

**ACRC  
KOREA**

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**Annual  
Report  
2015**

# CONTENTS

Greetings from the Chairperson ..... 04

Overview of the Year ..... 08

## Part 1. Promoting Cooperation

- Chapter 1. Private–Public Partnership and Support for Ethical Business Management ..... 12
- Chapter 2. International Cooperation ..... 15
- Chapter 3. Public Relations for ACRC ..... 19

## Part 2. Stimulating Policy Communication with the People

- Chapter 1. Operation of e–People ..... 22
- Chapter 2. Operation of 110 Government Call Center ..... 25
- Chapter 3. Policy Improvement through Complaint Analysis ..... 27
- Chapter 4. Reinforcement of Counseling for Civil Complaints ..... 29

## Part 3. Handling Complaints

- Chapter 1. Overview of Complaint Handling ..... 32
- Chapter 2. Status of Complaint Handling ..... 34
- Chapter 3. Operation of On–Site Outreach Program ..... 38
- Chapter 4. Active Resolution of Public Conflicts, Grievances of Citizens’ Livelihoods, and Unreasonable Complaints ..... 41
- Chapter 5. Implementation of Policy Function for Prevention of Civil Complaints ..... 46

## Part 4. Fighting Corruption

- Chapter 1. Establishment and Promotion of Anti–Corruption Policy ..... 52
- Chapter 2. Efforts for Voluntary Implementation of Anti–Corruption ..... 57
- Chapter 3. Protection and Reward of Whistleblowers and Operation of Code of Conduct for Public Officials ..... 64
- Chapter 4. Anti–Corruption Educational Training ..... 72

## Part 5. Adjudicating Administrative Appeals

- Chapter 1. Operation of Administrative Appeals ..... 76
- Chapter 2. Achievements of the Central Administrative Appeals Commission ..... 80
- Chapter 3. Establishment of the Hub–system for Online Administrative Appeals ..... 82

## Part 6. Improving Laws & Regulations

- Chapter 1. Overview of Institutional Improvement ..... 84
- Chapter 2. Key Examples of Institutional Improvements to Fight Corruption ..... 86
- Chapter 3. Key Examples of Institutional Improvement for Resolution of Civil Complaints ..... 88

# ACRC KOREA

—  
Annual  
Report 2015



## Greetings from the Chairperson



In 2008, the Anti-Corruption and Civil Rights Commission (ACRC) was established by integrating Korea Independent Commission against Corruption, the Ombudsman of Korea, and the Administrative Appeals Commission. Since then, the ACRC has made efforts to provide people-centered “One-stop service” to protect people’s rights and interests.

In 2015, marking the third anniversary of the Park Guen-hye Administration, the ACRC focused on protecting people’s rights and interests and preventing corruption and achieved successful results.

First, **the ACRC actively addressed grievances and inconveniences of people from their perspective, and reflected their voices into policies.** In particular, the number of collective complaints resolved through on-site mediation continuously went up from 43 in 2013 to 54 in 2014 to 65 in 2015.

Also, by operating “On-site Administrative Appeals Service,” the ACRC provided a total of 35 rounds of such service nationwide.

The Commission also ran “On-site Outreach Program” for the socially disadvantaged and handled difficulties of those left out of government welfare by cooperating with relevant agencies. For frequently filed complaints, the ACRC dealt with the underlying cause of them by identifying and working on the room for improvement.

**The ACRC improved unreasonable institutions to meet the public demand.** Particularly, we spared no effort to rectify factors that cause inconveniences and complaints in people’s everyday life, by analyzing complaints received to e-People. For example, the size of a photo which should be submitted to a public institution has been standardized as the size of a passport photo, thereby reliving people’s trouble.

**The Commission worked to better communicate with people.** We established “Idea platform” where people can freely suggest their ideas and where policy alternatives can be drawn up after discussion and votes on such ideas. Also, we provided our support so that people’s voices can be reflected to government policies in a rapid manner with “Early warning system” and “Complaint forecast service.”

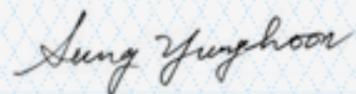
Next, **the ACRC strengthened institutional foundation for corruption prevention.** For example, we enacted “Improper Solicitation and Graft Act,” which will be enforced this September. We will make multifaceted efforts to come up with enforcement decrees of the Act, while educating and promoting the Act, in order for the successful implementation of the Act.

We bolstered our efforts to prevent budget waste. The ACRC opened the Center for Reporting Public Subsidy Fraud to prevent budget waste in both welfare and non-welfare sectors. Last year, we received and handled a total of 340 cases of report and recovered KRW 28.7 billion (for 125 cases).

The ACRC promoted public interest whistle blowing in the private sector and enhanced whistleblower protection system. For instance, the Commission revised the Act on the Protection of Public Interest Whistleblowers to make the whistleblower protection system more effective by expanding protection for public interest violation whistleblowers. The revised Act was passed by the National Assembly in July, 2015 and went into effect on January 25, 2016.

Based on our achievements, the ACRC will continue to promote policies to realize “a clean and transparent society and a country of happiness.”

May 2016



**Sung Yung-hoon**  
Chairperson  
Anti-Corruption and Civil Rights  
Commission  
Republic of Korea



# Overview of the Year

—  
Annual  
Report 2015



**Chapter 1.** Achievements So Far and Future Direction



Chapter 01

# Achievements So Far and Future Direction

## 1. Major Accomplishments

The Anti-Corruption and Civil Rights Commission (ACRC) was launched in 2008 after merging three agencies: The Ombudsman of Korea; Korea Independent Commission Against Corruption; and The Administrative Appeals Commission. Since its launching, the ACRC has put its focus on providing more speedy and convenient services by integrating the function of protecting the people's rights including complaint-handling and administrative appeal with the function of anti-corruption.

Making full use of the closer connection and synergy effect created by such integration, the ACRC has made multi-faceted efforts for the past three years since the launch of the Park Geun-Hye Administration, to make remarkable accomplishments.

### **Field-Centered Resolution of Complaints and Fundamental Response to Frequent Complaints**

As the areas of conflicts diversified in our society and the need for response to collective complaints increased, the ACRC has put its focus on handling those conflicts and collective complaints. As a result, the number of collective complaints' resolution has consistently increased from 43 in 2013 to 54 in 2014, and then to 65 in 2015. Counseling service was offered for 5,070 civil complaints in 160 communities nationwide through "on-site outreach program" and 1,917 cases out of them were resolved. Also, fundamental response measures against frequently-filed complaints were developed. The most remarkable example of such measures is the discovery of spots where counter-flow driving accidents take place frequently in collaboration with relevant agencies and the institutional improvement for the resolution of the problem.

### **Enhancement of Institutional Foundation for Improvement of Abnormal Corrupt Practices**

The Improper Solicitation and Graft Act has been enacted and it will go into effect in September, 2016. To live up to high expectations for the Act to work as the catalyst for

groundbreaking improvement of the corruption-friendly culture in Korean society, the ACRC will never stop its multi-sided efforts so that the new system can take a firm root in our society. Plus, the revision of the Act on the Protection of Public Interest Whistleblowers increased the number of laws subject to mandatory whistleblower protection from 180 to 279, to expand the scope of protection for public interest whistleblowers.

### **Policy Improvement for Better Fulfillment of the People's Requests, and Enhancement of Policy Communication with the People**

The ACRC discovered unreasonable institutions and practices that cause inconvenience for the people as well as corruption and issued total 186 recommendations for institutional improvement to public institutions in charge. The ACRC also expanded opportunity for the people to participate in policy-making, by strengthening the channel of communication with the people. In 2015, "idea platform" was established, so that more people can suggest their ideas freely and draw out policy alternatives through discussions and polls. The ACRC also actively supported reflection of the people's voices in government policies; the most remarkable example of such effort is the "complaint forecast system" for handling of repeatedly-raised complaints.

## 2. Future Direction

The ACRC will continue its utmost efforts in 2016 for realization of "A country where the people are happy, a society of integrity and transparency".

### **A. Formation of Ecosystem of Integrity**

An ecosystem of integrity where corruption-preventing laws and regulations result in spread of culture of integrity and improvement of behaviors of the members of society will be created.

The ACRC will enhance legal and institutional foundation for such ecosystem with the "three anti-corruption Acts".

Along with the Improper Solicitation and Graft Act and the Act on the Protection of Public Interest Whistleblowers, the ACRC is committed to actively endorse enactment of the Act on the Prevention of False Claims of Public Funds, in order to effectively prevent false claims for government subsidies and grants as well as to thoroughly redeem subsidies and grants that are falsely endowed.

The ACRC will take pre-emptive response measures against corruption. Notably, the Commission will implement Corruption Impact Assessment on overall laws and regulations including standards and procedures of tasks devolved or outsourced by government agencies as well as the appropriateness of management and supervision on those tasks, in order to enhance the transparency of the tasks devolved or outsourced to the private sector by the central and local governments, which have been on a constant increase.

The ACRC will spread an advanced culture of integrity throughout Korean society. A systematic integrity education customized for each phase of public career cycle from the very beginning will be offered to public officials, while "integrity guidelines for business management" will be disseminated to companies. Furthermore, contents of integrity education will be enhanced in morals and ethics textbooks for elementary, middle, and high schools so that children and teenagers who will be our future generation can nurture the sense of integrity from early age.

### **B. Practical Resolution of Complaints**

The ACRC will keep focusing on resolution of grievances of the common people and small-sized businesses. While strengthening protection of the rights of tenants living in public rental housing as well as emergency support for the elderly living alone and patients with severe illnesses, the ACRC will also actively resolve problems caused by excessive regulations on small-sized self-employed businesses and small enterprises' loss caused in the process of signing contract with public institutions.

The ACRC will reinforce its efforts for resolution of collective complaints. Complaints related with multiple public agencies will be resolved in cooperation with relevant agencies, for example by forming a joint conflict-coordination council between central government agencies in charge and the Commission. On-site mediation for long-pending collective complaints in different regions of the country will also be expanded. The measures for that purpose include expanded scope of operation of a "public-private consultative body" participated by external experts.

The ACRC will reform abnormal complaint-handling practices. In 2015, the ACRC significantly lessened inconvenience for the people by speedily resolving approximately 38,000 so-called "ping-pong complaints" that had been shifted from one administrative body to another. In 2016, the Commission will more focus on resolving so-called "repeat mark complaints". "Repeat mark complaints" refer to complaints that are raised again to another government agency because of the petitioner's dissatisfaction with the initial handling, but returned to the agency that took the initial measure without any proper reason.

### **C. Better Communication with the People**

The ACRC will provide a more convenient communication system for the public. It will reinforce the integrated counseling service for all kinds of civil petitions to government agencies so that anyone can have his/her questions toward the government answered by just calling 110. "On-line administrative appeals service" which offers one-stop service from filing for an administrative appeal to checking the ruling will also be expanded.

The ACRC will better reflect "the voices of the people" in policies. Notably, this year, excessive regulations will be constantly identified from civil complaints by making use of two-way connection system between e-People which is a portal website for civil petitions and Regulatory Reform Sinmungo which is a portal website for reform of excessive regulations.

The ACRC will more closely communicate with the socially disadvantaged people. "On-site outreach program" that visits areas where the disadvantaged live and resolves those people's complaints about their livelihood will be operated in a more active manner, while collaboration with private groups that protect and support the rights and interests of the socially weak including children and teenagers will be strengthened. Plus, windows for civil petitions in foreign languages will be expanded, in order to address inconvenience that foreigners living in Korea such as people from multi-cultural families and foreign workers as well as Korean descendants living overseas face when they have to file civil complaints in the Korean language.

In 2016, the ACRC will continue its best efforts to support economic revitalization and the people's happiness, by thoroughly implementing policies for realization of a transparent society in cooperation with the people.



Part 1.  
**Promoting  
Cooperation**

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Annual  
Report 2015

**Chapter 1.** Private–Public Partnership and Support for Ethical Business Management

**Chapter 2.** International Cooperation

**Chapter 3.** Public Relations for ACRC



# Chapter 01

## Private–Public Partnership and Support for Ethical Business Management

The ACRC has reinforced communication and cooperation with civic groups and enhanced the government–level support for spread and settlement of ethical business management culture among economic associations and businesses, ever since the launch of the new administration in 2013.

Major achievements in 2015 include firm support from the non–governmental sector for the ACRC’s major policies such as enactment of the Improper Solicitation and Graft Act (Mar. 28, ’15) for the purpose of enhancing public–private governance through increase in groups that participate in the public–private partnership network. The result was demonstrated in the increased numbers of organizations participating in anti–corruption public–private consultative groups such as “Korean Network on Anti–Corruption and Transparency (KNACT)” (from 38 to 43) and “Public–Private Network for Improvement of the People’s Rights” (from 12 to 19), as well as the launch of “Busan Network on Anti–Corruption and Transparency” (Oct. 21, ’15).

“Public Institution Integrity Ombudsman Council” was launched (Dec. 9, ’15), as a result of the ACRC’s efforts concentrated on the formation of a consultative body for better operation of “citizen integrity auditor” scheme.

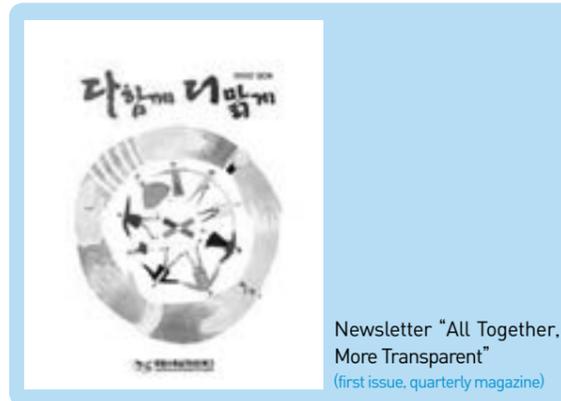
“Business Ethics Day” (Jun. 2) and “Business Ethics Week” (the week that includes the Business Ethics Day) were designated for promotion of ethical business culture and businesses were encouraged to celebrate them.

### 1. Reinforcement of Society–Wide Cooperation and Communication

#### A. Efforts for Spread of Culture of Integrity in Cooperation with KNACT

Throughout the year of 2015, KNACT made efforts for spread of the culture of integrity by holding joint workshops,

publishing newsletters, hosting discussions for promoting sound relations with government agencies, and leading joint campaign for the anti–corruption week. The number of public enterprises and civic groups that participated in the network increased by five, to reach 43.



Newsletter “All Together, More Transparent” (first issue, quarterly magazine)



Discussion on sound relations with government agencies and resolution for ethical business practice (June 2, at conference room at KORAIL)

### B. Establishment & Operation of “Public–Private Network for Improvement of the People’s Rights”

To protect rights of the socially discriminated and vulnerable classes, the ACRC made efforts to solve those people’s difficulties and to discover and improve abnormal institutions, by building networks with civil society organizations.

“Public–Private Network for Improvement of the People’s Rights” is a public–private consultative body formed between the Commission and civic organizations. Its members include 19 civic groups that work to protect and promote the rights of the socially weak and disadvantaged.

This year, the “Public–Private Network for Improvement of the People’s Rights” has hosted five “policy–briefing sessions to promote the people’s rights”, to receive and address 41 suggestions for policy improvement (4 cases for which policy improvement or review is underway, 4 cases forwarded to the People’s Happiness Center for Public Policy Suggestions, 1 case on hold, and 27 cases for which information and explanation were provided).

The ACRC also held a contest for institutional improvement with four non–government organizations that work for the disabled, consumer protection, and safety. For 21 suggestions made in the contest (4 excellent suggestions, 7 to be reviewed, 10 to pay attention), institutional improvement is currently being reviewed or implemented.

### C. Establishment & Operation of “Public Institution Integrity Ombudsman Council”

The “Public Institution Integrity Ombudsman Council” was launched on December 9, 2015, to work as a “practical venue for communication”. The Council is directly participated by citizen integrity auditors of central government agencies, local governments, local offices of education, and public service related organizations. Citizen integrity auditors from 18 institutions gather together at the council, to find out answers for different questions raised on the frontline of policy implementation, as well as to share best practices any time.



Foundation meeting of Public Institution Integrity Ombudsman Council (Dec. 9, at Teachers’ Pension Hall)

## 2. Government–Subsidized Private Projects

Since 2007, the ACRC has supported private organizations with government subsidies, to spread the autonomous atmosphere for anti–corruption among civil society organizations and to support the protection and improvement of the people’s rights. In 2015, the Commission selected 16 projects (12 projects for promoting integrity in local communities, 3 for the protection of the people’s rights area, 1 for anti–corruption and promotion of public–private cooperation in anti–corruption) out of 29 applied, and supported the national budget of KRW 244 million for the selected projects.

In 2015, notably, the ACRC contributed to spread of the culture of integrity in local communities by carrying out projects such as establishment of local public–private networks for anti–corruption, providing integrity education for teenagers and nurturing integrity instructors, spreading the sense of integrity, reinforcing local governments’ integrity ordinances (protection of whistleblowers, code of conduct for local council members), supporting social welfare institutions’ autonomous ethical management and integrity–building, and helping establishment of code of conduct ordinances for Daejeon city council members. The ACRC also achieved many good results in finding out areas of improvement for the protection of the socially disadvantaged, by implementing projects such as “Open Forum of Policy Suggestion for Single Mothers” and “Survey on Infringement of Disabled Consumers’ Rights”.

## 3. Support for Ethical Corporate Management

Ethical business management of companies is an area that is deeply related with the ACRC’s anti–corruption policies including transparent accounting, anti–corruption and integrity, and fairness. In 2015, the ACRC continued to implement a variety of support projects for establishment of a transparent and fair corporate business environment and to settle the culture of ethical business management among companies.

### A. Publication and Dissemination of Monthly On–Line Magazine, “Business Ethics Brief”

In 2015, “Business Ethics Brief” continued its efforts to better–fulfill the needs of compliance officers of public and private corporations in Korea. It put a bigger focus on special–

feature articles such as global reports that introduced major countries' anti-corruption and ethical business management policies and institutions, as well as cases of ethical business management in different sectors, which introduced major ethical management issues in different industries and companies' efforts to address such issues.

In the meantime, the number of 'Business Ethics Brief,'s subscribers has recorded a constant rise. As of December 2015, 'Business Ethics Brief,' was sent to 5,921 individuals and organizations including public and private enterprises, economic associations, and academic organizations, via e-mail.



On-line magazine 'Business Ethics Brief,'



'Business Ethics Brief,' brochure

### B. Operation of Educational Courses for Ethical Management

The ACRC has operated educational courses for ethical management since 2009, for the purpose of building capabilities of compliance officers and raising awareness of ethical management among corporate executives.

The educational programs include lessons on how compliance officers can enhance their capabilities. They are composed of experts' special lectures on the latest issues

regarding ethical business management, case presentations on best practices of ethical management, ethical management implementation process, and discussions on ethical conflict situations. The frequency of the educational program increased significantly in 2015 to 11 times (1,382 participants).

Notably, in 2015, more small-and-medium-sized enterprises faced with difficulties in practicing ethical management participated in the ethical management education. A separate course was offered to defense industry companies in collaboration with the Defense Acquisition Program Administration and the Korea Defense Industry Association, in order to further promote the culture of ethical management in the industry.

### C. Communication & Cooperation with Relevant Organizations Including Economic Associations

For the improvement of transparency in the private sector and the advancement of social awareness of ethical management, the ACRC has been implementing joint projects for promotion of ethical management as well as discovery and spread of ethical management best practices, in collaboration with various organizations including major economic organizations such as the Federation of Korean Industries.

The ACRC offered contents of "Business Ethics Brief" to 3,000 member companies of the Korea Business Communications Association, to help them utilize the contents in their company newsletters. The Commission is continuing its efforts for enhancement of awareness of ethical business management throughout society by actively supporting institutions related with ethical business management, such as "BEST Forum: Business Ethics and Sustainability management for Top performance".

## Chapter 02

# International Cooperation

The ACRC is sincerely implementing international conventions including the United Nations Convention Against Corruption ("UNCAC") and the OECD Convention on Combating Bribery of Foreign Public Official in International Business Transactions ("OECD Anti-Bribery Convention"), in order to do its part in international cooperation for anti-corruption. It is actively working with relevant international organizations such as the International Anti-Corruption Academy (IACA), the United National Development Programme (UNDP), and the World Bank. Furthermore, the Commission is consistently laying foundation for protecting the rights of Korean expatriates by signing bilateral cooperation MOUs with foreign ombudsmen. In 2015, the ACRC formed partnership with the UNDP and agreed to providing assistance in introducing its anti-corruption institutions to developing countries. It also expanded the scope of its international cooperation for protection of Korean expats' rights by signing an MOU for cooperation with the Australian Federal Ombudsman.

### 1. International Cooperation for Anti-Corruption

#### A. Implementation of Anti-Corruption International Conventions

The Republic of Korea signed the United Nations Convention Against Corruption (UNCAC) in 2003 and its national implementing legislation titled the Act on Special Cases Concerning Confiscation and Recovery of Stolen Assets passed at the National Assembly on February 29, 2008, for official ratification of the convention at Korea's National Assembly.

ACRC Chairman Sungbo Lee proclaimed the Korean government's strong support for UNCAC in the keynote speech representing the group of Asian-Pacific nations and in the keynote speech as the representative of the delegation of the Republic of Korea at the Sixth session of

the Conference of the States Parties to the UNCAC hosted in November, 2015, at Saint Petersburg, Russia. In addition, the ACRC delegation made a presentation about Korea's whistleblower protection system and corruption impact assessment system as best policy practices, at the request of the United Nations Office on Drugs and Crime and the UNDP.

For the purpose of implementing the OECD Anti-Bribery Convention, Korea enacted the Act on Combating Bribery of Foreign Public Officials in International Business Transactions in December, 1998, and has enforced the Act since February, 1999.

In 2015, Korea conducted the phase 3 peer review on New Zealand. The ACRC played a role in reviewing New Zealand's implementation of the Convention including punishment against violation, protection of corruption reporters, efforts to raise awareness of the convention, and cooperation with the private sector, in partnership with the Justice Ministry of Korea.

Ever since the establishment of G20 Anti-Corruption Working Group in 2011, the ACRC has made consistent efforts for improvement by checking the current status of domestic anti-corruption rules and institutions for implementation of the G20 Anti-Corruption Action Plan, by operating G20 consultative body including the Justice Ministry and Foreign Affairs Ministry.

The ACRC attended the 2015 G20 Anti-Corruption Working Group meeting, participating in discussions on major issues regarding anti-corruption including ways to promote integrity in the private sector and principles of information disclosure.



6th Conference of State Parties to UNCAC (Dec. 2, St. Petersburg)



OECD Anti-Corruption Forum (Mar. 25, Paris)



G20 High-level Conference on Anti-Corruption (Mar. 4~6, Turkey)

## B. Anti-Corruption Cooperation with International Organizations

Since signing a cooperation MOU in March, 2012 with the IACA which is an international organization dedicated for anti-corruption education and training, the ACRC has been contributing to the international society's efforts for enhancement of knowledge and capabilities in each one's anti-corruption education area and for eradication of corruption through active exchanges.

A customized anti-corruption education program by the IACA has been provided to Korea's anti-corruption practitioners since 2013. In 2015, total 26 people attended the training program by the IACA from June 10 to 18.

In May, 2014, one director-level official of the ACRC was seconded to the IACA with the position of senior academic officer specialized in lecture for the IACA anti-corruption educational program. The official has been contributing to international academic activities for anti-corruption, including lectures and operation of educational programs.

The ACRC signed "ACRC-UNDP Anti-Corruption Cooperation MOU" in December 4, 2015, so that it can share Korea's anti-corruption experiences and help developing countries introduce Korea's best anti-corruption practices in cooperation with the UNDP. As the first collaboration project for the implementation of the MOU, the ACRC and UNDP Seoul Policy Center launched a pilot project that helps introduction of Korea's "anti-corruption policy evaluation" at public institutions in Vietnam.



ACRC-UNDP anti-corruption cooperation MOU signing ceremony (Dec. 4, Seoul)

The ACRC has been carrying out a joint project for development of evaluation system for effectiveness of anti-corruption system in cooperation with the World Bank, based on its experiences of implementing "Integrity Assessment" and "Anti-Corruption Initiatives Assessment" for the past 10 years in Korea. In 2016, newly-developed evaluation system will be test-operated in two Asian countries.

