TRANSFORMING

MALAYSIA

THE FIGHT AGAINST CORRUPTION

- **MACC's** man making headway at **INTERPOL**
- **INTERPOL** acknowledges growing cooperation with **MACC**
- Fighting **CORRUPTION**
- Building a Scenario of Success at **MACA**

ACA to MACC

The **MACC** Stamps its Mark as a **LEADING ANTI-CORRUPTION AUTHORITY** in the **ASIA REGION**

The Malaysian Anti-Corruption Commission (MACC) played host to the Sixth International Association of Anti-Corruption Authourities (IAACA) Conference and General Meeting from fourth to sixth October, 2012 in Kuala Lumpur recently. Conference delegates represented a very wide section of the anti-corruption community throughout the world. They comprised 300 organisational members from 120 countries, including more than 1000 individual members who are prosecutors, investigators and experts with extensive experience in anti-corruption research and practice.

The IAACA 2012 Conference, which focused on promoting cross-border Technical Assistance and Information Exchange, provided the platform for participants to deliberate on issues such as training and technical assistance, collection, exchange and analysis of information on corruption, and provide opportunities for sharing practices, techniques and experience.

Regional Anti-Corruption Advisor (Asia Region) Daniel Eric Stonecipher was particularly impressed with the exceptional manner the MACC had managed the event. According to Stonecipher, the IAACA 2012 Conference has demonstrated throughout the region and in front of the global audience that the MACC is doing really significant and meaningful things in anti-corruption – not only in investigation but also in prevention.

"I am greatly impressed by the genuine, sincere and whole-hearted effort of the MACC and I think it's worth noting that of all the countries in the South East Asia region, Malaysia is certainly making a herculean effort to demonstrate its leadership in this area," Stonecipher, who is also a member of the American Bar Association Rule of Law Initiative, said at a press conference during the event.

The fight against corruption has to be done methodologically; you have to break down the areas and spheres of criminal activity where corruption is most prevalent. Stonecipher said there are a lot of countries which just seemed to be overwhelmed by the challenge of corruption. However he noted that the MACC, under the highly capable leadership of Datuk Seri Abu Kassim Mohamed, have broken it down into bite-sized pieces and is taking it on in a very coordinated, step-by-step fashion that will have a real impact.

"Until you can take a really strategic approach and act tactically like the way the MACC is doing, I don't think you're going to be able to make it," he said.
On the existence of weaknesses in the regulatory framework that is hindering the MACC from carrying out its investigations in the manner that it would like to proceed, Stonecipher pointed out that there is not a single country in the world – the Unite States included- that does not have such weaknesses. However, strong anti-corruption authorities like the MACC will always seek to improve the legislative regulatory framework in which they work, he added.

We live in a world where criminals can make deals and transfer money thousands of miles away without ever leaving their house. These felons take comfort in the fact that governments have historically been slow to respond to cross-border transgressions as every action has to go through 'the proper channel'. Thus it is up to the national anti-corruption authorities in the bordering countries to establish rapport and cooperation, and respond quickly and effectively against cross-border illicit trade and crime. They should be able to immediately and substantively communicate with their counterpart on the other side and not be hampered over issues of sovereignty or bureaucracy.

"In this respect the MACC as a national anti-corruption agency has been a real leader in advocating for a formal and real time exchange of information and cooperation," he said.

International Recognition of the MACC

Malaysia is a founder member of the International Association of Anti-Corruption Authorities (IAACA), which has more than 300 organisational members and more than 2000 individual members, including prosecutors, investigators and anti-corruption experts and researchers. The MACC Chief Commissioner sits in the IAACA Executive Committee. The MACC had the honour of organising and hosting the association's Sixth Annual Conference and General Meeting in Kuala Lumpur from 4th to 7th October 2012, recently.

Datuk Seri Abu Kassim sits in the Academic Advisory Board for the International Anti-Corruption Academy (IACA) which is based in Laxenburg, Austria. The MACC Chief Commissioner was also appointed as the Vice Chairman of the IACA Board of Governors at the First Assembly of Party held on November 30th at the United Nations building recently.

The emergence of the Malaysia Anti-Corruption Academy (MACA) as a training centre of international standing have been enhanced by the establishment of an International Advisory Board to facilitate the MACA-IACA collaboration in running a Masters in Anti-Corruption Studies Programme which will be launched on 9 December 2012 to coincide with the World Anti-Corruption Day. Part of the International Masters Programme will be conducted at the MACA campus.

The international recognition accorded by the New York-based Ethisphere Institute to the MACC Chief Commissioner by including him in among the 'Top 100' list most influential people in the category of 'Government and Regulatory', has placed the MACC in an acclaimed position among international anti-corruption law enforcement agencies.

Through the tireless and unrelenting efforts of the MACC, Malaysia is recognised and respected on the world stage when it comes to fighting corruption. This is shown in the fact that several of the initiatives introduced by the NKRA Against Corruption and implemented by the MACC and other enforcement agencies have been adopted by anti-corruption agencies in other countries. In addition to this, a Malaysian delegate has been invited to seven anti-corruption forums around the globe in 2012 alone.

In its 2011 Comments, the Anti-Corruption Advisory Board has recommended for the elevation of the status of the Chief Commissioner of the MACC to one comparable to that of the Accountant General, the Auditor General and Judges, who are appointed by the Yang di-Pertuan Agong.

