act on the Protection of Public Interest Whistleblowers on Sep. 2, 2014. The revised decree states that there will be no reward money for cases where the amount of the imposed administrative charge/penalty on the violator is too small (the minimum penalty was raised from KRW 500,000 to KRW 1 million), so as to reduce financial damage to small business owners. And it also issued the “public announcement on reward for public interest whistleblowers” on Oct. 31, 2014, which limits the number of reward payment to 10 times a year per person. In the

meantime, the ACRC made every effort to enhance public trust in the reward system for public interest whistleblowers by deciding not to provide reward to bounty hunter whistleblowers that prey on the food and dairy industries.

Expansion of Infrastructure for Public Interest Whistleblowing

The ACRC, as the national authority to manage the public interest whistleblower protection system, has been consistently providing support for government institutions and public organizations at every level in order to establish the infrastructure and institutions to receive and handle public interest disclosures.

In 2014, in order to prevent frequent and continuous filing of whistleblowing cases on high profile cases such as unlicensed manure release facilities, selling of uncooked chicken without packaging, and expansion of restaurants without permits, the Commission held meetings and on-site discussion sessions with many relevant agencies including the Ministry of Environment, the Ministry of Food and Drug Safety, the Ministry of Trade, Industry and Energy, the National Emergency Management Agency, the National Police Agency and other local governments to build a close and interactive cooperative network. Consequently, some regulations which were deemed excessive relative to the gravity of the violation were lifted through the reform efforts by the authorities because such strict regulations may act to hinder the economic activities in the market. This contributed to the improvement of the overall regulatory function of the government.

- Revision of the Enforcement Rule of the Food Sanitation Act (Aug. 20, 2014)
: When the size of a place of business is changed, the punishment for a first-time violator of the duty of reporting was revised from the “7-day suspension of business or imposition of penalty fine” to the “issuance of corrective order”.
- Revision of the Enforcement Decree of the Livestock Products Sanitation Control Act (Oct. 8, 2014)
: Given the business practices at the traditional market, the mandatory packaging of uncooked chicken or duck sold at the traditional market was lifted if certain sanitation requirements are met in accordance with the Prime Minister’s ordinance.

In addition, the ACRC supported public organizations to establish their own systems and procedures to handle public interest disclosures by providing consulting service, distributing the standard rules of procedures (Aug. 2014), and conducting the Anti-Corruption Initiatives Assessment. Thanks to these efforts, the number of organizations with internal rules of procedures increased from 75 in 2013 to 105 in 2014 (increase of 40%).

Improvement of Public Awareness of Public Interest Whistleblowing

The ACRC introduced Korea’s public interest whistleblowing system to foreign governments and institutions and shared expertise and know-how it had accumulated. For example, the ACRC and the Japanese Bar Association held a forum in Oct. 2014, and the UK-Korea Anti-Corruption Seminar was held in Dec. 2014. Moreover, in collaboration with organizations with which the ACRC had signed an MOU, educational sessions on the public interest whistleblower protection system were provided 16 times to a total of about 2,000 persons in fields which are vulnerable to public interest violations, such as the Korea Chemicals Management Association and the Construction Association of Korea.



Forum with the Japanese Bar Association

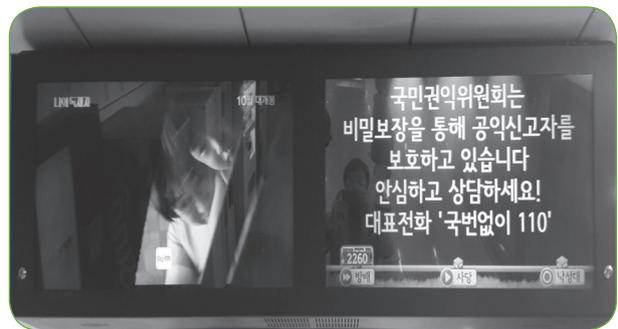


Educational Session on Public Interest Whistleblower Protection System for Managers of Toxic Chemicals

In an effort to improve public awareness of public interest whistleblowing, a variety of promotional channels were used, including video clips and leaflets, while educational materials were developed in various formats such as powerpoint slides and courseware for online education (2 types, including “Public Interest Whistleblowing, an agent of change for society”), to be distributed to public organizations in support of their voluntary promotional activities and in-house training.



Leaflet to Promote Public Interest Whistleblowing (19,000 copies were distributed at train stations and other places)



Video Clip Aired on Subway Station Bulletin Board



Online Education Courseware



Powerpoint Presentation for Training Course at Public Organizations (distributed to around 500 public organizations)

In addition, promotional events were held in conjunction with major events, such as the special report period for illegal distribution of agricultural, dairy and fishery products during national holidays (Jan. and Aug. 2014), the national campaign in celebration of the launch of the Korean Network on Anti-Corruption and Transparency (K-NACT) (Sep. 2014) and the public forum in commemoration of the 3rd anniversary of the Public Interest Whistleblower Protection Act (Sep. 13, 2014). Among them, the public forum held in commemoration of the 3rd anniversary of the Public Interest Whistleblower Protection Act provided an opportunity for experts from the National Assembly, the Korea Bar Association, the media and the business circle to bring their opinions together to push for a prompt revision of the Act, while improving the public awareness of the whistleblower protection system.



Public Forum in Commemoration of the 3rd Anniversary of the Public Interest Whistleblower Protection Act

Accordingly, such strategic promotional and educational activities for the general public and organizations led to the increase of the public awareness of the whistleblower

protection system from 24.6% in 2013 to 25.9% in 2014. This public awareness level has been steadily improving since the establishment of the Act.

※ Changes of Public Awareness Level of Whistleblower Protection System
: 16.0% (2011) → 23.6% (2012) → 24.6% (2013)
→ 25.9% (2014)

4. Assessment and Future Plans

Since its establishment, the Public Interest Whistleblower Protection Act and the whistleblower protection system have been taking a firm root as the fundamental social institution to build a safe society where the people can lead their lives without worries. This can be seen in the numbers: the number of public interest reporting cases has been continuously increasing (292 cases in 2011 → 9,130 cases in 2014), and the amount of reward paid also showed a similar upward trend (KRW 220 million in 2013 → KRW 390 million in 2014).

