A culture that counteracts corruption

One single bribed government official can cause damage that is almost impossible to repair. Memories of corruption scandals last a long time. The head of an agency has the overall responsibility for taking preventive action against corruption. One important measure – perhaps the most important – is to keep the central government’s basic values at the forefront of the organisation.

The remit of the Council on Basic Values includes promoting a culture within central government agencies that counteracts corruption. The purpose of this publication is to encourage agency heads and managers at different levels to develop and nurture a culture of this kind.

This publication provides an overall description of corruption as a phenomenon and how to protect an organisation against it. At present, the biggest threat seems to be naivety. It is hoped that this publication will provide a starting point for a managerial discussion on corruption prevention efforts at agencies and background material for an action plan. It is also intended for all central government employees and union representatives who wish to become more acquainted with the subject.

The common basic values for central government employees are described in a few documents from the Council on Basic Values (see the website). This publication has been prepared on behalf of the Council by former Director Lars Ångström.

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1 These things happen...

Corruption can exist anywhere within our agencies. It can be manifested in many ways. There can be many causes. It is often difficult to detect.

Erik is in charge of ordering office supplies. At Christmas he usually gets a basket with delicacies and exclusive wines from his favourite supplier to thank him for the good cooperation during the year. Erik appreciates both the basket and the thoughtfulness.

Rasmus conducts an unauthorized check in the agency’s database to see whether there are any entries about his sister’s new boyfriend, not because his sister asked him to, but still, he just wants to know.

Sofie gives in to her partner’s nagging and gives him the project manager position that is advertised, even though other applicants may be better qualified.

Stefan processes permit applications. He has long charged a small fee for quickly approving applications, without any awkward questions. Everyone involved is happy with the arrangement and keeps quiet about it.

Isabel was being kind and provided a casual acquaintance with some information about a matter of business. Now he is demanding that Isabel make sure that this matter works out to his advantage. Otherwise he is threatening to inform her superior that she revealed information about an ongoing matter of business. So Isabel gives in, but this is the last time...

Rolf has the final say in the agency’s procurement of new facilities. Rolf also has a tacit agreement with one of the suppliers about sponsoring the golf club of which he is the chairman. The supplier has received major commissions and the golf course is financially well off.

Frida’s childhood best friend has a company with a call off agreement with the agency. Every now and then the company enters a made-up item into its invoices. Frida approves this item and receives 25 per cent of the amount deposited in her foreign bank account.
Jonas is investigating a matter that concerns organised crime. One day, he receives a letter that says ‘we know the route your daughter takes to school’. After that, he begins distorting the results of his investigation. He can’t see that he has any other choice.

These examples are all based on real occurrences. Could something similar happen in your area of responsibility? If your spontaneous answer is ‘no’, you should perhaps think it through again.
Corruption causes serious damage. Corruption reduces public confidence in social institutions. It threatens the legitimacy of the rule of law and undermines democracy. It creates unhealthy business practices and damages economic life by distorting competition. Corruption acts surreptitiously and is difficult to identify. But it can be detected and it must be fought. If determined efforts are made, it can be prevented.

What, then, is corruption? It includes various forms of power abuse, bribery, nepotism and cronyism. According to some definitions, offences such as theft, fraud, embezzlement or breach of trust are not included in the term. In this publication, we do not make that kind of distinction. Since this publication is intended for central government agencies, we base our approach on the following definition: Corruption means using a position under public law to achieve unfair advantage – for oneself or others. This is the definition that the Government uses regarding the public sector.

Sweden is currently one of the countries considered to have the lowest rate of corruption. The risk is therefore great that we feel secure and lower our guard. But we are not completely free of corruption, and the threat scenario changes along with globalisation and successive changes concerning the structure of society, the economy, technology and other conditions.

The public’s perception of the scope of corruption also affects trust in a society and confidence in public institutions. Studies show that the public today believes that corruption in public administration is considerably greater than it probably is.

