

## **Fraud Detection in Government Sector - An Analysis on Money Laundering and Bribery**

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### **Abstract**

*The administration and management are responsible to a large extent for ensuring the prevention and detection of fraud in an organisation. It is utmost imperative for the Government sector companies and related organizations to set an appropriate tone at the top by setting personal examples by the top leadership itself, one that is reflective of their commitment towards honest behavior and ethical practices in public and private life. In study we have put an effort to study mechanism of money laundering & forms of bribery. A qualitative analysis was performed with depth literature review based on secondary data available. The study is divided in two phases: 1. Mechanism of Money Laundering and forms of Bribery in Government sector services. 2. Suggesting preventive tools for detection of wrongful practices in the Government sector services. The findings suggest the certain control weaknesses that contribute to fraud include key deficiencies in internal financial controls and managerial oversight, overriding existing controls, poor tone at the higher management level, and lack of competent personnel which can be dealt with some early detection techniques which are discussed in the study. The study would make contribution to Government sector in using this as a manual for training purposes.*

**Keywords:** Money Laundering, Bribery, Unethical conducts Scams in Government/Public Sector, Governance.

### **I. INTRODUCTION**

#### ***Bribery and affect to Government Planning:***

Political corruption involves paying a bribe to a government official in exchange of his favourable use of official powers by the aspirant. Just like you need two hands to clap, bribery also requires two participants: one offering the bribe, and one accepting it. As per CISI's manual on Combating Financial Crime, Edition 6, 2019 (CISI, 2019), Integrating with the Black's Law Dictionary bribery can be defined as "The corrupt payment, receipt of offering something or acceptance of some sort, usually money, for solicitation of private favour, to gain any advantage illegitimate or otherwise in form of an official action". Corruption is a much broader criminal behaviour and not always linked specifically to bribery but bribery is regarded as a subset of the overall crime of corruption. The line dividing bribery and corruption is very thin but distinct. Certain issues like improper professional relationships or embezzlement / misappropriation of funds by misuse of one's appointment constitutes corruption but not bribery (Holmes, 2015).

As per CISI's manual on Combating Financial Crime, Edition 6, 2019 (CISI, 2019), there is a false notion that bribery reduces red-tapism and bureaucracy by cost cutting, whereas bribes in fact induces Government officials to give advantage to briber by contriving new rules or causing abnormal delays that benefit the briber. On the other hand, openly removing costly and lengthy regulations may seem to be better than subverting or bypassing them using bribes, but bribing tax officials can in fact bring tax benefits to the briber or his firm provided the cost of bribing is lower than the taxation cost. Bribery which is in fact a subset of corruption, also causes immense economic upheavals in the government sector by diverting direct / indirect received tax payer's money into projects or sectors that favour bribes and kickbacks. This lowers compliance with laid down government regulations and SOPs, duly reducing the infrastructure and services quality thus causing performance and life-span reduction, which ultimately increases budgetary or financial burden. Bribery also causes unnecessary intervention by government officials duly undermining their ability to enact and implement policies irrespective of

whether existing regulations in various ministries such as MoHFW (Ministry of Health & Family Welfare), MoEF&CC (Ministry of Environment, Forests & Climate Change), MoCI (Ministry of Commerce & Industry) etc permit it or not. Elimination of corruption, fraud and bribery is of utmost importance so as to achieve the laid down goals of poverty reduction by the NITI Aayog. Bribery which is a form of corruption, may definitely have a defining impact on various government budgetary allocations, that further may end up undermining developmental plans and government agenda, and prevent any benefits from reaching the poor and the downtrodden for which it was intended (Asian Development Bank, Dec 2012, 2014).