However, there are still many challenges ahead to enhance the effectiveness of the whistleblower protection system. The Act does not fully protect whistleblowers who made disclosures on serious public interest violations which are not covered by the 180 laws designated under the Public Interest Whistleblower Protection Act (such as substandard sanitation management of school meals, violations of the hazardous materials management regulations, etc.). Private companies are showing a low level of awareness of the whistleblower protection system and making little effort to create foundation for the system, and there are very few cases of anonymous internal disclosure filings (internal disclosure 2.9%).

To address these issues, the ACRC is doing its utmost and making full-fledged efforts to complete the revision process of the Act that would widen the scope of public interest violations subject to public interest whistleblowing and introduce the penalty charge to force the implementation of protective measures for the whistleblower. It also has developed a mid- and long-term plan to advance the current whistleblower protection system by extending the protection to the private sector and, as the nation's top whistleblower protection agency, by encouraging internal whistleblowing within an organization.

Chapter 3

Anti-Corruption Educational Training and Promotional Activities

Section 1 Operation of Anti-Corruption/ Integrity Educational Training

1. Operation of Anti-Corruption Group Training Course

Overview

The ACRC has been conducting the “Anti-Corruption Group Training Course” since 2003 to cultivate competent anti-corruption practitioners. In Oct. 2012, the Anti-Corruption Training Institute launched under the ACRC as an independent professional anti-corruption educational training institution (located in Cheongju City, Chungcheongbuk-do). In 2014, the training institute developed new educational programs to more effectively appeal to the trainees, including “Integrity Concert” and “Integrity Theater”. Moreover, in June 2014, “Cheongbaeksa”, a four-story dormitory with 40 rooms for training participants, opened at the institute for a more comfortable and convenient training experience.

The “Anti-Corruption Group Training Course” consists of several course programs: “Public Career Cycle Course” (operated for high-ranking, managerial-level, and newly-hired public officials, respectively), “Integrity-AGENT Course” (Train-the-Trainers course, Anti-Corruption/Integrity Inspector course, and Anti-Corruption practitioners’ course, and “Anti-Corruption and Ethics Partnership Course”. In particular, courses for high-ranking officials were expanded compared to 2013, and the focus was put on the on-demand courses tailored to meet the needs of each participating institution, where both the high-ranking and working-level officials can participate together. And the “Anti-Corruption and Ethics Partnership Course” was newly opened to spread a culture of integrity across society by providing training to employees of contractors of public organizations as well as to public officials.

Achievements

From 2003 to the end of Dec. 2014, the “Anti-Corruption Group Training Course” was attended by a total of 28,929 participants. In 2014, 7,158 trainees completed the course, which is a 57% increase from 4,535 of the year before. Additionally, 6,326 more people participated in the on-site visit training course, such as “On-site Integrity Concert” and “Integrity Culture Camp for High School Juniors”, with a total number of training participants amounting to 13,484 in 2014.

Among the major educational programs is the “Integrity INJOY Program” which was developed by the institute to improve public officials’ awareness of, and attitudes toward anti-corruption issues. The program deviates from the traditional lecture-centered classes, and uses various formats such as concert, theater, traditional calligraphy and “Pansori” (Korean traditional folksong) classes for a more interactive program to connect with the students. “Integrity Concert” is also a brand-new type of training program which combines theater play on anti-corruption issues, discussions on moral dilemmas, music and video. The executive director and other employees of the Anti-Corruption Training Institute played leading roles at the concert, attracting much attention and interest from the participants and the media.

The “Integrity Theater” is a well-structured play with which many public officials can agree, and also has been much welcomed from the trainees.

The “Integrity INJOY Program” was provided in combination with institution-tailored programs, creating a synergistic effect. It has been assessed to be effective in improving and spreading a culture of integrity and corruption-sensitivity among the public, owing to the full participation of the executives and employees of the customer organization.

A survey of those who completed any of the 106 training programs at the institute, the average satisfaction score is 93.3 points, up 2.0 points from the previous year (91.3 points in 2013).

An assessment system to figure out the practicality and applicability of the training programs was developed, and through the system, assessments were conducted on

Operation of Anti-Corruption Group Training Course (as of Dec. 2014)

	No. of Programs	Program Duration	No. of Sessions	No. of Participants	Type of Participants	Place
2003	2	3 Days	2	71	Integrity trainers and inspection officials	Academy House and another institution
2004	5	3 to 5 Days	10	669	Anti-Corruption practitioners and inspection officials	Korea Women's Development Institute and 4 other institutions
2005	7	5 Days	10	504	~	Seoul Education Training Institute and another institution
2006	4	4 to 5 Days	8	562	Inspection and code of ethics officials	Anti-Corruption Training Center
2007	8	1 Day, 3 Days, 5 Days	27	2,133	Teachers, inspection officials, etc.	Anti-Corruption Training Center
2008	7	3 Days, 5 Days	50	2,655	Central and local government officials and teachers	Anti-Corruption Training Center
2009	20	3 Days, 5 Days	44	2,361	Public officials at public organizations, teachers, and civic group employees	Anti-Corruption Training Center
2010	21	1 Day, 3 Days, 5 Days	50	2,659	Public officials at public organizations and teachers	Anti-Corruption Training Center
2011	22	1 Day, 3 Days, 5 Days	50	2,793	Public officials at public organizations, teachers and civic group employees	Anti-Corruption Training Center
2012	23	1 Day, 3 Days, 5 Days	55	2,829	Public officials at public organizations, teachers and civic group employees	Anti-Corruption Training Center and Anti-Corruption Training Institute
2013	24	1 Day, 3 Days, 5 Days	104	4,535	Public officials at public organizations, faculty members, etc.	Anti-Corruption Training Institute
2014	13	1 Day, 2 Days, 3 Days	122	7,158	Public officials at public organizations, faculty members, private company employees, etc.	Anti-Corruption Training Institute
Total		-		28,929	-	-

the effectiveness of the courses and the morality of the trainees who completed the courses. The result showed that the average morality level was 85.0 points for the trainees, 7.4 points higher than the average score of 77.6 points for those who did not take the training. This indicates that the anti-corruption training did, in effect, positively affect the moral attitude and behaviors of the trainees.