Now and then cases come to light in which an agency is taken by surprise that an employee has acted improperly. One single corruption case or suspicion of corruption can destroy confidence in an agency and its staff for a long time. These isolated cases get
widespread attention and naturally also affect the general perception of public administration.
3 Driving forces behind corruption

Government agencies and their officials exercise power over citizens and companies. An agency’s decision can have major, undesired consequences for the person concerned. Human or financial values may be at stake. We should remember that oftentimes, the motives behind a citizen or company trying to influence our officials and decision-makers are much broader than we imagine. Such is the case within all areas of public administration.

In most organisations, there are individual employees who do not feel a sense of loyalty to the organisation. They may feel insecure about their position, unappreciated, overlooked, unhappy with their salary or that they have been wronged. They may have private financial difficulties or other problems. These are all factors that can make an individual susceptible to inappropriate influence.

Recent corruption research highlights the concept of ‘temptation structure’. In brief, this means that a person who, at work, is subjected to great temptations runs great risks, especially if the rules as to what is allowed are unclear. When it comes to furtively acquiring assets or advantages with large profit and little risk of being exposed, even the most principled person may succumb.

Researchers consider that the corruption that exists in Sweden largely consists of cronyism or something along those lines. This kind of corruption – when an official helps an acquaintance without asking for or receiving payment – is often difficult to detect. In a report from 2012, the Swedish Security Service reports 114 cases in which officials were suspected of committing an offence to help individuals linked to organised crime. Most of these cases dealt specifically with cronyism (Swedish National Council for Crime Prevention, Brå 2014:4).

The great majority of corruption offences reported to the police and prosecutors deal with giving or taking bribes. In a document
on reported corruption offences, the Swedish National Council for Crime Prevention states that most of those who had been exposed had been systematically involved with corruption over a long period of time. In the central government sector, 35 per cent of the reported cases were detected by the employer or colleagues, while just over 50 per cent were exposed by private individuals or the media (Brå 2013:15). There may be scope for some form of corrupt behaviour in all agency activities, but some activities are particularly vulnerable. In cooperation with the Swedish National Council for Crime Prevention and Linnaeus University, the Swedish National Audit Office has identified six typical risk areas (RiR 2013:2).

- **Procurement and purchases.** Contracts for the sale of products or services to government agencies are attractive. Officials who are responsible for procurement are in a vulnerable position when companies try to influence the decision-making process.

- **Outgoing payments.** Government agencies pay large sums for loans, foreign aid, research support and other grants to individuals or organisations. Employees may exploit their position to pay too much, to the wrong recipient or to recipients who are not entitled to support.

- **Incoming payments.** Incoming payments may consist of taxes, fees, fines and lending rates or amortisations. Persons or companies may persuade officials to approve incorrect payments.

- **Supervision, criminal investigations, research.** Many agencies conduct investigative work that has consequences for individuals, companies and organisations. The desire to avoid or influence the outcome can result in someone trying to influence an official to distort the outcome.

- **Sensitive or strategic information.** Many agencies have information about individuals, agencies or organisations that may be of value to outsiders. Officials may be induced to disclose such information.

- **Licences and certification.** Licences and certificates provide advantages or opportunities for individuals and companies.
Officials may be convinced to issue or refrain from issuing licences and certificates.

In audit reports from 2006 and 2013, the Swedish National Audit Office has shown that, in general, agencies’ efforts to prevent corruption are inadequate. When presenting its opinion (Govt Communication 2012/13:67) on the most recent report, the Government stated that efforts by central government administration to prevent corruption must be enhanced. The Government considers that agencies should be encouraged to include the issue of the risk of corruption in their regular work on internal governance and control. The measures should be based on a broad definition of corruption. Accordingly, each agency must conduct regular work on preventive measures, even when the risks are considered minimal.

The following chapters of this publication describe how an agency can work to develop a culture that counteracts corruption. This work rests on three pillars: work on basic values (chapters 4 and 5), clear rules in combination with risk analysis and preventive measures (chapter 6) and clear routines for reporting and dealing with suspicions of irregularities and offences (chapter 7). Finally, nine concluding tips on promoting a culture of this kind are presented (chapter 8).
4 Solid basic values prevent corruption

All central government activities rest on the common basic values for central government employees. These are based on six fundamental legal principles:

- Democracy
- Legality
- Objectivity
- Free formation of opinion
- Respect for all people’s equal value, freedom and dignity
- Efficiency and service.

