

CORRUPTION matters

INDEPENDENT COMMISSION AGAINST CORRUPTION
May 2003, Number 22 ISSN 1326 432X

Please circulate this newspaper
Articles may also be reprinted

WHAT'S INSIDE	
Commissioner's Editorial	p2
Reaching the regions	p2
Profiling the NSW public sector	p3
Fact Finding - an introductory inquiry workshop	p3
Office of the NSW Ombudsman column	p4
ICAC news in brief	p4
Audit Office of NSW column	p5
In other news	p5
Speaking up	p6
ICAC scholarship program	p6
New resource on information security	p7
Information security checklist	p7
On guard against identity fraud	p7
Getting the message	p8
About Corruption Matters	p8

Hotspur — on the trail of bribery

A recent ICAC investigation, code-named Hotspur, has highlighted the potential for corrupt conduct in situations where demand for public resources greatly exceeds supply and where individuals have a high degree of discretion in allocating these resources.

In July 2002 the ICAC received a report alleging that a Client Service Officer of the Department of Housing had solicited a bribe from an applicant for public housing to ensure the applicant was approved for priority housing.

The ICAC investigated, and discovered a classic corruption risk situation.

Demand for public housing in NSW is high and there is a limited supply of available accommodation. In 2001-02, the median waiting time for public housing in NSW was 39 months.

Applicants whose need for public housing is assessed as particularly acute may be approved for priority housing. These applicants 'go to the top of the queue' – in 2001-02 the median waiting time for those

approved for priority housing was under two months.

Applicants for public housing have a very strong motivation to get themselves approved for priority housing, but the ICAC investigation found weaknesses in the Department of Housing's processes for assessing and approving applicants for priority housing and monitoring the decisions made.

continued on page 8

'The ICAC investigated, and discovered a classic corruption risk situation'

The case of the missing mammals

An ICAC investigation has uncovered the theft of objects of great scientific and historical importance from one of the country's leading cultural institutions.

In October 2002 the Australian Museum Trust reported to the ICAC that many rare and unique natural history specimens and artefacts had gone missing from the Museum's extensive collections.

After considering the Trust's report, the ICAC launched an investigation that lasted five months and included extensive covert surveillance.

In early March 2003, the ICAC executed four search warrants in Sydney, Newcastle and the NSW South Coast, taking possession of a substantial amount of property reasonably believed to belong to the Museum.

The items included many rare natural history specimens, including entire stuffed mammals, skeletons, animal pelts and bones.

While the unique nature of the material seized makes it difficult to establish a monetary value, the Australian Museum had prepared a substantial insurance claim for

the missing material, most of which appears to have been recovered.

A number of individuals, including an employee of the Museum, have been questioned by ICAC investigators.

ICAC investigators paid tribute to the Australian Museum staff involved in the investigation for their active cooperation.

'The Museum personnel involved needed to manage their normal business operations while simultaneously assisting the ICAC', said the head of the ICAC investigation team. 'It would not have been possible to get this outcome without their full co-operation.'

The ICAC's Corruption Prevention staff will work closely with the Museum to strengthen its systems to help it better manage such corruption risks in future.



Museum property recovered by ICAC investigators ranged from tiny skeletons of rare Australian mammals to this impressive specimen.





Commissioner's Editorial

Security in the information age

The momentous and tragic events of the past two years have given us all a new outlook on security. The noise of a passenger jet overhead or the sight of a crowded bar can trigger vivid, painful memories of terrorist attacks and their bloody aftermath.

Governments and corporations around the world have responded with new measures designed to reduce the physical security risks we face, but even seemingly innocuous information held by government agencies can play a central role in a terrorist attack.

In 1996, the Irish Republican Army plotted an unusual attack on the seat of British government power. A six-member Provisional IRA 'active service unit' planned to black out the entire city of London by blowing up carefully selected electricity substations.

The plan was uncovered by the police and intelligence services and the ringleader jailed for 28 years, but the story illustrates the critical importance of protecting government information.

In this case, information on an electricity distribution network was obtained and used to plan an attack that would have crippled a major city.

As our reliance on information technology increases, information itself becomes a valuable commodity... and a source of new threats.