## II. LITERATURE REVIEW

**Table-1**

Sr No.	Author(s), Year	Type of Study	Title of Study	Published in which Journal / Article	Findings from the Source
1	(CISI, 2019)	Miscellaneous - Certification	Combating Financial Crime	CISI Manual on Combating Financial Crime, Edition 6	-Difference between Bribery & Corruption -UK Bribery Act 2010 -Understand the bribery prevention, penalties and legalities
2	(Holmes, 2015)	Book	Corruption : A Very Short Introduction	Oxford University Press	-Distinction between Bribery & Corruption
3	(Asian Development Bank, Dec 2012, 2014)	Article	Fighting corruption and fraud in Asia	Development Against Corruption and Fraud Asia	-Impact of Bribery on development Projects
4	(Quah J. S., 2016)	Article	Minimising Corruption in Myanmar: an impossible Dream ?	Asian Education and Development Studies, Volume 5(2)	-Red tapism and its effects
5	(WB, 1997)	Report	Helping Countries Combat Corruption: The Role of World Bank	The World Bank	-Helping countries in their efforts to reduce corruption
6	(Transparency International, 2014)	Web Site	Fighting Corruption in South Asia: Building Accountability	transparency.org	-Challenges in the region -Presents a clear set of urgent priorities so as to formulate a concrete anti-corruption action plan .
7	(Quah, 2010)	Article	Defying Institutional Failure: Learning from	Crime Law and Social Change, Vol 53	-Studying the history, organisation, structure,

			the Experiences of Anticorruption Agencies in Four Asian Countries		functions and powers of various Anti-Corruption organisations in Four Asian Countries
8	(A. Doig D. N., 2012)	Article	Improving Anti-Corruption Agencies as Organisations	Journal of Financial Crime, 19th Edition, TUBS Management	-Common issues faced by any new Anti-bribery organisation in government sector
9	(A. Doig, 2007)	Article	Why do developing country anti-corruption commissions fail to deal with corruption? Understanding the three dilemmas of organisational development, performance expectation, and donor and government cycles	Public Administration and Development, Volume 27, Issue 3	Understanding the peculiarities of organisational development, performance and expectations w.r.t. government organisations
10	(Sousa, 2009)	Report	Anti-corruption agencies: between empowerment and irrelevance. Crime Law and Social Change	Springer Nature Switzerland AG	Understanding the methodology of Ant-bribery doctrine formulation
11	(Nyein, 2014)	Document from Website	MPs Voice Doubts over Burma's Anti-Corruption Commission	www.irrawaddy.com	Analysis of shortcomings of Burmese Anti-corruption Commission

Source: Author's compilation

### III. METHODOLOGY

#### 1) Research Objectives

- (a) To study the Mechanism of Money Laundering and forms of Bribery in Government sector services.

- (b) To identify the control weakness and suggest preventive tools for detection of wrongful practices in the Government sector services

**2) Data Collection**

- (a) Secondary study has been carried out in the form of press articles, reports, web sites, books and literature review to obtain inputs on existing manuals, Acts and resolutions on Bribery in Government Sector.
- (b) For suggestions and preventive strategy - The Bribery Act 2010 of U.K, World Bank report and CISI manual has been referred in detail to theoretically frame the Anti-bribery procedures for government organisations.

**IV. PHASE1 – MECHANISM OF MONEY LAUNDERING**

**1. UK BRIBEY ACT - 2010**

As per the UK Bribery Act 2010, a company can commit an offence under Section 7 of the Act if any of its personnel, subsidiaries or associated persons directly or indirectly offer bribe anywhere in the world with an intention to gain any sort of business advantage. Even the subsidiary of the firm, without obtaining due sanction from its parent company, can cause the firm to be liable even if not directly still under false accounting offences or under POCA (Proceeds of Crime Act 2002). UK Bribery Act 2010, establishes four key criminal offences with the first two relating to offering & receiving a bribe, the third pertaining to offering bribe to a public official of a foreign country while the fourth relating to the failure of commercial organisations to prevent bribery.

Table-2

Bribing another person	Being Bribed	Bribing a public official of a foreign country	Failure of a relevant commercial organisation to prevent bribery
An offence to offer, promise or giving a financial or some direct / indirect advantage by a briber himself or via someone else (a third party) wherein it is known to the briber that the such an act of acceptance of the advantage, promised or given would jeopardise the activity or its function or alter its performance.	An offence wherein the recipient requests, agrees to receive directly or indirectly any advantage with the intention to jeopardise any activity or its function so as to alter its performance and of the fact that the recipient or the conduit knows or believes the performance of the function or activity to be improper.	An offence to offer, promise or give a financial or some other advantage by a briber to a public official of a foreign country with the requisite aim to influence him so as to obtain a desired advantage in the firm’s business.	A strict liability offence, wherein an offence is duly committed by an organisation when the necessary protocols established within the organisation fail to prevent its personnel or associates from offering bribe so as to obtain a desired advantage in the firm’s business. The only defence to this offence is if it can be proved that “The organisation had adequate procedures in place designed to prevent persons ‘associated’ with it from undertaking such a

			conduct". This covers the entire range of persons connected to the organisation including JV partners, associated business & connected individuals
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Source: Authors Compilation