## C. Bilateral Anti-Corruption Cooperation

The ACRC has been executing an anti-corruption collaboration project with the Foreign and Commonwealth Office of the U.K. since April, 2014, for the purpose of improving Korea's anti-corruption laws and regulations as well as enhancing public and private awareness of anti-corruption policies based on expanded cooperation between the anti-corruption organization of Korea and the U.K.

As part of the collaboration project, the first "Korea-U.K. Anti-Corruption Seminar" was held in Seoul in December 9, 2014, in celebration of the "International Anti-Corruption Day". The second seminar was held in London on March 27, 2015. In addition, the ACRC carried out a joint research project for development of "Anti-Bribery Business Management Guidelines for Korea" by referring to the U.K.'s BS 10500 from June to December, 2015.

The ACRC also signed anti-corruption cooperation MOUs with Indonesia, Thailand, Vietnam, and Indonesia and agreed on transfer of anti-corruption policies to those countries and cooperation activities for their enhanced anti-corruption capabilities.

In November 2015, the ACRC provided four officials from the Indonesian Corruption Eradication Commission with an educational session about protection of and compensation for corruption reporters and procedures of corruption reports'

reception and handling. Plus, in December, the ninth "Korea-Indonesia Anti-Corruption Conference & Korea-Indonesia Joint Anti-Corruption Workshop" was hosted in Jakarta.

In April, 2015, a training session on detailed procedures of Integrity Assessment was offered to five officials from the Mongolian Anti-Corruption Agency in April, 2015, in the city of Sejong in Korea. In November in the same year, "Korea-Mongolia Anti-Corruption MOU Implementation Meeting" was held in Ulaanbaatar, Mongolia, to share both countries' anti-corruption policies and discuss plans for future cooperation.

The ACRC launched the "ACRC Training Course for International Anti-Corruption Practitioners" in 2013, for the purpose of contributing to reinforcement of anti-corruption capabilities of public officials worldwide. The program for 2015 was carried out at the ACRC Anti-Corruption Training Institute (in Cheongju city in Korea) and Seoul for two weeks from May 12. Total 15 people from 15 countries including Vietnam, Poland, Ukraine, Morocco, and Paraguay participated in the program.

A policy training session for enhancement of Mongolian public officials' anti-corruption capabilities was given by the ACRC and the Korea International Cooperation Agency (KOICA) for two weeks from July 21 to 31, 2015. Fifteen public officials from anti-corruption institutions in Mongolia including the Mongolian Anti-Corruption Agency and the Police Agency took part in the session.

## 2. International Ombudsman Cooperation

### A. Multilateral Cooperation

Since the ACRC's establishment in 2008, the Chairperson of the Commission has served as the president or a board member of the International Ombudsman Institute (IOI) Asian Region. ACRC Chairman Sungbo Lee attended the IOI's board meeting held in Namibia in September, 2015, to make a presentation on the background of the launch of e-People service, its major functions and accomplishments, and future direction.

The ACRC is the founding member of the Asian Ombudsman Association (AOA) and actively worked as the Treasurer of the association from 2003 to 2015. Chairman Sungbo Lee attended the 14th AOA General Assembly Meeting held in November 2015 in Islamabad in Pakistan, to approve the membership of the Ombudsman of Gangwon-do Province of Korea in the association and to actively advocate hosting of

the 15th AOA General Assembly Meeting in 2017 in Korea.

### B. Bilateral Cooperation

Since the ACRC signed an MOU for cooperation with the Indonesian Ombudsman in 2010 for the purpose of protecting Korean expatriates' rights and exchanging best policies of Korea and Indonesia, it has consistently made efforts to build direct bilateral cooperative relations with foreign ombudsman bodies by signing cooperative MOUs with Thailand, Vietnam, and Australia.

In June, 2015, the ACRC signed a cooperative MOU with Australian Federal Ombudsman. On the occasion of the MOU, the ombudsmen of the two countries agreed to provide translation service for civil petitioning and replying in the other's language, exchange information about each country's people living in the other on a regular basis, and do their best to address difficulties that each country's expatriates face by improving unreasonable laws and systems.

After the conclusion of the MOU, the two countries' ombudsmen held a meeting with Korean expats living in Australia and Koreans who are working in Australia in working-holiday program jointly with the Korean consulate



Korea-Australia Ombudsman cooperation MOU signing ceremony (June 10, Canberra)



Meeting with Korean expats in Australia (June 12, Sydney)

in Sydney, to listen to their difficulties and find out ways for improvement.

In September, 2015, a delegation of 11 officials from the Ombudsman of Thailand including chief Ombudsman Mr. Siracha Vonsarayankura visited Korea to hold "Korea-Thailand High-Level Meeting for Ombudsman Cooperation" in Sejong City. In addition, the ombudsmen of the two countries hosted a meeting with Thai people together at the foreigner's community center in the city of Ansan, to listen to their difficulties and suggestions. The ACRC also offered a briefing session on the Korean government's know-how about the operation of the "110 Government Call Center" to the staff of the Thai Ombudsman call center.

In December, 2015, the ACRC visited the office of Indonesian Ombudsman, to hold a high-level meeting for the implementation of the cooperation MOU and to introduce Korea's complaint-handling systems such as e-People. Plus, a meeting with Korean expatriates in the country was held to listen to their difficulties including issues that rise in the process of business management in the country.

In October, 2015, the ACRC and the Government Inspectorate of Vietnam held a meeting for ombudsman cooperation in Hanoi, Vietnam, to talk about how to establish right-protection channels for expatriates and how to improve both countries' ombudsman. The two institutions also shared information about each country's grievance-handling system for the people and the ACRC introduced Korea's e-People system and administrative appeal system.

### 3. International Public Relations

Since its launch in 2008, the ACRC has held policy briefing sessions every year with foreign CEOs working in Korea, in order to listen to difficulties they face in their business management as well as to explain the Korean government's efforts for enhancement of Korea's national integrity. Total 78 people including foreign businessmen in Korea, foreign diplomats in Korea, and foreign journalists were invited to the eighth briefing session held in February 2015, where the Korean government's anti-corruption efforts such as the enactment of the Improper Solicitation and Graft Act, revision of the Whistleblower Protection Act, and push for enactment of the Act on the Prevention of False Claims of Public Funds were introduced.

Staff of foreign anti-corruption agencies and public officials from relevant foreign institutions visit the ACRC every year, in order to benchmark Korea's anti-corruption

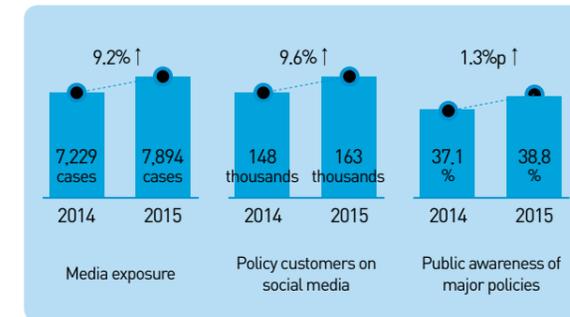
and ombudsman policies and experience of the policy implementation. The total number of visitors to the ACRC since its establishment in 2008 reaches as high as 1,751. In 2015, total 259 people from 20 countries in Asia, Middle East, and Africa visited the ACRC for 14 times.

The ACRC distributes brochures, newsletters, and ACRC annual reports in English to foreign government agencies, relevant international organizations, international assessment institutions, foreign economic organizations in Korea, and the international press, in order to raise the recognition of the ACRC among foreigners and to publicize the Korean government's activities for enhanced rights of the people. In 2015, a brochure that explains the anti-corruption policies and achievements since the ACRC's establishment, ACRC Annual Report 2014, and quarterly e-mail newsletter were published.

## Chapter 03

# Public Relations for ACRC

As a result of PR activities for the ACRC's policies, the frequency of the Commission's media exposure in 2015 increased by 9.2% and the volume of ACRC's policy customers on social media channels also increased by 9.6%. In addition, public awareness of the ACRC's major policies rose by 1.3%p.



### 1. Media Reports

The ACRC has carried out multi-faceted PR activities including press release, special reporting, press meetings, and support for media coverage, in order to maximize the effect of media reports about the ACRC. In 2015, total 344 press releases were distributed, which led to 7,894 media reports about the ACRC. The number was higher by 665 than in 2014.

In line with the atmosphere of strengthening pan-government anti-corruption efforts, the ACRC did its best to raise issues regarding enactment and revision of laws and to form public consensus for anti-corruption, by highlighting the need for implementation of the three anti-corruption laws (the Improper Solicitation and Graft Act, the Act on the Protection of Public Interest Whistleblowers, and the Act on the Prevention of False Claims of Public Funds), which are the Commissions' preventive corruption-control system.

Media coverage on TV & newspaper of the Chairperson and the Vice Chairperson

The ACRC which is on the very touch-point between the administrative body and the people's lives also actively carried out field-centered PR activities. It highlighted the Commission's function and role of communicating with the socially disadvantaged through the on-site outreach program and resolving social conflicts on the field with local people. For effective PR, the Commission preemptively built close cooperative relations with local media and press, so that they can vividly demonstrate the ACRC's role on the field to the Korean people.

### 2. Expanded Communication with the People on New Media Platforms

The ACRC has made a variety of efforts for better two-way communication with the people. A UCC contest (Festival of 60-second films about the people's rights) was hosted in order to induce more people's participation in policies for the people's rights. The ACRC's plus-friend channel was launched on mobile messenger service Kakaotalk. Such efforts to expand the touch-point with people by carrying out better-appealing PR activities led to increased number

of policy customers on the ACRC’s blog and social medial channels. The ACRC also engaged in various communication activities on social media, such as an event for people to name the corruption and public interest violation reporter mascot. The Commission also expanded opportunities for the people to participate in policy-making also by implementing a joint campaign on major policies in cooperation with private search engine services (Daum and NAVER).



Joint campaigns with Daum on the event of celebrating mobile page opening of Improper Solicitation & Graft Act, and event of naming the corruption and public interest violation reporter mascot

Furthermore, appealing story-telling contents were disseminated through work of a blog reporters’ team (11<sup>th</sup>) and fun-to-watch visual contents including UCC, videos, infographic, and webtoons were developed, so that the people can understand and communicate about the Commission’s policies in an easy and fun way.

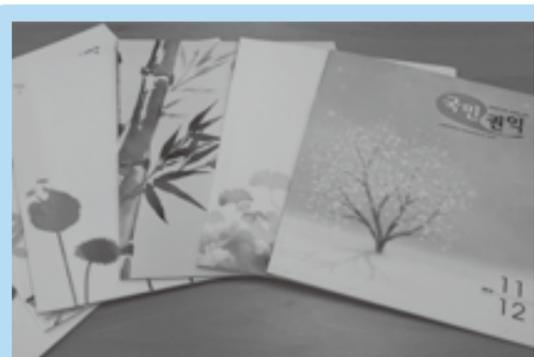


blog reporters’ articles, videos of public interest whistle blowers protection, and webtoon of People’s Happiness Center for Public Policy Suggestions

### 3. Publication of Magazines and Newsletters

The ACRC magazine is a bimonthly publication that introduces major activities carried out by the ACRC. In 2015, 17,000 copies were printed per edition, to be distributed to community centers in different municipalities, post offices, banks, and libraries which are the very touch-points with the people’s lives. Notably, the Commission developed its mobile application and provided e-book service to nine on-line bookstores including Kyobo Bookstore and Interpark. In addition, ‘ACRC Quarterly’, the ACRC’s newsletter in English has been published and distributed to major embassies of major countries, foreign press, and foreign CEOs in Korea.

Policy casebook ‘Going Together, Walking with the People’, for which a children’s storywriter wrote emotionally-appealing stories from major complaint-handling cases was produced and distributed to major policy customers and participants of the ‘The 3<sup>rd</sup> People’s Rights Day’ event held on February 27. The book was also available on on-line bookstores and social media networks.



Bi-monthly published Korean newsletter (ACRC Newsletter)



Quarterly published English newsletter (ACRC Quarterly)



# Part 2. Stimulating Policy Communication with the People

Annual  
Report 2015

- Chapter 1. Operation of e-People
- Chapter 2. Operation of 110 Government Call Center
- Chapter 3. Policy Improvement through Complaint Analysis
- Chapter 4. Reinforcement of Counseling for Civil Complaints



# Chapter 01

## Operation of e-People

### 1. Realization of One-Stop Communication System

For the purpose of serving as the window of communication between the people and the government, the ACRC created "e-People" which is an on-line window of communication that integrated all administrative agencies' communication channels including civil complaint filing system, People's Happiness Center for Public Policy Suggestions, and policy participation system, under the slogan of "No voice left unheard".

Beginning from the integration of seven central government departments' complaint-handling systems in August, 2005, the complaint-handling systems of all central government agencies were merged in July, 2006. In February 2008, the complaint-handling systems of local governments and major public institutions were connected to e-People, to lay the foundation for a complete one-stop service for the people. As of 2015, more than 900 institutions are utilizing e-People service.

Along with expanding scope of public institutions integrated and linked under the system, services have consistently increased. In 2012, the function of "wasted budget reporting" was newly created, to integrate reporting centers of all central government agencies and local governments so that anyone can easily report about false and inappropriate execution of government budget by administrative agencies. In 2013, "whistleblowing" function was added to help reporting of the public interest violations regarding public health, safety, the environment, consumer interest, and fair competition to relevant administrative or supervisory institutions.

In 2015, a system was established to connect portal websites of major government agencies for "regulatory reform", "safety", and "welfare" to the e-People service. The new system was designed to forward different reports and complaints filed on each portal website to relevant agencies

through e-People in a speedy manner. Also, a system of discovering potential policy suggestions for regulatory reform out of civil complaints filed on e-People was established.

### 2. Reinforcement of Quality Control of e-People Service for Civil Complaints

The ACRC pursues enhanced complaint-handling capabilities of public institutions at different levels by supporting education and consulting service for handling of civil complaints filed on e-People and by examining and evaluating how those institutions deal with civil complaints every year.

The ACRC developed and disseminated "e-People Complaint Handling Guidelines" that specify handling instructions and precautions for each step of filing, assignment, handling, notification of result, and follow-up measures for civil complaints filed on e-People as well as a template reply for complaints, in order to help officials in charge of complaint handling to do their work more conveniently and to inform basic principles for complaint handling.

In 2015, notably, a coordination system for "ping-pong complaints" was introduced to resolve the problem of civil complaints dumped from one government agency to another for more than 3 times (so-called "ping-pong complaint"). More than 3,800 ping-pong complaints were addressed, to reduce their average reception days from 4.75 to 2.35.

### 3. Operation of Foreign Language Service for Filing Complaint on e-People

Aligning with "Government 3.0's" aims to provide customized services for the people, the ACRC has operated complaint-receiving window in foreign languages in the e-People system. After starting with three languages (English, Chinese, Japanese) in June, 2008, the system now provides service in 12 languages.

Launching of Foreign Language Services

Time of launching	Jun. '08	Dec. '09	Jun. '10	Nov. '10	Dec. '11	May. '11	Sep. '11	Nov. '11	Dec. '12	Nov. '13
Language	English Chinese Japanese	Vietnamese	Mongolian	Indonesian	Thai	Uzbek	Bengali	Cambodian	Sinhala (Language of Sri Lanka)	Nepali

When foreigners who live in Korea or Korean descendants living overseas, whose first language is not Korean, file civil complaints in their own languages through the foreign language complaint-handling window of e-People, they can receive the result in the language they used to file for complaints.

The originality of e-People's complaint-handling system in foreign languages has already been recognized, so in 2014, its patent held by the Republic of Korea was granted. The ACRC will assist foreigners in Korea and Korean descendants overseas speaking other languages to use e-People's complaint filing service more easily and conveniently. In 2016, service in Russian and Burmese (language of Myanmar) will be newly launched.

### 4. Expansion of Communication Channels Led by the People

"People's Happiness Center for Public Policy Suggestions" is a pan-government window for on/off-line policy suggestion, which aims to enhance the quality of administrative services by reflecting people's ideas about administrative improvement they find out in their everyday lives in government affairs, as well as to pursue customer-centered government administration they want. The Center listens to people on-site about problems the government didn't anticipate when initiating various laws, systems, and projects, and develops the solution and improvement measure through cooperation between the people (those who make policy suggestions) and the government (the body who examines and implements the ideas).

In 2015, the website of "People's Happiness Center for Public Policy Suggestions" was revised in a way that most-sought information including the result of policy suggestion and consequent change in policies are displayed first. That made the website awarded the grand prize for the "Desktop Web 'Public Service' segment in the "12th Web-Awards Korea".

Furthermore, "People's Idea Box", a new communication channel where the people can freely put forward their ideas about public issues was established, in order to fulfill the people's needs for participation in policymaking. The ACRC

formed public-private cooperative network participated by the Ministry of the Government Administration and Home Affairs, public institutions of best practice for Government 3.0 agenda (seven municipalities), National Design Group, and "Policy Participation Team of People's Happiness Suggestion" and has held meetings frequently. The Commission has also listened to opinions of people from every walk of life on mobile communities, making efforts for the successful launching of the "People's Idea Box".

In the meantime, the ACRC has established and operated "e-People Policy Participation" function, in order to communicate with the people in the entire process of policy making, implementation, and evaluation as well as to make policies with the people. "e-People Policy Participation" is an on-line venue for communication, where the people and the government can freely exchange their ideas about enactment or revision of laws relevant to each government agency and about national agenda and major policies. The operation of "e-People Policy Participation" helped government agencies reflect the people's opinions in the establishment and implementation of policies through the single integrated window of communication. It also ensures that people can more actively express their opinions and ideas about policies of each agency of the government.

The system was revised in 2015 to enable people to sign in with their existing accounts on social media platforms (Facebook and Twitter) to take part in discussion session, without joining an e-People membership or going through user authentication process, for easier participation in policy-making process.

The ACRC hosted "e-People Policy Discussion" with relevant institutions on private search engine websites, to listen to the people's opinion on policies related with the people's lives and social issues, and encouraged the people's opinions to be reflected in government policies. In 2015, several on-line discussions open for all the Korean people were hosted in cooperation with private search engine websites. The themes for the discussions included "How to eradicate tax evasions committed by using borrowed-name bank accounts" (Apr.), "How to reasonably implement the Improper Solicitation and Graft Act" (Jul.), "National cohesion and public awareness"

(Oct.), “Ways to eradicate false claims of public funds” (Dec.), etc. The results of those discussions were analyzed and offered to relevant government agencies (National Tax Service, the Presidential Committee for National Cohesion, etc.) to be used in policy-making.

## 5. e-People Gaining Worldwide Recognition

The functions of e-People are globally praised for the communication and the participation of the people. The ACRC was ranked No.1 for three consecutive times in 2010, 2012, 2014, in the segment of “on-line participation index” of the UN’s e-government evaluation. A variety of international conferences requested case presentation. The ACRC explained e-People as a best practice that combines administrative service with Korea’s outstanding ICT, to IOI members at the board meeting in 2015, to draw big attention. Plus, the Commission attended an OECD conference and an international seminar hosted by Brazil, to give a presentation about it as a leading case of government-people communication.

Furthermore, many countries show big interest in introduction of e-People service in their own countries for enhanced transparency and communication with the people. In 2014, an agreement between the governments of Korea and Tunisia was signed for implementation of three-step ODA project for establishment of Tunisian e-People from 2016.

### Awards in and out of the country

- Grand Prize in “Public Service” segment in “The 12<sup>th</sup> Web Awards Korea” hosted by KIPFA (Nov. '15)
- Ranked 1<sup>st</sup> in “E-participation Index” segment of the UN e-government survey for three consecutive times in 2010, 2012, and 2014
- Excellence award in the UN Public Service Awards (Jun.'11.)
- Best Demonstration Stand at e-Challenge 2008 (European e-Gov and IT Conference) (Oct. '08)
- Best Practice at the E-government’s Five-year Performance Competition, the Prime Minister Award (Sep. '07)
- “International Certified Brand” Prize at the Government Innovative Brand Competition (Nov. '06)
- Top 10 at the World e-Gov Competition in France (Oct. '06)

# Chapter 02

## Operation of 110 Government Call Center

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

The 110 Government Call Center was established to provide “one-call, one-stop” service through a single number of 110 for inquiries, reports, and suggestions regarding government affairs, by offering counseling or information to the people or forwarding them to relevant agencies.

The 110 Call Center initiated its nationwide service on May 10, 2007, and moved its office to the Government Complex in the city of Gwacheon from Seodaemun-gu in Seoul, on May 20, 2013. Currently, 138 staff (13 counseling managers, 125 counselors) work at the office, from 8 AM to 9 PM on weekdays and from 9 AM to 1 PM on Saturdays.

General inquiries, counseling with patterns, and inquiries about agency in charge are dealt with at the level of the call center itself after offering required information. Inquiries that require professional handling at a higher level are handled after being forwarded to agencies in charge. For such kind of inquiries, counselors directly connect to the official in charge or call back to the inquirer after finding out requested information.

The average number of calls received by the 110 Call Center has recorded a constant increase from 5,808 in 2007 to 9,967 in 2015. In addition, the quality of the Center’s service has also consistently improved, recording 90.8% of response rate, 87.5% of service level, 88.5 points in customers’ evaluation of the quality of counseling, and 91.2% of yearly average customer satisfaction level. The ACRC is making continuous efforts to improve the quality of the 110 Call Center by developing guidelines for counselors’ responses and training.

### 2. Reception & Handling of Inquiries and Complaints

#### A. General Status of Counseling for Civil Complaints

The number of calls received by the 110 Call Center in 2015 was 2,529,584. Out of them, 2,297,485 calls were responded by counselors and 2,687,533 inquiries were handled. In 2015, the number of daily calls received by the Call Center was 9,967.

By sector, 1,148,123 calls were of administration/education/culture, 227,470 calls of welfare/labor, 244,843 calls of environment/industry/ICT, 36,243 calls of agriculture/forestry/marine affairs, 49,028 calls of budget/finance, 26,462 calls of construction/transportation, 39,563 calls of civil case/criminal case, 244,102 calls of foreign affairs/unification/national defense, and 571,699 calls of simple inquiries, respectively.

#### B. Outsourced Counseling Service

The Call Center performed counseling service for the tasks of the Ministry of Government Administration and Home Affairs, the Ministry of Patriots and Veterans Affairs, the Ministry of Food and Drug Safety, and Statistics Korea, to offer counseling for 1,375,250 cases. Plus, the call center for corruption reporting and whistleblowing was incorporated into 110 from October, 2013.

### 3. 110 Call Center’s Activities

#### A. Enhanced Function as Government’s Hub Call Center

The integrated counseling service for different government agencies raised effectiveness of budget execution and workforce operation. As part of efforts to add more government agencies under partnership with the 110 Government Call Center, eight more public agencies have

been added to the network until 2015. Plus, a text-messaging counseling service as well as mobile application and on-line counseling system (video-call, chatting, social media network) and video sign language translation service on the Internet for people with hearing and visual impairments are provided, so that people can use the service easily and conveniently anywhere, any time.

### B. Establishment of Feedback System for Institutional Improvement

For fundamental resolution of the root causes of civil complaints through improvement of institutions, the ACRC analyzed complaints frequently received by the 110 Call Center and offered the result to the ACRC divisions in charge of institutional improvement as well as to relevant departments.

### C. Improvement of Counseling Service Quality and People's Satisfaction Level

The Center signed the Service Level Agreement with the outsourced-operation partners, and made efforts to establish network and enhance collaboration with partner agencies, and to improve expertise of the counseling service by enhancing counselors' rights and interests and offering training. The Center carried out surveys on customer satisfaction level and operated Happy-Call service.

### D. PR for 110 Government Call Center

The 110 Government Call Center has continued its efforts for better recognition of the Center by staging PR activities on a variety of media forms including public TV networks, radio shows, outdoor advertisement, on-line events, and on-site promotional activities, so that more people can make use of the service of the 110 Government Call Center.