Much attention has rightly been focussed on actual and potential terrorist attacks, but criminal networks, too, are adapting to the 'information economy', finding new ways to exploit government information networks for criminal purposes.

A 2003 study found that 'information compromise' is emerging as the most common form of police corruption in Britain, and ranges from inappropriate use of police information for private purposes to accidental or deliberate leaks of sensitive information to friends and associates, the media or to criminals.

The British study found that such information leaks are being exploited by criminals, who may actively gather information from friend and associates of police in order to keep one step ahead of police investigations.

Government agencies, too, hold much information that can be exploited for criminal or even terrorist purposes.

Identity fraud (see story on page 7) is becoming an increasing problem. Organised criminals have realised the value of stealing or manufacturing identities in order to more easily commit crimes such as money laundering, cross border crime and drug trafficking.

The process of stealing real identities and manufacturing false ones is made much easier if government agencies, particularly those involved in registration and licensing, do not have adequate controls.

Utility providers, for example, do not usually perform rigorous identity checks on their clients, but the bills they issue are commonly used as supporting evidence when applying for licences and other forms of proof of identity – another illustration of the way that any weak links in the information security chain can be exploited.

Like other counterpart agencies, the ICAC is responding to these new threats by emphasising the need for better information security.

One of our latest resources, a video produced in conjunction with the Office of Information Technology (see page 7), is designed to provide practical advice on secure handling of government information. The video emphasises the need to ensure information technology systems are secure, in line with moves to have government departments and agencies comply with the Australian and New Zealand Standard for Information Security Management.

However, our video also introduces a new term for an old problem. 'People hacking' is a tried and tested method of exploiting the weakest link in the information security chain – human behaviour. It's a useful reminder that in these troubled times we must all take information security seriously.

Reaching the regions

Public sector training, corruption risk reviews and advice sessions, community events and school visits are just some of the initiatives ICAC runs in its outreach program for regional NSW.

ICAC Rural and Regional Outreach Strategy (RAROS) started in 2001. The strategy aims to give non-metropolitan communities in NSW access to anti-corruption information, contacts and resources.

So far our visits have taken us to the North Coast, Far West, Hunter and Riverina regions. By the end of 2004 we will have visited every region of NSW.

RAROS training and briefing sessions are free and open to all public officials responsible for:

- running a corruption risk assessment
- introducing strategies to reduce identified corruption risks
- maintaining an internal reporting system for complaints and protected disclosures.

Briefings are offered to state and local government representatives about ICAC powers and functions, advice for managing conflicts of interest and the range of information resources available.

Information sessions for community leaders are also held, to raise awareness of public sector corruption issues and how corruption can detrimentally affect communities.

The next RAROS program will be held in the Central West region from 19 May to 23 May 2003. Most training and events will be held in Orange, while ICAC corruption prevention and education officers will visit other towns in the region.

Full details of the Rural and Regional Outreach Strategy, including the Central West RAROS program, are available on the ICAC website: www.icac.nsw.gov.au



Profiling the NSW public sector

In 2002 the ICAC conducted groundbreaking research on corruption risks within the NSW public sector.

The research examined the functions, corruption risks and corruption resistance strategies of over 260 public sector organisations, including departments, declared authorities, state owned corporations, area health services, universities and selected boards and committees.