In the fight against corruption, everyone is a combatant. The journey is challenging and the road is arduous and we still have a long way to go. But thanks to the Government the country is moving on the right path.

International expert gives MACC's anti-corruption efforts the thumbs-up

The Malaysian Anti-Corruption Commission (MACC) efforts in reaching out to international anti-corruption entities to establish cooperation, share best practices, and exchange ideas and information has won the thumbs-up from Transparency International Co-founder Michael J. Hershman.

Hershman, who was one of the main speakers at the International Association of Anti-Corruption Authorities (IAACA) Conference, organised and hosted by the Malaysian Anti-Corruption Commission in Kuala Lumpur recently, said that since corruption is increasingly trans-national in nature, one of the most important aspects in graft-busting for national anti-corruption entities is to therefore share experiences, best practices and information with their cross-border counterparts.

"If we are to address the problem of corruption throughout the globe, it's going to have to be a combined effort, by governments, by civil society and by businesses. Thus, bringing together anti-corruption authorities and practitioners around the globe under one roof as the MACC has done for the conference, should be rightfully recognised as an extremely important and significant initiative, Hershman said.

The former senior staff investigator for the U.S. Senate's historic 'Watergate' Committee has even blogged on the MACC's hard work to include the business community and civil society in its anti-corruption efforts. To this end, both private and government-linked companies are encouraged to publicly sign an Integrity Pledge or engage in a contractually-bound Integrity Pact. With scores of them voluntarily making the Integrity Pledge to date, the success of this approach is evident, he wrote in his blog at www.huffingtonpost.com

Further, the state-of-the-art Malaysia Anti-Corruption Academy is shifting the focus not just on enforcement and compliance, but also on prevention education that includes public service announcements, visits to schools and anti-corruption training for laws enforcement officials in Malaysia as well as throughout the region, Hershman noted in his writing.

Hershman also take cognisance of the Malaysian government's efforts to boost transparency and independence in the fight against corruption. The creation of fourteen special corruption courts to bring all corruption cases to trial within 12 months, and the increasing use of the electronic procurement process in government procurement have greatly minimised opportunities for corruption, he said.

"The fact that the Malaysian Government has recently increased the resources for the Malaysian Anti-Corruption Commission is a clear sign that the government – and by extension, the MACC, is serious in combating corruption," Hershman said to reporters at the convention.

Asked on the role of non-governmental organisations in fighting corruption, Hershman, who is currently president and chief executive officer of the Washington-based Fairfax Group, said that although NGOs serve a very important role in the battle against corruption; they have no place in the investigation as it is the preserve of the government.

Hershman has shared his expertise and experience with governments including the Malaysian Government, on the government transformation process (GTP), and corporations and international financial institutions on issues pertaining to the conduct of their senior officials and all the entities with which they do business.

Hershman also reminded the media that they play a critical role in stimulating investigations and exposing areas to investigate. But it must be done in an unbiased and objective manner, he said.

On the issue of corruption being frequently used to gain political mileage, especially in the run-up to election, Hershman said that with freedom of speech comes the obligation to speak the truth.

"When it comes to the subject of corruption, you have to be particularly judicious in what you say and how you say it, because it can undermine the credibility of politicians if they carelessly throw accusations of corruption back and forth," Hershman said.

MANAGING **PUBLIC PERCEPTION** TOWARDS THE INTEGRITY OF **ENFORCEMENT AGENCIES**

Some 900 officers from various government enforcement agencies participated in a National Integrity Convention 2012 with the theme 'Managing Public Perception Towards The Integrity Of Enforcement Agencies' at the Putrajaya International Convention Centre on 6 November 2012, recently. The event, held in conjunction with the National Integrity Day, was jointly organised by the Malaysian Institute of Integrity (IIM), the Enforcement Agency Integrity Commission (EAIC), with the Malaysian Anti-Corruption Commission (MACC) as co-organiser.

In his opening address, the IIM Chairman Datuk Seri Ali Hamsa, who is also the Chief Secretary to the Government, said that the convention was indeed timely as the government is in the midst of trying to transform all sectors of society including the civil service. Ali Hamsa believed the event would be fruitful to the participants.

Former Kuala Lumpur Mayor Tan Sri Ahmad Fuad Ismail, the Malaysia Crime Prevention Foundation (MCPF) Vice-chairman Tan Sri Lee Lam Thye, and the Royal Malaysian Customs Department Director General Datuk Khazali Ahmad presented their views and recommendations in a forum on 'Integrity in Enforcement: Obstacles and Challenges', which was presided over by the EAIC Chief Executive Officer, Nor Afizah Hanum as moderator.

Convention participants also had the opportunity to provide their input at six parallel workshop sessions on issues concerning optimising the use of human resource; effective enforcement coordination; solutions to counter outside intervention; solving delays and no further actions (NFAs) in enforcement activity; eliminating selective and non customer-friendly enforcement; and fighting corruption, misappropriation and the abuse of power.

Among the resolutions tabled and adopted at the end of the convention were the urgent need for a comprehensive audit of the standard operating procedures of enforcement agencies nationwide in order to iron out issues concerning overlap of responsibilities; the requirement that all directives to be issued in writing – especially when it involves the cancellation of an enforcement activity; and a call to ensure there is no outside interference which could hinder the work of enforcement officers.