Future Plans

The Anti-Corruption Training Institute will continue its efforts to build on its achievements in 2014 and to develop more effective training programs that can instill a higher sense of ethics in public officials.

In particular, there will be more tailor-made programs

for organizations that recorded relatively low scores at the Integrity Assessment conducted by the ACRC. And the contents of the training course will be diversified so as to appeal not only to public officials but also to the general public, in order to lead to the spread of a culture of integrity and the improvement of ethical behavior in society.

2. Operation of Online Anti-Corruption Training Course

Overview

The Anti-Corruption Training Institute is operating the "Online Anti-Corruption Training Course" through the online education center (<http://acti.coti.go.kr>), which is a

convenient way for public officials to take training courses. Since the establishment of the ACRC, around 1.95 million public officials completed the online course over a six year period (2008–2014), including in-house training courses provided by each organization.

The online course boasts a wide range of programs, including 6 types of courses developed by the ACRC (“Cyber Integrity Education”, “Easy Code of Conduct for Public Officials”, “Corruption Impact Assessment through Case–Study”, “Integrity as a Key to Success”, “Modern Day Golden Rules for Public Officials”, and “Public Interest Whistleblowing, an Agent of Change”) and related contents on integrity/ethics for public officials developed by other organizations.

Achievements

The number of participants who completed the course has been increasing every year, from 21,473 in 2008 to 231,924 in 2010 to 405,601 in 2012. In 2014, a total of 450,664 public officials took the online anti-corruption training course (81,845 took the course provided by the ACRC’s Anti-Corruption Training Institute and 368,819 took the courses other organizations developed), which is a 21-fold increase from 2008.

Participants of Online Anti-Corruption Training Course by Year (2008–2014)



According to the survey of public officials who took the online course, 89.7% of the respondents (73,031 out of 81,421) said that the online course was helpful for their career in the public sector, proving that the online training course is actually contributing to the spread of a culture of integrity across the public sector.

Future Plans

The Anti-Corruption Training Institute is planning to steadily increase the number of trainees from public organizations to 104,000 so that more public officials can develop and internalize sensitivity to corruption and integrity. Quality contents for the online course will also be developed to provide more diverse programs, while user-friendliness will be improved with new operating platform that is compatible with mobile devices.

Section 2 | Operation of Anti-Corruption Outreach Program

1. On-demand Integrity Class at Elementary and Secondary Schools

Overview

To enhance the youth’s sensitivity to corruption, most of whom perceive society’s corrupt practices as the norm, and to help them deepen their understanding of the concept of integrity and lead a transparent life, the Anti-Corruption Training Institute started the “On-demand Integrity Class” by visiting elementary and middle/high schools.

The “On-demand Integrity Class” is not a typical one-time promotion event, but a weekly educational program lasting 8 weeks, provided in line with the regular school curriculum. The program is designed to bring about a fundamental change in the attitudes and behaviors of students, and it uses a number of teaching methods including ethical assessment, game and discussions to keep students interested and focused during the class. As a result, 22 schools across the nation participated in the On-demand Integrity Class.

Achievements

The On-demand Integrity Class was conducted for 4 or 8 weeks for an entire grade at the participating school as part of the regular curriculum. The class was designed to be easy to organize and teach for teachers. It can be said that the integrity class suggested a new paradigm of anti-

corruption training for students.

According to the satisfaction survey, most of the students responded that the program was helpful, saying, “The class was interesting (3.84 pts)”, “it helped me to understand what integrity is (3.94 pts)”, “The class was helpful in developing friendship among classmates (3.77 pts, out of 5-pt scale respectively)”, etc.

The students were interviewed before and after the class, and the result is that the students have a higher sense of ethics, as can be seen in comments such as, “I do not lie to my parents to skip classes any more”, and “I quit copying from postings on the internet when doing homework”. Moreover, a level of social consensus was formed on the need to provide anti-corruption training to the youth through interviews with students and related media coverage.

Future Plans

The development of more diverse curriculum for the youth is to be continued with the purpose of upgrading the current anti-corruption training for young students. Also, anti-corruption training programs for teachers will be developed so that teachers can provide anti-corruption education during the class.

2. Operation of Anti-Corruption Program for College Students

The “Anti-Corruption Program for College Students” is designed to promote integrity-centered attitudes and sensitivity to, and understanding of, integrity among college students by involving them in developing and producing educational materials and contents for anti-corruption training courses, using the passion and creativity of young college students.

In particular, “2014 College Students Integrity Culture Creators” was announced as the new title for the program to focus on the development of culture-related anti-corruption training contents such as video, theater and music sectors to plant a culture of integrity deep in society. And two field experts for each sector served as mentors for the students over the course of the program so that the produced materials and contents can be actually used

at anti-corruption training sessions, contributing to the overall quality of the anti-corruption training.

Achievements

Through the “College Students Integrity Culture Creators” program, passionate and talented students designed and produced approximately 80 pieces of educational materials and contents for anti-corruption training and promotional activities, including video clips, scenarios, theater script, songs and music. Many of those materials were very useful in anti-corruption training and promotion and they could be used to effectively raise the public’s awareness of integrity and sensitivity to corruption in a variety of manners.

The “College Students Integrity Culture Creators” recruited in 2014 started their activities by attending the program launching ceremony and anti-corruption training sessions held for 3 days from July 30 to Aug. 1, 2014 at the Anti-Corruption Training Institute. Their activities lasted for five months and included the designing and production of educational materials and public relations contents for public officials and the general public such as video, music and drama. At the final mission reporting competition held on Nov. 27, 2014, 12 teams of students competed with their activity results and achievements they had accomplished over the five-month period. On Dec. 13, 2014, college students were invited as field assessment panels at the “College Students Integrity Culture Festival” where 7 teams of students reported and announced the top 7 materials and contents items the integrity culture creators had produced. The seven teams were then ranked with one team awarded first place, 3 teams in 2nd place, and 3 teams in 3rd place. The students were also given a certificate of completion.

