



## CORRUPTION: DOES IT CONCERN YOU?

*"Corruption was endemic. There was an ocean of fraud at the highest level. Every day I found something new."*

*-Eva Joly (France)-*

### INTRODUCTION

If Eva Joly made the statement in the above quote with reference to a first world country, what would she say about Sri Lanka, which is a third world country? However, in any country if the methods followed in the enforcement and enactment of laws ensure a careful and correct administration of resources – human and material – and maintain that the stakeholders follow suit, the risk of paving way for corruption can be reduced.

Taking this possibility into account, this paper attempts to provide a multidimensional picture of corruption as it is experienced in Sri Lanka, in general, and to study the ways of updating the exercise of the existing Bribery and Corruption Laws in Sri Lanka with a view that corruption can be prevented or reduced by good administrative practices.

### CORRUPTION IN THEORY

The common perception of corruption is that it is a practice that is debased and impure, or that it is an act of criminality. Indeed, corruption as it relates to human behaviour can be all those practices that are debased, impure, and criminal. The Chamber's Dictionary defines corruption as rottenness: putrid matter: impunity: bribery.

The definition of corruption according to the Swedish International Development Co-operation Agency - SIDA is:

*Corruption occurs when institutions, organisations, companies or individuals profit improperly through their position in an activity and thereby cause damages or losses. This includes giving and receiving a bribe<sup>1</sup>, extortion<sup>2</sup>, favouritism and nepotism<sup>3</sup>, as well as embezzlement<sup>4</sup>, fraud<sup>5</sup>, conflicts of interests<sup>6</sup>, and illegal monetary contributions to political parties<sup>7</sup>.*

On the basis of these definitions, corruption often figures as a criminal act. The concept of corruption is used here in a wider sense as obtaining undue gain through one's public position and thereby causing detriment or loss to the existence of the public. Further, corruption is commonly defined as "the misuse of public power for private profit". This involves behaviour on the part of officials in the public sector, be they politicians, civil servants, policy makers, or administrators, or those who are closely connected with them, through which they improperly and unlawfully thrive by the misuse of public powers vested in them.

On the basis of their sizes and the degrees of their afflictions upon society, practices of corruption are classified. The first category of corruption-conventional bribery or petty corruption occurs when a public official demands or expects 'speedy money' or 'grease payments' for carrying out an act which s/he is normally required to do by law, or when a public official provides forbidden services unlawfully to a client on payment of a bribe.

The Second Category of Corruption-grand corruption occurs when a high profile government policy maker or decision-maker seeks quid pro quo payment, usually off-shore in foreign currency, for exercising the extensive arbitrary powers vested in him/her.

Moody-Stuart (1997, page 42) has identified five main categories of supply to government in respect of which grand corruption plays a significant role. They can be presented, in a descending order in terms of pecuniary values:



1. Purchases of aircraft, ships, military equipment, and telecommunication systems.
2. Purchases of capital goods required for major industrial projects.
3. Major civil engineering contracts such as in respect of dams, bridges, highways, airports, harbours, and hospitals.
4. On-going purchases of bulk supplies, such as oil, fertilisers, and cement, where distribution is through a parasite company, or where there is a need for standardisation, such as repeat orders for pharmaceuticals and school textbooks.
5. Consultant fees, the usual beneficiary being the public official whose sole responsibility is to select the consultants.

At the Global Forum on Fighting Corruption and Safeguarding Integrity in The Hague - 2001, discussions were held in detail on the definitions, procedures, and effective methods of combating corruption. Lessons and insights could be adopted from what they agreed upon in a national-level to fight against corruption in Sri Lanka. The forum concern reads as:

*The Spread of corruption, which is a virus capable of crippling governments, discrediting public institutions and private corporations and having a devastating impact on the human rights of the population, and thus undermining society and its development, affecting, in particular, the poor and helpless sectors of society.*

Usually, in institutional contexts, corruption is implied when an agreement between an organisation and a government (governments with international donor institutions etc.) has been violated and when a country's laws and ordinances, which regulate the behaviour and activities of its citizens and officials, have been transgressed. In fact, the popular impression encountered is that corruption is more common in the developing countries than in the developed countries but there is not enough evidence to establish a certainty in favour of this. Cases such as the Enron scandal help to establish that corruption exists in all countries but is interpreted in different ways in different environments. In the developed countries it is often the complexity of the laws and regulations and the sophisticated computerised administration, which create opportunities for advanced forms of corruption that are too subtle to be detected. In contrast, in the developing countries corruption often appears in simple forms far easier to detect. Unfortunately, in many developing countries there are no solid and competent administrations with effective control apparatus, which can deter and prevent irregularities.