## 2. TYPES OF BRIBES & ADVANTAGES SOUGHT

Table-3

Active bribery	Passive bribery
An offence of promising, offering or giving a financial or some direct / indirect advantage by a briber himself or via a third party to a government servant / official so as to jeopardise the desired activity or its function or alter its performance.	An offence of promising, offering or giving a financial or some direct / indirect advantage by a briber himself or via a third party to a government servant / official so as to jeopardise the desired activity or its function or alter its performance, wherein the impropriety of the act of acceptance of the advantage, promised or given is known to the receiver and / or the briber.

Source: Authors Compilation

Bribes are one of the main tools of corruption. Additionally it is bribery that in a way sustains corruption. Bribery is often a tool used by corporate organisations / individuals so as to take advantage of certain provisions by governments, or administrators wherein bribes are sought in exchange for provision of such advantages:-

- (a) Government contracts- Government contract terminologies, features and items of the contracts, supply of goods and stores / provision of services and even their execution can be got influenced using Bribes. Bribes can be used at a higher / lower level or even both of a government organisation to win a contract, make an opponent loose one or even to ensure that certain breaches of contractual obligations deliberately carried out by the contractor in the execution stage to gain a financial advantage are in the tolerance range. It can be between two individuals or between a private organisation and a government official or between an organisation and a government establishment.
- (b) Government resources/benefits- A firm / individual may offer special treatment/bribery in various forms so as to achieve the desired advantage in allocation of government resources / benefits. These may range from direct monetary benefits like individual/enterprise/economic sector targeted subsidies, pension access or insurance claim sanction or certain benefits offered to government officials in-kind like access of children to high-end schools & medical care in costly hospitals, reducing/privatising the government stake-holding percentage in a public organisation. Officials may increase the

technical complexity of certain projects thus making it favourable / suitable to a particular company or sector. It can be used even to increase or decrease even the annual budget allocations to a particular government establishment for a particular economic sector.

- (c) Taxation benefits- Firms often offer bribes so as to reduce their tax burden / fee due to the government department. They may either be solicited by the firm or the tax official himself. The tax status of bribes is a persisting thorn in ensuring a fair & clean democratic governance.
- (d) Policy changes and sanctions, approvals and licenses- This type of bribery is the most prevalent in the country and largely affects the Political - administration - working class government personnel. It runs from Top down and commissions flow in a predefined proportion. In this case the bribes may be demanded or offered to the government officials for obtaining the desired license maybe for commercialisation of an agricultural and or township development or mining rights etc which in a way offer undue concessions to the briber. This acts as a barrier for the new entrants in certain economic sectors as many-a-times the government machinery in connivance with their political masters deliberately introduce policies/rights that give undue benefits to existing large players thereby reducing the threats from entrepreneurs. Government policy changes that affect industry structure include licensing requirements, pricing regulations, tariffs, product quality and safety regulations, and environmental relations.
- (e) Time- Bribes are often offered for seeking the advantage of an early sanction or reducing the long gestation periods in a government department to carry out legal authorised activities. These can range from seeking approvals for firm registrations to causing delay / impediments in granting permits to opponents / new challengers in the market. Although some of these changes provide social benefits such as a deliberate check into a company's background and its financial antecedents, they also increase the costs of doing business by the threat of inaction or delay and raise barriers facing new firms in the industry.
- (f) Legal outcomes- Bribes can change the outcome of a legal process by inducing the government officials either to turn a blind eye towards unauthorised/illegal activities of access to control of raw materials such as iron-ore, sand, minerals and their mining, excessive pollution, overlooking the safety and health concerns of working class or even to gain favours (including in courts) over one's competitors as mentioned above in para (d) and (e). It can also be used to process a legal amendment in a particular law so as to favour a particular corporate establishment / a particular sector of the economy.
- (g) Bureaucratic Red Tapism- Bureaucratic Red Tapism increases the likelihood of corruption (Quah J. S., 2016). It is the deliberate bureaucratic hindrances and formality created in simple governmental procedures leading to unnecessary compilation of large amounts of extraneous information thus resulting in unnecessary prolonged delay and inaction' (Chandler and Plano 1988, 233 cited in (Quah J. S., 2016)). Additional factors definitely include low salaries of government employees, inter-personal / family connections, status differences including caste-differentiation and breeding collusion between government officials and the political class in an act of symbiosis.