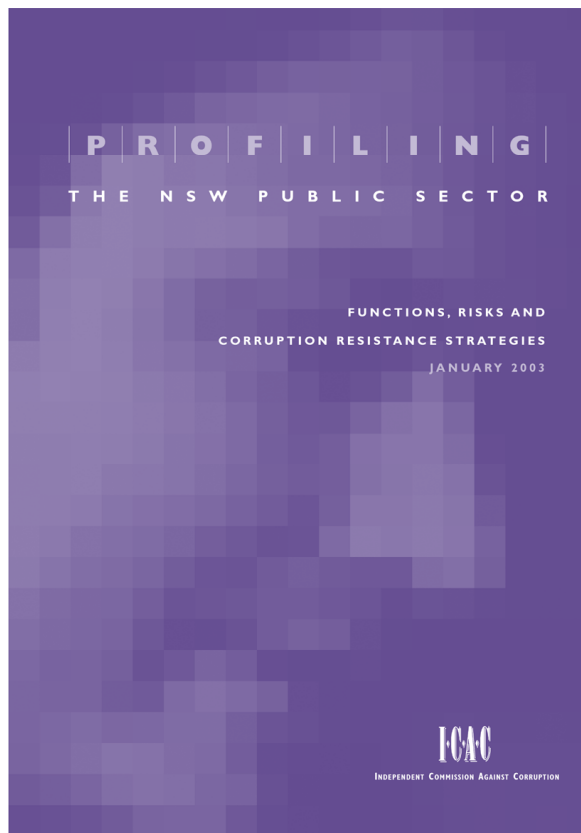
Chief Executive Officers and Chairpersons from 265 organisations and staff from 20 organisations completed detailed questionnaires in what the ICAC believes is the most comprehensive study of its type yet undertaken.

The results of the study were generally positive. Most public sector agencies have a broad range of corruption prevention strategies in place and almost two-thirds of agencies reported that they identify corruption risks and prevention strategies as part of their risk management arrangements.

Codes of conduct, which the ICAC considers are fundamentally important in building corruption resistance, are in common use; most organisations have a policy or procedures covering gifts and benefits; and most continuously record all expenditure on contracts to ensure they are managed effectively.

However, the research also identified some areas that need special attention in terms of corruption risk management.

Many smaller organisations, however, as well as a large number of boards, reported they never conduct performance audits, despite the fact that audit is widely recognised as an effective tool for detecting and deterring workplace misconduct, as well as identifying broader systems problems.



In the important area of information security (see stories on page 7), most organisations reported that they have procedures for managing external attacks and internal abuse of their IT systems, but less than half were confident of their compliance with the relevant Australian Standard.

The ICAC research also focused on 15 specific 'high-risk functions' – those that may put employees at greater risk of exposure of corruption. Chief Executive Officers and Chairpersons were asked whether their organisations undertake such high-risk functions as receiving cash payments, allocating grants of public funds, issuing qualifications or licences and inspecting, regulating or monitoring standards.

Most of the organisations surveyed do perform at least some of these high-risk functions (some as many as 13 of them!), a clear indication that no public sector organisation can afford to be complacent about managing corruption risks.

The ICAC has published the results of this research as *Profiling the NSW Public Sector: Functions, risks and corruption resistance strategies*, available online at www.icac.nsw.gov.au.

The research report identifies relevant resources and makes 29 specific recommendations to help organisations identify and manage the specific corruption risks they face and to build corruption resistance..

Organisations are encouraged to use the examples of high-risk functions in this report as an aid to identify their own corruption risks and to compare their own risks with the risks identified by similar organisations.

As well, the ICAC plans to use the findings of this research to identify specific areas of the public sector in need of assistance to build and sustain corruption resistance.

Fact Finding - an introductory inquiry workshop

The ICAC conducts workshops for public officials who have limited experience in the inquiry process but may be asked to conduct a staff inquiry in the near future. The workshops aim to reduce complex legal issues to understandable and useful advice.

The next workshop will be held in central Sydney on 3 July 2003.

Facilitator Don McKenzie, Principal Lawyer ICAC has 15 years' experience in the fact-finding process.

Register at the Institute of Public Administration of Australia (NSW Division)

Tel (02) 9228 5225 Fax (02) 9241 1920 Email: info@nsw.ipaa.org.au

Fees: \$594 Non IPAA member

\$561 for 3 or more people who book and pay together from the one agency

\$539 IPAA members

Organisations wishing to organise in-house workshops should contact Education & Public Affairs ICAC Tel: (02) 8281 5999. Fee: \$3,850, plus costs.

Saying sorry – apologies and civil liability

The common response to allegations of corruption is to focus on whether or not the allegations are true.

But what about the victims?

Victims of corrupt conduct or serious misconduct need to be listened to, understood, respected and, where appropriate, provided with an explanation and apology. At the very least, an apology acknowledges that the person's grievance is legitimate and that the agency is taking some responsibility for the problem.