According to IIM deputy president Dr A Bakar Sarpon, addressing the resolutions could help dispel any negative public perception towards enforcement agencies.

Meanwhile, the EAIC Chairman Helilliah Datuk Mohd Yusof urged enforcement agencies to unanimously lend their support and cooperation to the EAIC in its quest to enhance public perception on the integrity of enforcement agencies as it is vital in ensuring the efficiency of the service delivery system.

Launched in 2004, Malaysia's National Integrity Plan (NIP) aims to uphold integrity as a way of life, strengthen the foundation of moral values in the community and the nation, while enhancing society's well-being, competitiveness and the nation's resilience in facing the challenges of globalisation.

Apart from convention and workshop sessions, other National Integrity Day activities included exhibitions by the IIM and enforcement agencies and integrity quiz and competition for students.

Integrity Targets

The five priority targets identified are:

1. Combating corruption, malpractices and abuse of power holistically and effectively;

2. Increasing efficiency in the public service delivery system and overcoming bureaucratic red tape;

3. Enhancing corporate governance, business ethics and corporate social responsibility;

4. Strengthening the family institution and community; and

5. Improving the quality of life and people's well-being.

ENCULTRATION OF INTEGRITY IN THE MALAYSIA SOCIETY

The National Integrity Plan contains strategies to enhance the practices of integrity and good ethics in the following segments of Malaysian society:

FAMILY : The inculcation of noble values and good conduct begin at home

COMMUNITY : Social interactions among communities help strengthen our identities based on traditional values.

CIVIL SOCIETY : Greater cooperation between non-governmental organisations (NGOs), the private sector and the government will further enhance integrity.

RELIGIOUS INSTITUTION : In a multi-religious country like Malaysia, religion plays an important role in promoting integrity in the individual, society and nation.

SOCIAL-CULTURAL INSTITUTION : Education, mass media, health, recreation, and the arts and sciences are some of the areas that enrich the country's social capital.

POLITICAL INSTITUTION : Integrity in Malaysia's democratic political system is pivotal for development and stability in the country.

MACA to partner IACA in conducting the International Masters in Anti-Corruption Studies

The Vienna-based International Anti-Corruption Academy (IACA) has inked a Memorandum of Understanding with the Malaysian Anti-Corruption Commission (MACC) to jointly conduct part of the IACA's Masters in Anti-Corruption Studies Programme at the Malaysia Anti-Corruption Academy (MACA).

MACC Chief Commissioner Datuk Seri Abu Kassim Mohamed signed the MoU with Martin Kreutner, who Chairs the IACA International Transition Team and is also the Executive Secretary of its Provisional Commission, at the recent International Association of Anti-Corruption Authorities (IAACA) Conference 2012 in Kuala Lumpur in early October.

The IACA Masters in Corruption Studies, which is scheduled to be launch in conjunction with the World Anti-Corruption Day on 9th December 2012, is an international, inter-disciplinary and inter-sectoral programme that enables professionals in managerial or leadership positions to become better-acquainted with the intertwined manner in which corruption manifests itself, and the social complexities surrounding the issue. It is tailored to provide participants with the necessary skills and tools to better understand and contribute to the fight against corruption and take preventive measures to this effect in their own environment. They will also have the chance to develop a strong network of professionals that will assist them both during and after their studies.

The 24-month course will be delivered in seven modules, each of which will last for about twelve days. These modules cover concepts and theories on corruption; corruption and economics; politics and corruption; business and corruption; anti-corruption law; enforcement; and prevention.

"It is truly the first global masters programme of its kind," Kreutner said in a media briefing after the signing ceremony.

Why the MACC?

The MACC has been very forthcoming in sharing its experience with other national anti-corruption authorities at international forums. On top of that, it has successfully hosted numerous training programmes and workshops for corruption fighters from all over the world. In reaching out to provide this international angle and perspective on anti-corruption efforts the IACA is interested in establishing strong partnerships with dedicated countries, and Malaysia fits the bill quite nicely, Kreutner said.

"The MACC has built up quiet a good reputation among the anti-corruption community and is well known as a very dedicated and proactive stakeholder in knowledge sharing and information exchange. I am grateful to have the MACC and MACA as strong partners in this truly international endeavour of fighting and preventing corruption," he added.

According to Kreutner, Malaysia is one of the very few countries that have an anti-corruption authority that promotes international cooperation and information exchange with other anti-corruption authorities across the globe, one that have an anti-corruption academy – and a national one at that.

"It gives me great pleasure that the IACA have decided to let MACA host the module on enforcement at its campus here in Kuala Lumpur. The course will be conducted by not only lecturers and professors from the IACA but also by practitioners from other countries, including Malaysia," he said.

The IACA is an inter-government organisation that was initiated by the United Nations Office on Drugs and Crime (UNODC), the European Anti-Fraud Office (OLAF), the Republic of Austria and other European stakeholders. It was set up on the basis of a multilateral treaty called the Agreement for the Establishment of the International Anti-Corruption Academy as an International Organisation. The MACC signed the treaty on September 2, 2010.

IACA's membership presently comprises 61 entities out of which 58 are UN member-states and three inter-governmental organizations, and Datuk Seri Abu Kassim Mohamed sits in the IACA's International Academic Advisory Board.