Bribery in any government organisation originates at both the political and the bureaucratic levels. The political class may act independently of the bureaucracy or it may be an act of collusion at all levels. The contracts and other advantages gained by bribery can be large or small, duly misinterpreting the laws of the land at a large or small scale. Big bribery cases such as the case of the Bofors Scam & Augusta Westland VVIP Choper Scam are often associated with international defence deals or part of a large business transaction. These cannot be executed independently by any level and is an outcome of well-oiled collationers. Petty or small-scale bribery incidents are / may actually be prevalent in the

government organisations generally resorted to for small level sanctions or services / favours / advantages sought from the government. The bribe demand may be an individual action or part of an elaborate sharing mechanism from bottom to top.

### **3. AN ASSESSMENT OF THE CAUSES OF BRIBERY**

As per a World Bank 1997 report on Poverty Reduction and Economic Management “The normal motivation of public sector employees to work productively may be undermined by many factors, including low and declining civil service salaries and promotion unconnected to performance. Sometimes these conditions are further exacerbated by closed political systems dominated by narrow vested interests and by international sources of corruption associated with major projects or equipment purchases”, (WB, 1997).

1. Dysfunctional Government Budgets which actually results in inadequate supplies and equipment and delays in the release of budget funds. This may lead to offering favours in form of money / kind to get additional fund release over and above the authorisation so as to effect more work sanctions and thus earn more bribes in return at all levels of government machinery.
2. The discretion of many public officials due to intended shortfall in officers / unaffordable salary payments to large number of government officials is also large in developing and transitioning economies, which is even further enhanced or amplified by government rules, regulations and standing operating procedures that are often poorly drafted, frequently changed, and inadequately disseminated.
3. Existence of unsaid informal rules governing the system in different organisations in the government sectors is another cause for breeding the bribery system. Weak spots or loopholes are often made use for attempts to offer & seek favours / advantages thus testing the range of laws of the land, various government regulations and the regulations that actually make it illegal to offer bribe to a government officer. The challenge is also in firmly defining the thin line of ethical and un-ethical dealings as against the expected behaviour from a government officials and what defines a conflict of interest.
4. The integral laws duly mentioned in the in constitution that cover various aspects of government functioning such as budgeting, accounting, auditing, rules and regulations for Tender placement & works sanction, store procurement, security services etc., laws covering the appointment of government services, appointment of judges, and last but not the least the codes governing the conduct of legislators are majorly of colonial inheritance and need a thorough revamp.
5. The watchdog institutions such as CVC, CGDA, CBI and also the Press should scrutinize government performance. These constitutional bodies can now initiate an investigation and prosecute against any government official without a prior government approval. (Transparency International, 2014).

### **V. PHASE2 - STRICT LIABILITY & ADEQUATE PROCEDURES**

For a Government organisation strict liability means an absolute breach of one's duty and not one depending on negligence or deliberate intention to malign/harm. It thus becomes the absolute duty of the senior government officials to be aware of concerned acts pertaining to prevention of bribery, money laundering and corruption and thus prevent these offences within their organisation. It thus should be made a strict liability offence in the government offices and organisations as well to hold that office / organisation guilty and accountable if bribery has been paid to give a business or an advantage not only to a commercial organisation with advantages within the realms of government offices. The only way

is to ensure and establish well-oiled tested procedures which are aimed solely to deter bribery from taking place for which senior officials in the headquarters must publish such standing operating procedures, manuals and guidelines that government offices can adhere and prevent incidents of bribery. Taking a cue from (Quah, 2010) cited in (A. Doig D. N., 2012) the credibility of any organisation is reflected in its successfully addressing a high percentage of complaints addressed / redressed with a high level of professionalism and strict enforcement of the antibribery SOPs, rules and regulations and law of the land.