However, more countries show interest in achieving democracy, openness, transparency, and confidence in public institutions as the value of obtaining insight into public activities is in the process of gaining importance. Accordingly, there is still a great risk of the discovery for those who wish to use the system for their own gains. But this is not always the case. Instead in many countries the rules and institutions of society are in a process of disintegration and it leaves room for those who are prepared to feather their own nests. Sometimes this is taking place in consonance with and in consequence of the concentration of political and economic power in a small group of people who have the support of the police, the armed forces and the politicians.

## **INSTANCES OF CORRUPTION**

The corporate sector has been widely identified as fuelling and contributing to a vicious circle of public and private sector problems. This occurs due to failures in the payment of taxes, in the delivery of a decent public service, and in the enforcement of financial regulations. Thus banks and state-sponsored financial and insurance companies have been the chief targets of private sector corruption. In the appropriation of finances there occur two types of corruption:



## **Siphoning of Funds**

One example is that building materials have been budgeted but the funds are used instead for entertainment and for improvements on the project manager's official house and garden and the expenditure is then entered on the account for building materials. To discover this type of irregularity a comparison must be made between the financial reports and what has actually occurred. Therefore it is necessary to engage a specialist, for example, an auditor to make reconciliation between the figures and the actualities.

## **Falsification of Accounts and Ledgers**

The first instance of this occurs in the administration of funds. Payments are received by the person who appropriates the money without providing a receipt or entering the payment in the accounts. Payments are made on the basis of false invoices that come from suppliers who are in collusion with the paying officer. Double payments are made by using the original invoice first and thereafter its copy as the basis for payments. Money is taken from the petty cash collection or withdrawn from the project's bank account and then the withdrawals are concealed with false vouchers or incorrect bookkeeping. Credit notes are not recorded in the accounts and instead an employee for private purchases uses them.

The second instance of this occurs in procurement and tender procedures. Procurement officers receive bribes from suppliers and go for substandard purchases for exorbitant prices.

The third instance of this occurs in the recruitment of personnel and the misuse of wage money, labour and public amenities. Personnel are recruited through personal contacts, kinship, or bribery. Sometimes non-existent hands are included in the payroll and those who have arranged this situation appropriate their wages. Sometimes officials misuse the project resources, for example, office spaces, secretaries, departmental equipment, communication facilities, and vehicles for unofficial purposes or to run their private business.

Though the emphasis in these instances is on persons obtaining undue gains, the final result is a substandard administration that always provides a breeding ground for corruption. Corruption is often associated with administrative disorder and poor control. A genuine spirit of democracy combined with fair and just legislation and openness in the work of public bodies counteract corruption but in many institutions this is a lacuna. There is often a connection between substandard administrations and corruption.

## **Substandard Administration**

In most activities there is a set of administrative rules, which apply to everybody from the top management to the lowest level in the organization in order to ensure that everything is done efficiently and correctly. If everyone follows the rules, the danger of corruption is slight. In an activity with substandard administration, disorder comes to the fore. This makes it more difficult for those who want to do a good job, and makes it easier for those who have dishonest intentions. In brief, an activity can suffer partly through corruption and partly through substandard administration. This increases the danger of corruption and decreases the benefit the activity is due to provide according to its plan. Therefore, the exercise of control on public project activities includes both preventive measures and follow-up procedures.

## **VIOLATION OF HUMAN RIGHTS**

When administrative authorities fail to curb or contain corruption, they also fail to fulfil its obligation to promote and protect the fundamental rights of the people. There is a complex relationship between corruption, terrorism, money laundering, and political decay. This amounts to disturbance of people, which amount to an infringement of the basic rights of the people.