The most effective apologies are given promptly and sincerely and should include :

- a description of the relevant act or omission
- an explanation as to how the act or omission came about
- an acceptance of fault, responsibility or accountability
- recognition that the affected person has suffered some detriment
- an expression of sorrow, sympathy or regret or of a general sense of benevolence or compassion
- a statement of the action taken or specific steps proposed to address the grievance or problem and to ensure it will not recur.

In the past, public officials were reluctant to give apologies as this could be taken as an admission of liability and leave them open to action through the courts.

However, amendments to the *Civil Liability Act 2002*, which came into force on 6 December last year, mean that an apology under the Act does not constitute an admission of fault or liability. Furthermore, evidence of an apology is not admissible in any civil proceedings as evidence of the fault or liability.

The Act applies to apologies made by any person or body in NSW, other than in certain circumstances where the civil proceedings relate to such things as liability for an intentional violent act done with intent to cause injury or death, loss or injury that arises from a motor accident or public transport accident.

Further guidance on redress can be found at http://www.ombo.nsw.gov.au/publications/Publist_pdfs/guidelines/Redress.pdf

The views expressed in this column are those of the Office of the NSW Ombudsman.

ICAC news in brief

Best practice in information security

On 10 February 2003 the ICAC became the third agency in NSW to gain full certification under the Australian and New Zealand Standard for information security management (AS/NZS 7799.2:2000). In 2001 the Premier's Department issued guidelines that all NSW Government departments and agencies need to make their information systems compliant with the Standard, which is designed to protect the integrity and confidentiality of information held by government organisations.

Oasis investigation report released

On 27 February the ICAC released its report into allegations of corruption relating to a proposed development at Woodward Park, Liverpool.

The investigation focussed on whether any person solicited or offered to make a donation to the Australian Labor Party in return for NSW Government support for the project and whether any Liverpool City Council officer or other person acted corruptly in relation to the development.

No findings of corrupt conduct within the meaning of the ICAC Act were made, but Assistant Commissioner John Slattery AO QC recommended that the Director of Public Prosecutions consider prosecuting one witness, Dr Stephen Larkin, for an offence under s.87 of the ICAC Act of giving false and misleading evidence.

New local government resources released

As part of its Local Government Strategy, the ICAC has produced two new publications that give practical advice on specific corruption risks facing this sector. *No Excuse for Misuse*, (published in November 2002), deals with preventing the misuse of council resources. *Taking the Devil out of Development; Recommendations for statutory reform* (published in December 2002) represents the ICAC's position on a number of legislative changes the ICAC believes are required to make the development assessment system more transparent and accountable. Both publications are available online at www.icac.nsw.gov.au

Employment at the ICAC

Interested in working at the Independent Commission Against Corruption?

The ICAC's principal functions are to investigate and prevent corruption in the NSW public sector. The ICAC employs individuals with a wide range of specialist skills, knowledge, ability and experience.

Specific employment opportunities at the ICAC are advertised in the Sydney Morning Herald, the NSW Government Gazette and other publications appropriate to the specific vacancy. Details of all positions are posted

on the ICAC website (www.icac.nsw.gov.au/whatsnew/job_vacancies.cfm) and the Jobs NSW site (www.jobs.nsw.gov.au)

Applications are only accepted in response to advertised vacancies. Applications may be made online through the Jobs NSW site.

Appointment to positions at the Commission is through a competitive merit based selection process combined with a stringent security vetting process. It is essential that applicants possess the nominated skills and experience outlined in the advertisement and the selection criteria provided for each advertised position.

Do we have your details?

The ICAC maintains contact with a wide range of individuals and organisations across the NSW public sector, including through distribution of *Corruption Matters* and other publications.

If your job title, position or work address has recently changed, please let us know.

Contact Sandra Walker by email (icac@icac.nsw.gov.au) or for changes to the *Corruption Matters* mailing list, please fill in the enclosed **Mailing List Update** form and fax or post it to us.

Your cooperation will help us keep you better informed.

Public accountability - making it real

The Audit Office's mission is to assist Parliament improve the accountability and performance of the State. Two key elements underlie the range of activities we undertake in pursuit of that mission.