## 4. Future Plans

In 2014 the single government representative number 110 was test-operated for three call centers located in the Gwacheon Government Complex and in 2015 the integrated government call center counseling system was launched. In 2016, the call centers of the Ministry of Land, Infrastructure and Transport, the Ministry of Foreign Affairs, the Ministry of Science, ICT, and Future Planning, and Korea Meteorological Administration will also be incorporated in the system. The service will be further expanded gradually from 2017, to incorporate all government agencies eventually.

The operation of the integrated 110 call center and joint use of the unified counseling system are expected to enhance the quality of the service and customers' satisfaction level by offering a more convenient counseling service for the people and to save budget by integrating scattered services.

To address public's inconvenience and prioritize emergency situations, out of 20 reporting numbers, emergency reporting calls will be incorporated into existing "112" and "119, and non-emergency reporting calls and civil complaints will be dealt with by "110". The Center plans to concentrate its efforts to establish the corresponding counseling system and operation process.

# Chapter 03

## Policy Improvement through Complaint Analysis

### 1. Improvement of Policy Utilization Through Analysis of Diverse Complaints

The ACRC offers the result of its analysis on civil complaints and policy suggestions to all administrative agencies in the form of weekly and monthly trend reports. The Commission also operates a variety of complaint forecast systems in order to minimize the people's damage caused by complaints frequently occurring in daily lives. Analysis of social issues with public's attention and customized analysis on issues requested by different agencies are provided and utilized for developing measures to protect the people's rights and interests.

The ACRC systematically analyzes daily average 11,000 "voices of the people" received on e-People (4,600 per day), People's Happiness Center for Public Policy Suggestion (300 per day), and the 110 Government Call Center (6,300 per day) and offers the result of the analysis in "Voices of the People Weekly" and "Voices of the People Monthly" to more than 300 public institutions including central government departments. Cases for which policy improvement is suggested to relevant agencies in the weekly reports are monitored on a regular basis, in order to encourage reflection of the voices of the people in policies. In 2015, total 199 cases for institutional improvement were sent to relevant government agencies and 116 cases were actually reflected in policies (61 cases for policy improvement and 24 for PR and education), resulting in active administrative reform.

### 2. Support for Utilization of Complaint Analysis Information in Policies

In every year since 2010 when the civil complaint information analysis system began to be established, complaints related with national affairs were selected and given in-depth studies, so that the root cause of such complaints and areas of possible policy improvement were suggested to relevant government agencies before they aggravate into serious social problems. In 2015, in cases of civil complaints deeply related with the people's everyday lives, such as unfair treatment of part-timers, financial loss from unrecovered premium on a rented store, harms done by falsely-registered vehicles, and inconveniences for residents of residential studios, the ACRC pursued their institutional improvement in collaboration with institutional improvement divisions or called for the public attention and awareness by distributing press releases.

The Commission also implements a variety of schemes, in order to reflect information about civil complaints filed to administrative agencies in policy-making. The "civil complaint forecast service" analyzes the frequency, types, and regions of civil complaints in a statistical forecast methodology, so as to provide useful information to relevant agencies and the general public, before major complaints actually occur.

In 2015, in-depth analysis was carried out on nine areas of inconvenience for the people, including delayed payment of wage (Feb.), wedding ceremonies (Mar.), damage by offensive

Utilization of Complaint Cases Offered in Weekly Report

(unit : cases)

Year	No. of cases	No. of cases utilized	Type of utilization				No. of cases un-utilized
			Institutional improvement	PR/Education	Investigation/Inspection	Others	
2014	226	145	65	45	—	69	81
2015	199	116	61	24	11	20	83

odor (Jun.), TV home shopping fraud (Sep.), and taxi's refusal of passengers (Dec.) and the result was offered to the media and relevant agencies, in order to prevent any further harms and to develop improvement measures.

In addition, the ACRC has operated "early warning system for prevention of spread of complaints" since March 2014, so that the government can respond more speedily to people's damage or conflicts. The process consists of three steps: a) complaint monitoring; b) issuance and spread of warning; and c) response measure. In 2014 when the system was first introduced, early warnings were issued on 43 cases of collective damage or conflict with potential spreading of complaints. In 2015, early warnings were issued on 16 cases.

For the purpose of promoting policy reflection of the complaint analysis, the ACRC carries out the needs survey for civil complaint information which government agencies may require to improve their policy, system or work process, and provides the information customized for each government agency as a policy maker and enforcer. In 2015, the ACRC analyzed the current status and characteristics of civil complaints and the result was offered to the Justice Ministry, Cultural Heritage Administration, Public Procurement Service, and Financial Supervisory Service for policy improvement.

Furthermore, the result of complaint analysis on major policies is reported at the quarterly ministerial meeting on major social issues, supporting government departments to reflect the voices of the people heard during the implementation into policy reform.

### 3. Future Plans

The ACRC will systemically register and manage the analysis data offered to relevant government agencies, reinforcing management system to check policy reflection of the complaint analysis data, for the purpose of enhancing the effectiveness of complaint analysis.

The Commission will also expand the scope of complaint analysis from those of central government departments to those of local administrative bodies which are more closely related with the people's lives, offer a variety of training programs to enhance independent analysis abilities of the public institutions, and reinforce capabilities of complaint information analysts. In addition, the system will be improved to disclose information of civil complaints and result of analysis to the public, so people can use the data freely.

## Chapter 04

# Reinforcement of Counseling for Civil Complaints

ACRC Counseling Division's major role is to directly listen to the stories of the people who visit the ACRC to appeal for their complaints, understand what the problem is, and suggest appropriate solutions. In detail, they give information about statutes, systems, or procedures of administrative work and also about how to respond to right infringement or inconvenience caused by different measures taken by administrative agencies.

The ACRC operates Sejong Complaint Counseling Center for the people who want to visit the headquarter and for local residents in the Chungcheongbuk-do Province, as well as Seoul Complaint Counseling Office for residents in the Metropolitan region including Seoul and Gyeonggi-do Province.

### 1. Counseling by ACRC Investigators

Counseling by investigators of the ACRC's Ombudsman Bureau is provided at the counseling centers in Sejong and Seoul, via video-conference and phone call. Utilizing their knowledge about relevant laws and regulations and field experience accumulated in the process of handling people's grievances, the investigators give information about different administrative processes and procedures and listen to the stories of civil petitioners' grievances caused by administrative dispositions, to suggest solution to those grievances from the perspective of the petitioners.

### 2. Counseling by Professional Counselors

Considering the fact that most of the civil petitioners are over the age of 50 who are not used to IT devices such as the Internet and smart phones and who lack in expert knowledge on legal, tax, and labor fields directly related with their daily lives, professional counseling service for those people is also provided.

Number of Counseling Offered at Each Counseling Center  
(unit : no. of cases)

	Total number	Sejong Center	Seoul Center
2015	10,580	2,966	7,614
Daily average number	40.1	11.2	28.8
ACRC investigators	7,276	2,742	4,534
Lawyers	1,946	131	1,815
Certified judicial scriveners	30	1	29
Certified labor consultants	131	16	115
Tax accountants	113	27	86
Social welfare workers	8	-	8
Honorary civil complaint counselors	1,076	49	1,027
2014	14,455	117	14,338
Daily average number	67.6	9.8	57.8



Part 3.

# Handling Complaints

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Annual  
Report 2015

**Chapter 1.** Overview of Complaint Handling

**Chapter 2.** Status of Complaint Handling

**Chapter 3.** Operation of On-Site Outreach Program

**Chapter 4.** Active Resolution of Public Conflicts, Grievances of Citizens  
Livelihoods, and Unreasonable Complaints

**Chapter 5.** Implementation of Policy Function for Prevention of  
Civil Complaints



# Chapter 01

## Overview of Complaint Handling

### 1. Functions for Complaint Handling

#### **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 are delivered to the related administrative organization.

#### **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 relevant laws, systems, or policies, recommendations for reasonable improvement or opinions are delivered to the head of the related organization. Such acts aim to prevent recurrence of the same complaints.

#### **Onsite Mediation and Settlement of Civil Complaints from 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).

\* Alternative Dispute Resolution (ADR): A dispute-resolution system outside of legal actions, which pursues resolution of disputes by third-party fair and neutral mediators other than court, not resorting lawsuits.

#### **Counseling for Civil Complaints**

As the ultimate and final complaint-handling body of the government, the ACRC also acts as the 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.

#### **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.

### **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 are able to carry out their role as ombudsmen that protect and reinforce the rights of the local residents.

### 2. Policy Direction for Complaint Handling

In 2015, 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 2015, to grasp the current status of complaint-handling of each administrative organization and to enhance complaint-handling capabilities, the Commission expanded the scope of the survey on complaint-handling status to 249 public institutions. Moreover, it made significant policy accomplishments including resolution of numerous collective complaints through onsite mediation and settlement.

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.

# Chapter 02

## Status of Complaint Handling

### 1. Introduction to Complaint Investigation and Handling

Investigation and handling of 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 by giving the final review and decision to civil complaints brought up for the second-round handling when a complainant is not satisfied with the result of his/her complaint handled by the first complaint-handling government agency.

"Civil Complaints" refer to the complaints caused by measures or systems of an administrative agency in the public sector. The details of the civil complaints are as follows:

First, illegal/unfair dispositions (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-duty officers and those who are serving obligatory military service);

Second, passive administrative actions or nonfeasance of administrative organizations such as ambiguous standards of complaint handling or processing delay by the public official

in charge, which result in grievance or inconvenience that are required to be relieved;

Third, inconvenience, grievance, or the infringement of the people's rights caused by unreasonable administrative systems, laws or policies; and

Fourth, other infringements of the people's rights/interests or unfair treatment that are required to be corrected.

In 2015, the ACRC removed possibility of civil complaints by actively collaborating with relevant agencies, in response to frequently-filed complaints deeply related with the people's lives, under the slogan of "People-centered and field-centered protection of a wide variety of rights". One example of such collaboration is improvement of 64 locations nationwide where there is high concern of traffic accidents caused by counter-flow driving. In addition, the Commission carried out on-site complaint handling by resolving 650 grievances of the socially-discriminated people through Onsite Outreach Program. As a result, the ACRC made the most remarkable accomplishment in the year, recording 23.9% of acceptance rate and the mediation success rate also rose by 2.9%p from the previous year. As such, the ACRC's active efforts addressing difficulties of the people bore big fruit in 2015.

Comparison of Key Indicators Between 2014 and 2015

	2014*	2015	Comparison
Filed complaints	30,038	31,308	4.2%
Handled complaints	26,452 (28,744)**	23,573 (31,112)	△10.9%
Handled as civil complaints	15,026	13,361	△11.1%
Average period for handling civil complaints	15.5 days	18.4 days	2.9 days more
Satisfaction level	75.9 points	75.3 points	Down by 0.6 points
Civil complaint acceptance rate	20.8%	23.9%	3.1%p
Civil complaint mediation success rate	16.9%	19.8%	2.9%p

\*Calculated based on statistical management standards revised in 2015 \*\* The numbers in parenthesis include handling of the same complaints

By region where complaints were filed, Gyeonggi-do accounted for 25.2%, followed by Seoul at 21.8%, Jeollanam-do at 7.4%, and Busan at 6.1%. Complaints filed in the Metropolitan area including Seoul and Gyeonggi-do made up for the majority at 47.0%. In addition, the number of collective complaints filed by groups of more than 100 people rose significantly by 25% from 72 in 2014 to 90 in 2015, demonstrating the increasing need for the ACRC to play bigger role in addressing large-scale public conflict issues.

Looking into the statistics on the complaint-filing channels, the proportion of complaints filed on e-People was up by 4.1%p year on year in 2015, while the ratio of complaints handled by the ACRC after being received by the Office of President decreased by 0.1%p from the previous year.

Statistics of Complaints Received Through Different Channels

	2015	Percentage	2014	Percentage
Total	31,308	100.0%	30,038	100.0%
e-People	12,191	38.9%	11,877	39.5%
Website	2,080	6.6%	740	2.5%
Letters	4,557	14.6%	4,241	14.1%
Visits	1,437	4.6%	1,653	5.5%
Transfer from the Office of President	10,008	32.0%	9,629	32.1%
Others (fax, etc.)	1,035	3.3%	1,898	6.3%

### 2. Investigation and Handling of Complaints

Out of 23,573 complaints handled in 2015, 3,195 cases were accepted (corrective recommendation for 205 cases, expression of opinions for 346 cases, mediation and agreement for 2,644 cases). The acceptance rate for civil complaints handled in 2015 recorded 23.9%, up by 3.1%p from 20.8% in the previous year. That was the highest-ever record since the launching of the ACRC. Such record well-demonstrates the outcome of the Commission's ardent efforts for resolution of the people's grievances despite the trend of decreasing acceptance rate in line with enhanced standards of public administration following improvement of laws and institutions.

Complaint Handling Status of 2014 and 2015

(unit : cases)

Year	2015	2014	Comparison	
Total	23,573	26,452	△2,879	(△10.9%)
Civil Complaints	Total	13,361	15,025	△1,664 (△11.1%)
	Corrective Recommendation	205	234	△29 (△12.4%)
	Expression of Opinions	346	324	22 (6.8%)
	Mediation/Agreement	2,644	2,563	81 (3.2%)
	Guidance of Deliberation, Dismissal	1,010	1,194	△184 (△15.4%)
	Rejection	420	513	△93 (△18.1%)
	Transfer, Referral	207	108	99 (91.7%)
	Guidance, Reply, etc.	8,529	10,069	△1,560 (△15.5%)
Others	10,212	11,427	△1,215 (△10.6%)	

As for 13,361 civil complaints except for those in the category of *others* out of total 23,573 complaints handled in 2015, the proportion of complaints in the sector of health/welfare (social welfare, health insurance, etc.), police affairs (investigation, etc.), taxation (national tax, local tax, etc.), urban affairs (urban development project, infrastructure, etc.), and roads accounted for 7.2%, 6.4%, 6.4%, 5.3%, and 4.1%, respectively.

Complaints Handled by Sector (2015)

Rank	Sector	No. of cases	Percentage	Rank	Sector	No. of cases	Percentage
1	Health/Welfare	1697	7.20%	14	Construction	436	1.85%
2	Police	1516	6.43%	15	Veteran welfare	392	1.66%
3	Taxation	1499	6.36%	16	Transport	388	1.65%
4	Urban	1246	5.29%	17	Water resources	279	1.18%
5	Road	958	4.06%	18	Civil case/Legal affairs	202	0.86%
6	Labor	935	3.97%	19	Military	165	0.70%
7	Finance	840	3.56%	20	Education	164	0.70%
8	Agriculture/Forestry	819	3.47%	21	Broadcasting/Communications	145	0.62%
9	Housing	797	3.38%	22	Culture/Tourism	103	0.44%
10	Industrial resources	650	2.76%	23	HR/Administration	101	0.43%
11	Public administration/Safety	628	2.66%	24	Marine/Fishery	98	0.42%
12	National defense	550	2.33%	25	Foreign Affairs/Unification	30	0.13%
13	Environment	536	2.27%	26	Others	8399	35.63%

### 3. Status of Corrective Recommendations

#### A. Overall Status of Corrective Recommendations

When there is sufficient reason to see an administrative agency's disposition is illegal or unfair in the result of an investigation into a filed complaint, the ACRC can issue corrective recommendations to the concerned agency in accordance with Article 46(1) of the *Act on Anti-corruption and the Establishment and Operation of the Anti-corruption and Civil Rights Commission*. In 2015, the ACRC issued corrective recommendations for 205 cases to relevant administrative institutions, etc.

Looking at the status of corrective recommendations by type of organization, the central administrative organizations received 127 corrective recommendations (62.0%), the local autonomous governments received 45 (22.0%), and the public organizations and groups received 33 (16.0%).

Among the 127 corrective recommendations given to the central government organizations, the National Tax Service received 48 (23.4%) and the National Police Agency received 45 (22.0%), together accounting for 73.2% of the total.

Among the 45 corrective recommendations passed onto local governments, Gyeonggi-do Provincial Government received the highest number at 8 (3.9%), followed by the Seoul Metropolitan City Government, 6 (2.9%), and Busan Metropolitan City Government, 5 (2.4%). The local governments located in the greater capital area received 14 recommendations, accounting for 31.1% of the total for local governments.

Among the 33 corrective recommendations given to public organizations and groups, Korea Land & Housing Corporation received 8 (3.9%), National Health Insurance Corporation received 4 (2.0%), and Korea Expressway Corporation received 3 (1.5%).

When classifying based on the sector, the finance & taxation sector received the highest number of recommendations at 49 (23.9%), followed by police affairs with 46 (22.4%), and welfare/labor with 23 (11.2%), together accounting for 57.6% of the total.

#### B. Status of Implementing Corrective Recommendations

Among the 1,384 corrective recommendations that have been made by the ACRC over the last 5 years, 1,237 cases

Corrective Recommendations by Type of Organization (2015)

		Corrective Recommendations (No. of cases)	Percentage (%)
Total		205	100
Central Administrative Departments	Subtotal	127	62.0
	National Tax Service	48	23.4
	National Police Agency	45	22.0
	Ministry of Defense	10	4.9
	Others	24	11.7
Local Governments	Subtotal	45	22.0
	Gyeonggi-do	8	3.9
	Seoul	6	2.9
	Busan	5	2.4
	Others	26	12.8
Public Service-related Organizations & Groups	Subtotal	33	16.0
	LH Corp.	8	3.9
	National Health Insurance Corp.	4	2.0
	Korea Expressway Corp.	3	1.5
	Others	18	12.6

\* The numbers of recommendations for metropolitan cities and provinces include the numbers for lower-level local governments under them.

(89.4%) were accepted while 96 cases (6.9%) were not. 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.

Implementation of Corrective Recommendations by Sector (2015)

Sector	Total	Accepted		Not Accepted		Pending
		Sub-Total	Acceptance Rate	Sub-Total	Non-Acceptance Rate	
Total	205	154	75.1%	13	6.3%	38
Finance/Taxation	49	31	63.3%	7	14%	11
Police	46	45	97.8%	—	0.0%	1
Welfare/Labor	23	17	73.9%	1	4.4%	5
Transportation/Road	20	12	60.0%	2	10.0%	6
Industry/Agriculture/Environment	17	10	58.8%	—	0.0%	7
National Defense/Veteran Affairs	15	12	80.0%	1	6.7%	2
Urban/Water Resources	14	11	78.6%	1	7.1%	2
Administration/Culture/Education	12	7	58.3%	1	8.3%	4
Housing/Construction	9	9	100.0%	—	0.0%	—

Among the 205 corrective recommendations made in 2015, 154 cases (75.1%) were accepted while 13 cases (6.3%) were not. As an administrative agency that receives a recommendation needs a long time to implement the recommendation for reasons such as revising the concerned guidelines and securing budgets, many cases remain pending, with the acceptance rate lower than expected.

The acceptance rates by type of organization were 80.3% for central administrative organizations, 66.7% for local governments, and 66.7% for public service-related organizations and groups. The lower acceptance rate for local governments and public service-related organizations and groups compared to central governments shows that they are applying guidelines or rules more rigidly. In response to this, the ACRC strives to actively communicate and cooperate with other government agencies by holding "national policy coordination meetings" and "consultative meetings with the concerned agencies for complaint-handling".

To look into the status of implementation of corrective recommendations by sector, the acceptance rates were the highest in the sector of housing/construction (100.0%) and police affairs (97.8%), and the acceptance rates were lower in the sector of administration/culture/education (58.3%), industry/agriculture/environment (58.8%), and transportation/road (60.0%).

# Chapter 03

## Operation of On-Site Outreach Program

### 1. Overview

Under its decision that listening to the people's voices on the very site of problems is the most basic pre-condition and the most effective way to address the people's grievances, the ACRC has operated the "Onsite Outreach Program" since its launching in Cheongju, Chungcheongbuk-do, in 2003.

The ACRC newly formed a dedicated team for the "Onsite Outreach Program", in order to directly listen to the people's difficulties on-site and to come up with timely solutions. The team has done its best to most speedily and sincerely resolve civil complaints received by the program by giving top priority on them. Since 2011, the scope of protection of the rights of the socially-discriminated people who are in the blind spot in society was expanded by customized outreach program for different sectors. Notably, the onsite outreach program customized for residents of public rental housing, multi-cultural families, North Korean defectors, immigrant workers, small-and-medium-sized enterprises, small self-employed businesses, and active-duty army and conscripted police was offered in 2015.

In addition, the ACRC has applied mediation system in order to speedily and fairly address civil complaints that are related with interests of many people or that have a big social impact, for the purpose of reducing the increasing social costs incurred by public conflicts, such as civil complaints filed by multiple people. Onsite investigation on that kind of complaints was expanded so as to resolve such issues by coming up with optimal win-win solution that can satisfy all relevant parties. The Commission has also made efforts to expand and reinforce field-centered complaint handling, through monitoring of each step, establishment of standard handling procedures, and active role of mediation committee.

### 2. Operation of Onsite Outreach Program by Region

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.

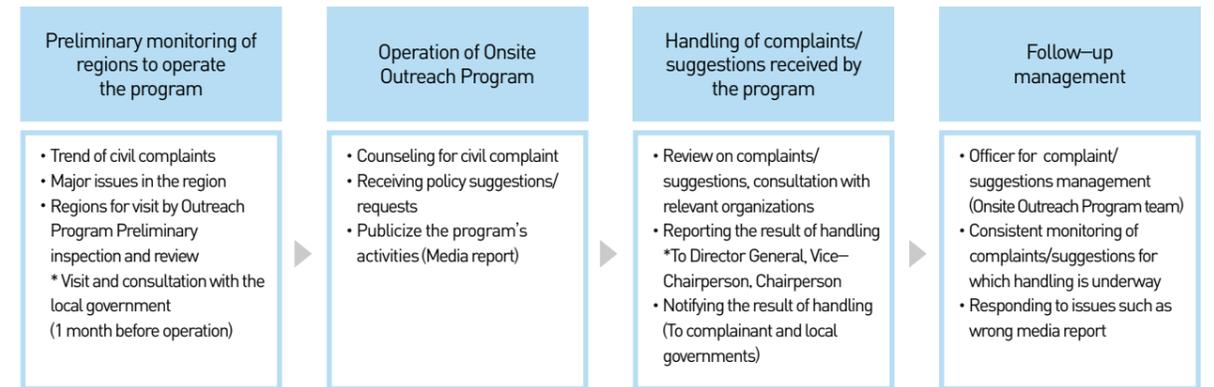
The Onsite Outreach Program provides counseling service to the residents of remote rural areas and islands as well as urban areas prone to complaints, who are not easy to visit the ACRC or have difficulties in accessing the internet to file their complaints when they have grievances or difficulties. 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 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 a case for which 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 monitoring the handling process to the end.

Since its establishment in 2008, the ACRC Onsite Outreach Program has visited 338 regions (2008 - 2015) and has consulted and addressed 11,511 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 from 2003 to 2007).

In addition, about 35% of the consultations were handled onsite through active mediation and settlement. Last year, the accumulated number of complaints handled onsite

### Operation of Onsite Outreach Program and Follow-up Management



exceeded 3,100. As such, the program is serving as the means for the people to directly resolve their grievances.

※ Rate of on-site settlement : ('11) 19.7% → ('12) 20.2% → ('13) 36.2% → ('14) 39.2% → ('15) 38.1% (From 2013, on-site agreement and settlement through counseling are categorized into "on-site settlement")

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

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

The Commission has also enhanced the quality of complaint counseling by operating a counseling team consisting of outstanding investigators equipped with expertise, by implementing the "counseling investigators resource pool system". The Commission also opened a counseling window to resolve the difficulties of ordinary people in May 2013, and

is identifying 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 "Good Neighbors" under 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 those people's daily lives such as civil petitions on difficulties in their livelihoods.

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 for the socially discriminated including improving medical and residential conditions, supporting heating bills in winter, and distributing food bank & supermarket coupons (free or low-price coupons for daily necessities).

### 3. Operation of Onsite Outreach Program Customized for Socially-Discriminated People

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 different groups of people and regions that need more attention and care from society, such as small business owners, immigrant laborers, multicultural

Status of Onsite Complaint-Counseling

(unit : number of counseling cases)

		Total	Before 2008	2008	2009	2010	2011	2012	2013	2014	2015
No. of Visited Regions		393	55	20	28	33	46	51	51	52	57
No. of Counseling Cases	Filed complaints	2,081	541	86	272	199	129	196	178	245	235
	Handled onsite	3,123	-	96	244	290	244	332	633	634	650
	Counseling & Guidance	7,850	1,002	381	1,004	1,000	865	1,103	937	737	821
	Total	13,054	1,543	563	1,520	1,489	1,238	1,631	1,748	1,616	1,706

families, and North Korean defectors.