MACC 's man making headway at INTERPOL

MACC Senior Assistant Commissioner Hafaz Nazar

The Malaysian Anti-Corruption Commission (MACC) has earned a feather in the cap of international recognition with the appointment of one of its most experienced officer to the INTERPOL recently. MACC Senior Assistant Commissioner Hafaz Nazar reported for duty as a Criminal Intelligence Officer in the INTERPOL Anti-Corruption Sub-Directorate which is headquartered in Lyon, France, on May 1st 2012. Over the next two years he will report directly to the directorate's assistant director, Jaganathan Saravanasamy.

According to MACC Director of Investigations, Datuk Mustafar Ali, this is the first time that an MACC officer is stationed for an extended period of time in the INTERPOL. Previously they have all been sent for short stints at the international police organisation. Apart from boosting the MACC's international recognition, Hafaz's long-term assignment to the INTERPOL would provide opportunities for strategic partnerships between the two law enforcement agencies, he added.

"The placement of our officer in the INTERPOL proves that the organisation recognises the integrity, experience and contribution that the MACC has build up over the past four decades in combating corruption," Mustafar said in a press interview recently.

While he is there, Hafaz will be the source for information exchange between the entities and this will give him the opportunity to put right any inaccurate information or perception of the MACC that might have been disseminated through the international network, Mustafar said.

Five months into the assignment, Saravanasamy has expressed his appreciation of his Malaysian subordinate's expertise and contribution to the sub-directorate. Speaking to reporters at the recent International Association of Anti-Corruption Authourities (IAACA) Conference and AGM organised by the MACC in Kuala Lumpur in early October 2012, Saravanasamy said Hafaz's vast experience in financial investigations and tracking the financial flow of corrupt monies is a great asset to the INTERPOL.

Saravanasamy, who presented a paper in one of the workshops during the 4-day IAACA Convention, also said that Hafaz has drawn up a capacity-building training programme for anti-corruption agencies across the African continent, which will take place in Nairobi from 17th to 23rd December 2012.

Apart from that, Hafaz is also helping INTERPOL Anti-Corruption Sub-Directorate Project Administrator Arnaud Tasciyan to compile a Contact List of anti-corruption experts throughout the world under the INTERPOL Stolen Asset Recovery Initiative (StAR) Focal Point. The StAR Focal Point ensures that anti-corruption investigators know who to contact when they suspect that a corrupt official has made a cross-border transfer and they need help in tracking the money trail. "Hafaz's significant contribution is identifying those who should be included in the StAR Contact List," Saravanasamy said.

According to Saravanasamy, Hafaz's secondment to the INTERPOL is a win-win situation for both agencies in that while the INTERPOL gets to share MACC's knowledge and expertise in financial investigation, Hafaz gets to see the best practices in anti-corruption initiatives across the world and bring these back with him upon his return to Malaysia.

"Very few countries get this opportunity," Saravanasamy said.

Apart from Malaysia, India and Bulgaria have also assigned their anti-corruption officers to the INTERPOL. Saravanasamy himself is from India's Central Bureau of Investigation in New Delhi.

Duties of the INTERPOL Criminal Intelligence Officer

1. Identify, establish and maintain contact with experts in the field.
2. Organise and participate in training programmes, expert group meetings and conferences.
3. Monitor and analyse information.
4. Identify major criminal threats with potential global impact.
5. Pursue strategic partnerships with appropriate third party organisations and institutions.
6. Develop remedies and best practice solutions to problems limiting the effectiveness of law enforcement agencies.
7. Prepare intelligence reports for dissemination to member countries.
8. Act as a point of reference for member countries requiring assistance or advice.
9. Assist member countries with the implementation of the provision of international anti-corruption treaties and conventions, especially the United Nations Conventions against Corruption (UNCAC)
10. Serve periodically as a permanent officer at the General Secretariat.

INTERPOL acknowledges growing cooperation with MACC

INTERPOL is the world's largest international police organisation, whose main function is to support law enforcement agencies in 190 member countries in a wide range of anti-criminal activities. INTERPOL maintains a secure communications system known as I-24/7 that has a comprehensive database of criminal records worldwide and to which law enforcement authorities in member countries can have real-time access.

In addition, the INTERPOL Anti-Corruption Sub-Directorate is engaged in a number of initiatives designed to combat corruption and encourage the implementation of the United Nations Convention against Corruption (UNCAC). It seeks to train, support and coordinate individuals in law enforcement through a variety of capacity building programmes to combat corruption.

According to the INTERPOL Anti-Corruption Sub-Directorate Assistant Director, Jaganathan Saravanasamy, there is a growing cooperation between the INTERPOL and the Malaysian Anti-Corruption Commission (MACC). The MACC Chief Commissioner Datuk Seri Abu Kassim Mohamed has been a member of the INTERPOL Group of Experts on Corruption (IGEC) for the past twelve years and has contributed extensively in coming out with the Manual of Best Practices for anti-corruption and asset recovery procedures.

The IGEC is a multi-disciplinary group which facilitates the coordination and harmonisation of the different national and regional approaches to combating corruption.

Then there is a Memorandum of Understanding (MoU) with the MACC for the bilateral exchange of resources in terms of expertise and material for capacity building between INTERPOL and the Malaysia Anti-Corruption Academy (MACA). The MoU has enabled the MACA to extend its assistance in terms of expertise and syllabus for anti-corruption courses organised by INTERPOL at the international level, and vice-versa.