The probity dimension requires that public sector activities should be undertaken legally and ethically. The performance dimension requires that government activities should achieve the desired results, and should do so in an efficient and economical manner.

Our financial audit process continues to be modified to give greater attention to aspects of probity, accountability, performance and waste. We also carry out compliance audits, and have been engaged for some years in developing performance auditing as part of the framework of public audit in New South Wales.

Our performance audits embrace the notions of accountability and transparency in looking at whether value-for-money is achieved in the delivery of government services.

Recently we passed the significant milestone of our 100th performance audit report (we are currently up to 107). These audits have addressed a vast array of issues of major public interest (in areas such as health, education and transport), as well as significant aspects of management (such as risk management and corporate governance). See our full range at <http://www.audit.nsw.gov.au/repperf.htm>

Making public accountability real is not always comfortable. But it is what Parliament demands, and is an essential feature of a democratic system of government.

Contact: Stephen Horne, Director Performance Audit on 02 9285 0078 or email at stephen.horne@audit.nsw.gov.au

The views expressed in this column are those of the Audit Office of New South Wales.

In other news...

INTERNATIONAL NEWS

Corruption fighter appointed PM of South Korea

The Chairman of Transparency International Korea, Goh Kun, was inaugurated on 25 February 2003 as Prime Minister of South Korea.

Seoul to host international anti-corruption events

In May 2003 South Korea will host both the 11th International Anti-Corruption Conference and Global Forum III on Fighting Corruption and Safeguarding Integrity.

This will be the first time that the Global Forum, a ministerial-level, intergovernmental conference and the IACC, the premier global forum for information exchange, training, agenda-setting and networking, are jointly held.

The 11th IACC, to be held in Seoul on 25-28 May, will include addresses by Mary Robinson, former UN High Commissioner for Human Rights, and Hans Küng, the Swiss theologian; the Transparency International Integrity Awards; Art for Transparency; Film for Transparency, and the Youth Forum. Further information, including registration details, can be found at www.11iacc.org.

Britain launches international anti-corruption drive

In September 2002, Britain's Prime Minister Tony Blair announced the establishment of the Extractive Industries Transparency Initiative. The initiative is designed to improve transparency and accountability in payments by oil, gas and mining companies to governments in developing countries, and prevent diversion of funds away from sustainable development purposes. The initiative is backed by several major extractive companies including BP, Shell, Rio Tinto, BHP Billiton and Anglo-American.

Hong Kong ICAC uncovers \$35m project scam

A complaint to the ICAC Hong Kong has led to two directors and a financial controller being found guilty of conspiring to defraud the University of Hong Kong in relation to the tendering of a \$35 million project for its new Medical Complex.

In his ruling the judge remarked that the fraud had impaired the reputation of Hong Kong as a level playing field and sentenced one director to eight months' imprisonment.

LOCAL NEWS

Focus on leadership

This year's state conference of the Institute of Public Administration (IPAA) NSW will focus on governance and leadership in the NSW public sector. The conference will be held at the Sydney Conference and Exhibition Centre on Thursday 15 May. Speakers include Dr Judy Johnston, a recognised international speaker with research interests in strategic management in the public sector.

For more information see the IPAA NSW website www.nsw.ipaa.org.au or contact IPAA on Tel 9228 5225, Fax 9241 1920 or Email info@nsw.ipaa.org.au

Corruption Prevention Network

On 11 September 2003 the Corruption Prevention Network will hold a forum on how to combat fraudulent schemes and scams in the context of new technologies and the increasing prevalence of identity theft. The forum, 'True Lies - Genuine Fakes', will be held at Dockside Darling Harbour. For more details check the CPN website www.corruptionprevention.net, email the CPN at cpn.corruptionprevention.net or call Ken Robertson on (02) 9980 1236.