The central government’s basic values are based on the constitution and laws, and they have accordingly all been approved by the Riksdag (the Swedish parliament). The basic values represent the professional platform for every central government employee. They should be second nature.

The basic values contain standards that prohibit all forms of corrupt behaviour. A high level of awareness of the basic values thus creates a workplace culture that combats corruption. In other words, a well-established and supported set of basic values is a good vaccine against irregularities.

It is primarily the principle of objectivity that contends with corrupt behaviour. This principle establishes that everyone is equal before the law and that government employees are obliged to observe objectivity and impartiality. Central government employees must never act in a way that weakens confidence in the activities carried out. They must never even give rise to suspicion of being
influenced by inappropriate requests. The requirements are forceful and distinct.

To avoid all suspicion of insufficient impartiality, government employees must be extremely careful with gifts or benefits from people or companies they deal with professionally. There is great risk of bribery or suspicion of taking a bribe. Conflicts of interest must also be avoided; this is also the case with secondary occupations that undermine public confidence.

It is important that agencies have clear rules as to how employees and managers are to handle these situations. It is not all that uncommon for instructions that have been issued to be ineffective since employees are often unaware of them.

If regular efforts are not made to maintain a common set of basic values within an agency, subcultures may develop. At times they can deviate from what is acceptable. “What do you mean, wrong? Everybody else does it!” At workplaces where a tolerant attitude towards corruption-like behaviour has developed, the agency’s basic values have not been strongly established.

Representatives of an agency’s management and managers at various levels set the tone. Their personal behaviour is observed and imitated within the organisation. It is important to set a good example in the spirit of the basic values, to be aware of the signal effect and to ‘practice what you preach’. Anything that can be construed as over-generous entertainment, familiar contact with external stakeholders, overuse of benefits or other extravagances must be avoided.

The principle of public access to official documents, which is a part of the basic values’ principle of the free formation of opinion, gives the public and journalists insight into operations via access to official documents. This can help expose irregularities. Public employees also have extensive freedom of expression and protection against inquiries if someone has made anonymous statements to the media. For employees to be prepared to provide tip offs about irregularities, it is of utmost importance that freedom of expression is respected in the organisation and that there is an open working climate. If management works actively to increase awareness of the rules that apply, it is more likely that employees will present their observations and their criticism in a constructive manner within the agency.
The six principles that make up the basic values are to interact with the agency’s own stated values and with its regulations and action plans. When working with basic values, it is natural to take a holistic approach. The discussion on basic values should go hand in hand with the discussion on the agency’s remit and role in society, how the remit is to be carried out, how citizens are to be treated, etc.

The principles of the basic values are worded in a general manner. It is when they are applied to concrete examples from day-to-day work that they are transformed from abstract ideas into a meaningful reality. This is an important educational point when deciding how to design work on basic values at an agency.

Training the ability to bear in mind ethical considerations at work is equally important as training other skills. The goal should be that the basic values are so present in the minds of employees that they are intuitive in different work situations. This helps create independent, competent officials.

We therefore recommend that work on basic values be integrated with work to establish and maintain understanding for the agency’s role, objectives and strategy. Knowledge about and respect for the basic values should be deepened through discussions on how they affect concrete operational issues.

However, in-depth discussions on issues concerning an agency’s standards seldom arise on their own, either in management teams or in work units. Day-to-day activities are all too full of short-term production requirements. The head of an agency has the overall responsibility for ensuring that the basic values and other issues concerning standards are discussed on a regular basis. It is up to operational managers at different levels to ensure that these discussions take place.
Many people feel that intrusive discussions on corruption and the risk of corruption in one’s own agency are difficult and sensitive. If these and other work-related ethical issues are made a recurring item at workplace and similar meetings, these discussions will eventually become easy and natural. Managers and supervisors should lead or take part in the meetings.

Issues concerning where the boundaries are drawn will become a central component in discussions on how the basic values should be applied. What is acceptable and unacceptable in employees’ relations to citizens and companies? Considerations and standpoints that cannot be resolved at individual workplaces should be brought up and discussed by the agency’s management team. It may be useful if such issues are a recurring item on the agenda. This helps train managers in dealing with these issues and shows that management takes them seriously.