## 1. SUGGESTIONS & BRIBERY PREVENTION - PROPOSED PRINCIPALS & PROPOSED PROCEDURES.

### 1.1 BRIBERY PREVENTION - PROPOSED PRINCIPALS

The risks of bribery need to be clearly understood by the senior government officials at higher positions in Headquarters / offices / organisations to put in place robust and proportionate measures. Bribery risk assessment and prevention should essentially form an integral part of any institution's overall risk management system.

Taking lessons from Literature -The Bribery Act 2010 published by (Ministry of Justice, UK, 2011), to prevent bribery in firms, the major takeaways and modified Principals for the various government departments in India are proposed as in Fig1:-

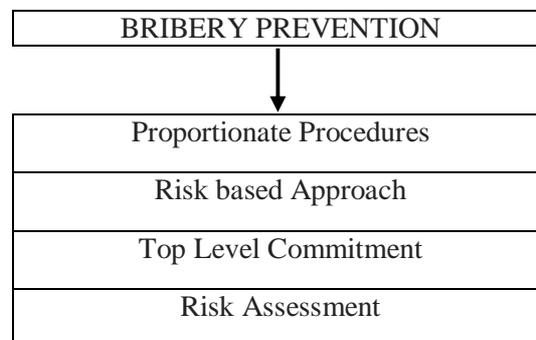


Fig-1 – Proposed Principals  
Authors own compilation

- (a) Proportionate Procedures - Preventive actions taken within a department should be proportionate to the bribery risks it faces and to the nature of a department's organisation, the scale of its exposure to the extraneous factors and complexity of its tasking. Adequate bribery prevention procedures should be made proportionate to the bribery risks faced by a government department. Thus in the setup, a detailed risk assessment of the organisation (post / appointment wise) must be done as a first step. A department which relies heavily on periodic oral briefings / unrecorded minutes of meet or conference or verbal orders to communicate its is at a higher risk that a large organisation that relies on extensive written communication.

- (b) Risk based Approach- Organisations need to rehash and fine-tune their procedures duly covering a wide scope of risks however due thought must be given to assess the adequacy of procedures so as to ensure zero bribery incidents/occurrence. The procedures so evolved can be stand-alone for a particular department depending on the associated risks but in totality should be a subset or part of a detailed SOP of its parent organisation. Eg: In an Army or any governmental departmental hiring/placement process or a MES Tendering procedure or in a government department say CPWD, the SOPs must be sacrosanct across all departments, as is also in the case of store procurements, a departmental office in a remote part of the country should follow the same SOP that has been in place by its parent organisational HQ irrespective of the nature of procurement. The variations for that subset office should be got approved from the aren't department in written and followed don from Top down.
- (c) Top Level Commitment- A well-known saying in the Army goes as "A unit is the true reflection of its Commanding officer", meaning the organisation would actually work and behave as its Top Boss would do. It is always the Top-level officials in any organisation that fosters an anti-bribery setup and a zero corruption culture in the organisation. Therefore, it is utmost important to directly involve the top hierarchy level of an organisation both while formulating the anti-bribery procedures as well as communicating its anti-bribery stance. The high ranking officials should also be involved in formulating important decisions relating to bribery risk in organisation's management structure culminating in the developing organisational bribery prevention procedures.
- (d) Risk Assessment- Risk assessment involves having the knowledge of and regularly updating it with the bribery related risks in the organisation and the environment. This can be carried out by creating a data bank of all the past bribery related incidents, methodologies of tacking them and the lessons learnt, both within the department and also in similar government organisations. The higher the assimilation of the bribery risks by its employees, the better is the deterrence and lesser would be the bribery related incidents. Risk assessment analysis enables the governmental department in identifying, isolating and prioritising the threats/risks faced by irrespective of its size, operations and associated private sector firm customers.