According to Nihal Jayawikrama (1998), there are three categories of corruption amounting to the infringement of fundamental rights of the people:

### **Corruption perpetuates discrimination.**

Discrimination is a fundamental concept in fundamental rights and is recognized in both the Universal Declaration of Human Rights (UDHR) and the Fundamental Rights Chapter in the 1978 Constitution of Sri Lanka.

When a person offers a bribe to a public officer (whether in the form of money, excessive hospitality, or benefit in kind), and that bribe is accepted, he/she immediately acquires a privileged status in relation to the other persons, who are similarly placed but have not offered any such gratification. In other words, preferential treatment secured by a bribe to a public official is corruption, which constitutes discrimination.

### **Corruption prevents full realization of economic, social and cultural rights.**

It is internationally recognized and nationally accepted and promised to guarantee the maximisation of the availability of resources. This exists with a view to achieving the full realization of rights (defined in the covenant) by all appropriate means, including particularly the adoption of legislative measures (Article 2- ECOSOC).

On the one hand, when the discretion is 'sold' (by the authorities that are responsible in decision making) such decision prevents the full realization of rights (defined in the ECOSOC). Because the commitment, which comprises 'obligation of conduct' and 'obligation of result'. On the other hand, the full realizations of such rights are being hampered when substantial portions of national resources are diverted into individuals. It has been reported that the amount held in Swiss Banks on behalf of African leaders alone is in excess of US \$ 20 Billion (Transparency International Report-2002). Corruption continued to pervade every aspect of economic and political life.

### **Corruption leads to the infringement of several Civil and political rights**

Most of the rights guaranteed under the ICCPR, ECOSOC and UDHR, and also the Fundamental Rights Chapter in the 1978 Constitution being violated when an administrative decision is taken with greed, and a corrupt mind.

When the administrative decisions involve in the exercise of discretion, the degree of infringement of fundamental rights is very high. When that is done with an intention to cause wrongful loss or gain the corruption is inevitable. Some of the areas where such discretion is used are ministries, local government bodies, and law enforcement institutions. Their behaviour in decision making, when corrupt, infringes the peoples right to life, equality, work, self-determination etc.

Every individual is equal before the law and should be given equal protection of the law (Article 26 ICCPR, Article 11 1978 Constitution Sri Lanka). Any distinction made without a rational or reasonable basis, by a public official discriminate those who are in the same category and thereby violates their fundamental rights. A difference in treatment thus occurred has no objective or reasonable justification, nor does it pursue a legitimate aim. It constitutes discrimination. This is corruption. It continues to destroy trust in the public officers as well as in the private sector institutions. It is a systematic problem and therefore means to fight it must also be comprehensive and systematic.





## **PREVENTION OF CORRUPTION**

For the purpose of preventing corruption, in accounting and auditing theory, there are clear definitions of 'good practices,' principles, standards and professional ethics. In the area of procurement it is advisable to use these good business practices. However, there is no established concept of 'good governance' or 'good administration'. But good administration has been treated as good administrative practice, which is the key concept in countering corruption. The word 'administration' is often used as an overall and collective concept for the way in which a public sector agency or an organization functions and for the organization and management of such an institution's operations. The concept of good administration or good administrative practice includes concepts that are realised at two levels.

### **Good governance at the macro or society level**

This concept includes among other things that the central government apparatus shall work responsibly, democratically, and transparently (in accordance with the principle of public access to official documents), promote social development, democracy and human rights, be service-minded, and be at the service of the citizens. As a result of good governance, social and economic goals for the citizens are achieved more transparently.

### **Good management of human and material resources at the micro or operational level**

This means openness, responsibility and efficiency in the implementation of activities and includes competent planning, coordination, leadership, organization and control. Good governance constitutes a goal in itself, partly to create the benefits, which the citizens expect and for which, in certain cases, they pay taxes or charges, and partly to counteract corruption. Good administration is essential if good governance shall be transformed in practical action.

It is important to note that control is an integral part of administration. There are many different methods of exercising control. The main method is by auditing. The audit instrument is many sided and extensive, and auditing is something of a science. Good administration has a direct connection with efficiency, for example, it relates to the good hierarchy of the different activities.

Safeguarding integrity is not only a matter of enacting correct laws and establishing an independent, effective, and efficient judiciary, but also a matter of requiring changes in attitudes and long-standing practices by various sectors of society.