The first-place winner was a team consisting of 7 college students named “Kidult”. They produced a family drama “Father”, which covers many difficulties a high-school student faces because his father, a police officer, is strictly transparent in performing his duty. His father is somewhat brusque, but is a dignified man of integrity, and his son, a high-school student, comes to respect his father. The drama touched the hearts of the audience and drew a positive response.

Future Plans

The ACRC plans to pick the best items produced over the activities of the integrity culture creators and to develop those items into more advanced ones suitable for anti-corruption training courses at the Institute, while distributing them to public organizations and the general public so that a culture of integrity can take a firm root in our society.



ACRC KOREA
Annual Report 2014

ACRC KOREA

Anti-Corruption & Civil Rights Commission



Part 4

Improving Laws & Regulations

Chapter 1. Overview of Institutional Improvement
Chapter 2. Key Examples of Institutional Improvement in 2014

Chapter 1

Overview of Institutional Improvement

Section 1 | Overview

1. Significance of Institutional Improvement

Systems and laws are established for various objectives and needs of a society. However, there are few complete systems fulfilling all original objectives, and even if system is almost close to being complete, it needs to be continuously revised and improved upon, in order to respond to the constant changes in society. Especially in the current modern society, where changes are constant, the people are increasingly calling for rational, reasonable improvements in systems.

The ACRC addresses these requests to improve rights of the people by starting initiatives for improvements in unreasonable administrative systems and listening to public opinions through various channels such as suggestions, complaint and advice filing, and corruption reporting.

2. Major Functions

When the ACRC deems that it is necessary under Article 27 of “Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission”, the ACRC may recommend institutional improvements for corruption prevention to the head of an administrative agency. Also, according to Article 47 of the same Act, during the investigation of a complaint, it is judged that institutional improvement is necessary, the ACRC may recommend or submit improvements to the head of the administrative institution in question. In addition, the ACRC has the authority to request information and conduct investigations (Article 12 and Article 29 of the Act), monitor and confirm and monitor compliance with recommendation, and make public announcements (Article

27, 52, 53), and recommend institutional improvements (Article 77 of the Act), in order to effectively enforce institutional improvements.

Institutional Improvement Process Flow Chart



Section 2 | Achievements in Institutional Improvement

1. Achievements from 2014 Recommendations

In 2014, a total of 63 recommendations (434 sub-recommendations) were made for improving institutional practices. By sector, 18 for anti-corruption (192 sub recommendations) and 43 for grievance resolution (242 sub recommendations).

In terms of sub-recommendations, acceptance rate of recommendations was 96.6%, and cumulative acceptance rate since the launch of the ACRC is 92.9%.

Institutional Improvement Recommendation and Acceptance Rate by Year

(Unit : No. of cases)

Year	Number of recommendations	Corruption prevention	Preventing grievance	Acceptance rate
2008	103	9	94	88.2%
2009	117	18	99	92.7%
2010	91	22	69	91.2%
2011	81	33	48	87.0%
2012	66	22	44	94.2%
2013	66	16	50	96.7%
2014	63	18	45	96.6%
Total	587	138	449	92.9%

2. Follow-up Measures for Institutional Improvement Recommendations

In 2014, the ACRC reviewed the status of 879 non-implemented recommendations at 17 central government ministries and departments. The ACRC notified the results to each institution to encourage implementation of the recommendations, and closed ones which had lost their significance due to changes in the political environment. Also, for gas, electricity, school facilities, and industrial facilities where frequent accidents are creating safety

issues for the public, progress on recommendation implementation was reviewed and the results were notified to the supervising institutions, and to the public in a press release.

For institutions with little progress in implementing recommendations, the ACRC has provided consulting advice to help the implementation and management, and for the eight central government and municipal provincial organizations with above-average number of recommendations for improvement, the ACRC organized "Working-Level Meeting of Director Generals for Institutional Improvement" to discuss ways for cooperation in systems improvement.

Chapter 2

Key Examples of Institutional Improvement in 2014

Section 1 | Key Examples of Institutional Improvements to Fight Corruption

The 2014 institutional improvements for anti-corruption focused on five main areas – prevent losses in national finances, eradicate risk factors to public safety, prevent corruption in supervisory blind spots, reduce repeated acts of corruption impacting the public, and normalizing abnormal practices. The ACRC proposed 18 tasks for institutional improvement as recommendations to institutions, including "enhanced transparency of Korea International Cooperation Agency (KOICA)'s Official Development Assistance (ODA) contracts", "stricter enforcement of penalties for dismissed public officials". The details of the recommendations are as follows:

1. Enhanced Transparency of KOICA's ODA Contracts

KOICA aims to increase cooperation and exchanges with developing countries and provide support to their economic and social development. The ODA program is currently about KRW 600 billion, and continues to grow in size.

Despite this growth, there have been allegations of corruption in the bidding process for ODA business, and insufficient preparation and follow-up measures have undermined the reliability of these Korean programs.

The ACRC submitted to the Ministry of Foreign Affairs and KOICA, recommendations to remove unfair practices in the bidding and contracting process for ODA business, enhance the fairness in the contract review and evaluation process, and strengthen the review and supervision of delivery.

2. Stricter Enforcement of Penalties for Corrupt Public Officials

Corrupt conducts by public officials undermine confidence and integrity in the government. In order to fundamentally eradicate all corrupt conduct by public officials including receipt and provision of valuable goods, the government has implemented penalties in 2010, of up to 5 times the amount of money or entertainment received or provided or embezzled or used illegally.

The ACRC conducted an investigation into penalties imposed by public institutions for offences involving receipt or provision of valuable goods or entertainment, and embezzlement or illegal use of funds. Despite the fact that these offences carry mandatory monetary penalties, the ACRC found that the amount of penalties were reduced to the same or less than the amount involved in the offence, and each institution had different standards for penalties. There were cases where penalties were exempted, but the reason behind the exemption was either insufficient or unclear.