The MACC has also seconded one of its best officers to the INTERPOL. MACC assistant senior commissioner Mohd Hafaz Nazar reported for duty as the Criminal Investigation Officer at INTERPOL's General Secretariat in Lyon, France on May 1st 2012.

Hafaz, who is on a two-year stint with INTERPOL, reports directly to Saravanasamy. He brings with him a rich experience in capacity building, financial investigations and the tracking of financial flow. The MACC officer has organised a week-long training workshop for anti-corruption agencies in the African continent which is scheduled from December 17th to 23rd in Nairobi.

Apart from that, Hafaz is also assisting INTERPOL Anti-Corruption Sub-Directorate Project Administrator Arnaud Tasciyan in compiling a Contact List of anti-corruption experts worldwide under the INTERPOL Stolen Asset Recovery Initiative (StAR) Focal Point.

The database contains a Contact List of officials in various countries who can respond to emergency requests for assistance. It enables better coordination within the international law enforcement community on efforts to investigate and prosecute individuals involved in the theft of public funds. The goal is to ensure that designated national officials know who to contact in case of an emergency, such as when they suspect that a corrupt official has transferred funds to a particular jurisdiction and they fear they may lose the trail.

"Only a select few member-countries have seconded their officers in this manner and the INTERPOL is really appreciates the help it gets," Saravanasamy said at a press interview during the 6th International Association of Anti-Corruption Authourities (IAACA) Conference organised by the MACC in Kuala Lumpur recently. Saravanasamy was a speaker at the IAACA Conference workshop on 'Difference in Approaches: Private & Public Sector Investigations'.

The INTERPOL Anti-Corruption Sub-Directorate himself is from India's Central Bureau of Investigation in New Delhi prior to his secondment to the INTERPOL.

Commenting on the significance of the IAACA Conference to INTERPOL, Saravanasamy said it was the perfect platform for INTERPOL to present its tools, services and capabilities, and gives an opportunity for anti-corruption agencies in member countries to derive the benefit of INTERPOL's expertise.

It's only in this kind of gathering that people openly express their difficulties and share their problems. This open exchange is very important for capacity building; otherwise all of us will be working in our respective silos without appreciating each other's problems, he added.

"We get to listen to the problems these agencies face in their own administration, within their jurisdiction as well as in cross border investigations. The INTERPOL can then design and come out with solutions to iron them out," Saravanasamy said.

INTERPOL
Anti-Corruption Sub-Directorate
Assistant Director,
Jaganathan Saravanasamy

The StAR Initiative

Launched in 2007, the StAR Initiative helps developing countries recover assets stolen by corrupt leaders. According to StAR, estimates corruption money associated with bribes received by public officials from developing countries and transition countries is estimated at $20 billion to $40 billion annually.

Success Stories

After an 18-year saga which ended in January 2004, the Philippines were able to repatriate $624 million of Ferdinand Marcos money held in Swiss Bank accounts.

By 2004, Peru had recovered nearly $180 million stolen by Vladimiro Montesinos from several jurisdictions, including Switzerland, Cayman Islands and the United States.

Between late 2005 and early 2006, Nigeria recovered $505 million of the Sani Abacha money frozen and forfeited by Swiss authorities.

In July 2006, British authorities returned $1.9 million of the allegedly illicit gains of Diepreye Alamieyeseigha, governor of the oil-rich Bayelsa state in Nigeria.

In May 2007, an agreement between the governments of the United States, Switzerland and Kazakhstan allowed for the repatriation of $84 million.

In February 2009, the World Bank Group's Managing Director, Ngozi Okonjo-Iweala, lauded the Swiss order for the return to Haiti of $6 million of assets looted by former president Jean-Claude Duvalier.

NKRA ON FIGHTING CORRUPTION

Successes and Achievements in 2011

In 2009, Malaysia Prime Minister Datuk Seri Najib Tun Razak launched the Government Transformation Programme (GTP) to transform the country into a developed nation by 2020. The GTP is a nine-year plan which is segmented into a series of three-year rollout periods. They comprise the GTP 1.0 (2010-2012), GTP 2.0 (2013-2015), and GTP 3.0 (2016-2020).

Initially, initiatives under the GTP 1.0 focused on six National Key Result Areas (NKRAs) that needed the most attention. A seventh NKRA – Addressing the Rising Cost of Living – was introduced in July 2011. Each NKRA has its own National Key Performance Indicators (NKPIs) – specific targets to be achieved within the set time frame. While the GTP 1.0 initiatives are largely government-led and driven, the GTP 2.0 targets the proactive involvement of non-government organisations, corporate sector, and general public. If everything goes according to plan, the transformation envisioned in Vision 2020 should be in place by the time the GTP 3.0 kicks in.

A is nation mired in corruption can never hope to prosper. The Fighting Corruption NKRA was established to specifically tackle the root cause of corruption and provide the appropriate eco-system to combat the corruption scourge. In its inaugural year, the Fighting Corruption NKRA was the third best performing NKRA. Its list of successes included establishing the 'Name and Shame' Corruption Offenders Database which listed 284 graft offenders; developing the MyProcurement portal; setting up the Parameter for Support Letters pertaining to Government approvals and applications; the enactment of the Whistleblower Protection Act 2010, and the implementation of the Integrity Pact.