## 1.2 BRIBERY PREVENTION - PROPOSED PROCEDURES.

The sole aim of a government department's anti-bribery policies is to reduce the associated risks and prevent its employees from falling prey to unethical means by the persons who act as conduits towards bribing government officials. An exhaustive list of points for incorporation in the anti-bribery standing operating procedures (SOPs) depending on the peculiar risks faced by respective department is enumerated as under:-

- (a) The involvement of the organisation's top- level management -Those at the top level in an organisation are responsible for establishing a culture across the organisation in which bribery is totally unacceptable. It is utmost important to directly involve the top hierarchy level of an organisation both while formulating the anti-bribery procedures as well as communicating its anti-bribery stance. The high ranking officials should also be involved in formulating important decisions relating to bribery risk in organisation's management structure culminating in the developing organisational bribery prevention procedures. This not only standardises the SOPs but also increases accountability 'Top Down'. Top-level official's commitment to bribery prevention should include:-
  - ❖ A commitment to carry out respective tasks and duties with utmost sincerity, honesty, dedication to duty and a high degree of transparency with zero tolerance towards

bribery in form of periodic monthly signed declarations / certifications, formulation of detailed SOPs right from the highest HQs and percolated down to the last subordinate office, which is then duly acknowledged in written and with departmental missions reflecting anti-bribery agenda duly made public on internet, intranet, office LANs, canteens, common office spaces, public areas and even respective desks of all officials.

- ❖ Public display and repetitive emphasis of the consequences of breaching the policy for employees and officials of the department as well the consequences of breaching contractual provisions relating to bribery prevention for other associated persons of private companies / suppliers / contractors. This should also include a reference to avoiding access to those associated persons / companies / organisations are non-committal towards performing their tasks without bribery and do not treat it as their most important objective.
- ❖ Forming beneficiary / rewarding schemes / programmes / awards for those officials / personnel / associated companies or organisations that have rejected any bribery instances and therefore enhanced the reputation of the organisation / department and increased the customer satisfaction and increased confidence of doing business with associated firms and organisations..

(b) Establishing Discipline & Vigilance (D&V) departments within the organisation comprising of dedicated trained personnel in all echelons of the organisation with a clear and well established, aim, mission and tasking in reference to the range of bribery prevention procedures the organisation has or is putting in place, including any protection and procedures for confidential reporting of bribery (whistle-blowing). In this regard due training of the D&V personnel should be carried out ranging from the traditional methods of classroom teaching & seminars to online web-based teaching, courses & certifications from established universities and learnings of various government regulations, rule positions, legal aspects and IPC and Constitutional Acts such as The Whistle Blower Protection Act 2014 should be specifically emphasised upon.

(c) Selection and training of senior officials / mid-level executives / officials and other departmental D&V staff to lead anti-bribery work duly including: -

Deciding key measures for D&V department ie; Moral code of conduct
Endorsement of all bribery prevention related publications
Tasking of D&V w.r.t. encouraging forthrightness from top to bottom within the department, encouraging awareness generation and with an aim to ensure timely dissemination of information pertaining to occurrence of bribery related incidents, related policies and SOPs to its employees, subordinate offices under jurisdiction, and associated persons / organisations as well
This should also include interaction with representatives of other external governmental watchdog organisations such as CVC, CBI & CGDA on vigilance, financial crime and anti-bribery related matters and auditing issues resulting in loss of revenue to the state duly attributable to official carelessness /oversight / intentional action
Assess and process all complaints / cases related to Anti-bribery and corruption and oversight of breaches of procedures, provide the senior HQs with necessary feedback on levels of breaches & compliance with due recommendations for administrative / disciplinary actions. They shall also carry out the necessary liaison with legal experts before forwarding punitive recommendations

Source: Proposed points are Authors own Compilation

(d) Risk Assessment- The government department should assess the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by D&V department.

The assessment should be annual, informed and documented. The higher the understanding of the bribery risks (faced by an organisation) by its officials and subordinate staff, the more effective would be its efforts and controls in place to prevent any incident of bribery. The bribery risk assessment should also examine the extent to which organisational structure, anti-bribery SOPs or procedures may themselves add or complicate or mitigate the level of risk. The commonly encountered internal factors that may be directly proportional to the risk enhancement in an organisation include:-

Deficiencies in Official / subordinate staff training, skills and knowledge of departmental procedures as well as in anti-bribery directions and SOPs.
Rewards culture in an organisation duly encouraging risk taking by its officials
Persisting ambiguity within an organisation's SOPs and policies for utilisation of government funds towards administrative and hospitality measures.
Lack of co-operation between different agencies, patronage, misappropriation of funds and lack of due diligence leading to undesired discrepancy between expectations and actual results increase the risk factor and also affect the smooth functioning and public image of the government organization. This has been duly derived as a risk by the author of this paper from an analysis of Anti-corruption Acts by (A. Doig, 2007) and (Sousa, 2009).