The ACRC recommended strengthening the process for penalties, such as keeping records for penalty calculation criteria and the multiple of penalty relative to the offense

amount, and suggested that the penalty be decided based on all factors, such as personal information of the official, details of the offense, and disciplinary action. The Commission also recommended that the number of penalty exemption should be minimized, and that there should be a clear criteria for dismissing penalties. Moreover, for civilians performing public duties, given that the civilians are in the role of public officials when engaged in acts of bribery, the ACRC recommended formulating legal grounds to apply penalties in bribery cases.

Section 2 | Key Examples for Institutional Improvements in Grievance Prevention

The 2014 institutional improvements in grievance prevention focused on areas directly impacting the daily lives of the people, including unfair regulation reform, boosting the economy, strengthening the safety of the people, customized welfare programs for the socially vulnerable. The ACRC submitted 45 specific recommendations including “improvements in the filing process for export of used cars”, “improvements in signage for emergency shelters to ensure safety of the public”, and changes in the provision of parent information at children’s schools in consideration of different family units. Details of the recommendations are as follows.

1. Improvements in the Filing Process for Export of Used Cars

In case an exporter sells a used car overseas, the exporter must deregister the car at the city or district office, and process the export through the Korea Customs Service, then report to the city or district office that the car has been exported. This arduous process was confirmed by both institutions involved in the process.

The ACRC recommended a streamlined process of linking the Unipass System at the Customs Office and the vehicle management system at the Ministry of Land, Infrastructure and Transport in order to enable confirmation of the export at the Customs Office through the systems at the Ministry of Land and Transport, and also recommended removing the reporting obligation to the city or district office that

the car has been exported. As a result, the process for the exporter will be simplified, and the workload for the administrative office will also be reduced.

2. Improvements in Signage for Emergency Shelters to Ensure Safety of the Public

The government must have and maintain emergency shelters to protect the public in case of war, natural disasters and other emergencies. There are many shelters that do not have any signage or the signs have been damaged and unrecognizable. In all cases, the existing signs are only written in Korean, which cannot provide any assistance to any of the 1.56 million foreigners travelling or living in Korea (as of 2014). The ACRC judged that urgent measures needed to be taken to rectify this issue.

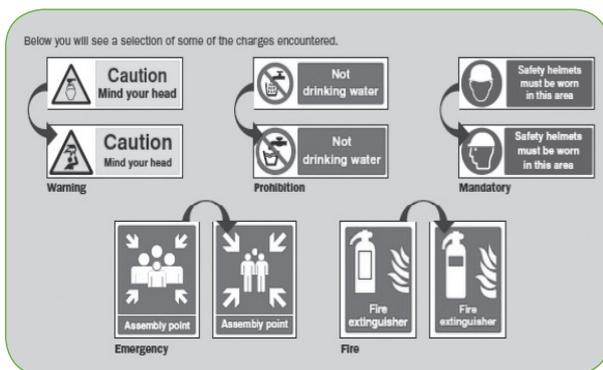
In order to address this issue, the ACRC suggested recommendations to legislate a sub-regulation for penalties in case of acts of damage or changes to signs in the Civil Defense Act, to ensure the efficacy of the policy, and to introduce graphics in accordance with the International Organization for Standardization (ISO) to ensure easy recognition of the signs, and to include other languages on the signage for foreigners living and travelling in Korea.

3. Changes in the Provision of Parent Information at Children's Schools in Consideration of Different Family Units

There is constant filing of complaints regarding family information for school records, as the form provided by the school does not take into consideration of families with divorced and remarried parents, single parent (single mother) households, or households with grandparents as guardians. Despite the growing number of new types of families in society, schools continue to request information in the form of a standard family (biological parents + child), which raises claims of personal rights infringement.

The ACRC, in consideration of new types of families, has recommended that residential registration form be substituted for details of parents. In addition, in case the teacher deems it necessary for the student's care that family structure is provided, the information may be provided in the miscellaneous part of the document, but only with the consent of the parents, and that the student's school records be kept in confidence, and the parent information be destroyed after a certain period of time or immediately after the student graduates from the school.

Examples of International Organization for Standardization (ISO) Graphical Signage



* Source: International Organization for Standardization (ISO) 7010 Signs

ACRC KOREA

Anti-Corruption & Civil Rights Commission



Part 5

Adjudicating Administrative Appeals

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

Chapter 1**Overview of Administrative Appeals****Section 1 | Major Functions of Administrative Appeals*****Protection of People's Rights***

The administrative appeals system is aimed at protecting people's rights and interests from illegal or unjust measures of administrative agencies. Its aim is fundamentally identical to that of administrative litigation, but it is easier to file an administrative appeal and complaints are processed in a more rapid manner. Since the system is designed to deliberate on unjust measures, it can correct infringements on people's rights and interests. It is also possible to request the relevant agency to take a more proactive measure to redress the injustice, therefore it can be stated that the administrative appeals system is more efficient than administrative litigation in terms of protecting people's rights.

Voluntary Control of Administration and Application of Expertise

The administrative appeals system allows administrative agencies to review the measures they took before any intervention from the judiciary, thereby ensuring the autonomy of each agency. The system also complements judicial functions performed by the courts, since it enables agencies to apply their expertise and technical knowledge in cases requiring technical knowledge thereby ensuring a fair and accurate administrative adjudication process.

Efficiency in Administration and Adjudication

In today's administrative environment where promptness is required, the administrative appeals system provides a rational alternative to judicial procedures, as it allows

for a swift resolution of administrative disputes, thereby making the process more convenient and efficient. The administrative appeals system greatly helps save time and costs by resolving administrative disputes through relatively simple and flexible procedures. Moreover, the system prevents unnecessary administrative litigation and contributes to increased efficiency in adjudication in general by reducing the burden on the courts.

Section 2 | Characteristics and Types of the Administrative Appeals Commission***Characteristics of the Administrative Appeals Commission***

The Administrative Appeals Commission is a collegiate body that has the authority to deliberate and rule on adjudication requests. The Commission begins its session when the majority of the members including the chairperson are present, and rule by a majority vote of the present members.