In 2015, it expanded the customized programs for the socially vulnerable (15 times in 2013 → 26 times in 2014 → 31 times in 2015), striving to handle the difficulties of the residents of remote regions, overseas Koreans, immigrant laborers, multicultural families, and the disabled.

The ACRC will further expand the scope of the customized Onsite Outreach Program in order to address difficulties of the people who need more help from society or who are in the blind spot of protection of rights.

2013
Total 15 times
<ul style="list-style-type: none"> <li>· Ansan Immigrant Workers Counseling Center</li> <li>· Seongnam Multicultural Family Support Center</li> <li>· Guro Morning Workforce Market</li> <li>· Siloam Welfare Center for Disabled</li> <li>· Marine Police School</li> </ul>
▼
2014
Total 26 times
<ul style="list-style-type: none"> <li>· Ansan Immigrant Residents Center</li> <li>· Yangju Multicultural Family Support Center</li> <li>· Iksan Public Rental Apartment</li> <li>· Dongji Hope Sharing Center</li> <li>· Seoul-Gyeonggi Local Police Agency</li> </ul>
▼
2015
Total 31 times
<ul style="list-style-type: none"> <li>· Ansan Immigrant Residents Center</li> <li>· East Gyenggi North Korean Defectors Center</li> <li>· Public Rental Apartments (Daejeon, Busan, Cheonan)</li> <li>· Multicultural Families (Gumi, Gimje)</li> <li>· Army, Navy, and Airforce (Nonsan, Jinju, Jlnhae)</li> </ul>

# Chapter 04

## Active Resolution of Public Conflicts, Grievances of Citizens' Livelihoods, and Unreasonable Complaints

### 1. Introduction

As today's society has become diversified and specialized and as public awareness of 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 economic loss caused by the increase in such public conflicts amounts to KRW 200 trillion a year<sup>1</sup>, and the social expenses thereby are increasing every year. There is, however, a lack of organizations to take a neutral stance in identifying, monitoring, and actively mediating for pending conflict issues. Accordingly, the need to establish an exclusive body responsible for preventing the spread of such conflicts has increased.

Moreover, there were concerns that the opportunity for the majority of the people to enjoy high quality complaint-handling service would be undermined, because the growing number of unusual and repetitive complaints discourages 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 and repetitive complaints to create an environment where public officials can focus on their own duties and to reduce the administrative expenses caused by those 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 promoting the economy and enhancing national competitiveness. Also, it focused on handling the petitions regarding mitigation of regulations on companies and enhancing relevant systems.

### 2. Mediation of Collective Complaints and Pushing Forward Enactment of the Bill on Collective Complaint Mediation

#### A. Mediation of Collective Complaints and Major Cases

The ACRC has actively utilized the mediation and settlement system to resolve civil complaints that involve multiple stakeholders or are recognized to have huge social repercussions, in a prompt and fair manner.

As today's society has become more and more complicated and diversified, social conflicts in Korea have also intensified, and such conflicts are emerging to the surface in the form of collective complaints. The number of collective complaints is on the increase and accordingly, the social costs caused by them also increase. Therefore, the ACRC is expanding the number and the scope of onsite mediation and settlement to remove conflicts by resolving collective complaints through mediation and settlement, and thereby contributing to national cohesion. To solve conflict issues involving complicated interests or multiple administrative agencies, the Commission comes up with the best mediation and settlement plans 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.

<sup>1</sup> 2009 statistics from Samsung Economic Research Institute (SERI)

The most remarkable case of the onsite mediation and settlement of collective complaints in 2015 was the resolution of a collective complaint regarding the “request for reduction of noise from railway for apartments near Gajwa Station in Seoul” (Jun. ’15). KTX high-speed trains, subway, and cargo trains pass Gajwa Station in railroad Gyeongui Line for more than 500 times a day, but there were no sufficient soundproof facilities such as soundproof wall. There was also damage from the noise of vehicles on nearby 8-lane road, so 10,000 residents of 3,000 units of the apartment complex suffered from extreme environmental and property damages. A complaint for such damages was filed to the ACRC in March and the Commission found out the fact that the noise from the road and railway exceeded legal standard, after carrying out on-site investigations. Then, the Commission hosted working-level consultations for several times in order to establish counter-measures. In the final agreement at the on-site mediation meeting, Korea Rail Network Authority agreed to install soundproof walls with high noise absorption ratio alongside the railway of Gajwa Station and the City of Seoul also agreed to control traffic in the area by designating it as an area of traffic noise control pilot project and to lay low-noise pavement on the road. The mediation carried out by the ACRC bears a significant meaning that it resolved a long-pending civil complaint that caused substantial losses for the people, to raise the living standards of them.

The next remarkable example is the success of on-site mediation and settlement of the civil complaint that called for “establishment of preventive measures against frequent flooding at Gunggi Village in Gwangyang City” (May, ’15). The ACRC’s mediation successfully resolved the long-pending issue of damages for the local people which had been pending for a long time because of disagreement between relevant public institutions. Gunggi Village is geographically located in a low-lying ground and drainage in the area was not operated properly because of the project of construction of Gwangyang Harbor and Industrial Complex, which led to frequent flooding in the area every time of heavy rain. A collective complaint for resolution of such problem was filed to the ACRC by 202 residents of the village. The conclusion of research outsourced by the City of Gwangyang was that installation of drainage pump station in the rear storage

area at the wharf of Gwangyang Harbor was an optimal solution. However, Yeosu Marine and Fishery Administration and Yeosu-Gwangyang Harbor Corporation did not agree, as they were worried about disruption in the operation of the harbor because the installation of the drainage pump station might reduce further narrow space for vehicle movement. Despite the difficulty in coordination, the ACRC implemented multiple rounds of working-level consultations and on-site investigations, to eventually draw out the final settlement agenda by actively coordinating the different opinions of each party. According to the settlement agenda, the city government of Gwangyang will install a drainage pump station and reinforce drainage pipes. Also, Yeosu Marine and Fishery Administration and Yeosu Gwangyang Harbor Corporation agreed to carry out construction of alternative site for Taein Wharf in cooperation with the City of Gwangyang. This is another eye-catching example that the ACRC’s efforts for communication resulted in an alternative solution that is satisfactory for each and every party of a long-pending issue which had not been resolved because of differences in each party’s opinions.

The number of cases filed for the ACRC’s on-site mediation and settlement has been on the constant increase. Notably, since 2012, more than 40 cases have been resolved through the Commission’s mediation and settlement. Such continuous efforts for better mediation and settlement led to a big accomplishment in 2015, to resolve 65 major collective civil complaints through onsite mediation and settlement. The number was approximately 132% increase from 28 in 2008, which demonstrates the significant growth of the program.

Notably, the ratio of successful mediation and settlement of collective complaints filed by more than five people was very high at 25.5% in 2015. Such record implies that mediation is the optimal solution for collective complaints which is better than any other means. Collective complaints arise from conflict of interests between relevant parties rather than from illegality or unfairness of administrative institutions’ dispositions, so existing ways of complaint handling had limitations in resolving collective complaints. For such type of conflicts, mediation that draws out agreement through

communication and compromise between related parties is the most effective and desirable solution.

Furthermore, the rate of successful mediation and settlement of civil complaints in 2015 recorded a 17.1%p increase from 8.4% in 2008. Such big increase in the rate is thought to be the result of the ACRC’s multi-directional efforts for expansion of mediation for collective complaints. The Commission carried out more active on-site investigations and consultation with relevant institutions for difficult collective complaints internally, while also making efforts externally for collaboration with public organizations in charge of the complaints (The Office for Government Policy Coordination), enactment of relevant laws and regulations, and PR through the media. It can be thought that a virtuous cycle was formed, where enhanced recognition and confidence in the ACRC’s mediation function leads to actual filing of collective complaint that requires mediation and then they are actually resolved.

The Commission will keep utilizing its mediation and settlement function for resolution of conflicts, in order to prevent collective complaints from aggravating into serious public conflict, and also in order to speedily and fairly resolve conflicts that already took place.

### B. Efforts for Enactment of the Bill on Collective Complaint Mediation

In the meantime, the ACRC is pushing forward to enact the bill on collective complaint mediation since 2014, as a part of its efforts to promote, specialize, and systematize its mediation 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. However, there is no solid control tower for social conflicts in Korea. 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 the relevant institutions at the national level are not fully established compared to other advanced countries.

In addition, the need for expansion of the ACRC’s dispute resolution function has increased, in line with the global trend of more use of ADR in order to prevent excessive costs generated in the process of legal resolution of disputes (lawsuits, etc.). As mentioned above, there are several ADR schemes under operation in Korea now, but there is no organization in charge of mediating disputes between the

public and private sector. Therefore, the role of the ACRC as a mediator of such disputes is required to be expanded and strengthened.

Therefore, the ACRC has prepared to push ahead the enactment of the bill on collective complaint mediation to settle its mediation system based on the Commission’s accumulated experience, capacity, and expertise. Necessary administrative procedures including study by the commissioned research institute (until Aug. ’14), public hearing (Sep. ’14), and collecting opinions of the concerned agencies (Dec. ’14), pre-announcement of legislation (Feb. ’15), variety of legal assessments (corruption impact assessment, gender effect analysis and assessment, statistics-based policy assessment), and regulatory examination (Jul. ’15) have been all completed and currently, additional consultation with relevant public agencies is underway for some provisions. The ACRC will go through the rest of the legislation procedures so that the bill could be passed at the 20th National Assembly in 2016.

This bill specifies the operation of a professional mediator system to enhance fairness and expertise; expansion of the range of mediation subjects by granting administrative agencies the authority to apply for mediation; reinforcement of pre-emptive response to conflict through preliminary investigation; and research on mediation systems and on-site inspection by public institutions at different levels. The bill is very meaningful for the Commission in that it enables the ACRC to not only carry out substantial mediation work, but also expand the scope of relief of the people’s rights; preemptively respond to collective complaints across the society; and therefore establish a Korean-style mediation system by analyzing and utilizing the best practices of mediation.

The ACRC will do its utmost to settle the mediation 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.

Onsite Mediation/Settlement of Civil Complaints

	Mar. '08	'09	'10	'11	'12	'13	'14	'15
No. of filed collective complaints (by more than 5 people)	334	259	280	285	361	362	241	256
No. of Successful Mediation/Settlement	28	26	19	24	42	43	54	65
Ratio of Successful Mediation/Settlement	8.4%	10.0%	6.8%	8.4%	11.6%	11.9%	22.4%	25.2%

### 3. Enhancement of Complaint—Handling Efficiency by Operating Team Dedicated to Unusual and Repetitive Complaints

#### A. Handling and Response to Unusual and Repetitive Complaints

In July 2011, the ACRC organized a Special Investigation Team for the first time in the government, to find out solutions to the problems caused by irrational and repetitive complaints. As a result of its choice and concentration strategy, so far (from July 2011 to December 2015), the ACRC closed 85 unusual and repetitive complaints out of 118 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 removing misunderstanding and recovering the trust of complainants by visiting them in advance and listening carefully to their accounts.

Handling of Unusual and Repetitive Complaints

No. of complaints that require handling	Result of handling			Currently handled
	Subtotal	Agreement/Coordination	Understanding/Persuasion	
118	85	52	33	33

Handling of Unusual and Repetitive Complaints by Type

Total	Repetitive	Demonstrations/Disturbance	Physical violence/Threatening	Accusation/Legal charge
118	56	14	28	20

Statistics Regarding Operation of Corporate Ombudsman

(unit : cases)

Year	Total	Corrective recommendation	Expression of opinions	Mediation/Agreement	Dismissal/Rejection	Guidance of Deliberation	Transfer/Referral	Guidance Reply	Withdrawal/Closure
'09~'14	1,930	38	67	284	102	107	15	521	796
'15	218	7	12	50	14	9	0	67	59

#### B. Multi-Faceted Efforts for Fundamental Resolution of Unusual/Repetitive Complaints

Unusual and repetitive complaints occur from different causes according to the position of complainants and relevant administrative institutions, but one thing clear is that the excessive workload and stress caused by those unusual and repetitive complaints undermine the opportunity for the general public to enjoy high-quality administrative service and the one who files such repetitive complaints also undermines the quality of his/her life for wasting the precious time for filing the same complaint over and over and again. Therefore, the ACRC has hosted a workshop on repetitive and unusual complaints for 215 officials from 204 central and local administrative institutions nationwide. In 2012, "Response Manual to Unusual & Repetitive Complaints" that explains 29 major types of repetitive and unusual complaints was published. More than 3,000 copies of the manual were distributed to 350 public organizations at different levels. The Commission also helps public organizations manage unusual civil complaints, by offering counseling service on the phone to public agencies that have troubles in their work because of repetitive and unusual complaints.

### 4. Operating 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.

In January 2009, the ACRC opened an exclusive window for micro-enterprises and small-and-medium-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 for complaint-handling.

As of the end of December 2015, the acceptance rate of corporate complaints was 24.5%. Because the relief of the infringed rights of microenterprises and SMEs could be relatively neglected, this corporate ombudsman system serves as a prompt and faithful one-stop window to relieve their rights.

Notably, the ACRC carried out customized onsite outreach programs for the Korea Venture Business Association in Danyang, Yeosu, Andong, Cheonan, and Eumseong, to counsel and handle the grievances and difficulties of the 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 areas for institutional improvement with support from government agencies for business support and regulatory institutions.

The ACRC will continue to visit industrial/agricultural complexes, associations of traditional market merchants, each business sector's relevant organizations as well as areas where businesses are faced with many difficulties in each municipality throughout Korea, share and spread corporate complaint handling knowhow by strengthening network with business-supporting organizations in the government, and reinforce onsite workshops and collaboration with relevant institutions. Based on such efforts, the Commission will put more focus on practically resolving difficulties and grievances of micro businesses and SMEs who are economically underprivileged, by discovering and improving unreasonable policies and systems of corporate regulation and abnormal practices which are called "thorns under the nail" by businesses.

### 5. Active Resolution of Damages Caused by Public Contracts

In 2015, the number of civil complaints filed by companies who do business under contract with the central government, local governments, and public organizations increased, so the ACRC concentrated on resolving those complaints. Disputes over public contracts are inherently a problem between private parties, so it is not easy for the ACRC to play an active role in addressing them. However, as the National Contract Dispute Resolution Commission under the Ministry

of Government Administration and Home Affairs and local contract dispute mediation committees have played only passive role in mediating such disputes, those kinds of complaints were mostly filed to the ACRC. Therefore, in order to prevent unreasonable contract with public organizations and to support corporate business activities and job creation, the Commission stepped up to play a more active role.

The Commission has carried out a variety of activities including seminars with relevant organizations such as the Construction Association of Korea and Korea Specialty Construction Association (KOSCA), and operation of customized onsite outreach programs, so as to more actively receive and address complaints on damages caused by public contracts. Plus, the Commission has strived to more professionally handle disputes caused by public contracts by operating an advisory group consisting of contract experts such as lawyers and professors.

The ACRC received 50 complaints from companies regarding "tendering procedures", "cut in the burden of construction cost", "limitation in participation in tender", "change in contract contents", "extension of construction period", and "supply procedures" and 36 out of them were handled by the Commission. Out of them, 21 were accepted (58% of acceptance rate). One of the most remarkable cases is "Company D's complaint that was filed to claim that "it is unfair not to include the expenses prescribed under the laws in the construction design budget". The Commission issued a corrective recommendation (Sep. 7, '15) to Korea Westernpower that they pay the expenses according to the result of on-site investigations and advice from experts. Another example was company J's complaint that "it is unfair to cut bridge design fee by dumping the liability of the cancellation of the construction onto the designer even though the cancellation was due to the causes attributable to the customer". The Commission issued a corrective recommendation to Korea Land and House Corporation to pay the design fee (Sep. 14, '15).

The Commission will more actively identify and address complaints from public contracts, in order to prevent damages from unreasonable contracting practices of public organizations, continuously in 2016.

# Chapter 05

## Implementation of Policy Function for Prevention of Civil Complaints

### 1. Introduction

As today's society is becoming more diversified and complicated and as public awareness of 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 to prevent complaints in advance rather than handling them reactively, since psychological and economic costs are incurred in the process of solving civil complaints.

Therefore, the ACRC is carrying out preventive policies based on the awareness that the more active way to protect the rights of the people is to build capabilities 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 for prevention of secondary complaints in advance and for reinforcement of administrative agencies' capabilities of complaint handling.

First, the Commission assesses the current status of complaint handling by frontline administrative agencies in order to enhance the fairness and accountability of the agencies in handling complaints and to increase the level of the people's satisfaction with administrative services. To this end, the Commission developed relevant check and investigation 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 reinforce their capabilities to prevent and address civil complaints by transferring its experience and techniques.

Third, the Commission supports local governments to establish their own ombudsmen to improve the administrative service as well as to realize political

effectiveness that materializes the ideology of democracy and administrative effectiveness which can provide administrative service customized to the local environment. In that way, the Commission has strived to enhance promptness and democratic value in protection of citizens' rights and to reinforce their self-corrective function in the case of civil complaints.

Fourth, the ACRC has strived to preemptively address difficulties of the socially vulnerable, by collecting a variety of opinions and conducting overall field survey on the socially vulnerable in the blind spots of right protection as well as on areas that require the nation's special attention.

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 also strengthened international cooperation by transferring its complaint-handling knowhow and introducing best practices from other countries.

### 2. Survey on the Complaint Handling Status

Considering the characteristic of secondary complaints that excessive psychological and economic costs can be incurred to resolve them, the ACRC has established and operated the system of "Survey on the Complaint Handling Status", so that public institutions at different levels can autonomously handle the people's complaints and establish their own system of resolving and managing the people's grievances in order to contribute to the protection of the people's rights.

In 2010, index for the survey were developed and distributed to 19 organizations (3 central administrative agencies, 3 Metropolitan City/Do local governments, 5 Si/Gun/Gu local governments, 5 public corporations and organizations) for test operation. In 2011, feasibility study on the application of the index was carried out at 53 public institutions (7

central administrative agencies, 7 Metropolitan City/Do local governments, 18 Si/Gun/Gu local governments, 7 educational offices, 14 public service-related organizations).

In 2012, the survey was test-operated in 16 Metropolitan Cities and Do (provinces). Also, "Complaint Handling e-System" that handles the people's complaints on-line was reinforced, so that relevant public institutions could carry out survey response more conveniently. The index rated grades (best, excellent, good, insufficient, and weak), and included 26 items in three sections of prevention, resolution, and foundation for management of complaints.

In 2013, 74 Si (cities) were included in the pilot-operation. In 2014, the items in the index changed to 23 and 82 Gun (counties) and 69 Gu (district in cities) were included in the pilot operation.

In 2015, the survey was conducted on all the 243 municipalities in Korea (16 Metropolitan Cities and Do, 75 Si, 82 Gun and 69 Gu), and the number of items in the index was adjusted to 18.

In the first half of the year, self-check was implemented by each institution and for those who got the grade of "insufficient" and "weak", consulting was provided to

induce improvement. In the second half, the final version of performance statistics were put into the index and the final result was confirmed through paper examination, on-site inspection, and evaluation by the review panel.

The result of the survey was publicized through the media in relation with awarding in celebration of "People's Rights Day" to encourage voluntary participation by different public institutions. In 2015, Nonsan City, Sejong City, Geoje City, Gangseo-gu of Busan City, and Korea Road Authority were selected as best-practice institutions based on the result of survey in the year before, to be awarded.

In the meantime, other public organizations also applied to be included in the survey. Ten institutions (1 central government agency, 2 Gu, 7 public corporations and organizations) applied for the survey in 2013, 7 (1 education office, 6 public corporations and organizations) in 2014, and 6 (public corporations and organizations) in 2015.

When the survey is continuously conducted and enhanced, the foundation for local governments' direct handling of their people's complaints will be established, to raise satisfaction level of complainants and to significantly contribute to better protection of the people's rights.

Index of Survey on Civil Complaints (2015)

Sections (3)	Sub-sections (8)	Items for check (18 / 1 for Additional points)
1. Prevention of Complaints (16 points)	1-1. Level of efforts for prevention of complaints (16 points)	1-1-1. Performance of preliminary deliberation system for complaints (6 points)
		1-1-2. Acceptance rate of suggestion/recommendation for institutional improvement (6 points)
		1-1-3. Implementation rate for institutional suggestion/recommendation (4 points)
2. Resolution of Complaints (51 points)	2-1. Speediness and sincerity of complaint handling (10 points)	2-1-1. Compliance rate for legal period of complaint handling (5 points)
		2-1-2. Rate of resolution of complaints (5 points)
	2-2. Fairness of complaint handling (9 points)	2-2-1. Performance of complaint-handling body such as ombudsman (5 points)
		2-2-2. Active operation of complaint mediation committee (4 points)
	2-3. Resolution of collective complaints (15 points)	2-3-1. Percentage of resolved collective complaints to total filed complaints (5 points)
		2-3-2. Level of efforts for addressing collective complaints (5 points)
2-3-3. Level of cooperation for handling of collective complaints (5 points)		
2-4. Level of active efforts for resolution (17 points)	2-4-1. Acceptance rate for ACRC's corrective recommendation/expression of opinions (6 points)	
	2-4-2. Acceptance rate for objections by audit departments (6 points)	
	2-4-3. Acceptance rate for administrative appeals/trials (5 points)	
3. Foundation for Management (33 points/ 3 additional points)	3-1. Establishment of foundation for complaint handling (11 points)	3-1-1. Regular monitoring on the status of complaint handling (4 points)
		3-1-2. Level of institutionalization of ombudsman (7 points)
	3-2. Capabilities of complaint handling (12 points)	3-2-1. Operation and performance of professional training on complaint handling (6 points)
		3-2-2. Level of the head of organization's interest and support for the people's complaints (6 points)
3-3. Satisfaction level of complainants (10 points)	3-3-1. Result of survey on complainants' satisfaction level (10 points)	
3-4. Additional points (3 points)	3-4. Additional points. Exemplary handling of complaints (3 points)	
Points	100 points/ 3 additional points (For case of an index whose full score is under 100, the full score is converted into 100)	

### 3. Support for Enhancement of Complaint-Handling Capabilities

#### A. Provision of Consulting for Complaint Handling

Since 2009, the ACRC has provided consulting service customized to different public agencies that have caused a large number of complaints or recorded low acceptance rate for corrective recommendations, with the analysis on the cause of people's complaints and the result of complaint handling of public institutions.

- \* Agencies that caused large number of complaints : Focusing on diagnosis of the cause of complaints and preventive measures
- \* Agencies that recorded low acceptance rate : Focusing on improvement of problems found in relevant policies and systems

In 2010, consulting was provided to 10 public agencies. In 2011, the number increased to 16 and 2 of them (Korea Water Resources Corporation and Gangdong-gu, Seoul) established their own complaint handling committees (local ombudsman).

In 2012, the method of providing consulting was changed. The consulting was offered to agencies that had got grade "insufficient" or "weak" in their self-test and applied for the consulting. When the agencies subject to the survey got the grade of insufficient or weak from their self-test of the index in their early stages, they developed improvement measures on their own. Then they requested the ACRC's consulting and the Commission dispatched its Consulting Group to give them consulting in the form of "coaching", to help the agencies reinforce their improvement measures.

In 2012, the consulting was provided to seven institutions and in 2013, to 15 institutions. From 2014, the number of institutions to which consulting was provided increased significantly to 63. In 2015, 78 public agencies received the ACRC's consulting service for reception, handling, and management of the people's complaints.

In the meantime, the ACRC supports establishment of local ombudsmen equipped with expertise and independence, so that local governments and institutions under them could speedily and fairly address their people's complaints on their own.