Serious fraud in Australia and New Zealand

The Australian Institute of Criminology and Pricewaterhouse Coopers have just released Serious Fraud in Australia and New Zealand, based on a statistical review of some of the most serious fraud cases dealt with by Australian and New Zealand courts in 1998 and 1999. The study provides important new information on how serious fraud is perpetrated, how much money is at risk, who the offenders and victims are and the manner in which the cases are dealt with by the courts. The findings confirm that serious fraud in Australia and New Zealand is both prevalent and costly, while the application of criminal justice responses raises many challenging investigatory, legal and practical issues. For further information about this publication, including ordering details, visit the Australian Institute of Criminology website, www.aic.gov.au/publications/rpp/48/

Speaking up

Public officials are often the first to become aware of corrupt conduct, maladministration or serious and substantial waste in the public sector, but they may face some risks and dilemmas in reporting conduct that may involve their colleagues and bosses.

The *Protected Disclosures Act 1994* was introduced to encourage NSW public officials to report such behaviour by enhancing reporting procedures, protecting those who make disclosures from reprisals and providing for disclosures to be properly investigated and dealt with.

The Act is designed to protect those who make disclosures in the public interest and should not be confused with other procedures that exist to resolve personal grievances.

Things to consider carefully before making a protected disclosure

- ✓ your disclosure must be a serious matter about public administration concerning corruption or maladministration or serious and substantial waste
- ✓ be discreet at all times – don't tell anyone outside of official reporting channels of your intention to make a disclosure
- ✓ seek advice from the NSW Ombudsman or the person in your agency or council that deals with protected disclosures. Be careful who you seek advice from or give information to. You may not be protected under the Act if it is not made to the people identified in your workplace internal reporting system or one of the accountability bodies.

A disclosure **is not** covered by the Act if:

- ✗ it is frivolous or vexatious
- ✗ it is made to avoid dismissal or disciplinary action
- ✗ it is intentionally false and/or misleading
- ✗ it questions the merits of government policy
- ✗ you break the law to support your disclosure

Making a protected disclosure

Protected Disclosures can be made to your agency's Protected Disclosures Coordinator, to your CEO or to the agencies listed below

Other important facts about protected disclosures:

- ! your identity may become known during an investigation but all steps should be taken to keep it confidential
- ! it is an offence to take detrimental action (including dismissal or disciplinary action) against a person because he/she has made a protected disclosure

Need more advice?

1. download *Thinking about blowing the whistle? How to make a protected disclosure* from www.ombo.nsw.gov.au or www.icac.nsw.gov.au;
2. telephone the NSW Ombudsman for advice about making a protected disclosure; or
3. talk to the person in your organisation responsible for dealing with protected disclosures.

Making a protected disclosure:

about **CORRUPTION**

Independent Commission Against Corruption
GPO Box 500, Sydney NSW 2001
Tel: 8281 5999 or 1800 463 909 (toll free)
Fax : 9264 5364
Email: icac@icac.nsw.gov.au

about **MALADMINISTRATION**

NSW Ombudsman
Level 24, 580 George St, Sydney NSW 2001
Tel: 9286 1000 or 1800 451 524 (toll free)
Fax: 9238 2911
Email: nswombo@ombo.nsw.gov.au

about **SERIOUS AND SUBSTANTIAL WASTE** of public money

State agencies contact:

Auditor-General
GPO Box 12, Sydney NSW 2001
Tel: 8285 0155 Fax: 9285 0100
Email: mail@audit.nsw.gov.au

Local councils contact:

Director-General of the Department of Local Government
Tel: 4428 4100 Fax: 4428 4199
Email: dlg@dlg.nsw.gov.au

about corrupt or serious misconduct by a **POLICE OFFICER**

Police Integrity Commission
111 Elizabeth St, Sydney NSW 2001
Tel: 9321 6700 or 1800 657 079 (toll free)
Fax: 9321 6799
Online: www.pic.nsw.gov.au/Complaints.asp

ICAC SCHOLARSHIP PROGRAM

The ICAC is offering scholarships for senior public sector managers to attend the **Corruption and Anti-corruption** course at the Australian National University (ANU) from 25 August – 5 September 2003.

The Corruption and Anti-corruption course

This unique 2 week course attracts participants from around the world. Participants will increase their understanding of corruption and develop practical strategies for investigation and prevention.

An ANU graduate course award is given for satisfactory completion and the course can count towards further degree studies.

The ICAC scholarship

The scholarship covers the ANU course fee (\$4,400).

The scholarships will be offered to senior employees of the NSW State and local government sectors. Scholarships will also target employees from rural and regional NSW.