New employees should naturally study and discuss the central government’s common basic values during their introduction. Issues about the risk of corruption and boundaries in terms of what is appropriate should be dealt with in this context.

A staff unit is usually tasked with organising training and providing information about the basic values. This normally requires the support of the agency’s management in the form of clear and sustainable requirements for the operational sections to implement and report their training and discussion activities.

Agencies can get support for their work on basic values from the Council on Basic Values at the Government Offices, which can provide publications, seminars and training for agency trainers. Cooperation between agencies and learning from one another often produces good synergy effects. One example is the action plan against corruption that agencies combating organised crime have jointly produced (see the reference in the list of literature).
A high level of ethical awareness cannot eliminate every risk of irregularities. The work on basic values must be supplemented by control systems and routines. Detecting errors is a responsibility towards those affected and towards those we are working for, i.e. ultimately citizens. Effective controls are also preventive. The risk of being exposed is a restraining factor.

The Government considers that as far as possible, work against corruption should be conducted within the regulations and the organisation in place for the agencies’ regular activities. “Agencies should be encouraged to consider the risk of corruption and irregularities in their regular work on maintaining acceptable internal governance and control” (Govt Communication 2012/13:167).

The elements in agency governance and control systems aimed at preventing irregularities consist of risk analysis and preventive measures to minimise the risks.

When an agency is aware of the risks, it can deal with them in an adequate manner. The risk analysis should be recurring, systematic and cover all operational areas. Should there be changes in operations or in the world at large, new risks should be analysed. Experience from incidents that have occurred is to be used in work on security.

The scope of the preventive measures taken against corruption should be weighed against the size of the risk, which is often a difficult balance to strike. The forms naturally vary according to the size of the agency and the nature of its operations. Below is the Swedish National Audit Office’s list of common measures (RiR 2013:2):
• **Guidelines** for how officials should act when exercising public authority to counteract uncertainty as to what can be considered corruption.

• The *four eyes principle*, meaning that officials work in pairs so that more than one person has full insight into the work.

• *Work rotation* of particularly exposed positions provides some protection against risk in connection with frequent external contacts, which is common in public procurement, etc.

• *Controls*, a well-considered and robust control system is probably the foremost way of detecting and deterring corruption.

• *Training and regular discussions on basic values*, agency regulations and ethical dilemmas. Regular dialogue on the boundaries between what is acceptable and what is unacceptable.

• *Close leadership*; managers who are on hand to guide and support their employees in difficult matters and who can observe changes among individuals or at workplaces are important from a prevention perspective.

• *Openness*, for the organisation to learn from the irregularities that have occurred, it is important to be open about past incidents and confirmed offences. Straightforward information about the event – how it was detected, how it was dealt with and the consequences for those involved – supports the internal discussion about what is right and wrong.

**Threats and violence**

Particular attention should be paid to the risk of threats of violence against officials or their close relatives, and extortion attempts. Threats must never be tolerated. Agency instructions in this regard must be unequivocal. Incidents are always to be reported and measures taken. If necessary, the employee is to be given adequate protection. Solitary work should be avoided if possible when there is a risk of threats.

Attention should be given to matters concerning private relations, friendships and the risk of conflicting interests or undue
favour. A suitable place for this would be in the agency’s human resources policy.
Many agencies lack routines for dealing with irregularities or suspected offences (RiR 2013:2). This can contribute to a feeling that corruption in one’s own organisation is something one should not talk about. As a result, employees may avoid presenting their observations or suspicions for fear of being considered an alarmist or disloyal to their manager and colleagues.

An underlying problem may be reluctance on the part of management to make past irregularities public for fear of harming confidence in the agency. The instinctive reflex is to keep suspected offences under wraps so as to avoid a scandal. The scandal will then be even greater if – or rather when – news of the event leaks out. There are a few recent cases in which a resolute, open intervention defused the rumours being spread and resulted in goodwill for the agency.

Below are the routines for reporting and dealing with suspected corruption:

• reporting routines;
• established measures for dealing with suspected cases; and
• principles for measures against those involved.