From 2010, a model ordinance for establishment of complaint handling committee (local ombudsmen) was developed and disseminated to local governments, to encourage them to launch their own ombudsmen. As a result, Gangdong-gu in Seoul (Oct. '10), Gangbuk-gu in Seoul (Apr. '13), Gwanak-gu in Seoul (Oct. '12), Guro-gu in Seoul (Apr. '11), Seodaemun-

gu in Seoul (Apr. '11), Siheung City in Gyeonggi-do (Apr. '13), Gangwon-do (Sep. '12), Jecheon City in Chungcheongbuk-do (Jan. '11), and Yeongdong-gun in Chungcheongbuk-do (Jan. '11) have formed and operated their local ombudsmen.

Notably, in 2015, the ACRC offered different types of support including two seminars on spread and operation of local ombudsmen (2 times), policy briefings, and consulting on civil complaints to help four municipalities including Mapo-gu in Seoul, Seongdong-gu in Seoul, Gyeonggi-do, and Hwaseong City in Gyeonggi-do establish and operate their own ombudsmen. Furthermore, eight local governments including Chungcheongnam-do, Seongnam-si in Gyeonggi-do, Namyangju-si in Gyeonggi-do, Gwangju-si in Gyeonggi-do, Sangju-si in Gyeongsangbuk-do, Yangsan-si in Gyeongsangnam-do, Eunpyeong-gu in Seoul, and Nam-gu in Incheon City enacted ordinances for establishment and operation of local ombudsmen.

Such support is expected to enhance the people's rights and raise the speed and professionalism of complaint handling by helping local ombudsmen autonomously resolve civil complaints. The ACRC will keep encouraging the spread of ombudsman system by cooperating with public institutions that want to install their own ombudsman, developing support measures for them and promoting best practices of ombudsman operation.

#### B. Capability-Building Education and Yearly Workshop with Relevant Institutions

Under the recognition that collaboration with complaint-handling institutions and local ombudsmen (complaint handling committees) contributes to prevention of civil complaints based on raised standards of public services, the ACRC has made the following efforts:

First, the Commission strived to enhance the expertise of officials in charge of relevant complaint handling and ombudsman institutions, delivering global ombudsman trends and complaint handling know-how including communication methods and mediation/conciliation/negotiation for civil complaints. In 2015, total 114 officials attended the educational sessions, to enhance their capabilities and form network with other officials in charge of ombudsman tasks. Plus, on-line education course on "protection of the people's rights and ombudsman" was launched and it was given for 20 times to 10,000 officials from different administrative agencies;

Second, on-the-job training period as well as strengthened practical job training were offered to investigators newly employed/transferred/seconded to the ACRC before they are actually assigned to investigation tasks, in order to enhance value for customers and to release excessive workload caused by insufficient know-how in complaint handling. In 2015, such training was given twice to 70 new investigators; and

Education for New Investigators

	Total	2008	2009	2010	2011	2012	2013	2014	2015
No. of trainees	394	60	59	42	54	34	31	44	70
No. of sessions	38	9	10	6	4	2	3	2	2

Third, the Commission has strengthened cooperative network among relevant agencies by hosting yearly joint workshop for sharing complaint handling experiences with institutions related with civil complaints. The yearly workshop was launched in 2006 and has been hosted every year since then. Since 2010, appropriate themes are selected for the workshop for the purpose of producing visible outcome and finding out items for discussion for which feedback can be exchanged.

In 2015, four joint workshops for the transportation/safety sector (Ministry of Land, Infrastructure and Transport, National Police Agency, Road Traffic Authority) and the finance sector (24 public institutions including the Financial Supervisory Service) were hosted in relation with the ACRC's special research, onsite mediation, and major issues that cause civil complaints. Notably, On October 29, 2015, 109 officials from 55 public institutions including five central government departments including the Ministry of Government Administration and Home Affairs, the Ministry of Land, Infrastructure, and Transport, and the National Police Agency as well as local governments and Korea Expressway Corporation gathered together at "Briefing on the Result of Counter-Flow Driving Accident Investigation and Solutions Thereof", to analyze the cause and problems of counter-flow driving accidents and come up with measures for resolution of the problem.

Joint Workshop with Relevant Institutions

	Total	2008	2009	2010	2011	2012	2013	2014	2015
No. of participants	2,938	536	790	273	354	398	126	149	312
No. of sessions	47	9	9	5	6	8	3	3	4

The ACRC will keep building the network for cooperation with public institutions at different levels by introducing new laws and institutions and reinforcing understanding of policy direction for complaint handling, in order to share know-how for complaint handling and to lay the foundation for practical resolution of complaints.



Part 4.  
**Fighting  
Corruption**

—  
Annual  
Report 2015

- Chapter 1.** Establishment and Promotion of Anti-Corruption Policy
- Chapter 2.** Efforts for Voluntary Implementation of Anti-Corruption
- Chapter 3.** Protection and Reward of Whistleblowers and Operation of Code of Conduct for Public Officials
- Chapter 4.** Anti-Corruption Educational Training



# Chapter 01

## Establishment and Promotion of Anti-Corruption Policy

### Section 1. Establishment and Distribution of 2015 'Anti-Corruption Policy Guidelines'

#### 1. Overview

On February 11, 2015, the ACRC held a '2015 Anti-Corruption Policy Guidelines' briefing meeting at the conference hall at the Korea Railway Corporation with compliance officers of public organizations, including central government agencies, local governments, and public service-related agencies.

The objective of establishing the 'Anti-Corruption Policy Guidelines' is to share the philosophy of the government's anti-corruption policy direction and to provide the necessary information for institutions to implement their own anti-corruption initiatives, in order to create synergistic effects of the government-wide anti-corruption policies.

The ACRC requested the cooperation from all levels of public organizations for today's meeting to work as a driving force for the government to fundamentally resolve corruption issues in public office.

#### 2. Major Contents

The "Anti-Corruption Policy Guidelines" which was distributed at the briefing, introduced the domestic and international level of awareness of the level of Korea's integrity, and after an analysis of the integrity policy environment in 2015, it laid out key tasks each institution will need to promote during the year.

First, in 2015, efforts to change the public officials' mindset and to spread a culture of anti-corruption and integrity must be stepped up. To this end, high ranking officials need to take the lead and practice noblesse oblige, and the guidelines obligated all public officials to complete anti-corruption training.

Second, the ACRC stressed that it will expand cooperation with institutions to enhance responsiveness to corruption issues. To this end, it will strengthen inspections on corrupt-prone areas and problems identified as a result of inspections will be fundamentally resolved through institutional improvements.

In addition, the criteria for honorarium that public officials receive for external lectures will be revised to fit the current environment, in order to eradicate the act of public officials circumventing the current maximum criteria and receiving excessive payment.

Third, it will strengthen support for public institutions' voluntary anti-corruption activities. The ACRC will provide "integrity consulting" service for the organizations with low integrity levels and suggest customized improvement plans, and for organizations newly designated as public service-related institutions, the Commission will expand institutional support for the institutions to build their own anti-corruption infrastructure in the near future.

Finally, the Commission will continue to reinforce the protection and reward systems for those who report suspected acts of corruption and public interest violations in order for anyone to report in good faith without fear. It will request public organizations to voluntarily implement and operate their own guidelines for the protection of whistleblowers and actively conduct educational and promotional activities on the whistleblower protection system.

In addition, the Commission emphasized that there needs to be stronger responses to leakage of public funds in order for public finances to be used in the necessary areas and not go to waste, and also stated that as the Government Welfare Fraud Report Center has been expanded to Center for Reporting Public Subsidy Fraud, public organizations should actively carry out their own initiatives to prevent false claims.

### Section 2. Enactment of the Improper Solicitation and Graft Act

#### 1. Background

On March 3, 2015, the "Improper Solicitation and Graft Act" was passed in the National Assembly in the midst of interest and expectations of nation, and will be in effect on September 28, 2016. The Act, introduced by ACRC, is a new anti-corruption legislation unseen anywhere else in the world, and it is expected that this act will serve as an opportunity to lead our society into a society of integrity.

Our society has overlooked solicitations to public officials for advantageous treatment caused by nepotism and paternalism and provision of entertainment, hospitality, and goods under the name of customary practice. The Act was enacted to stem the vicious cycle of the practice of solicitation and entertainment leading to acts of illegal corruption. By institutionalizing an advanced anti-corruption system to secure the fair and impartial performance of public officials' duties, it aims to reduce unnecessary social costs incurred by chronic corruption practices such as solicitation, influence peddling, monetary gift and sponsoring, and create a culture of integrity based on mutual trust in order to build a society where illegal corruption has no place.

### 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)
  - ※ Open discussions (October 2011/February 2012). Research supporting legislation analysis by the Korea Legislation Research Institute (April to July 2012), Regional presentation sessions for the public: Gwangju, Daejeon, Busan (April and May 2012)
- The government underwent legislative procedures. (May 7, 2012 to July 30, 2013)
  - Collected opinions and consulted with related organizations (May 2012 to June 2013), Preliminary announcement of the Act (August 22 to October 2, 2012)
- Submitted bill to the National Assembly (August 5, 2013)
  - National Policy Committee public hearing (July 10, 2014), National Policy Committee Legislative Subcommittee on Deliberation of Bills (six reviews including on Jan. 8, 2015)
- Bill passed in National Policy Committee Legislative Subcommittee (Jan. 8, 2015) and passed in the National Policy Committee plenary session (Jan. 12, 2015)
  - ※ Removed provisions related to prevention of conflict of interest of public officials: Expanded institutions subject to the Act (including private schools and media)
- Legislation & Judiciary Committee public hearing (Feb 23, 2015), passed in the Legislation & Judiciary Committee plenary session (March 3, 2015)
- Passed in the National Assembly plenary session (March 3, 2015)
- Promulgated (March 27, 2015), and enforced (Sept. 28, 2016)

### 3. Main Contents

Main Contents of the Improper Solicitation and Graft Act is as follows.

First is the institution subject to this Act. Public institutions that are subject to this Act include, constitutional institutions including the National Assembly, Constitutional Court, courts, etc., central administrative agencies, local governments, municipal and provincial offices of education, public service-related institutions, and all other public institutions, schools of all levels and educational corporations, and media companies.

Second is the prohibition against improper solicitations. Improper solicitation to public officials, etc.\* on their official duties either directly or through a third party is prohibited, and public officials, etc., are prohibited from performing official duties influenced by an improper solicitation. The types of "Improper solicitation" were specified in order to provide a clear guideline of prohibited improper solicitation.

\* public officials, etc: public official (civil servants, heads of public service-related organizations and its employees) or employee performing public duties (heads and employees of schools and educational corporations, representatives and employees of media companies.)

Third, the prohibition against the acceptance of money or gifts, etc. Public officials who accept one million KRW at a time or three million KRW in a fiscal year from the same person, regardless of the relationship between such offer and his or her duties, and the motive for such offer, will be subject to criminal prosecution, and accepting money or gifts not exceeding one million KRW in relation to their duties will be subject to fines. In addition, it is prohibited to accept an amount exceeding a prescribed amount in exchange for external lectures, etc., which can serve as a bypassing conduit for benefits

Final item is the reporting of acts of illegal solicitation and acts of violation of the Act, and protection and reward for reporting persons. Anyone who is aware that a violation of this Act has taken place may report it to the public institution where the violation of the Act occurred or its supervisory agency, the Board of Audit and Inspection, an investigative agency, or the ACRC. The Act also has put in place protective measures for reporting persons such as prohibition of disadvantageous measures against whistleblowers and provision of monetary reward and award.

### 4. Status of Preparations for the Enactment of Improper Solicitation and Graft Act

The ACRC established an 'Improper Solicitation and Graft Act Enforcement Task Force' in March 2015 to promptly push forward the enactment of the enforcement decree and subordinate ordinances of the Act. At the same time, the Task Force is making all preparations in order to ensure that the Act is enacted without any hindrances and the objective of the legislation is achieved, such as conducting educational and promotional activities for the public including public officials.

In order for a reasonable enactment of the enforcement decree, the Commission collected opinions from various sectors of people, and at the same time, conducted a close review of the issues regarding the Act. The ACRC held an open discussion (May 28, 2015) and occupation-specific discussions on 16 occasions (June to Aug 2015) to listen to opinions from various experts and citizens on key issues regarding the enforcement decree of the Act. It also conducted a survey of public officials, educators from private schools, people from the media, citizens (July 2015), and an opinion survey and online policy debate co-hosted by e-People and Daum Agora website (July 13 to Aug 12, 2015), separately to undertake a process to collect opinions from the public to prepare detailed criteria for the enforcement decree.

In addition, the ACRC conducted promotional activities such as publishing and distributing leaflets and promotional posters produced for the general public to enable easy understanding of the Act and using self-produced PPT in introductory sessions, and starting development on integrity education cyber courseware ('Understanding Improper Solicitation and Graft Act ') to support self-study of public officials.

### 5. Significance of Enactment and Future Plans

This Act was prepared to prevent illegal solicitation and to make it possible to punish the act of offering and receiving money, etc. without a return of favor, in order to enhance the integrity of public officials and recover the trust from the public.

The ACRC plans to promptly prepare subordinate ordinances, and support institutions in establishing an operational foundation that suits them in order to increase the implementation of the Act. The Commission will provide

training to concerned public officials regarding the Act, distribute legal interpretation booklets and work manuals, and at the same time, continue with educational and promotional activities so that the public can gain a good understanding and follow the Act.

## Section 3. Efforts to Enact the "Act on the Prevention of False Claims of Public Funds (proposed bill)"

### 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. However, under the current public funds management system, it is difficult to prevent and control the leakage of finances in various areas and thus is limited in preventing and preemptively responding to the issue of wasted government budget. In response, the ACRC embarked on the legislation procedures to enact the "Act on the Prevention of False Claims of Public Funds" as a general law to prevent the waste of public funds. 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 varies in each relevant law.

### 2. History of Legislation Efforts

- The ACRC raised the need for enactment of a comprehensive law at the government business reporting session to the President. (Feb. 5, 2014)
- Analytical research was conducted on major domestic and overseas legislation cases. (Feb. to July 2014)
- Experts and relevant institutions were sought for opinions and it prepared the bill (July to Sep. 2014)
- Consultation was made with relevant ministries, pre-announcement of the enactment, and various impact assessments (Oct. to Nov. 2014)
- Regulatory Review and judicial review (Jan. to May 2015) were made, and the bill passed at Vice Ministerial meeting and Cabinet meeting, and was submitted to the National Assembly (June 2015)

### 3. Main Content

The "Act on the Prevention of False Claims of Public Funds" 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 prohibits anyone from making false claims, and in case of a false claim for funds, etc., the provision of public finances may be suspended. In addition, any illegal profits and interests gained from illegitimate claims must be recovered, and in case of false claims, overclaims, use of funds for other purposes than the stated purpose, in addition to recovery of the amount, a surcharge for punishment of up to five times the amount of wasted public funds will be imposed.

The second part is provisions on the ways to secure the effectiveness of the measures to prevent false claims and any other wrongdoings. Government offices may conduct investigations with request for attendance or submission of materials if necessary for the recovery of funds and other disciplinary measures, and the names of people who claimed excessive false amount and frequent false claimers will be publicly disclosed. In addition, the ACRC can review and monitor the implementation status of the Act, such as recovery of funds by public institutions and imposition of punishment surcharges, and may build and operate an information system to collect and manage such information.

The third is provisions on the reports on 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, investigative agencies, 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.

### 4. Future Plans

The ACRC, after submitting the "Act on the Prevention of False Claims of Public Funds" bill to the National Assembly in June 2015, has conducted a variety of efforts to ensure a smooth review and passing of the Act. The enactment of this Act will establish a systematic response framework through general law against illegitimate claims to public funds, a common act of corruption, and will be an opportunity to stem the leakage of public funds from its source.

## Section 4. Revision of the “Act on the Protection of Public Interest Whistleblowers”

### 1. Overview

When the “Act on the Protection of Public Interest Whistleblowers” came into effect (Sep 30, 2011), it created a foundation to protect whistleblowers who reported acts that infringe on the health and safety of the public, the environment, consumer interests and 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, a revision bill was prepared, and was subsequently promulgated on July 24, 2015.

### 2. Main Content

#### A. Increase in the Number of Laws Applicable to the Act

The original act stipulated a total of 180 legal violations that are applicable, but in the revised act, 99 laws related to the safety of the people, protection of interests of the socially and economically weak, and encouragement of fair competition were added, thereby expanding the scope of public interest reporting and protection.

#### B. Mitigation of Culpability Expanded from Criminal Punishment and Disciplinary Action to Disadvantageous Administrative Measures

The scope of mitigated liability of the whistleblower has been expanded to all disadvantageous administrative measures which go against the intention of the whistleblower, such as the imposition of a penalty surcharge, fine for negligence, and extension of obligatory service period.

#### C. Introduction of Non-Compliance Charge

The revised act clearly states that even if there is an administrative lawsuit filed against the ACRC’s decision on whistleblower protection, such as the recovery to the original state of a whistleblower that has received disadvantageous

measure as a consequence of whistleblowing, the ACRC’s protective measure is still in effect, and a non-compliance charge may be imposed.

#### D. Newly Established Right to Object, Reexamine and Reinvestigate

The revised act stipulates the reporter’s right to object regarding the results of examination and investigations of public interest cases referred by ACRC, and when it is deemed that there are reasonable grounds for objection, the ACRC may request a re-investigation and re-examination of the case of the investigative agency.

#### E. Introduction of Limits on Rewards and Introduction of Awards System

Those who are entitled to receive monetary rewards for their whistleblowing will now be limited to “internal” whistleblowers as growing number of paparazzi or bounty hunters caused the waste of administrative resources, and incurred damage to the public. In addition, an awards system was newly introduced to encourage reports, in order to resolve the problem of not being eligible for reward money even if the reporting contributed to promoting the public interest but did not increase or recover loss to the revenues.

#### F. Newly Established Special Protection for Internal Whistleblowers

The revised act newly established a special protection measure to strengthen protection for internal whistleblowers for whom there is a possibility for exposure to disadvantageous measures. The revised provision includes protection for whistleblowers who report a violation of the public interest “on reasonable grounds to assume that the violation had occurred”, thereby providing stronger protection for internal whistleblowers.

#### G. Newly Established Company Obligation and Support, etc

The revised act states the company’s obligation as the company’s role as the most important entity in the prevention of private sector public interest violations, and the ACRC’s support and cooperation for the company. In addition, the Act introduced a dual punishment provision, which subjects not only the person who committed the violation, but also the corporation or the individual business owner to punishment.

# Chapter 02

## Efforts for Voluntary Implementation of Anti-Corruption

### Section 1. Integrity Assessment for Public Institutions

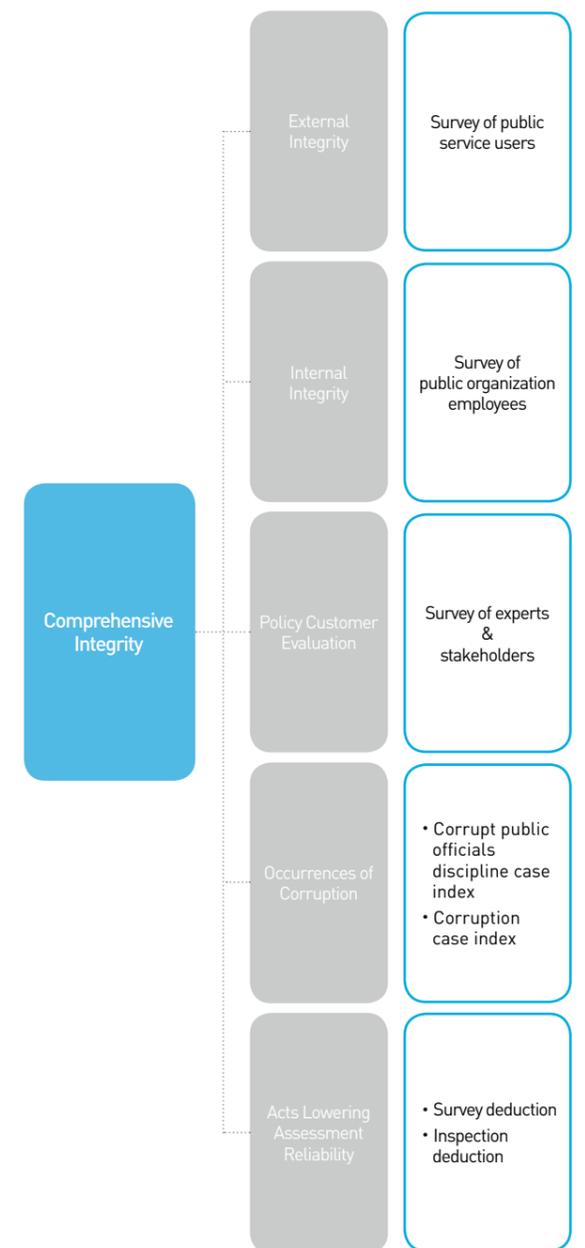
#### 1. Overview

The Integrity Assessment for public institutions has been conducted every year since 2002. The integrity assessment of public institutions is conducted to measure the level of integrity of a public institution in an objective and scientific manner, identify work areas that are vulnerable, and to create an environment where the public sector can make voluntary efforts to drive up its integrity level by publicly disclosing the assessment results.

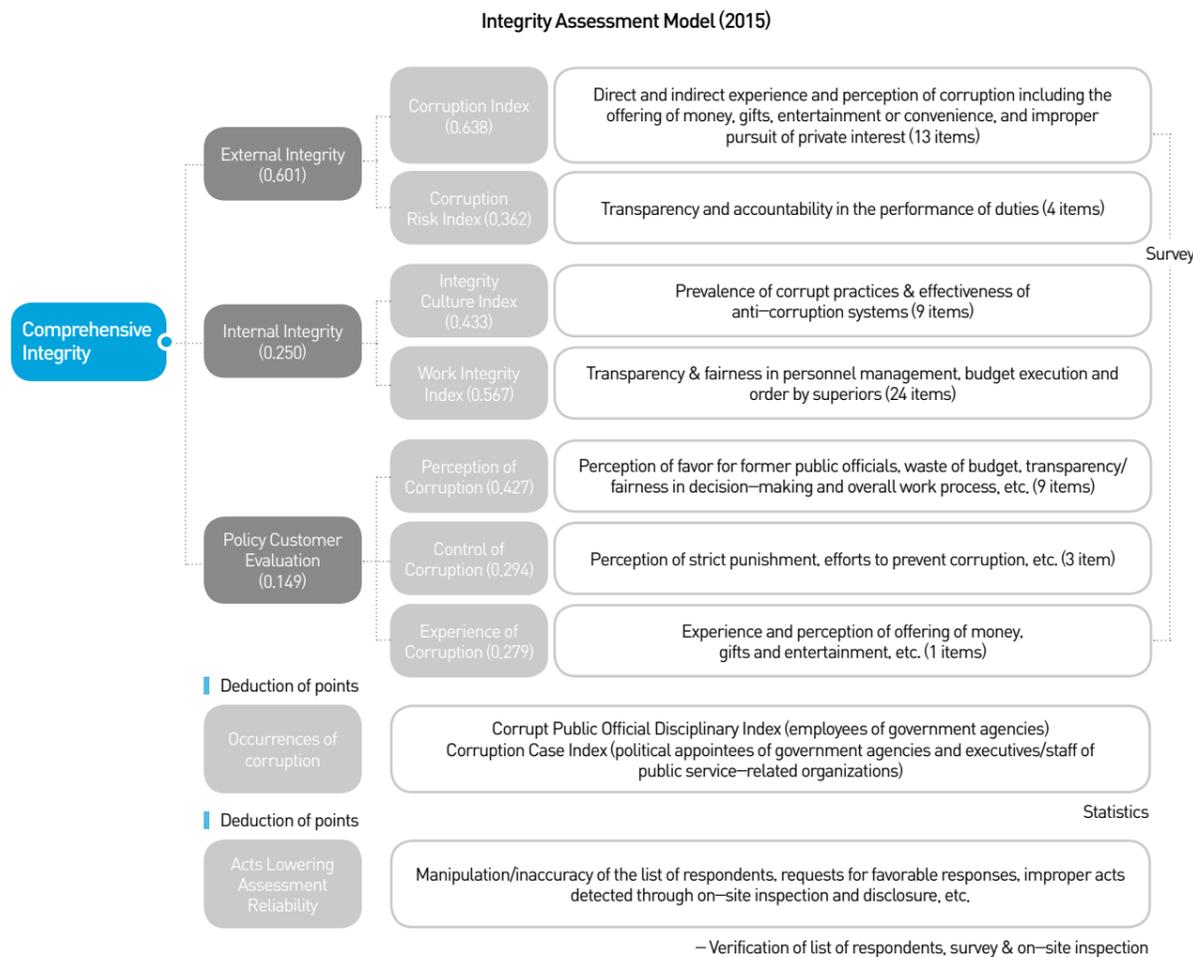
#### 2. Structure of the Integrity Assessment

The final result of a public institution’s integrity level is calculated and announced as ‘Comprehensive Integrity’. This indicator 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 acts that undermined the institution’s reliability. However, for local government councils, public health institutions, national and public universities, and other such institutions that have different functions from the regular public institutions are assessed with a separate model.