The Administrative Appeals Act requires the establishment of the Administrative Appeals Commissions independent of the disposition authorities to ensure a fair and objective deliberation. In deliberating and ruling on an appeal, various judicial procedures, such as intervention of stakeholders, exclusion/avoidance/evasion for the members, procurement system and examination of evidence, are applied to guarantee independent adjudication of the Commission. The ruling of the Commission represents the final decision on the case by the administrative branch.

The Administrative Appeals Commission has a central role in the administrative appeals system, but it is a non-standing organization, convened when necessary to deliberate and rule the case filed by a claimant.

However, the Central Administrative Appeals Commission, where tens of thousands of appeals are filed every year, has virtually become a standing organization, with three

standing members holding more than 100 meetings on an annual basis for prompt handling of the appeals.

Types of the Administrative Appeals Commission

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

- Heads of administrative agencies or their subsidiary agencies (excluding the administrative agencies designated to establish an Administrative Appeals Commission within)
- Mayors of special/metropolitan/special autonomous cities, provincial governors, governor of the special autonomous province
- Educational superintendents and assemblies of special/metropolitan/special autonomous cities, provinces and the special autonomous province
- Administrative agencies jointly established by the central/local governments and public corporations under the relevant law (e.g. Local Governments Association under the Local Autonomy Act)

The Municipal Administrative Appeals Commissions are established under the mayors of special/metropolitan/special autonomous cities, provincial governors and governors of special autonomous province to deliberate and rule appeals filed against the following agents/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 and/or public corporations. The Municipal Administrative Appeals Commissions, as a collegiate body, have the same characteristics as the CAAC.

The following agencies are mandated to establish and operate Administrative Appeals Commissions: special local administrative agencies under the jurisdiction of the Board of Audit and Inspection, the National Intelligence Service,

the Ministry of Justice and the Supreme Prosecutors' Office (except for agencies whose immediate supervisor or supervisory agencies are central administrative agencies); the Secretary General of the National Assembly Secretariat, the Minister of the National Court Administration, the Secretary General of the Constitutional Court and the Secretary General of the National Election Commission; the National Human Rights Commission; and other administrative agencies designated by the Presidential Decree in recognition of their independent and special status/characteristics.

The Administrative Appeals Act is a general law regarding administrative appeals, which can be applied to all administrative areas, but in cases where expertise and specialty are required, the Act stipulates that special insubordinate procedures substituting administrative appeals may be applied or that other laws may be applied to cover special cases of administrative appeals. This means that other Acts may provide for special administrative appeals substituting administrative appeals under the Administrative Appeals Act, or may establish rules for special cases in the regular administrative appeals procedures.

Chapter 2

Operation of the Central Administrative Appeals Commission

Section 1 | Status of Appeals Received and Processed

The number of administrative appeals received by the CAAC in 2014 was 25,301, a decrease of 269 cases from the previous year. But from 2010 to 2014, the annual average number of claims received in the five year period was 27,053, which is a dramatic increase from the average of the previous 5year period of 22,731. This increase in number seems to be attributable to the

fact that administrative appeals are more efficient and cost-effective compared to administrative litigation and that the Administrative Appeals Commission has independence and expertise comparable to judicial organizations.

The number of cases handled in 2014 was 25,270, an increase of 865 cases from 24,405 of 2013. The number of handled cases of general complaints – which are difficult to handle – increased from 3,663 in 2013 to 4,585 in 2014, a 25.2 percent increase year on year.

Section 2 | Analysis by Type

General Complaints

General cases are complaints related to almost all areas, including employment and labor, disclosure of information, national defense, justice, transportation, examinations, welfare and healthcare, school violence and finance. Complaints related to rewards for patriots and veterans and driver's licenses are handled in separate categories. The number of cases handled was 4,585 in 2014, a 20.1 percent increase (by 922 cases) from the previous year. The number of cases denied increased 53 percent from the previous year (by 588 cases) to 1,697 cases, a drastic increase as the share of the entire general complaints handled. The reason seems to be that the number of redundant claims and simple grievances have increased, including a case where three individuals filed as many as 840 administrative appeals.

Cases on Rewards for Patriots and Veterans

Cases on rewards for patriots and veterans involve men of merit, independence patriots, war veterans or those suffering from aftereffects of defoliants, and their families, as defined by the Act on Privileges and Support for Patriots and Veterans. Most complaints are related to disputes over the rejection of military welfare nomination by central or local patriots and veterans affairs agencies. The number of cases handled was 1,564 in 2014, with the acceptance rate standing at 2.7 percent.

Appeals on Driver's License

Administrative appeals of this category are related to the cancellation or suspension of driver's licenses due to violation of the Road Traffic Act. Roughly 300,000 cases are handled every year, with a large number of appeals that are similar in content. The acceptance rate (including partial acceptance) of the appeals on driver's license increased from 17.5 percent in 2012 to 19.7 percent in 2013, but dropped to 18.3 percent in 2014.

Section 3 | Resolution Time

Article 45 of the Administrative Appeals Act stipulates that a ruling on an administrative appeal should be made within 60 days from the date on which a claimee or a commission has received a written appeal. Provided that inevitable circumstances exist, a chairperson may extend the period thereof by 30 days ex officio. Therefore, under the law, administrative appeals are to be resolved within 60 days, or within 90 days at the latest.

Despite a steady increase in the number of highly difficult cases and a personnel shortage, the CAAC has made a wide range of efforts to reduce the resolution time by improving internal processes, enhancing expertise of the working-level personnel, and requesting concerned agencies to observe submission deadlines. As a result, the average resolution time in 2014 was 68.11 days, a decrease by 4.65 days of 72.76 days in 2013.