For further information about selection criteria and a brochure contact Sandra Walker on 02 8281 5772 or Gina Ross on 02 8281 5710 or visit the ICAC web site at www.icac.nsw.gov.au



ICAC SCHOLARSHIP PROGRAM

CORRUPTION AND ANTI-CORRUPTION



New resource on information security

In the information economy, information itself has become a valuable asset, and one which must be protected. As new technology introduces new ways of doing business in the information economy, though, it has also introduced new corruption risks.

The Department of Information, Technology & Management and the ICAC have recently collaborated to produce a video that will help public officials ensure that the valuable information they deal with is handled securely.

{I Wish}It Wasn't Me is a staff training and refresher video that covers a range of information security risk areas and provides practical tips for managing these risks.

Copies of this video are being sent to CEOs in the NSW public sector and their respective IT sections.

The 22 minute video includes a range of practical tips relevant to all public officials that handle sensitive information.

INFORMATION SECURITY CHECKLIST

Passwords and logging on

- Never give ANYONE your password for ANY reason
- Work done by anyone logged in with your password is YOUR work
- Your password identifies you. Make sure it's secure:
 - Don't use your own name
 - Don't make it simple
 - Use a combination of letters, numbers and characters
 - Don't make it the same as your username
 - Don't use personal information
 - Don't write it down

Email

- Do not open suspicious emails or attachments
- Use the BCC field for multiple addressees
- Check all addresses before sending

Internet

- Set your privacy and security settings to high
- Regularly clean up 'cookies' etc

Software

- Always scan new software for viruses

Hardware

- Personal modems are forbidden on office computer systems
- Private wireless LANs (local area networks) are forbidden

Saving work

- Save onto the network server rather than your hard drive

Clear desk

- Label and secure sensitive files and media
- Tidy up personal information
- Don't leave confidential material on printers or fax machines
- Accompany visitors to the workplace

Logging off

- Log Off when away from your desk
- Log Out at the end of the day
- Beware of 'shoulder surfers'

Physical

- Check that 'repairs' or hardware you did not request are authorised
- Politely challenge strangers in the work area

Storage and destruction of information

- Follow destruction procedures for your work area
- Do not discard sensitive material in waste paper bins

Outside the office

- Home PCs' virus service and firewall should be always on and regularly updated
- If transferring work from home to your office, use email rather than disks

Laptops

- Make sure they are password-protected
- Save work onto removable media and delete files from the hard disk
- Store removable media separately from the laptop
- PIN-protect electronic organisers and mobile phones
- Hide or encrypt any stored passwords

On guard against identity fraud

A 2002 study by the Australian Bureau of Criminal Intelligence reports that personal information has become a valuable commodity for organised crime.

The study, which involved all State and Territory police services, other law enforcement agencies, regulatory bodies and selected Commonwealth and State agencies, found that fraudulent and stolen identities are being used to support a large number of criminal activities throughout Australia.

Criminals are targeting document issuing agencies and stealing equipment to manufacture drivers' licences, using professional printing businesses to produce high-quality fraudulent documents in bulk, stealing personal details by infiltrating call centres and committing house burglaries specifically to steal personal documentation.

This information is then being used to facilitate such activities as money laundering, drug trafficking and various forms of cross border crime.

Law enforcement agencies throughout Australia recognise the seriousness of the problem and are working on coordinated responses to detect and share information on fraudulent and stolen identities.

There is also an important role for public sector organisations, though, which hold information on individuals and which are often involved in issuing the documents which are used to establish or verify a person's identity.

Such documents include birth certificates, driver's licences, tertiary and other educational qualifications, land titles and various utility provider accounts. These documents are in turn used to obtain further, 'higher-level' proof of identity such as passports.

While NSW driver's licences, for example, incorporate several security features to prevent unauthorised production, some of the the documents used to substantiate applications for a licence are more easily falsified or reproduced as they don't contain sophisticated security measures.

Utility bills and student identity cards are also commonly used as proof of identity documentation, but rigorous identity checks are not always made before such documents are issued.