Structure of the Integrity Assessment



Promoting Cooperation  
Stimulating Policy Communication with the People  
Handling Complaints  
Fighting Corruption  
Adjudicating Administrative Appeals  
Improving Laws & Regulations



### 3. 2015 Integrity Assessment Results

#### A. Target Institutions

In 2015, the Integrity Assessment was conducted for 43 central government agencies, 17 Metropolitan City/Do local government offices, 226 Si/Gun/Gu local government offices, 17 Metropolitan City/Do offices of education (102 Si/Gun/Gu local offices of education), 212 public service-related institutions including state-owned enterprises, 45 public health institutions, and 36 national and public universities.

#### B. Survey Methods and Key Changes from Previous Model

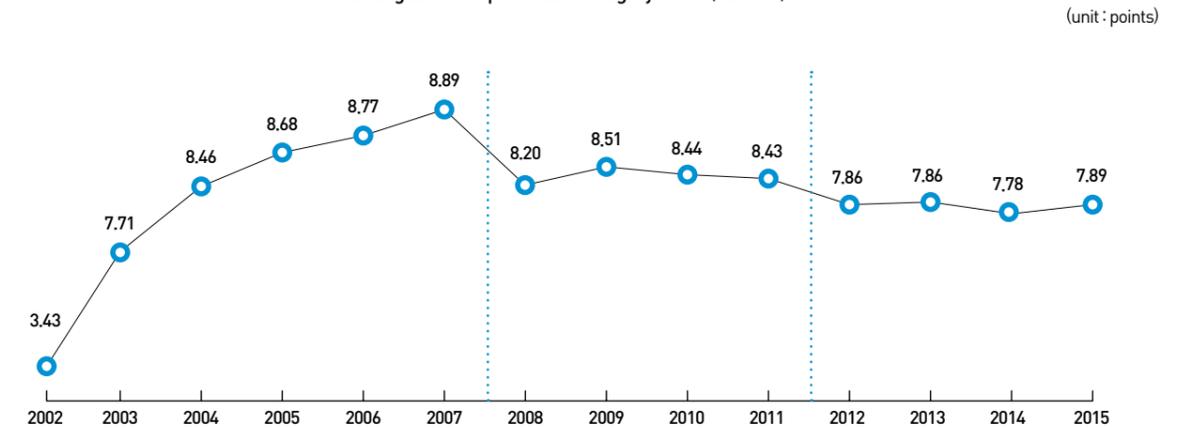
For the measure of external integrity, the 166,873 citizens surveyed all had experienced the public service provided by the target institution in relation to the work areas assessed,

over the period from July 1, 2014 to June 30, 2015. The measure of internal integrity assessment was carried out for 56,988 employees of the target institutions, and 21,237 people who 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.<sup>1</sup>

Points were deducted from the total score for acts of corruption, which was calculated from the statistics on 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.

<sup>1</sup> 6,947 people participated in public health institution integrity assessment (doctors, nurses and employees employed at public health institutions, medical pharmaceutical product and medical device sales institution, patients, policy customers), and 10,545 people participated in the survey for national and public universities assessment result.

Changes of Comprehensive Integrity Score ('02~'15)



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

#### C. Overall Assessment Result <sup>2</sup>

In 2015, the average score of the comprehensive integrity of all the target institutions recorded 7.89 pts on a 10-point-scale, a slight increase (by 0.11 pts) from the previous year.

#### D. External Integrity Results

The External Integrity score assessed by citizens and public officials who have received or experienced public services over the last one year increased to 8.02 pts from 7.95 pts in 2014. Looking the underlying indicators, the corruption indicator slightly increased in 2015 with 8.00 pts from 7.97 pts in 2014. While the direct and indirect corruption experience has improved, there was a decrease in the measure of perception on corruption.

#### E. Internal Integrity Result

The average score of the internal integrity assessed by employees was 8.00 pts, up by 0.18 pts compared to 2014. The integrity culture indicator, which evaluates the corporate culture and corruption prevention systems, was 8.16 pts, an increase of 0.13 pts from the previous year's 8.03. The assessment of the corporate culture and the effectiveness of the internal whistleblower protection system both increased compared to 2014.

#### F. Policy Customer Evaluation Result

The policy customer evaluation, which was conducted by field

<sup>2</sup> Public health institutions, national and public universities which have used a different model than general public institutions have been excluded from the overall average score analysis

<sup>3</sup> Academia, journalists, National Assembly aides, civil groups, public institutions, etc.

experts and duty-related parties<sup>3</sup>, local residents, parents, etc. scored 7.08 pts, an increase from 2014's score of 6.86 pts. The perception of corruption in the institution's overall work area, corruption control score which evaluates punishment and disciplinary action against corruption perpetrators as well as corruption prevention, and the corruption experience score which reflects the indirect experience of public officials receiving goods, entertainment, and favors, all increased compared to the previous year.

### 4. 2015 Tailor-Made Models Result

#### A. Integrity Assessment Result of Local Assemblies

Integrity Assessment for local assemblies was conducted for the first time in 2013, and in July 2014, it was conducted for the second time after the launch of the Seventh Local Assembly. In 2015, a total of 62 local councils were assessed, including 17 metropolitan councils, 42 councils of municipals where the population exceeds 400 thousand, and 3 councils of local governments where the population is less than 400 thousand people but have the highest number of people within the city and county regions (3 areas).

In 2015, the survey was expanded to questions on overall council activities, including selection of contracting parties and avoidance of conflict of interest. Previously the survey was limited to internal work related officers with questions focused on deliberation and resolution. In addition, the evaluators were reclassified and survey questions were

tailored according to the characteristics of the work. Furthermore, survey participants were selected from various local residents working ineconomy, society, and resident autonomy area.

The 2015 average comprehensive integrity score of 62 local councils were 6.08 pts out of a total 10pts, and duty related person evaluation score was the highest with 6.67 pts, and local resident evaluation score was the lowest with 5.41 pts. For types of local council, the municipal council comprehensive integrity score (6.10 pts) was 0.08 pts higher than that of the metropolitan council (6.02 pts).

### B. Integrity Assessment Result of Public Health Institutions

The average score for 45 public health institutions including national/public university hospitals and public medical centers was 7.76 pts out of 10 pts, 0.07 pts lower than 2014's 7.83 pts. Survey respondent breakdown shows that external integrity (suppliers, family of patients) was the highest with 8.79 pts, policy customer evaluation (former and retired employees, supervisory and managing organizations) was 8.08 pts, and internal integrity (employees) was lowest at 7.01 pts.

### C. National and Public Universities Assessment Result

The assessment of 36 four-year national and public universities (including educational corporations) showed that the average comprehensive integrity score was 5.88 pts out of 10 pts. The integrity score for "contracts", which was evaluated by counterparties of contracts, was a relatively high 7.48 pts, but the "research and administration" integrity score, evaluated by the full-time professors, university staff, part-time lecturers and teaching research assistants, showed a lower result of 5.54 pts.

### 5. Future Plans

The ACRC will support for public institutions with low integrity level scores by helping them establish improvement measures 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 integrity 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.

## Section 2. Anti-Corruption Initiative Assessment for Public Institutions

### 1. Overview of Anti-Corruption Initiative Assessment

The Anti-Corruption Initiative Assessment has been conducted on an annual basis since 2002. While the Integrity Assessment's objective is to diagnose and measure the corruption level of each public institution, 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 2015, the AIA was conducted for 268 institutions, including 12 public health institutions newly selected for the assessment.

The AIA consists of a survey (5 indices), statistic measurement (one indicator), and written evaluation on the performance report (37 indicators). The ACRC and external expert panel jointly conduct quantitative and qualitative assessments according to the characteristics of the initiative.

### 2. Assessment Content and Structure of Ranking

The 2015 AIA, similar to previous years, was constructed of three main parts, willingness and efforts to prevent corruption, and the actual achievements in corruption prevention, and cooperation in the promotion of anti-corruption initiatives. Willingness and efforts to prevent corruption, which is 90% of the assessment, consist of five assessment criteria, actual achievements in corruption prevention reflects degree of improvement in integrity and occurrence of corrupt public officials, and cooperation in the promotion of anti-corruption initiatives was included as a minus indicator.

The results of the AIA are announced in one of five levels (the institution with the best possible result is Level 1). This is for institutions to compare their level with other institutions and be encouraged to make improvements.

## 3. 2015 Evaluation Results

### A. Overview

Of the 268 institutions, institutions which ranked Level 2 and above were 132, or 49% of the total. The average score of all institutions was 85.1 pts, an improvement from 83.2 pts from the previous year. These results are attributable to the fact that institutions have a better understanding of the indicators, institutions have been more enthusiastic in promoting anti-corruption initiatives, and the lower ranked institutions have been more effective in anti-corruption initiatives through voluntary cooperation between institutions.

### B. Results by Assessment Area

Overall, the institutions resulted in higher scores compared to the previous year. Of the areas assessed, prevention of corruption and promotion of whistleblowing scored the highest, and reduction of corruption risk factors scored the lowest, showing that there needs to be more proactive effort in focusing on anti-corruption initiatives and improving in areas vulnerable to corruption. In addition, an analysis of anti-corruption achievements showed that 68.2% of institutions that had improved or maintained AIA ranks also increased or maintained integrity scores, showing a high correlation between AIA and integrity scores.

### 4. Follow-up Measures and Future Direction

Based on the AIA results, institutions with high scores for each area and individuals who played a leading role at high performing organizations will be awarded with certificates, and institutions with low scores will be given briefing by institutions and will work on devising improvement measures. The 2016 AIA, in line with the Government 3.0 program which emphasizes openness/sharing/communication/collaboration, will focus on encouraging a culture of integrity that cooperates with the local communities, revising to performance based indicators by setting expiration on evaluation indicators, expanding connection with key current issues within the government, and maximizing voluntary anti-corruption efforts of each institution reflecting the institution's situation by introducing target management focused initiative assessments.

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

### 1. Background

Public institutions were putting in effort for voluntary anti-corruption action by establishing their own anti-corruption and integrity policy, but it was necessary to objectively analyze the institution's characteristics and problems from a third party perspective, for the effective anti-corruption and integrity policy. In addition, it was necessary to break from the unilateral implementation of integrity policy following the "Anti-Corruption Policy Guidelines", but rather, to provide customized support services in consideration of the institution's characteristics and changes in the environment.

### 2. Process

Integrity consulting first started in 2006, as part of an effort to strengthen the consulting function to institutions, as reported in the seventh "Anti-Corruption Ministerial Meeting" (March 17, 2006). In 2015, the ACRC received requests from 57 public institutions and assessed the institutions' integrity level, institution's willingness to adopt measures, and success factors, and conducted consulting for 8 institutions (two central administrative bodies, three local governments, one office of education, and two public service related institutions).

### 3. Main Contents

The ACRC conducted anti-corruption capability diagnosis, analyzing the target institution's work area, system, anti-corruption promotion framework, internal control system, employee behaviors, etc. in order to identify the cause of the low integrity level. The AIA results, internal policies and control systems, occurrence of corrupt public officials, results of external audit, media reports were used in the diagnosis. In addition, in-depth interviews and surveys were conducted for internal and external stakeholders.

Using the cause of low integrity level and areas vulnerable to corruption identified through the diagnosis, the ACRC prepared customized plan for action and recommended it after getting advice from an external expert. Each institution implemented its own improvement plan based on the results of the integrity consulting.

In order to encourage implementation of the voluntary improvement plan established on the basis of consulting

results, the ACRC held an Integrity Consulting Policy Council which is attended by the head of the institution and other high ranking officials, to show commitment to an institution-wide effort and to discuss improvement measures in areas of weakness. The ACRC conducted mid progress reviews and monitoring of the implementation status of each stage. At year-end, the commission selected best initiative examples of institutions that received consulting and distributed them to all public institutions.

## 4. Achievements

In 2015, majority of the institutions that received Integrity Consulting saw their integrity level improve by a large margin. Of the eight institutions that established and implemented voluntary improvement plans based on the consulting improvement proposal, seven (87.5%) showed significant improvement of integrity levels. In particular, institutions whose head took a personal interest and participated in the consulting showed higher improvement levels.

## Section 4. 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 ordinances, and internal rules of public service related institutions. The Corruption Impact Assessment has been conducted since Apr. 1, 2006, and for public service-related institutions it was first introduced and conducted on Dec. 28, 2007.

In 2015, the ACRC selected and conducted the Corruption Impact Assessment for three main policy improvement priorities: water management, an area fast becoming a social issue due to droughts; quality certification of agricultural products; and administrative area related to educational scholarships. Latter two issues were chosen because they were closely related to the daily lives of the public.

The Commission also provided consulting services to three government organizations (the Ministry of Welfare and Health, Chungcheong Provincial Government, and Cheonan City Government) as part of the "On-demand Corruption Impact Assessment Consulting Service", which is a service launched to strengthen public institution's capabilities. It held workshops, provided cyber classes, and distributed best

case studies to increase the expertise of officials working in this area. These are among the various policies the ACRC implemented to build the groundwork for each institution to conduct self-assessments in the long term.

## 2. Major Achievements

### A. Corruption Impact Assessment for the Draft of Laws or Revision Bills of Existing Ones

In 2015, a total of 1,730 draft or revision bills were assessed, and among them, 401 corruption-causing factors in 132 laws and subordinate statutes were identified and revisions of the provisions in question were recommended to the competent government agencies.

Of the 132 statutes recommended to remove corruption-causing factors, 26 were for laws, 69 for presidential decrees, and 35 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 69 cases out of 777 (8.8%), followed by laws with 26 out of 254 (10.2%), and prime minister's and ministerial ordinances with 35 out of 681 (5.1%).

Breakdown of recommendations by sector shows, 160 cases of recommendation were made out of 52 statutes in the industry /development sector, the highest number of all sectors, followed by public administration (20 statutes, 68 recommendations), then environment/public health (21 statutes, 63 recommendations).

In light of the 10th year of operating the Corruption Impact Assessment, the ACRC prepared assessment criteria for new corruption causing factors, and revised and supplemented existing weaknesses. In particular, as a response to the changes in the environment such as the enactment of the "Improper Solicitation and Graft Act", the corruption impact assessment criteria were expanded from the existing nine to 11 criteria.

### Major Contents of Revisions of Assessment Criteria

- Assessment areas : Increased from 3 to 4 (newly established "corruption control area")
- Assessment criteria : increased from 9 to 11
  - Compliance area : Changed name to "rationality of compliance burden"
  - Execution area : expanded scope of standards relating to "consignment/entrustment" and "financial support" (in evaluating appropriateness of standard, it expanded to appropriateness of management and supervision)
    - ※ appropriateness of consignment/entrustment standard → transparency and accountability of entrustment/agent, clarity of financial support standard → possibility of financial waste
  - Administrative process area : "accessibility and openness" standard has been divided into "ease of accessibility" and "openness"
  - Corruption control mechanism area : newly established systematical structure of corruption control mechanism

### B. Corruption Impact Assessment for the Existing Statutes

The 2015 Corruption Impact Assessment for existing laws and subordinate statutes was focused on the government's priorities of making expenditure more efficient and reforming the central and local government fiscal practices, in order to prevent leakage of government funds and to enhance the transparency and accountability of public administrative arm, and aimed to identify and eradicate corruption-causing factors in the related areas.

#### **Enhancing Fairness and Transparency in River Water Usage Fee and River Water Management**

Regarding imposing and collecting the river water usage fee, the Commission recommended five improvement areas, as it found factors that could cause corrupt acts such as inappropriate use of official's discretion, and waste of government budget. With regards to river water management, two improvement areas were prepared, as river water was being wasted due to the local governments' permitted amount to hold excessively and use of water without permission was being ignored.

#### **Enhancing Transparency of Geographical Indication and Quality Certification of Regional Brand Agricultural and Fisheries Products**

Geographical Indication, Love Rice Project, Rice Variety Management Mark and other quality certification systems by local governments have been operating under the premise of vitalizing local economy and responding to FTA. However these systems have only focused on quantitative growth and have wasted public funds due to the duplication, lack of institutional foundation for operation of the system, unclear certification standards, and over-issuance of certifications, and the unclear standards have only worked to overburden the agricultural and fisheries community. As a result, the Commission has prepared 13 improvement measures to resolve these issues, including revamping registration standards and documentation for Geographical Indication and Geographical Indication Collective Mark.

#### **Enhancing Fairness of Operation of Local Government-Funded Scholarship Foundation and Selection Management of Scholarship Student**

Regarding the scholarship foundation established and funded by local government, six improvement measures were prepared, including prohibiting excessive funding to foundation without consideration of the local government's finances, managing duplicated benefits from state-Metropolitan city/Do - Si/Gun/Gu scholarship foundations, obligating council resolution when selecting scholarship students, and clarifying grounds for restoration of funding to scholarship foundation.

Chapter 03

# Protection and Reward of Whistleblowers and Operation of Code of Conduct for Public Officials

## Section 1. Receipt and Handling of Corruption Reports

### 1. Operation of Corruption and Public Interest Violations Reporting Center

Corruption and public interest reporting counselling and guidance service is provided in office, phone, online, and on visits. The professional advisors at the Reporting Centers are employees with various counseling experiences and knowledgeable and experienced retirees, in order to provide advice with substance. In addition, corruption and public interest reporting can be done in person, mail, fax, internet, and reporting is also possible by submitting photos and videos through the Commission's smartphone app.

### 2. Statistics on Receipt and Handling of Corruption Reports

From 2002 to the end of Dec. 2015, a total of 36,759 reports were submitted, which is a monthly average of 219 cases.

Number of Reports Received by Year (unit : cases)

Year	Number of cases received	Month average	Year	Number of cases received	Month average
Total	36,759	219	2009	2,693	224
2002	2,572	234	2010	3,099	258
2003	1,679	140	2011	2,529	211
2004	1,763	147	2012	2,527	211
2005	1,974	165	2013	3,735	311
2006	1,745	145	2014	4,510	376
2007	2,544	212	2015	3,885	324
2008	2,693	125			

Among them, 36,631 cases were handled in total, 1,567 cases were referred to investigative agencies for inspection or investigation (including 3 cases against which a criminal charge was brought), and 558 cases were reported to the related institution after violations of the Code of Conduct were confirmed.

Statistics on Handling of Reports (unit : cases)

Handling Result	Total	Referred	Notified of code of conduct violations	Sent to the public institution	Closed
Reports handled	36,631	1,567	558	9,876	24,630

### 3. Statistics on Referral to Investigative Agencies

Among the 1,567 cases referred to investigative agencies (including 3 cases against which a criminal charge was brought), as at end of Dec. 2015, there were 1,245 cases with the results of the investigation notified, excluding 322 cases under investigation/inspection by the investigative agency, and 71.3% of the cases confirmed the corrupt acts allegations.

Statistics on Referral to Investigative Agencies by Year (unit : cases, %)

Category	Total	Notified of the inspection results			Under investigation	Rate of corruption confirmed (②/①)
		Subtotal ①	Corruption confirmed ②	Acquitted		
Cases referred	1,567	1,245	888	357	322	71.3

By type of investigative agencies to which the 1,567 corruption cases were referred, 765 cases were referred to the National Police Agency (48.8%), 351 cases to the Supreme Prosecutors' Office (22.4%), 154 cases to central government agencies (9.8%), 138 cases to the Board of Audit and Inspection (8.8%), 135 cases to local governments (8.6%), and 24 cases to other institutions (1.5%).

### 4. Statistics on Receipt and Handling of Internal Whistleblowing Reports

From Jan. 2002 to the end of Dec. 2015, a total of 1,567 corruption reports were referred to investigative agencies, and among them, 796 cases, or 50.8%, were reports made within the organization. Apart from the 183 cases under investigation, results of 613 cases were concluded. The rate of confirmed corruption from internal reports was 74.1 %, higher than the overall rate of 71.3%.

Among the internal corruption reports referred to investigative agencies, corrupt conduct was confirmed in 454 cases. After the investigation, 2,587 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 approximately KRW 474 billion, accounting for 80.4% of the total amount of KRW 590 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. Overview

The restriction on employment of public officials dismissed for corruption is based on the ACRC Act (Articles 82 and 83). This restricts public officials who have rightly resigned, or have been dismissed or removed from office for corrupt acts in connection with their duties, to gain employment for five years from the date of resignation at a public institution<sup>4</sup> or for-profit company (1 billion KRW and more in capital, transaction amount 10 billion KRW and more) closely related to the department where the public official worked for three years prior to dismissal.

<sup>4</sup> "Public institution" as defined in Article 2(1) of the ACRC Act

## 2. Operational Status

### A. Statistics on the Number of Public Officials Dismissed for Corruption

From 2010 to 2014, a total of 1,948 public officials were dismissed for corruption. By type of corruption, the most often committed corrupt act was the receipt of bribe and entertainment with 1,317 violators, followed by embezzlement or illegal use of public funds with 408, abuse of public authority or dereliction of duty with 78, forgery of documents with 38, and other types of wrongdoings (inappropriate handling of duty, violations of laws and regulations related with budget and financial management) with 107.

### B. Inspection on Employment Status of Public Officials Dismissed for Corruption

In 2015, the ACRC discovered 14 people that have violated the restriction. The ACRC convened Commission's plenary meeting with regards to six former public officials who were currently employed or had been employed full-time in certain position violating the restriction, and subsequently submitted a request to the public institution that the official be dismissed or be charged.

## Section 3. Operation of Corruption Inspection Team

### 1. Background

On January 23, 2013, the Corruption Inspection Team was launched as a permanent organization in order to conduct one of the key functions of the Anti-Corruption Bureau, such as conducting research on corruption status, conducting investigations and examinations on violations of code of conduct, collecting corruption-related information and providing information on how to file a corruption report, and receiving reports of corruption, in a more efficient and specialized manner.

## 2. Major Achievements

### A. Investigation on Status of Exercise of Undue Influence and Abuse of Authority in Public Office

In order to improve the chronic corruption caused by exercise of undue influence and abuse of authority in public office, the ACRC conducted an investigation into whether current and retired public officials holding executive positions or working at non-profit corporations had provided those corporations special benefits or unjust subsidies. The results found unjust financial support actions worth 2.1 billion KRW for 19 corporations, including 1.5 billion KRW in budget benefits, 600 million KRW in fraudulent use of subsidy, and requested audits by the supervisory organization, and referred the case to the police for investigation.

### B. Eradication of Factors Causing Waste of Public Funds that Burden the National Economy

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 use of government subsidies for city environment improvement projects in the last five years of 226 local governments across the country. As a result, it was discovered that KRW 8.8 billion of subsidies were falsely calculated due to the contractors submitting falsified cost reports and inaccurate accounting by public officials. The ACRC requested audits to the supervisory institution and referred the case to the police for investigation.

### C. Review of Public Official Code of Conduct Violations and Implementation Status

Multiple code of conduct violations such as personal use of government vehicle by a high ranking police official, and unjust instructions to contract with a specific business, were discovered, and these were referred to the relevant institution for strict disciplinary measures. In addition, in order to instill a clean public holiday culture for public officials, the Commission investigated code of conduct violations by public officials during New Year and Korean Thanksgiving Holidays, and as a result, discovered that money and customary gifts were exchanged. The violations were notified to the relevant institutions, and the Commission recommended that the 25 violators be subject to disciplinary action and other such measures.