Section 4 | Oral Deliberation

Deliberations are divided into oral and written deliberation. Oral deliberation refers to when a claimant attends before the commission and makes a statement. Oral deliberation gives a clearer impression than written deliberation, and immediate questions and answers allow for easier access to truth and discovery of inconsistencies. It also helps solve doubtful points, so it is accepted as a general principle of deliberation at trial, a formal dispute process. The Administrative Appeals Act stipulates that oral deliberation shall be conducted when requested by the claimant, except for when it is deemed that the decision

can be made only with written deliberation, thereby institutionally guaranteeing the right of the claimant to request oral deliberation.

Statistics of Oral Deliberations

(Unit: No. of cases)

Year	Category	Number of cases handled	Number of oral deliberations requested	Number of oral deliberations allowed	Acceptance rate	Ratio as the share of the number of cases
2013		24,405	395	251	63.5%	1.03%
2014		25,270	272	413	65.9%	1.63%

Section 5 Suspension of Execution and Provisional Disposition

The Administrative Appeals Act adopts the principle of non-suspension of execution, so the effects of disposition, execution and subsequent procedures continue during the administrative appeals process. Suspension of execution is allowed only when it is not likely to have grave impacts on public well-being.

Provisional suspension may be issued if suspension of execution cannot achieve its purpose, and if a disposition or omission has a high possibility of illegality or unfairness, and thus it is necessary to grant temporary status to the claimant to prevent a serious disadvantage or urgent danger. Provisional suspension is not very widely used at the moment, because it has not been very long since this system was introduced and implemented. But it is expected that it would greatly contribute to protecting procedural rights of the claimants by complementing the suspension of execution system.

Status of Suspension of Execution

(Unit: No. of cases)

Year	Review Received cases	Result of review			Ex officio suspension of execution	Dropped/ Transferred
		Accepted	Dismissed	Denied		
2013	1,655	188 (12.0%)	1,344	36	67	67
2014	1,958	181 (9.6%)	1,608	87	97	84

Status of Provisional Suspension

(Unit: No. of cases)

Year	Review Received cases	Result of review			Ex officio provisional suspension	Dropped/ Transferred
		Accepted	Dismissed	Denied		
2013	21	0	15	2	1	6
2014	30	0	23	4	0	2

Chapter 3

Operation of Administrative Appeals System

Section 1 Field-Centered Administrative Appeals

Circuit Administrative Adjudication Oral Accounts

In 2014, the ACRC conducted “circuit administrative appeals oral accounts” 5 times in collaboration with the Municipal Administrative Appeals Commissions as part of the “on-site administrative service” for the information-poor. On three of the five occasions, the Protector of the CAAC presided over the meetings. On two occasions where the CAAC Protector presided over the oral accounts, policy meetings were held with the presence of the members of the Municipal Administrative Appeals Commissions. The participants had productive discussions about revisions of the Administrative Appeals Act, measures to reduce the large gap in acceptance rates among different Municipal Administrative Commissions, and the introduction of the hub-system for online administrative appeals.

The ACRC held two sub-committee meetings consisting of four members in 2014 as part of the test operation of “circuit administrative appeals,” adjudicating 942 appeals cases. As the ACRC moved to the Government Complex Sejong in 2015, “circuit administrative appeals” are to be implemented in a larger scale, primarily in Seoul.

On-site Education on Administrative Appeals System

“On-site education on the administrative appeals system” took place in Chungcheongbuk-do (Apr. and Sep.), Gwangju (Jul.) and Busan (Nov.), which was attended by nearly 500 participants in total. The sessions consisted of the overview of the administrative appeals system and major adjudication precedents.

Section 2 | Improvement of Work Process for Effective Administrative Adjudication

Revision of the Administrative Appeals Act

The ACRC is working to revise the Administrative Appeals Act to increase the Act’s compatibility with the revised Administrative Litigation Act and to better protect people’s rights by introducing new systems, such as settlement recommendation and indirect compulsory performance.

Amendments

- Increase the number of the CAAC members (fewer than 50 → fewer than 70)
- Change the authority to appoint, commission and recommend a CAAC member
 - CAAC Protector → ACRC Chairman
- Introduce indirect compulsory performance and create new regulation on eliminating results in case appeal is accepted
- Expand eligibility of claimants: Those who have interests as defined by the law → Those with legal interests
- Create a new regulation to notify the claim of appeals of the third party and relevant administrative agencies thereby granting an opportunity to submit opinions
- Change provisional disposition to injunction

Education of Professionals in Administrative Appeals

The ACRC established the “Administrative Appeals Professional Training Course” consisting of theories and latest precedents on dispute issues, and provided to working-level staff dealing with actual administrative appeals cases. The course is aimed at enhancing the problem-solving capacity of public officials by providing them with legal knowledge, and ultimately shortening the resolution time.

Training Provided for Officials in 2014

Date	Instructor	Topic
Oct. 15, 2014	Senior Judge Choi Joo-young of the Seoul Administrative Court	Actual cases of administrative litigation
Oct. 22, 2014	Senior Judge Lee Seung-taek of the Seoul Administrative Court	Reviews on disputes and precedents in administrative litigation cases
Nov. 12, 2014	Senior Judge Kim Dong-gook of the Supreme Court	Methodology of interpreting legislations and reviews on precedents

Efforts to Raise Awareness of Administrative Appeals

The ACRC has made a wide range of efforts to increase awareness of administrative appeals to better protect the people’s rights. As a result, the percentage of those who are aware of administrative appeals increased from 43.8 percent in 2013 to 44.4 percent in 2014.

The ACRC issued press releases about the rulings of administrative appeals whose implications are closely related to people’s lives. The ACRC distributed 61 press releases in 2014, and was mentioned by the media more than 860 times. This is a 65.4 percent increase from 520 times of the previous year. The ACRC conducted a mobile ad campaign in Sep. 2014 to raise awareness of administrative appeals to those in their 20s and 30s, and held SNS events in Feb. and Sep. The Commission also produced posters and leaflets, and distributed to nearly 5,000 relevant agencies, including local governments, the National Police Agency, the Ministry of Patriots and Veterans Affairs, the Ministry of Employment and Labor, law schools and law firms. The ACRC mounted an audio ad campaign on administrative appeals at 17 bus stops in Seoul, Daejeon and Jeonju.