Source: Authors own Compilation

- (e) Due Diligence- Due diligence is an element of efficient and clean functioning by the government organisation in order to mitigate identified bribery risks, resulting in good governance by the government. It involves applying due diligence procedures, taking a proportionate and approved risk based approach, in respect of sensitive appointments wherein the government officials or personnel come in direct contact with the associated persons / organisations which seek various positions of advantages. Due diligence involves:-

Conducting direct interrogative enquiries on receipt of complaints
Indirect investigations via financial documentation checks
Periodic / regular vigilance checks, or generic investigations into employees with deep pockets
General research on associated private persons / private organisations to which the organisational officials or personnel are exposed to
Periodic appraisal and monitoring of departmental employees on sensitive appointments and of certain high risk associated firms and their personnel
Continuous intelligence gathering w.r.t. prospective and existing high risk associated firms and their personnel the government department is in regular interaction with / exposed to
Information pertaining to performance of services provided by associated persons / private organisations. Due intelligence is also gathered w.r.t. the actual roles of these associated persons / organisations.

Source: Authors own Compilation

- (f) Internal communications should always be conveyed- "Top down" in a firm tone and should primarily be focusses on implementing the organisation's policies and procedures and its implications for employees. Such communication includes policies on particular areas such as decision making, financial control, administration, HR including promotional policies, training, and miscellaneous expenditures and D&V aspects inclusive of disciplinary and administrative actions and penalties for breach of rules regulations inclusive of senior appointment roles at different levels. Another important aspect of internal communications is the establishment of a secure, confidential and accessible means for whistle-blowing and to establish a channel of communicate to raise concerns about bribery both against the personnel of the department and on the part of associated persons.

- (g) Continuous monitoring and periodic review- The changing operations and tasks often lead to changes in the bribery risks faced by a government department.. Therefore, the anti-bribery procedures that have duly been establish so as to overcome and mitigate the bribery threat would also require modification / revamp. Organisations therefore need to continuously evolve new and hi-tech monitoring and evaluation means and procedures to maintain the high state of effectiveness of their anti-bribery procedures. Inter-departmental co-operation and that with the government anti-corruption watchdog organisations assumes prime importance.
- (h) Internal Financial control systems should be clearly elucidated in the SOPs and strictly adhered to. These should include bookkeeping, approval of expenditure by sanctioning authority and auditing both internally and by an independent auditor earmarked by the D&V department. Any variations should absolutely be only with approval of HoD as per the organisational regulations / SOP and only after D&V clearance. Infect, Article 12 of the UNCAC recommends to significantly enhance the accounting and auditing standards, and also to establish strict penalties for non-compliance, which in a way calls for timely review and updation of these standards (UNODC 2004. 10).

Most important of all being that the D&V department must also audit the anti-bribery systems and controls every 6 months and the information be sent directly to Organisational HQs duly marked as “Confidential”. Regular feedback w.r.t. implementation of audit points and SOP updation be sought from subordinate HQs and Offices in a time-bound manner duly fixing the responsibility for an lapses.

## **IX. FUTURE SCOPE OF THE STUDY**

The above proposed “Principals and Procedures for Implementation” calls for an absolute “zero-tolerance” signal from top-level hierarchy in the government department that bribery is absolutely unacceptable. This is colloquially referred to as the “tone from the top”. The authors suggest that a documented approach of training programmes, records of financial transactions, receipt, records of visits of associated personnel of various organisations (governmental / public / private) and review of anti-bribery policies etc. would surely be of help to reflect upon the adequacy of procedures implemented and being observed.

It is further suggested that to avoid arbitrary treatment or formulating administrative or disciplinary action against an employee who commits bribery. an organisation must put in place a consistent and legally vetted disciplinary & administrative action procedure ranging from a simple warning to dismissal, depending on the gravity of the wrongdoing. Sanctions for senior management might also include personal liability.

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