## Section 4. Operation of the Protection and Reward System for Whistleblowers

### 1. Protection of Corruption Reporters

#### A. Significance of Whistleblower Protection System

Corruption reporting regime is a low-cost, high efficiency corruption prevention policy based on people’s voluntary willingness for reporting. However, realistically, the whistleblower is conflicted between reporting and fear of retribution from having reported, and for internal whistleblowers, they become known as backstabbers and experience difficulties in continuing to work in the organization. Therefore, it is important to protect the reporter to encourage people to feel safe reporting, and effectively prevent the occurrence of corrupt acts.

#### B. Key Contents of Whistleblower Protection System

##### *Guarantee of Confidentiality*

The ACRC and employees of investigative agencies may not reveal or hint the identity of the whistleblower without his/her consent. In addition, if the whistleblower’s identity is revealed without his/her consent, the ACRC will conduct an investigation into how the revelation happened, and when it is confirmed that confidentiality was breached, the ACRC takes necessary steps such as requesting the employer to take disciplinary action against those involved in the leakage of the whistleblower’s identity.

##### *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, change of position, suspension of disciplinary action, and if the reporter received economic and administrative disadvantages such as cancellation of

permit or license, and termination of contract, the reporter may request the ACRC to take necessary actions such as maintaining the effectiveness of contract or approval for reinstatement or correction.

In addition, if the reporter, who is a public official, requests actions regarding their position, such as change of position, transfer in or out, secondment, and the ACRC acknowledges the request to be reasonable, it may request the Minister of Personnel Management or the head of the relevant institution to take necessary steps.

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. If the person who took discriminatory action does not follow the ACRC’s demand, he or she will be punished with a sentence of imprisonment of up to 1 year or a fine not exceeding KRW 10 million.

##### *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. The types of protective measures for physical protection are, 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.

### C. Protection Efforts and Achievements

The ACRC designates a whistleblower protection officer who identifies cases requiring protection from the initial stages of report filing to prevent any disadvantages against whistleblowers.

In addition, when the ACRC receives a case with a request for protection, the ACRC sends a guidance letter on the whistleblower protection system to the concerned institution and officials in order to prevent in advance disadvantages against the reporter from occurring at the institution.

In April 2015, the ACRC prepared instructions (including examples) for public institutions to easily implement and

operate the whistleblower protection guidelines, and sent them to all 1,300-plus public institutions to support them in creating a foundation for the protection of corruption reporters.

The ACRC signed a Memorandum of Understand (MOU) with the Korea 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. The ACRC extended this MOU, on July 2013 and July 2015.

### D. Statistics on Whistleblower Protection Cases by Year

Since the launch of the ACRC in 2008 to end of December 2015, corruption reporters or cooperators submitted requests for protective measures a total of 160 times, or an average of 20 times a year. Among 125 cases of requests for protection, the protective measure was provided for 34 cases, or 27%, and all were for reinstatement of original state.

There have been 16 requests for investigation on the leakage of identity since 2008, and among them, the ACRC requested disciplinary action to be taken against those involved in the leakage for 6 cases, and 10 cases were closed.

## 2. Reward and Award for Corruption Reporters

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

### A. 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. 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, 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 Reward Deliberation Board decides that it is appropriate to provide award. If the case satisfies any of the above conditions, an award not exceeding KRW 200 million can be paid to the reporter, and if the person discloses that he/she received money or other valuables, up to 30% of the amount reported, but not exceeding KRW 500 million, can be provided as an award.

### B. 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 3 billion, or 4–30% of the recovered amount. The amount may be reduced, depending on the total amount of increased revenues, saved expenses or any other conditions.

### C. Establishment and Operation of the Reward Deliberation Board

The Reward Deliberation Board consists of 7 members including a chair, one ex officio member, and 5 appointed members. The Board deliberates and adjudicates on the matters regarding the conditions, amount and payment of reward and award.

### D. Statistics on the Payment of Reward and Award

Since 2008, financial award of KRW 487.8 million has been provided in 61 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.

Over the period from 2008 to 2015, the total amount of funds recovered as a result of corruption reports was KRW 86.46 billion. KRW 7.47 billion was paid in reward for 209 cases, with the average reward amount per case amounting to

KRW 41.51 million. This makes up an average of 8.6% of the recovered public funds. In particular, with the payment of the largest reward in history (1.16 billion KRW) in July 2015, the amount of reward paid has increased significantly.

## 3. Strengthening the Foundation of Whistleblower Protection and Reward System

In 2015, the ACRC, with the collaboration with the Office for Government Policy Coordination's Joint Government Corruption Eradication Group, promoted the revision of the ACRC Act and the enforcement decree, in order to strengthen the efficacy of the whistleblower protection system and to increase incentives of whistleblower reward system to encourage reporting of corruption. The key content of the revised Act includes the following provisions: 'temporary suspension of disadvantageous measures of corrupt act reporters' which obligates temporary suspension of disadvantageous measures to the whistleblower if there has been a disadvantage imposed or an irrevocable disadvantage is expected; expansion of the scope of confidentiality of the reporter, which prevents everyone from revealing the whistleblower's identity including the Commission and the official who received the report; inclusion of member of general public filing a complaint or an accusation to investigative authorities into the subject of whistleblower protection as well as witness in national assembly or court. The revised bill is under judicial review with Ministry of Government Legislation.

In October, there was a partial revision to the enforcement decree of the ACRC Act, and the revision stipulates that for the corruption reports made after October 20, 2015, the maximum reward has increased from the current 2 billion KRW to 3 billion KRW, and the maximum award has increased from the current 100 million KRW to 200 million KRW.

Moreover, in April, the Commission distributed 'Instructions to enact/revise whistleblower protection guideline for public institutions' to all 1300-plus public institutions, in order for them to establish a whistleblower protection foundation that is appropriate for their institution, and thereby supporting public institutions to voluntarily revise and improve their whistleblower protection guidelines.

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

### 1. Overview

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. Article 8 (Code of Conduct for Public Officials) of the Act on the Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission of Korea (the ACRC Act) requires all public institutions to establish and implement a code of conduct.

The ACRC supports the operation of the code of conduct at each public institution while managing and monitoring 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 2015

#### A. Recommendation of Improvements Regarding External Lectures by Public Officials

The ACRC conducted written survey of 122 public institutions (central administrative agencies, local governments, public service-related institutions) and onsite review of 15 public institutions and discovered a total of 826 cases (407 people) of violations of the code of conduct and requested disciplinary measure and prevention of reoccurrence. In addition, the Commission prepared and recommended introduction of the 'Measures to Improve Public Officials' External Lecture System' to 1,275 public institutions, and requested cooperation from the National Assembly, courts, and other constitutional institutions.

Under the guidelines, a public official is prohibited from receiving separate manuscript fee which exceeds the maximum amount of current honorarium for external lectures. If a public official is compensated for external lectures or meetings the number of which exceeds 3 times or the time of which exceeds 6 hours in a month, he/she should seek approval from the head of the institution upon review from the code of conduct officer. If the compensation

has exceeded the maximum limit, the excess amount must immediately be returned to the provider.

#### B. Distribution of Best Systems of Public Official Code of Conduct

In order to strengthen the operational capability of each institution's code of conduct, the ACRC received 364 cases of code of conduct systems currently operated by each institution and selected the best systems with expert reviews, and published and distributed case study booklets to 1600 institution.

#### C. Support for Local Assemblies and Other Institutions on the Operation of the Code of Conduct

On Feb. 3, 2011, the ACRC enacted and implemented the Code of Conduct for Local Assembly Members to create a transparent environment where local assembly members perform their duty as representatives of the local people in a fair and clean manner. As of end of 2015, 115 local assemblies out of 243 across the country have the code of conduct in place (15 metropolitan councils, 100 local councils).

The ACRC held briefing sessions on the code of conduct twice in April and September 2015, for 70 institutions which were newly designated as public service-related institutions. At the briefing session, the necessity of the code of conduct, 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.

### 3. Investigation and Review of Code of Conduct

All violations of the public official code of conduct can be reported to the ACRC and the code of conduct officer of the relevant institution. The ACRC, in accordance with article 10 of the Enforcement Decree of the ACRC Act, will review the report and if the violation of the code of conduct is confirmed, it may communicate the matter to the head of the institution or supervisory organization to which the violator belongs, and the head of the concerned institution will take appropriate measure and then notify the ACRC of the results thereof.

The ACRC conducts reviews and investigations in the operation and implementation of the code of conduct at public institutions that operate code of conduct, and provides improvement measures and notifies necessary measures such as disciplinary action and restitution in order to prevent reoccurrence of similar incidents.

## Section 6. Review of Public Interest Whistleblowing and Protection Support

### 1. Overview

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 purpose 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. The Public Interest Whistleblower Protection Act has been revised and enacted since Jan. 25, 2016, on key areas including expanding the number of laws applicable to public interest reporting, and strengthening protection of internal whistleblower.

### 2. Major Contents of the Public Interest Whistleblower Protection Act

Public interest violations subject to protected reporting are acts related to five areas of health, safety, environment, consumer interests, and fair competition, which can be criminally punished or subject to administrative disposition according to the applicable laws as listed in the Public Interest Whistleblower Protection Act and the enforcement decrees of the Act (279 laws including Food Sanitation Act, Waste Disposal Act, and Infant Care Act).

Institutions that receive public interest violation reports include the following: the representative or employer of a person, institution, organization, company, etc that may violate or has violated the public interest; the administrative agency or supervisory body that has the authority to direct, supervise, regulate or investigate violations of the public interest; investigative agency; a member of the National Assembly; and a public corporation, a state-owned enterprise and other public organization established in accordance with laws on public interest violations.

Protective measures for public interest whistleblowers include prohibition on disclosure of reporter's identity, physical protection, and reinstatement against disadvantageous measures. The scope of disadvantageous measures include, disadvantageous personnel action such as termination and suspension of employment relationship, economic disadvantages such as discrimination of wages and termination of contract for goods, administrative disadvantages such as cancellation of permit or license, as well as psychological disadvantages such as bullying. In addition, if the country or local government's revenues increase from fines or penalties, a reward of up to 2 billion KRW can be paid, and if there are damage related costs such as medical treatment costs, legal costs, or loss of wages during the disadvantaged period, relief money can be paid.

### 3. Operational Status

#### A. Statistics on Public Interest Reports Received and Handled

Since the Public Interest Whistleblower Protection Act took effect, a total of 19,233 reports have been submitted to the ACRC until the end of 2015. By types of reports, public health violations such as production of harmful food products and selling of unlicensed medical products, top the list with 9,267 cases (48.1%), and next in line is related to public safety violations including illegal selling of high pressured gas products, with 3,004 cases (15.6%).

A total of 19,233 cases have been reported since the establishment of the Public Interest Whistleblower Protection Act. Among them, 19,177 were handled depending on the nature of each case, with 12,303 cases referred or forwarded to inspection/investigative agencies. Of the referred or forwarded reports, 4,782 cases were concluded to have reasonable grounds. As a result, criminal charges were brought against 600 cases, fines were levied for 73 cases, and administrative charges/penalties were imposed for 1,121 cases.

#### B. Statistics on Public Interest Whistleblower Protection

Whistleblower protection largely consists of confidentiality, which prevents the disclosure of the whistleblower's identity without their consent, physical protection to prevent material harm to life and body, and protection measures against disadvantages that the reporter may receive or reinstatement from disadvantages already inflicted.

From the enforcement date of the Act until Dec. 2015, a total of 67 requests for whistleblower protection have been received, including 32 cases of request for protective measures and 19 cases of request for confirmation of identity disclosure details, and 60 of those cases were handled.

#### C. Statistics on Reward for Public Interest Whistleblowers

In 2015, a total of KRW 380 million was provided in reward money to 511 whistleblowers, bringing the total reward money paid since the enactment of Act to approximately KRW 1.3 billion (1,519 reported cases).

In terms of reported violations by sector, a total of 424 cases were reported for the violation of "public health" (e.g. restaurants falsely labeling the place of origin of the agricultural products, non-pharmaceutical professionals selling medical products, and not conducting an asbestos inspection at a construction site) and 331.55 million KRW in total was paid as reward, making this sector with the largest number of violations reported and largest amount of reward paid out of the five sectors, same as the previous three years.

## Section 7. Operation of Center for Reporting Public Subsidy Fraud

### 1. Overview

The government established the "Government Welfare Fraud Report Center" under the ACRC on October 15, 2013 in order to regularly manage and conduct field reviews for fraudulent claims for welfare. In January 19, 2015, the center was expanded and reorganized as "Center for Reporting Public Subsidy Fraud" to cover all sectors of subsidies.

### 2. Operation of Report Center

#### A. Reporting Target and Method

Reporting targets are acts of fraudulently receiving any public services and goods related to government policy, project, and budget (all including wages, subsidies and support funds, human and resources support). In 2015, the budget for public subsidies was 58.4 trillion KRW in 2,055 projects, accounting for a significant portion of the government's budget, therefore it is expected that there will be an increase in the receipt of reported cases for false subsidy claims.

Reporting counseling is available on 110 (representative government call center for complaints), from anywhere in the country without an area code, or through internet, fax, post, or an in-person visit. In order to increase the convenience of the reporter, reports can also be made through a visit by the employee of the reporting center, and from Nov. 2014, a mobile app has been developed to enable reporting through smartphones.

#### B. Reports Handling

The eligibility criteria and conditions for welfare benefits and subsidies are not only varied and complicated, but also the methods for fraudulent claims have increasingly become covert and intelligent. Therefore in order for an effective discovery and punishment of the false claim, collaboration among the related institutions is very important. Therefore, the Reporting Center shares the information and manpower from the initial fact finding investigation stage to handle the reported case.

Since the launch of the center, there have been 1,843 cases reported, of which 1,768 have been closed (95.9%), and 75 are still under investigation (4.1%). Of the 1,768 that are closed, 460 cases, or 26%, have been referred or forwarded to inspection and supervisory agencies.

Of the 460 cases referred or forwarded, 253 cases have completed investigations. 193 of them have confirmed false claims, and 32.581 billion KRW will be recovered. The breakdown of this amount by area is 25.166 billion KRW for health and welfare, 5.848 billion KRW for labor, and 1.567 billion KRW for education, veteran affairs, and others.

# Chapter 04

## Anti-Corruption Educational Training

### Section 1. Operation of Anti-Corruption/Integrity Educational Training

#### 1. Operation of Anti-Corruption Group Training Course

The “Anti-Corruption Group Training Course” was introduced in 2003 for public officials in charge of auditing and public ethics at public institutions to cultivate competent anti-corruption practitioners. The training course has grown annually, and in October 2012, the Anti-Corruption Training Institute was launched and is in operation as an independent professional anti-corruption educational training institution (located in Cheongju City, Chungcheongbuk-do)

The 2015 “Anti-Corruption Group Training Course” was developed to focus on themes to reflect the various topics in which the trainees take interest (communication, persuasion, volunteering, contents, etc), in addition to the ‘Integrity Concert’, a representative program of the Anti-Corruption Training Institute. The training institute operated training courses in three areas (institution-tailored course, themed group course, and special education course), 10 programs, and 110 sessions.

From 2003 to the end of Dec. 2015, the “Anti-Corruption Group Training Course” was attended by a total of 50,701 participants. In 2015, 15,446 trainees completed the course, which is a 14.5% increase from 13,484 from the previous year.

The Institute again developed the “Integrity INJOY Program” in 2015 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, speech, debate, traditional calligraphy, and “Pansori” (Korean traditional opera) in anti-corruption education to impress as well as enlighten the trainees. The “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.

In 2015 the Institute cooperated with National HRD Institute (formerly Central Officials Training Institute) to support seven training courses, including high level policy course, grade five promotion candidate course, and integrity education for foreigners. In addition, the Institute carried out 13 anti-corruption training programs for seven institutions including National Assembly Training Affairs Bureau, Local Government Officials Development Institute and National Education Training Institute, firming its position as the leading partner institute in public official education.

#### 2. Operation of Online Anti-Corruption Training Course

The Anti-Corruption Training Institute is operating the “Online Anti-Corruption Training Course” through the online education center (<http://acti.coti.go.kr>) as a convenient way for public officials to take training courses. Since the establishment of the ACRC, around 2.36 million public officials completed the online course over the seven year period (2008-2015), including in-house training courses provided by each organization.

In 2015, 469,649 public officials (96,776 on Anti-Corruption Training Institute provided course, 372,873 on self-developed courses by the institution) completed the “Online Anti-Corruption Training Course”.

### Section 2. Operation of Anti-Corruption Outreach Program

#### 1. On-Demand Integrity Class at Elementary and Secondary Schools

As teenagers become less sensitive to corruption and have increasingly lower sense of honesty, the ACRC started the “On-demand Integrity Class” in order to foster a strong sense of ethics in the students. This program now has become the representative integrity education program for students.

In 2015, the Institute, based on its business experience and under the cooperation of HungSaDan Transparency Movement, operated the ‘2015 On-demand Integrity Class’.

#### 2. Operation of Integrity Contents Contest

The 2015 ‘Integrity Contents Contest’ was a program organized to raise public awareness of the importance of integrity and to expand the foundation to build a culture of anti-corruption and integrity. The contest received entries of the public’s experiences in various formats, and experts processed these contents to produce high-quality contents on the topic of integrity.

The contest was opened to public officials, general public, university students, and teenagers, and expanded the submissions to various formats such as essays (of real-life experience), multimedia contents, university student thesis, and book reports. The contest contributed to the spreading of integrity culture by encouraging participation by the public.



Part 5.

# Adjudicating Administrative Appeals

—  
Annual  
Report 2015



**Chapter 1.** Operation of Administrative Appeals

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

**Chapter 3.** Establishment of the Hub—system for Online Administrative Appeals



# Chapter 01

## Operation of Administrative Appeals

### 1. Overview of Administrative Appeals

The administrative appeals system has two objectives of protecting people's rights and voluntary control of administration. Protecting people's rights and interests is to protect individual rights and interests from illegal or unjust measures of administrative agencies, and voluntary control of administration allows administrative agencies the opportunity to voluntarily correct their wrong, thereby guaranteeing the legality and purposefulness of the administrative action.

#### 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 function 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 not only illegal measures but also unjust measures, it can correct infringements on people's rights and interests caused by unjust government decisions. It is also possible to request the relevant agency to take a more proactive measure allowing appeals for performance of obligation, which can't be filed in the administrative litigation system, 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 Public Administration

The voluntary control of administration refers to allowing administrative agencies to review themselves whether the measures they took are illegal or unjust, thereby ensuring the autonomy of public administration, and aims to secure the appropriateness of public administration.

#### Ensuring Efficiency in Public Administration

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.

### 2. Characteristics of the Administrative Appeals Commission

#### Deliberation and Adjudication

The Administrative Appeals Commission is a collegiate body that has the authority to deliberate and rule on adjudication requests. The Administrative Appeals Commission is required to deliberate and rule on the claimant's argument from an objective third-party perspective, through examination of evidence and review of related laws.

#### Collegiate Administrative Body

The administrative appeals commissions begin its session when the majority of the members are present, and rule by a majority vote of the present members. In order to ensure the objectivity and neutrality of the commission members, the commission is composed of not public officials, but non-standing private sector members such as lawyers and professors.

#### Quasi-Judicial Administrative Agency

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, appointment of agents, and examination of evidence, are applied to guarantee independent adjudication of the Commission.

### 3. Types of the Administrative Appeals Commission

#### A. Central Administrative Appeals Commission (CAAC)

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
- 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
- Associations of local governments under the Local Autonomy Act and other administrative agencies jointly established by the State, local governments, public corporations, etc

CAAC consists of less than 50 members, including one chairperson and less than four standing members (currently three). The chairperson of CAAC is also a vice chairperson of ACRC, and where the chairperson is absent or unable to perform his/her duties due to inevitable circumstances, a standing member (in order of seniority of service as a standing member, and in cases of equal seniority of service, in order of their age) may act on behalf chairperson.

A standing member shall be designated as a state public official in general service and in a fixed term position under Article 26-5 of the State Public Officials Act, and shall be appointed by the President through the Prime Minister upon the recommendation of the CAAC Chairperson, from among those who have served as public officials of Grade III or higher or as public officials in general service who belong to the Senior Civil Service Corps for at least three years in his/her term of office, or from among those who have extensive knowledge and experience in administrative appeals. The term is three years and it can be renewed once.

Non-standing members are appointed by the Prime Minister with the recommendation of CAAC chairperson, of people

<sup>1</sup> A member of an administrative appeals commission shall be commissioned from among the following persons or nominated from among public officials of the administrative agency by the administrative agency with which the relevant administrative appeals commission is affiliated.

- A person who has experience practicing for at least five years after being qualified as an attorney at law;
- A person who holds or held the position of assistant professor or higher at a school under paragraphs (1) through (6) of Article 2 of the "Higher Education Act";
- A person who served as a public official of Grade IV or higher or a public official belonging to the Senior Civil Service Corps;
- A person who has work experiences for at least five years in relevant field after acquiring a doctoral degree;
- A person who has abundant knowledge and experience in administrative appeals.

who are qualified<sup>1</sup> under the items of Article 7(4) of the "Administrative Appeals Act". The term is two years, and can be renewed up to two times.

#### B. Municipal Administrative Appeals Commissions

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.

### 2. Operation of the Central Administrative Appeals Commission

#### A. Commemorative Project to Mark the 30th Year of the Administrative Appeals Act

##### Published "30 Year History of Administrative Appeals System"

In order to commemorate the thirty year anniversary since the enforcement of the Administrative Appeals Act in October 1, 1985, the ACRC published the "30 Year History of Administrative Appeals System" and summarized the achievements and changes in the system, to find ways to further upgrade the system as a protector of human rights and interests. The key contents of the "30 Year History of Administrative Appeals System" include, an overview, changes, historical timeline, retrospective of 30 years, key issues of the system, special administrative appeals, and international administrative appeal systems.

### **The Second International Administrative Appeals Symposium**

Korea's administrative appeals system has developed over the last thirty years, but the neighboring countries in Asia do not have administrative appeals systems apart from China, Japan, and Taiwan. The ACRC held the Second International Administrative Appeals Symposium following the first in 2014, for Korea, Japan, China and other countries that operate the system to jointly discuss ways to develop the system, and provide an opportunity to examine the feasibility of introducing the system for those countries that have yet to introduce the system. This symposium was attended by 230 government officials and scholars related to administrative appeals from Korea, China, Japan, Vietnam, and Uzbekistan.

### **B. Field-Centered Administrative Appeals**

#### ***Circuit Administrative Appeals***

In order to increase the convenience for oral deliberation of the claimants who reside a long distance away, the CAAC has conducted "circuit administrative appeals oral accounts" since 2011, where chairperson of the CAAC or standing member visit cities and municipalities to hear individual cases. Since 2014, "circuit administrative appeals" have been in operation, where the ACCA adjudicates on all cases in different regions. As the CAAC moved to the Government Complex Sejong in 2015, "circuit administrative appeals" have been implemented in a larger scale.

#### ***Field Evidence Examination***

Officials in charge of administrative appeal cases actively conduct field evidence examinations in order to conduct close examination of the facts. In 2015, due to changes in the circumstances following the CAAC moved to the Government Complex in Sejong city, field evidence examinations have slightly decreased to less than 200 cases. From 2016, the ACCA plans to conduct field evidence examinations more actively for field-centered review of the cases, in order to conduct deliberations with more substance and in more depth.

### **C. Improvement of Work Process for Effective Administrative Adjudication**

#### ***Revision of the Administrative Appeals Act***

The Revision of the "Administrative Appeals Act" was undertaken to supplement some of the weakness in the

operation of the system. Revisions include increasing the number of the CAAC members (from fewer than 50 to fewer than 70). In June 2015, review was completed by the Ministry of Government Legislation and the revised act was submitted to the National Assembly, which was passed in March 2016.

#### ***Research Council Meeting on the Development of Protection of Rights and Interests***

The ACRC held the Research Council Meeting on the Development of Protection of Rights and Interests on five occasions, to discuss ways to develop the administrative appeals system, share decisions on major cases, and review institutional improvements to be made such as revision of unreasonable laws. By sharing cases, the Council enhanced understanding of cases that were handled by other administrative appeals divisions, and discussed practical ways to expand the protection of rights and interest of the public.

#### ***Education of Professionals in Administrative Appeals***

The ACRC established and is operating the "Administrative Appeals Professional Training Course" aimed at enhancing the problem-solving capacity of public officials by providing them with legal knowledge, and ultimately shortening the resolution time, from 2011. The course consists of theories and latest precedents on dispute issues to strengthen their expertise.