In the wake of these early successes, the benchmark for 2011 was set even higher. Ambitious goals were introduced – new frontiers had to be won while the existing ones are fortified. The new initiatives include issuing guidelines on giving rewards and recognition to civil servants who report corruption; conducting an Anti-Corruption Campaign to inculcate noble values, promote an anti-corruption culture and introduce the Malaysia Anti-Corruption Commission (MACC) hotline; and publishing the Public Service Reform booklet to create awareness, make systems and processes more transparent as well as reduce abuse of power.

On April 2, 2012, the Prime Minister's Department released the Government Transformation Programme Annual Report 2011 highlighting the successes and achievements during the year. According to NKRA Against Corruption Director (Monitoring and Coordination Division), Datuk Hisham Nordin, despite utilising just 60 percent of its budget, the NKPI managed to meet the targets of 11 out of the 14 KPIs set for 2011. Among the seven NKRAs, the Fighting Corruption NKRA was named the second best performing NKRA in 2011.

Procurement Accountability Index

2011 NKPI	Target	Actual
Ministries scoring above 90% in the Procurement Accountability Index	18	19

As its name suggests, the Procurement Accountability Index measures the transparency level in government procurement. The Fighting Corruption NKRA calls for federal government ministries to obtain a score of above 90 percent in the Procurement Accountability Index. 13 federal government ministries managed to achieve the 2010 target. The target for 2011 was to have 19 federal government ministries to comply with the above-90 percent index requirement. 18 ministries did.

Arrest - to - trial Ratio

2011 NKPI	Target	Actual
Number of arrests brought to trial	20%	23.7%

While the MACC is quick to act, it would not be entirely fair to expect that every investigation will end up in prosecution and conviction. Nevertheless, the new NKPI for 2011 was to get 20 percent of corruption crime arrests to trial. The MACC managed to bring to trial 23.7 percent of graft related arrests in 2011. More than 424 cases were processed and 249 brought to trial in the 14 special corruption courts. Hisham pointed out that statistics can be a double-edged sword. Too many arrests may give the perception that corruption is widespread in the country. Too low a figure and people may think the authorities are not up to par.

Corporate Integrity Pledge (CIP)

2011 NKPI	Target	Actual
Companies involved in the Entry Point Projects (EPPs) under the Goverment Transformation Programme (GTP) to sign the CIP	70%	64%

The CIP, which was formulated in March 2011, is a collaborative effort between the Integrity Institute of Malaysia (IIM) and the MACC to engage corporate organisations to pledge to uphold integrity in their organisation's policies, processes and procedures. By signing the pledge, a company is making a unilateral declaration that it will not resort to corrupt practices in the conduct of its business, thus heralding a new era of public and private sector involvement in stemming corruption. A total of 64 companies took the pledge in 2011 compared to the target of 70 percent.

Name and Shame Database

2011 NKPI	Target	Actual
Number of people in the database of convicted graft offenders	100	496

To boost public awareness on the seriousness of corruption crimes, the names and photographs of those convicted are published on the MACC web site at www.sprm/gov.my. The database which also includes details of the offence committed and the penalty imposed will be made available for public viewing for a maximum period of three years. It also serves reference source for the Immigration Department, banking industry, and foreign embassies for applications pertaining to entry permits, financial services and entry visas. The 2011 NKPI requires the addition of 100 more names to the database. The MACC has successfully added a total of 496 names.

Summons issued by the Royal Malaysian Police Force (PDRM)

2011 NKPI	Target	Actual
Number of summons issued by PDRM for every hour of operations	12	12.41

The 2011 NKPI calls for an average of 12 summons to be issued for every hour of operations. This was designed to stem out corrupt practices at the road blocks set up by the police during traffic operations. The police have successfully issued an average of 12.41 summons per hour of operations.

Transparency International Global Corruption Barometer (CB)

2011 NKPI	Target	Actual
Survey on government actions to fight corruption	50%	49%

The Global Corruption Barometer was introduced in 2003. It is the only worldwide public opinion survey on corruption. More than 100,000 people from 100 countries were asked on their views about corruption levels in their country as well as their governments' efforts to fight corruption. The Barometer also probes the frequency of bribery, reasons for paying a bribe in the past year, and attitudes towards reporting incidents of corruption. The NKPI for 2011 is to get 50 percent of the respondents to complete the CB survey. The actual result achieved was 49 percent.

Integrity Pact (IP)

2011 NKPI	Target	Actual
Percentage of government procurement with Integrity Pact	80%	77%

When the Integrity Pact in government procurement was first implemented in April 2010, it only covered the undertakings and declarations between the principal parties in the government procurement process. In December 2010 this requirement was extended to include various persons including public officials, depending on the stage of the contract and the nature of the contractual relationship. The NKPI for 2011 is to have the IP implemented in 80 percent of government procurement. The actual target achieved was a close 77 percent.

BRUNEI DELEGATION *to the* IAACA *conference* HIGHLY APPRECIATIVE *of the* MACC'S INITIATIVES

The delegates from Brunei who participated in the 6th International Association of Anti-Corruption Authorities' (IAACA) Conference and Annual General Meeting recently expressed their appreciation to the Malaysian Anti-Corruption Commission (MACC) for its efforts and initiative in hosting and organising the event.

Brunei's Attorney General Datin Seri Paduka Hayati Awang Mohammad Salleh said the event provided a good forum for information exchange and the sharing of experiences and good practices towards eradicating the problem of corruption, which has become a global phenomenon.