Section 3 | Enhancement of Cooperation among Concerned Agencies

Policy Meetings with Municipal Administrative Appeals Commissions

The CAAC and Municipal Administrative Appeals Commissions have different jurisdictions and are operated independently of one another. Independence among

the Commissions allow for fairer adjudication, but different Municipal Administrative Appeals Commissions sometimes make different rulings on the appeals of the same issue. A leading example is administrative appeals about food sanitation. In 2013, there was a difference of 37.8 percentage points between the Commission with the highest acceptance rate and the Commission with the lowest acceptance rate.

In an effort to address this issue, the ACRC has been holding policy meetings between the CAAC Protector and the members of the Municipal Administrative Appeals Commissions since 2011. In 2014, the policy meetings took place in the presence of the members of the Municipal Administrative Appeals Commissions of Gangwon-do (Apr.), Gwangju (Jul.) and Chungcheongbuk-do (Sep.).

Cooperation Meeting with the Seoul Administrative Court

In July 2014, the ACRC and the Seoul Administrative Court held a meeting at the CAAC, which was attended by the ACRC vice-chairperson and other high-ranking officials and the Court's chief and senior judges.

The participants discussed measures to strengthen mutual cooperation, cases where different criteria were applied to specific appeals or issues and the reasons thereof, and activities to prevent administrative disputes and relevant plans for the future.

Workshops with Staff at the Municipal Administrative Appeals Commissions and the National Police Agency

In April 2014, the ACRC held a workshop for the staff at the Municipal Administrative Appeals Commissions across the country. The workshop provided an opportunity to have productive discussions on the administrative appeals system in general and to network among officials. The discussion topics included information-sharing on the operation of the Commissions in 2013, measures for improvement (e.g. reducing the gap in acceptance rates among different commissions), information-sharing on areas for institutional improvement identified in the process of handling actual cases, information-sharing

on significant precedents of each commission, special lectures aimed at enhancing capacity of the staff in charge of administrative appeals, introduction to the hub-system for administrative appeals, and measures to enhance cooperation among relevant personnel to successfully build the hub-system. In addition, the workshop also served as an opportunity to review issues regarding the existing guidelines for food sanitation deliberations and to come up with a revised version.

In Nov. 2014, the ACRC held a workshop for the staff in charge of administrative appeals cases at the Local Police Agencies. They usually respond with written replies to the appeals on driver's licenses at the request of the CAAC. The participants had a constructive discussion regarding ways to cooperate and efficiently handle the appeals on driver's license and possible measures for improvement.

Observation of CAAC Meetings and Education about Administrative Disputes

The ACRC has been committed to enhancing consistency in the operation of the Administrative Appeals Commissions and improving fairness and efficiency of the administrative appeals system. To this end, the ACRC had 28 participants from eight City and Municipal Administrative Appeals Commissions, 22 participants from 10 City and Municipal Administrative Appeals Commissions observe the CAAC meetings on separate occasions.

The ACRC is also implementing education programs on administrative appeals, administrative litigation and administrative procedures for local government officials. 4 sessions were held in 2014, the second of which took place in the form of the "on-site education on the administrative appeals system" at Integrity Training Center.

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

The ACRC has been providing opportunities every year for prospective lawyers and judicial officers to have hands-on experience on administrative appeals and learn about the actual procedures of protecting and relieving people's rights. In July 2014, the ACRC provided internship programs for law school students. 12 students

from different law schools took part in the program, and the participants were assigned to actual administrative appeals cases, observed the CAAC meetings, had a Q&A session with law school graduates, briefed on the duties of the ACRC, and wrote legal review reports.

In Jan. 2014, the administrative appeals internship program was provided for the students of the Judicial Research and Training Institute. And for the first time in June and Oct., the ACRC implemented a training program for new lawyers. 3 participants took part in the 8-week program, where they were assigned to administrative appeals cases and the mentors, who were the staff at the Administrative Appeals Division, critiqued their review reports.

International Seminars for Further Development of the Administrative Appeals System

On Nov. 28th, the ACRC held an international symposium at the Korea Chamber of Commerce and Industry under the theme of “Administrative Appeals Systems in Asia.” The symposium was joined by participants from Korea, China and Japan, the three leading Asian countries in the administrative appeals system in Asia. Indonesia took part in the event on behalf of the Southeast Asian region, where the system is yet to be established.

On Mar. 28th, the ACRC jointly held a seminar with the Korean Administrative Law Association at the Korea Chamber of Commerce and Industry under the theme of “Major Issues Regarding the Revision of the Administrative Appeals Act and the Administrative Litigation Act.” The participants discussed the status of the Municipal Administrative Appeals Commissions, possible measures for improvement in their operation, and settlement recommendation in administrative appeals cases.

and was completed in Dec. 2013. After a two-month pilot period, the hub-system started services for 6 Commissions including the CAAC in Feb. 2014. The online hub-system (<http://www.simpan.go.kr>) has enabled the 6 Commissions including the CAAC to provide services of filing, ruling and delivering the cases online.

The second phase of the project was implemented from May 30th, 2014 to Dec. 31st, 2014 for about seven months, where door-to-door interviews were conducted to analyze user demand and user workshops were held twice to review the system design.

It is estimated that the establishment and joint use of the administrative appeals hub-system has saved nearly KRW 67.3 billion up until 2014. This is due to the fact that it is less costly to keep a single system up and running than 20 agencies establishing and operating systems separately.

Now users can go to the hub-portal website (www.simpan.go.kr) to file an administrative appeal online anytime anywhere, and are provided with prompt one-stop service from checking the progress of the case to ruling. In addition, the hub-system is expected to deliver services to a wider public and help protect their rights, as the users can file an administrative appeal without an intervention of legal experts by referring to ruling precedents and previous appeals cases and by using the assistant feature of the website. With the third phase of the project scheduled to be completed in 2015, the use of the hub-system will be expanded to more than 60 agencies by 2016.

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

Selected by the Ministry of Government Administration and Home Affairs in 2012 as part of its e-Government project, the establishment of the administrative appeals hub-system entered into the first phase in May 2013,