The routines for reporting suspicions should contain several courses of action, since the circumstances may vary. A manager or supervisor who harbours suspicions should be able to bring it up with their superior, human resources or the security unit. An employee should be able to choose between bringing up the matter with their manager, agency management or a certain specified official who is centrally placed in the agency. It is important that the employee feels
free to choose other ways to proceed than through the regular line organisation, since the actions of the manager may be part of the problem.

A number of larger agencies have set up a whistle-blower function, centrally placed in the agency, which can receive and deal with both open and anonymous reports.

It is important that the agency has a supportive attitude to the person who blows the whistle. Keeping an eye open for irregularities should be encouraged. A person who has the courage to report their observations should not risk being punished through direct or indirect reprisals from managers or colleagues. This is the management’s responsibility.

Agencies should have measures in place for dealing with suspected cases. The responsibility of managers for immediately addressing suspicions of irregularities should be clearly expressed. The order of procedure to be followed in an investigation and the fact that offenders will be held to account should be clear and known.

The principles behind the measures taken against someone engaged in corrupt behaviour should also be known at agencies. The rule should be that suspected offences are reported to the police. Anyone who contemplates committing an improper act should be aware that there will be consequences under both criminal and labour law when it is detected.
By way of conclusion, nine tips are presented as to what an agency can do to promote a culture that counters/counteracts corruption.

- **Confront naivety and complacency and create risk awareness**
  Discussions on the results of a systematic risk analysis may be effective eye-openers. Encourage workplace discussions on ethical dilemmas and setting boundaries. This contributes to an open climate for discussion and has a positive impact on learning.

- **Pick up the pace of work on basic values**
  Set up a platform through introduction, training and regular workplace discussions that reaches all employees at all levels. Then keep the discussions on ethical dilemmas in the organisation alive and regularly raise difficult issues to managerial level.

- **Review and develop systematic risk analyses and control systems**
  Work on risk analyses and control systems should be arranged as active cooperation between the central experts and the line units to give all parties opportunities to understand and learn. Regularly follow up the results of risk analyses and controls. Discuss the results in the management team. Update and develop policy documents and systems as necessary.

- **Annual employee performance reviews**
  Bring up the risk of irregularities and threats at the annual employee performance review between managers and employees. In areas where there is a clear risk, discussions should address matters concerning possible exposure to inappropriate influence and how this can be dealt with.
• **Promote external and internal openness and transparency**
  Discuss the purpose of openness and transparency, and what this means in purely practical terms, in training and workplace discussions. Fine tune the functions that form the agency’s public face. Show in words and action that management wants openness to also mean an open discussion climate within the agency.

• **Inform the employees of their responsibility to react and take action if they observe misconduct and irregularities**
  Make clear that management welcomes information when an employee observes something inappropriate. Ensure that employees know who they can turn to in the organisation with this information. Protect and support whistle-blowers.

• **Train managers to act quickly when signs of inappropriate behavior come to light**
  Train managers and supervisors to observe signs of changed behaviour among employees or fellow managers. Require that they regularly initiate constructive discussions that refer back to the basic values and issues related to the agency.

• **Take open and forceful action in the event of exposure**
  Make the routines for dealing with suspected irregularities known and have measures prepared. It can be useful to conduct exercises for worst-case scenarios. Defuse the spread of rumours and gossip by being open about past incidents and how they were dealt with.

• **But – avoid acting in a way that creates a culture of fear and informing on one another!**
Agencies and others that support work against corruption

*The Council on Basic Values* at the Government Offices supports agencies’ work on basic values through publications (see the list of literature), seminars and training. www.vardegrundsdelegationen.se

*The Swedish National Council for Crime Prevention* has conducted several studies of corruption among agencies that contain advice on combating corruption (see the list of literature). www.bra.se

Agencies that collaborate against organised crime have developed a common action plan against corruption. The plan can provide guidance for most agencies. The following are the collaborating agencies: the Swedish Economic Crime Authority, the Swedish Social Insurance Agency, the Swedish Prison and Probation Service, the Swedish Enforcement Authority, the Swedish Coast Guard, the Swedish Migration Board, the Swedish Police, the Swedish Tax Agency, the Swedish Security Service, Swedish Customs and the Swedish Prosecution Authority. The Swedish Public Employment Service and the Swedish National Courts Administration were also involved. Security officers at any of the agencies can provide more detailed information.