"The huge attendance is testament of the international support that the Malaysian Anti-Corruption Commission has garnered from the international anti-corruption community, and the topics discussed in the workshops were excellent in terms of information exchange and knowledge gathering," Hayati said.

Meanwhile, Brunei Anti-Corruption Bureau (BMR) Director Mohd Juanda Abd.Rashid concurred that the presence of a networking of luminaries in the fields of anti-corruption enforcement, prosecution and adjudication provided an excellent opportunity to promote the idea of cross-border cooperation in combating transnational crime involving corruption.

The BMR Director also expressed his sincere appreciation for the assistance and cooperation extended by the MACC to its Brunei counterpart. Many a BMR officer have benefited enormously from the capacity-building programmes conducted by the Malaysia Anti-Corruption Academy (MACA), he said.

"There is a very close and good working relationship between the BMR and the MACC and this relationship goes back to the past 30 years ever since the BMR was established in 1982," Juanda told reporters in a media briefing at the conference.

Since 2002, both the BMR and the MACC has conducted a series of annual meetings to identify and provide effective solutions to criminal transgressions at their mutual border. Such enhanced level of cooperation has enabled both agencies to stamp out cross border smuggling and other illicit activities.

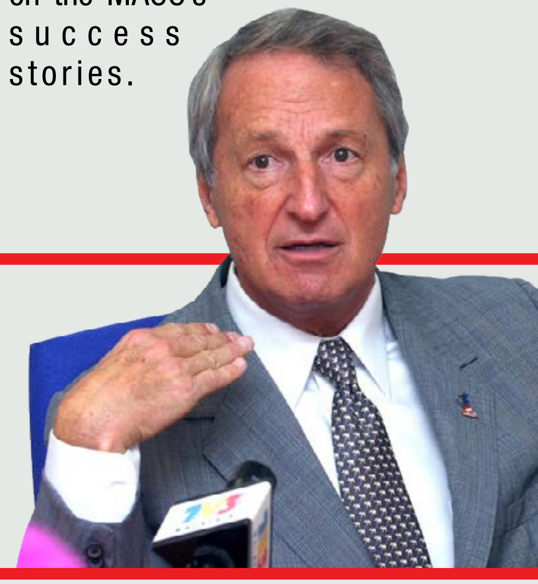
According to Juanda, the BMR and the MACC has successfully conducted several joint operations to counter cross-border corruption, fuel smuggling, the trafficking of illegal immigrants, as well as the bribery of transport officers. In addition many BMR officers have been trained by the MACC.

To commemorate the close rapport that exists between the two anti-corruption agencies, the MACC has officially named the BMR-MACC annual meeting room the 'Brunei Room' during the 8th bilateral meeting which was concluded on July 9, 2012.

"The huge attendance is testament of the international support that the Malaysian Anti-Corruption Commission has garnered from the international anti-corruption community"

Building a Scenario of Success at MACA

Professor Robert Klitgaard



Professor Robert Klitgaard has been a member of the academia at Harvard, Karachi and Durban Universities. He has also served as consultant on economic strategy and institutional reform in twenty-one countries across Asia, Africa and Latin America. Regarded by many anti-corruption authorities and officials as a renowned expert in fighting corruption, Klitgaard has authored several highly acclaimed books on corruption. He delivered a talk to senior officials on how to build a Scenario of Success at the Malaysia Anti-Corruption Academy (MACA) recently.

Klitgaard said that to his knowledge, the MACA is the only anti-corruption agency in the world that provides training not only to officers of the national anti-corruption authority, but also to those from the government agencies and corporate sectors, and have increasingly delved into providing anti-corruption courses at the international and regional levels.

Klitgaard believe that through the combined efforts of the Malaysia Anti-Corruption Commission(MACC) and the MACA, Malaysia stands a good chance of making a substantial headway in the fight against corruption. But in order to do so, he cautioned that there should not be an over-reliance on field practitioners who, despite knowing the nuts-and-bolts, may not be fully equipped to effectively impart their knowledge in a classroom setting as a professional educator would. Therefore these MACA courses should be administered by people who are specifically trained and qualified to teach.

Classes should be taught in the same manner as at the Harvard Business School where student are asked to analyse a specific case study and come out with their explanations on what went wrong or right as the case may be. And pretty soon you get some principles that people can take out of the class and use in their daily life and at the work place.

"You have to make the course sensational; make it very exciting, applicable and inspirational; with examples and testimonials from real people about how it matters, and this can only be done by professional lecturers," Klitgaard said.

In the fight against corruption no country is free from skepticism. There will always be the doubting Thomasses or those who adopt an apathetic attitude. To win them over the MACA needs to capitalise on the MACC's success stories.

Klitgaard suggested highlighting two success stories each in the areas of inspection, investigation, and community education.

"You have corporations, agencies and ministries that have turned things around. When you try to talk to the people of Malaysia and get them off their cynicism, show them these successes. Show them also to the people who are doing the international ratings, whose impression of Malaysia is already out of date. It will take Transparency International a long time to change its mind; until you show them these successes," Klitgaard added.

"In the fight against corruption no country is free from skepticism. There will always be the doubting Thomasses or those who adopt an apathetic attitude. To win them over the MACA needs to capitalise up on the MACC's success stories."