#### ***Corrective Measure on Unreasonable Laws, etc***

When the CAAC, during deliberations and adjudication of appeals, finds it to be unreasonable, such as the order of disposition and omission do not have legal grounds in laws or goes against a superior law, or places excessive burden on the public, a request can be made for appropriate corrective action such as revision or abolishment of the said order, and the concerned administrative agency that received the request for corrective action shall comply, if it does not have a justifiable cause.

This is significant in that the administrative appeals system is not limited to redressing individual cases but also has a role in preventing illegal and unjust dispositions by obligating the revisions of unreasonable laws, etc. In 2015, there were two corrective actions including clarifying the scope of reporting required when construction gross floor area has been revised.

### **D. Enhancement of Cooperation Among Concerned Agencies**

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

From 2009 to 2014, the ACRC conducted two-day educational training sessions for public officials who are employees of 233 local governments in charge of administrative dispositions, on topics of administrative appeals, administrative litigation, administrative process, information disclosures, etc. However, as the existing training program on disputes was not specialized by subject area, in 2015, the ACRC started "Professional Education of Disposition Agencies by Area". The Commission selected six specialized areas in school violence, food sanitation, bid contracts, driver's license, employment labor and information disclosure and conducted sessions for public officials in the front lines in those specific areas.

#### ***Policy Meetings with Municipal Administrative Appeals Commissions***

Extreme differences in acceptance rates among municipal administrative appeals commissions can undermine the fairness and cause people's distrust of the Administrative Appeals system. In an effort to address this issue, the CAAC has been holding policy meetings between the CAAC chairperson and the members of the Municipal Administrative Appeals Commissions since 2011. In April 2015, the policy meetings took place in the presence of the members of the Gyeongsangbuk-do Administrative Appeals Commission.

# Chapter 02

## Achievements of the Central Administrative Appeals Commission

### 1. Statistics of Administrative Appeals Received and Processed

The number of administrative appeals received by the CAAC in 2015 was 24,425, a decrease of 876 cases from the previous year. By type, general complaints decreased by 236 cases, cases on veteran affairs fell by 64 cases, and appeals on driver's license decreased by 576 cases. Meanwhile, the number of cases handled in 2015 was 24,947 cases, a decrease of 323 cases from 24,947 cases in 2014. General cases decreased by 355 cases, cases on veteran affairs by 143 cases, and appeals on driver's license actually increased by 175 cases.

Status on Appeals Received and Handled in the Past Five Years

Year		2011	2012	2013	2014	2015
Received		28,058	24,987	24,405	25,270	24,947
Total		28,923	24,987	24,405	25,270	24,947
Deliberated & Adjudicated	Accepted	4,840	3,983	4,227	4,131	3,933
	Rejected	23,084	19,974	18,820	19,164	18,627
	Dismissed	999	1,030	1,358	1,975	2,387
Acceptance rate		16.7	15.9	17.3	16.3	17.4
Withdrawn/ Referred		1,063	1,015	1,089	1,068	1,433

### 2. Analysis by Type

Cases that are filed with the CAAC are appeals regarding the illegal or unjust disposition or omission by administrative agencies such as heads of administrative agencies or their subsidiary agencies, mayors of special/metropolitan/special autonomous cities, provincial governors, governor of the special autonomous province, educational superintendents.

These cases can be categorized into three types : ① Appeals on driver's licenses regarding administrative disposition by

commissioner of a district police agency or chief of police in accordance to the "Road Traffic Act", ② Cases on rewards for patriots and veterans regarding administrative disposition by head of regional office of patriot and veterans affairs or its office in accordance with the "Act on Privileges and Support for Patriots and Veterans" or related laws ; and ③ General cases related with dispositions by the head of a national administrative body or metropolitan council, excluding complaints related to 2 preceding types.

Types of Cases Filed at the CAAC



In 2015, the number of cases received by CAAC by types was 18,655 (76.4%) of appeals on driver's license, 1,454 (6%) on rewards for patriots and veterans and 4,316 (17.6%) of general complaints cases.

Statistics on Cases Received by Type

Category		2013	2014	2015
Appeals on Driver's License	Received (cases)	19,338	19,231	18,655
	Ratio (%)	75.6	76.0	76.4
Cases on Rewards for Patriots and Veterans	Received (cases)	1,834	1,518	1,454
	Ratio (%)	7.2	6.0	6.0
General Complaints	Received (cases)	4,398	4,552	4,316
	Ratio (%)	17.2	18.0	17.6

### 3. Handling 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 claimer 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.<sup>2</sup>

The CAAC has made a wide range of efforts to reduce the handling time by improving internal processes, taking special focus on cases which have not been resolved for a long time, enhancing expertise of the working-level personnel, and requesting concerned agencies to observe submission deadlines.license actually increased by 175 cases.

Statistics on Cases Received by Type

Category		2013	2014	2015
Total cases handled		24,405	25,270	24,946
Average ruling period		72.76 days	68.11 days	66.59 days
Within Handling Time	Within 60 days	17,955 (73.6%)	18,469 (73.1%)	17,281 (69.3%)
	61 to 90 days	2,134 (8.7%)	2,397 (9.5%)	2,696 (10.8%)
Exceeding Handling Time	Over 90 days	4,316 (17.7%)	4,404 (17.4%)	4,969 (19.9%)

<sup>2</sup> Administrative Appeals Act Article 45 (Period for Making Rulings)

① A ruling shall be made within 60 days from the date on which the appellee or the commission has received a written appeal under 23. Provided, that if unavoidable circumstances exist to the contrary, the chairperson may extend the period for another 30 days ex officio.

② If a ruling period is extended under the proviso to paragraph (1), the chairperson shall inform the parties thereof by seven days before the ruling period expires.

# Chapter 03

## Establishment of the Hub-system for Online Administrative Appeals

### 1. Background and Process

As multiple institutions have jurisdiction over a variety of administrative measures, if appeals are claimed offline, citizens had to endure the inconvenience of personally visiting the relevant commission or mailing the claim by post. In order to resolve this problem of administrative appeals system, there was a need for an electronic data processing system which would enable claiming and checking appeals progress through one comprehensive online window, and agencies would be able to share information on decisions of similar administrative appeals cases.

The ACRC, which oversees the aAdministrative Appeals System, established and started Hub-system for Online Administrative Appeals ([www.simpan.go.kr](http://www.simpan.go.kr)) to enhance work efficiency of administrative agencies, and to enable any citizen with access to the Internet to file an administrative appeal online any time and at any place, regardless of the jurisdiction.

### 2. Feedback and Future Plans

Since the eEstablishment of the Hub-system for Online Administrative Appeals, citizens can file an administrative appeal anytime, anywhere, via the Online Administrative Appeals Service, and are also provided with prompt one-stop service from checking the progress of their cases to ruling. Administrative appeal services will be available on mobile platforms from 2016.

The ACRC established the system for 42 institutions in 2015 through the on-line hub system project, and plans to expand the number of institutions using the system. In the fourth phase of the project in 2016, the use of the hub-system will be increased to 20 more agencies.



## Part 6. Improving Laws & Regulations

Annual Report 2015

Chapter 1. Overview of Institutional Improvement

Chapter 2. Key Examples of Institutional Improvements to Fight Corruption

Chapter 3. Key Examples of Institutional Improvement for Resolution of Civil Complaints



# Chapter 01

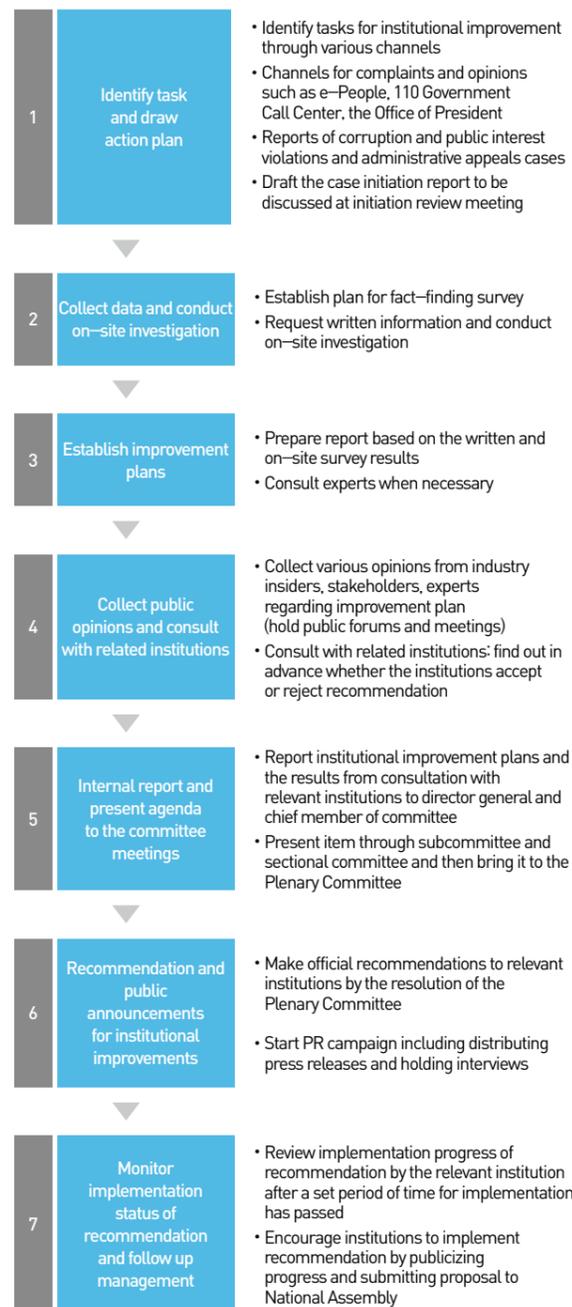
## Establishment and Promotion of Anti-Corruption Policy

### Section 1. Overview

The ACRC listens to the voices of the people through a variety of channels including e-People, complaint counseling, and corruption reporting and analyzes causes of corruption, consistently pursuing improvement of unreasonable administrative institutions that incur civil complaints and corruption. In that way, the Commission strives to secure appropriateness of government administration and to contribute to establishment of the sense of integrity in the public sector and whole society, thereby enhancing the rights of the people.

When the ACRC deems necessary under Article 27 of the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission, it may recommend institutional improvements for prevention of corruption, to the head of an administrative agency. Also, according to Article 47 of the same Act, when it is judged that institutional improvement is necessary in the process of investigating and handling a complaint, the ACRC may recommend reasonable improvement or express opinions to the head of the administrative institution in question. In addition, the ACRC has the authority to request information and to access the current states of affairs (Article 12 and Article 29 of the Act), to monitor and confirm compliance with recommendation, to make public announcements thereof (Article 27, 52, 53), and to propose institutional improvements to the President or the National Assembly (Article 77 of the Act), for the purpose of the effective enforcement of institutional improvements.

Institutional Improvement Process Flow Chart



### Section 2. Achievements of Institutional Improvement

#### 1. Achievements of Institutional Improvement Recommendation in 2015

In 2015, a total of 57 recommendations (403 sub-recommendations) were made for institutional improvement. By sector, 14 were for anti-corruption (159 sub-recommendations) and 43 for grievance resolution (244 sub-recommendations).

In terms of sub-recommendations, 397 were accepted, recording 98.5% of acceptance rate and cumulative acceptance rate since the launch of the ACRC records 93.6%.

Institutional Improvement Recommendation and Acceptance Rate by Year

(unit : cases)

Year	No. of recommendations	Anti-Corruption	Grievance prevention	Acceptance rate
2008	130	9	94	86.8 %
2009	117	18	99	93.5%
2010	91	22	69	91.2%
2011	81	33	48	87.5%
2012	66	22	44	93.7%
2013	66	16	50	97.2%
2014	63	18	45	98.6%
2015	57	14	43	98.5%
Total	644	152	492	93.6%

#### 2. Follow-up Management of Institutional Improvement Recommendations

In the first half of 2015, the ACRC carried out investigation on implementation of entire recommendations issued since the launch of the Commission, whose implementation period was overdue. The Commission analyzed, collected and updated implementation data through the investigation, in order to establish the foundation for systematic management of its improvement recommendations.

The ACRC also selected improvement recommendations in the sector of the people's livelihood and anti-corruption, where the number of overdue recommendations is high, for investigation on the implementation of recommendations. It also encouraged relevant agencies to implement recommendations by discussing timeline for implementation and requesting improvement measures.

In the meantime, the number of public institutions that are assessed in the institutional improvement section of the yearly Anti-Corruption Initiative Assessment increased, to include public medical institutions (256 in '14 → 268 in '15), expanding the ground for implementation of institutional improvement. For institutions with little progress in implementing recommendations, the ACRC provided on-site consulting advice to help successful implementation, to achieve enhanced performance of most of public institutions to which institutional recommendations were issued.

Chapter 02

# Key Examples of Institutional Improvements to Fight Corruption

The ACRC selected “prevention of budget waste, enhancement of transparency and fairness in public administration, and prevention of corruption in professions with high entry barriers and under less outside supervision” as three key areas of anti-corruption. Under such motto, the Commission issued total 14 institutional improvement recommendations including “raising transparency in public procurement through expansion of information disclosure” and “raising transparency regarding railroad construction” to relevant public agencies.

## 1. Enhancement of Transparency in Public Procurement Through Expansion of Information Disclosure

Despite the government’s efforts to enhance transparency in public procurement, national budget has been wasted so far due to incessant occurrence of corruption in public tendering such as non-disclosure of specifications and irregular operation of pre-release of tender plans. Notably, doubts over special treatment have been raised by the participating companies, as some public institutions and local governments who issued the tender by themselves, not by the Korea On-Line E-Procurement System (KONEPS), did not release the specifications for the tender items in advance. Therefore, there was the need to maximize the scope of disclosure of tender and purchase information for public tenders, in order to enhance transparency for tendering and purchasing procedures.

In addition, most self tender-issuing institutions disclosed the tender plans just immediately before the issuance of the tender, taking advantage of the fact that there is no legal period for advance disclosure of tender plans. As for procurement of foreign products as well, just the tender was issued on KONEPS but the progress status of the purchase was not disclosed, to raise various suspicions over special treatment for certain bidders.

In order to solve such problem, the ACRC obliged pre-disclosure of specifications of tendered items for verification by a third party and also suggested a new way of disclosing information about specifications on KONEPS for public institutions which operate their own procurement system. The Commission made improvement recommendation to 23 public institutions including the Ministry of Strategy and Finance, Ministry of Government Administration and Home Affairs, and Public Procurement Service which are government agencies in charge of public procurement as well as to Korea Electric Power Corporation that has its own procurement system, for implementation of a tender plan pre-release system which mandates disclosure of tender plan from a certain period of time before the tender issuance date and a system for ordering institutions to put in procurement progress status of foreign products on KONEPS system.

## 2. Enhancement of Transparency Regarding Railroad Construction

In 2014, Korea Rail Network Authority decided that the level of the organization’s corruption was seriously high, so they requested “customized anti-corruption institutional improvement” to the ACRC.

The Commission analyzed the problems of the organization by carrying out investigation on corruption-prone tasks such as tender and contract and by listening to stakeholders’ opinions about collusive links granting predecessors’ privileges to former high-ranking officials. Then, the ACRC developed and recommended the following improvement measures to the Ministry of Personnel Management, the Ministry of Land, Infrastructure, and Transport, and Korea Rail Network Authority.

First, it extended the target of employment restriction rules down to direct-level officials, from executive-level, obliging them to be subject to asset registration and

employment restriction for 3 years after their retirement, in order to eradicate the structural collusive ties within the railroad industry sector. In addition, companies who want to participate in a tender issued by the Authority must submit a written confirmation that they are currently not hiring any former Korea Rail Network Authority official above the director level. Companies who violated the employment restriction are given penalties in credentials evaluation or restricted to participate in tender for a certain period of time. When a former KR official who got re-employed is found to have committed unfair solicitation or influence peddling, it is mandatory to file complaints with the prosecution. Furthermore, it recommended the Authority to prevent review committees from consisting of disproportionate number of certain school graduates and to develop detailed criteria on evasion of duties.

Second, assignment of technical experts in the contract and audit divisions was recommended to strengthen pre-verification for purchase and tender. Also, better standardization of rail construction materials was recommended, so as to improve tender and purchase procedures as well as quality control.

Third, the supply of certain monopolized items was changed into international open tender from private contract, in order to improve monopolized supply system of certain proprietary items. Plus, a recommendation was made to pre-disclose tentative specifications of newly-developed items to establish the fair competition system.

Chapter 03

# Key Examples of Institutional Improvement for Resolution of Civil Complaints

The result of analysis on civil complaints filed on e-People since 2013 demonstrates the fact that more than 20,000 civil complaints were filed every year in the sector of police affairs/transport, health/welfare, and education/science. Also, the result of analysis on 488 institutional improvement requests made on e-People demonstrates that the volume of such requests was large in the fields of health/welfare, education/science, and police affairs/transport. Based on the analysis, the ACRC made 43 recommendations for institutional improvement for inconveniences and grievances that the people face in their daily lives in the field of health/welfare, safety, and economy, in 2015.

## 1. Improvement of Employment Permit System for Better Treatment of Immigrant Workers

In order to address problems of the "industrial training system" and to resolve the issue of a large increase in illegal immigrants, the government introduced the "employment permit system" in August, 2004. The new system has shown positive outcomes including enhanced transparency in the process of sending immigrant workers from their home countries based on bilateral agreements with other countries, as well as remarkable decrease in the number of illegal immigrant workers in Korea.

However, some problems have remained even after the launch of the new system: standardized labor contract template (prepared before the entrance in employment planning stage); lack of information about hiring companies; insufficient control on countries who send immigrant workers; financial burden of unfair additional expenses; unpractical safety education just as a formality (when hired); increase in the number of illegal immigrants because of the limit in changing company (limited to 3 times) and industry they work for; frequent unfair acts including delay in payment of wages and physical violence; little role played by associations for protection of immigrant workers' rights and subsequently insufficient protection of rights; lack of

efforts to absorb skilled immigrant workers into Korea's workforce (after their work permit expires); lack of support for immigrant workers to go back to their countries; and lack of PR for work permit expiration insurance and inconvenient procedures of application for revitalization of dormant insurance policies. These problems have consistently generated illegal immigrants and social problems such as infringement upon immigrant workers' human rights and unfair labor practices.

Against such backdrop, the ACRC recommended the Ministry of Employment and Labor that they strengthen efforts to reduce the number of illegal immigrant workers, by guaranteeing immigrant workers' choice of their workplace by providing enough information before contracting for work; by expanding and clarifying the legal ground for immigrant workers' change of their workplace; by reasonably improving requirements for change of immigrant workers' workplace by offering sufficient information when introducing new workplace to them; by easing the rules and standards for employment of diligent workers; and by expanding the scope of remedy for the rights of immigrant workers, in order to protect the rights of immigrant workers who have entered Korea under the work permit system, prevent and reduce illegal immigrant workers.

## 2. Obligation of Confirmation on Administrative Dispositions When Declaring Business Succession

There have been a number of cases where the effect of administrative dispositions and ongoing administrative procedures imposed on former business manager (transferor) are automatically succeeded by the transferee. Such cases are usually seen in the small businesses including restaurant business (subject to the Food Sanitation Act), karaoke room business (subject to the Music Industry Promotion Act), and gas station business (subject to the Petroleum Business Act).

At the point of the succession, generally, the administrative agency in charge checks on administrative dispositions imposed to transferor. However, some laws do not mandate such checking, leaving out the process of checking administrative dispositions imposed on the transferor of business. That has caused an issue of fairness between different industries, as well as unreasonable financial and psychological burden on transferee of business because of such administrative dispositions and additional punishment that he/she is not responsible for and that he/she has never expected.

In order to resolve such problem, the ACRC recommended administrative agencies that the declaration form of business succession include additionally the notice of administrative dispositions and confirmation of businesses subject to additional punishment. The Commission also recommended that public officials in charge check and supplement the status of administrative dispositions and additional penalties imposed on the business transferor, to be marked. In addition, a recommendation was made that the administrative agency in charge verify systematically the details and proceedings of administrative dispositions on the transferor, instead of making the transferor and transferee check the status on their own.

## 3. Measures to Relieve Inconvenience Regarding Submission of Photos to Public Institutions

Public institutions in Korea request photos submission when applying for identification cards and licenses, as well as for national exams, in order to confirm the identity of the applicants. However, those institutions require different sizes of photos, so there have been numerous suggestions and complaints from the people that the size of submitted photos be standardized.

The ACRC conducted a fact-finding survey and found out the fact that the sizes of photos for the resident registration card, passport, driver's license, and registration card for the disabled, which are possessed by most of the people, were all different. Furthermore, for qualification certificates, the sizes of photos submitted from the exam application to certificate issuance after passing the exam were all different, causing great inconvenience for applicants. Also, the sizes of photos required for application for public agencies' employment of contract workers and short-term workers were different, thereby posing financial burden on applicants. Moreover, in many cases, laws and application forms do not include instructions on how to submit the application on the internet,

even though it can be submitted on the Internet.

The ACRC recommended that all photos for confirmation of identity of applicants as well as all photos required on applications for employment by public institutions be standardized into the size of photos for passports, in order to relieve inconvenience for the public. The size of passport photos was chosen as the standard because it is the global standard for immigration worldwide recommended by the International Civil Aviation Organization, to allow easy identity check anywhere. Also, the Commission recommended that the option of submission on the Internet be stated in relevant laws and application forms, to let the people be aware of such option when it is available.

## 4. Measures to Improve Customs Inspection on Travelers' Belongings

According to the Article 246 of the Customs Act, in order to establish order of international trade, protect domestic industries, and guarantee social safety and public health by restricting illegal fire arms and harmful foods and drugs, the customs office chooses random subjects of inspection, to identify "import restriction items" or "any untaxed goods above the limit (USD 600 per person)". The inspection is carried out in a variety of forms including X-Ray screening, check into the luggage of travelers, and monitoring on dubious behaviors of travelers.

However, such inspection has been cause of civil complaints, as human rights of travelers were neglected in the case of an inspection in an open public space even though travelers' bags contain a variety of personal belongings whose disclosure may be humiliating to some owners depending on gender when opened in public. In addition, there were many cases where the inspection was conducted like a sudden spot check without any explanation about the purpose and legal ground of the inspection. In addition, storage fee for confiscated items was not explained in advance. Furthermore, the way of paying tax for goods above the tax-exemption limit is limited only to post-payment and payment in credit cards (which incurs 1% of credit card fee), which has also caused inconvenience for travelers.

The ACRC promoted travelers' convenience by: first, mandating installation of closed space for the bag screening so that travelers' personal belongings in their bags are not disclosed in public; second, obliging explanation about legal ground, purpose, and incurrence of storage fee to the subject of the inspection in advance in the written or verbal form; and improving the system of customs payment to allow payment

on ATMs, mobile application, and the Internet along with existing post-payment and credit-card payment.

## **5. Measures to Enhance Marking of Important Information of Cosmetics Packaging for the Purpose of Protecting Consumer Rights**

In order to ensure safety of cosmetics that are directly applied to the human body, the government enacted the Cosmetics Act to specify rules on manufacturing, distribution, and handling of cosmetics products.

Current regulations mandate marking of the expiration date of cosmetics only on the primary packaging (internal packaging) and the marking of the expiration date on the secondary (outer) packaging is just optional. Thus, in some cases, expiration date of cosmetics which is important information about the product is not marked on the outer packaging, causing safety accidents due to spoilage of the product, and so on. These days, many people purchase cosmetics on-line and goods whose outer packaging is removed are usually non-refundable on on-line shopping malls. However, for consumers to check cosmetics products' expiration dates which are not marked on the outer packaging, they have to remove the packaging and then, they cannot get the product exchanged or refunded even if its expiration date has passed. Also, there was no rule on marking of expiration date for free cosmetics samples with content of less than 10 grams. Such loophole in the law has incurred a variety of safety accidents, according to a survey by the Commission.

The ACRC prepared and recommended an improvement measure of clarifying the standards of marking expiration date of cosmetics products both on the primary and secondary packaging and of mandating marking of expiration dates on free samples, to the Ministry of Food and Drug Safety.