The ICAC's recent survey of functions, risks and corruption resistance strategies in the NSW public sector, *Profiling the NSW Public Sector* (see story on page 3), revealed a high level of awareness throughout the sector of the risks associated with the use of confidential information and the use of agency resources, materials and equipment.

Clearly, agencies which issue proof of identity documentation need to pay particular attention to these risks.



Getting the message

In 2000 the ICAC commissioned research to identify obstacles preventing people from non-English speaking backgrounds from reporting corruption to the ICAC.

The research was undertaken to identify reasons for the low level of corruption reporting by people of non-English speaking background (NESB).

The research, which was completed in 2001, identified a number of specific obstacles, including:

- lack of awareness of the ICAC and its role
- lack of trust in government institutions
- belief that corruption is a standard procedure for dealing with public officials
- fear of discrimination if someone complains.

In response, the ICAC has developed a multifaceted strategy to encourage people of non-English speaking background to report



corruption to the ICAC. The strategy also reinforces the message that bribery and fraud are illegal in NSW.

One of the main components of the strategy is the pilot of new multilingual resources that provide information on the role of the ICAC and how to report corruption. Posters and postcards in 11 community languages will be on display and available at key public sector agency shopfronts, selected on the basis of their importance to NESB communities.

The strategy also includes a media focus, encouraging ethnic media to include public education content on corruption and ICAC in their editorials and programming.

For more information, contact Bill Kokkaris, Senior Project Officer, Education and Public Affairs, ICAC Tel: 02 8281 5877 Email: bkokkaris@icac.nsw.gov.au

continued from page 1

Hotspur — on the trail of bribery

At the time of the ICAC investigation, the Department's Client Service Officers were primarily responsible for assessing and approving applications for priority housing, but there were no standardised forms or checklists in use (though some regional teams developed their own) and no formal requirements for Client Service Officers to keep records of interviews with applicants. Client Service Officers' recommendations to approve applications were subject to review by their team leader, but there were no specific guidelines for conducting such reviews.

The ICAC investigated claims that a Client Service Officer working in a high-demand regional area had sought a bribe from an applicant for public housing, offering to expedite the applicant's priority housing application in return for a cash payment of \$8,000.

The ICAC is about to hand down a formal report on its investigation, together with any recommendations that the Director of Public Prosecutions consider laying charges against individuals investigated, but the Hotspur investigation has already produced significant results.

The Department of Housing has responded by implementing a range of initiatives to deal with the corruption risks and procedural weaknesses identified as a result of this investigation. The Department is reviewing its controls on key products, including priority housing; revised its policies and procedures for allocating priority housing; and commenced a program of client and community awareness initiatives to promote the message that bribery equals crime (see story above). Department of Housing application forms now include statements that staff must not ask for or accept inducements to provide services for clients.

The Hotspur investigation also has a message for other public sector agencies responsible for allocating scarce resources.

These agencies need to ensure that they provide appropriate support and guidance to individuals who are making decisions about the allocation of these resources, so that these decisions are made in an equitable, consistent and transparent way.

The agencies also need to have mechanisms in place to review and audit these decisions so they can identify any trends which may suggest potential corruption, and also provide comprehensive training to staff so they understand and comply with the organisation's values, policies and procedures.

It is only by integrating all these strategies that agencies can address significant corruption risks.

**All ICAC
publications are
available on the
ICAC website
www.icac.nsw.gov.au**

About Corruption Matters

Corruption Matters is produced twice a year by the Independent Commission Against Corruption to raise awareness in the public sector and the wider community about corruption-related issues. It has a circulation of 13,000. Contact Education and Public Affairs, ICAC (02) 8281 5999 with comments about *Corruption Matters* or if you would like to go on the mailing list.

Editor: Peter Richardson Design: Carolyn Cecere Printer: Spotpress Pty Ltd

You are welcome to use articles from *Corruption Matters* for your own agency. We particularly encourage you to reprint articles in your own publications, with the following acknowledgement: 'This article originally appeared in *Corruption Matters*, a publication of the Independent Commission Against Corruption.' ICAC, Level 21 133 Castlereagh St, Sydney, GPO Box 500, Sydney 2001. Phone (02) 8281 5999 toll free 1800 463 909. icac@icac.nsw.gov.au