Professor Robert Klitgaard, world renowned anti-corruption expert

Interim Report on Malaysia's Anti-Corruption Initiatives Released

The Institute for Democracy and Economic Affairs (IDEAS) released its Interim Report on Anti-Corruption Initiatives in Malaysia at the Malaysia Anti-Corruption Academy (MACA) here on Nov 26 recently. Launched by former prime minister Tun Abdullah Ahmad Badawi, the 55-page report is an attempt to compile the history of the fight against corruption in Malaysia by providing an overview of initiatives taken by various agencies, groups and organisations over the last few decades.

The report titled 'Combating Corruption: Understanding Anti-Corruption Initiatives in Malaysia', is co-authored by two researchers at IDEAS and led by its Senior Fellow, Anis Yusal, who also sits in the Malaysian Anti-Corruption Commission's (MACC) Consultation and Corruption Prevention Panel. The publication provides an analysis of the causes, cost and implications of corruption in Malaysia, including a review of the anti-corruption initiatives undertaken by the MACC.

Organised in six chapters, the interim report describes the damages caused by corruption; gives a historical overview of anti-corruption efforts in Malaysia since Independence in 1957; highlights anti-corruption initiatives introduced over the past eight years – including an assessment of their effectiveness, and provides preliminary conclusions and recommendations on the way forward. It also includes an annotated bibliography of selected books and journal articles on anti-corruption and promoting integrity.

According to the report, there is no cookie-cutter solution to combat corruption. The wholesale imitation of the strategies of other countries without appreciating the underlying causes and the context in which they operate; will likely end in failure. What works in Hong Kong and Singapore may not be applicable in Malaysia, the writers argued.

Nevertheless studies generally agree that Malaysia's anti-corruption framework and strategies are comprehensive and elaborate. However it cautioned that these measures might not be adequate in tackling the root causes of corruption in Malaysia, which actually lies in the politicisation of bureaucracy and ethnicity in politics and public policy, the report said.

The researchers noted that there is a disconnect between public perception as measured by the Corruption Perception Index (CPI) and actual data collected. The CPI score implies that the situation is very bad whereas data collected suggests that Malaysia's corruption problem is not as bleak as it is made out to be. "Our brief survey in this study shows that Malaysia's investment rate, growth rate, as well as human development rate are not going the way it should if Malaysia is truly as corrupt as perceived," Anis said.

This mismatch could possibly be caused by the concerted campaigns by certain politicians to paint their opposite number as more corrupt. The reason behind this is obvious – by accusing their political nemeses as corrupt, they could win elections. Hence Malaysia's worsening performance in the CPI will actually allow certain political faction to benefit. "Is it then not possible that the continuous mudslinging has resulted in the public feeling that we are more corrupt than we actually are?" the report queried.

The country's anti-corruption effort in began in 1957 when a high ranking police officer from Pakistan by the name of Shah Nazir Alam was invited to conduct a study on how to tackle corruption in the then Malaya. Shah Nazir submitted his report in 1958 in which he made several recommendations, eight of which were aimed to cultivate honesty and integrity in school-age children. The researchers feel that by virtue of the simple and direct nature in engaging the target group – through television and radio programmes; story books, magazines and comics; and setting up self-service counters in selected schools and institutions, these eight recommendations are worth looking into even today.

Anis Yusal and his team observed that in addition to reducing graft, the biggest challenge that the Malaysian government faces is in convincing businesses and the Malaysian public in general that corruption is being addressed in a serious manner. According to the researchers, current initiatives are not adequate for addressing these challenges because they have not effectively tackled the root causes of corruption in Malaysia, and they suffer from redundancies and duplication as well as from a lack of depth and focus. Hence the public does not believe that the government is serious in tackling corruption despite the many and varied attempts to do so.

What is still missing in the picture is an inter-agency working committee at the Federal level where all agencies tasked with fighting corruption and promoting integrity are coordinated in terms of their strategies and initiatives. This will avoid duplication and wasting of resources and ensure impact and clear outcomes, the report said.

Despite these weaknesses, Malaysia's 2012 CPI score has improved. On December 6th, Transparency International Malaysia (TI-M) President Datuk Paul Low announced that Malaysia scored 49 out of 100 for the CPI and is ranked 54 out of 176 countries this year. This is a significant improvement compared to 42 out of 100 in the previous year. Malaysia clinched third spot among the South-East Asian countries and is placed 54th worldwide.

Nevertheless the IDEAS team recommend that the Fighting Corruption National Key Result Areas (NKRA) should not confine itself to coordinating programmes under the General Transformation Programme (GTP), but should also monitor and coordinate programmes for other agencies. They also urged the MACC to optimise the use of its resources to improve its detection, inspection and investigation capacity and performance, and allow the Integrity Institute of Malaysia (IIM) to focus on public education initiatives.

Launched on Feb 8th 2010, the IDEAS is an independent non-profit organization and Malaysia's first think-tank dedicated to promoting market-based solutions to public policy challenges. On Jan 8th 2012, IDEAS was listed as the 13th best new think-tank in the world – up from 18th place in 2010, in the University of Pennsylvania's Global Think Tanks Ranking which was released at the United Nations. The survey involved 6,545 think-tanks from 182 countries.

According to the writers the interim report is published in the hope that it would generate a healthy debate and provide insightful feedback on the points that they have raised. The team is now inviting feedback and suggestions before December 31st 2012. The report will be finalised for publication in early 2013.

Doing what is **Right** even when it is **Difficult**