*The Swedish Economic Crime Authority* works to combat and prevent crime. Preventive efforts include identifying risk areas for economic crime, providing information on economic crime to influence attitudes among individuals and the business sector, and developing and supporting local crime prevention efforts. www.ekobrottsmyndigheten.se

*The National Financial Management Authority* issues regulations and provides support to agencies concerning implementation of the provisions of the Ordinance on Internal Management and
Control, the Internal Audit Ordinance and the Ordinance concerning the Annual Reports and Budget Documentation. www.esf.se

The Swedish Competition Authority works actively for efficient public procurement. The Authority provides advice and support in procurement matters. www.kkv.se

The National Anti-Corruption Police Unit at the National Bureau of Investigation is tasked with taking a coordinated approach against corruption. Besides its investigative work, the Unit also conducts outreach and crime prevention activities. www.polisen.se. Suspicions and tip-offs can be sent to: korruption@polisen.se, or call: +46 8 114 14.

The National Anti-Corruption Unit at the Swedish Prosecution Authority investigates suspected cases of bribery. The Unit takes part in collaboration projects on corruption, with particular focus on government agencies, and has taken the initiative to form a national network against corruption. www.aklagare.se

The Swedish Anti-Corruption Institute is a non-profit business organisation that focuses on providing information to companies, business organisations, government agencies and the mass media on favours to promote contacts and relationships, including current legislation and case-law concerning corruptive marketing practices and bribery. The Institute has a database of legal cases with references to judgments from 2000 onwards. www.institutetmotmutor.se

The European Anti-Fraud Office (OLAF) is a service of the European Commission tasked with protecting the EU’s financial interests by conducting investigations on fraud, corruption and other illegal activities. OLAF is mandated to carry out administrative investigations in the Member States. http://ec.europa.eu/anti_fraud/

Transparency International Sweden (TI Sweden) is an independent non-profit organisation that is part of the global Transparency International network. TI Sweden conducts broad information activities and opinion formation to spread knowledge about the harmful effects of corruption, and works for greater transparency in both the public and private sectors. www.transparency-se.org
Literature (note: titles in English of literature in Swedish)

Council on Basic Values:
*Introduktion till den gemensamma värdegrunden för de statsanställda.* (Published in English: Common basic values for central government employees – a summary.) Government Offices 2014.012/S2014.021


*Reported Corruption in Sweden.* Report No 2013:22


*Korruptionens struktur i Sverige* (Corruption’s structure in Sweden), Report No 2007:21


Swedish National Audit Office: *Protecting central government agencies against corruption.* Report 2013:2

*Protection against corruption in government activities.* Report 2006:8

Transparency International: *Resilience, independence and integrity – Can Swedish society resist corruption? TI Sweden 2012*

Other publications:


Andersson, Staffan and others *Korruption, maktmissbruk och legitimitet (Corruption, abuse of power, and legitimacy).* Studentlitteratur 2010


Lundquist, Lennart. *Demokratins väktare: Ämbetsmannen och vårt offentliga etos (Democracy’s guardians: Officials and our public ethos).* Studentlitteratur 1998

Premfors, Rune and others. *Demokrati och byråkrati (Democracy and bureaucracy).* Studentlitteratur 2009
One single bribed official can cause damage that is almost impossible to repair. Memories of corruption scandals last a long time. The purpose of this publication is to encourage agency heads and managers at different levels to develop and nurture a culture that counteracts corruption. This publication may also be of interest to others who wish to become more acquainted with the area.

This publication presents an overall description of corruption as a phenomenon and how to provide protection against it. At present, the biggest threat seems to be naivety. This publication highlights the work on basic values as a central preventive measure. To describe the complete scope of corruption prevention efforts, preventive measures of a systematic nature and routines for reporting and dealing with exposed cases are also addressed.

This publication has been drawn up by the Council on Basic Values at the Government Offices. The Council is to promote and strengthen the work on basic values in central government administration and support government agencies in their work on basic values.

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