## **ESSENTIALS OF AN ANTI-CORRUPTION CAMPAIGN**

Corruption could be defeated through many ways. Among other things integrity, transparency, and accountability are important to any society. Further freedom for information and prompt accurate flows of information are not enough. Vigilance of the media, bravery of investigative journalism, and the civil society play a vital role in the fight against corruption. In an anti-corruption campaign, regulations against the misuse of power must be used in their full strength. Restoring trust in public and private institutions must involve access to information to promote transparency, perhaps the most important weapon against corruption. The following are some suggestions as tools in an anti-corruption campaign.

### **Promoting Good Governance**

Anti-corruption efforts must always play an integral part of promoting good governance including a sound financial and legal control system.



## **Proper Legal System**

A legal framework is necessary to obtain the rule of law in administrations, in order to guarantee disclosure and transparency. This also prescribes the conditions for political financing. Law enforcement institutions are crucial for the struggle against corruption, at the same time integrity of these institutions is essential for the credibility of that struggle. The UN Conventions against corruption are important for bridging the gaps between national and international legal systems; particularly if existing frameworks and experience are taken into account.

Sri Lanka bucked the trend by neither proposing new legislation nor making plans to create independent anti-corruption institutions. Instead, the recently elected United National Front Government (December 2001) showed its intentions to establish a committee in every ministry to review waste and corruption.

## **Good Administrative Practices**

Best practices in the fight against corruption are integrity and governance, law enforcement and Customs. The government and the private sector for better results should practise these. Integrity in administration is crucial to the achievement of good governance and demands the continuing commitment of leadership at political and all official levels.

Functions such as procurement, financial administration, and internal control, which are particularly vulnerable where the risk of corruption is concerned, should specially be paid close attention.

Hence all activities, which involve finances, should be audited in the first place. This provides a control over both the finance and the administration. Those controlling procedures should be according to the legal framework regardless of who is responsible for the transfer of resources. It shall be done on the clear instructions and with great care. Regular reports on the progress are another step in control. This could be done quarterly or every half yearly or what has been agreed upon or at any time the authority feels to do so. At times, deviations from the initial plan may be necessary. That has to be monitored and also in conformity with the original interests. The deviations should be clarified.

## **Civil Society**

Civil society and international institutions fight corruption on many fronts. Most significantly there is a dire need for sustained pressure on governments to initiate the judicial and legislative reforms that strengthen public entitlement to accountability. The independence of national anti-corruption institutions remains an issue overriding concern of the civil society. The pressure to appoint independent ombudsmen is common in such movements. Grave concern on legislations on freedom of information is another vital area for the civil society movements.

However civil society organizations face significant constraints. There is a wide spread perception that civil society is "donor-driven", unaccountable and financially non-transparent. Retaining autonomy, engaging in constructive criticism and monitoring outcomes against official claims are some of the major challenges facing civil society anti-corruption movements.

The civil society's efforts to combat corruption are buttressed by the work of investigative journalists. For Example Carlos Alberto Cardoso, an investigative journalist in Mozambique was assassinated in November 2000 while investigating the largest banking fraud in the country's history.



## Investigative Media

Independent and investigative media have a vital role to play in the elimination of corruption. For example, in the Middle East, some government ministers own many TV stations to cover up conflicts of interest. Journalists in the region continue to face imprisonment for criticizing the political leadership, and most of the region's legislatures are yet to draft, pass and implement freedom of information laws. Political pressure and inappropriate relationships with public figures are not the only factors that stand in the way of maintaining high journalistic standards. Yet we must also bear in mind that there is an abundance of cases in which the media neglect their role of watchdog and instead nurture unsuitably close ties with political and military leaders. In this case the media is not likely to expose corruption.

## ANTI-CORRUPTION

### Communication - Doctrine of Whistle Blowing

Whistle Blowing is the voluntary disclosure, by a member, officer, employee or an agent of an organization, of malpractice (whether, actual, suspected or anticipated) within that organisation. Whistle blowing is intended to remedy some past wrongdoing and or to prevent its recurrences. In both Australia and the USA, there are Whistle Blower Legislations, but effectiveness of such legislation is still under study.

People who wish to expose corruption often resort to anonymous letters. If the whistle blowing encouraged, then people will not resort to such politics and practices, which are not ethical. However, if the whistle blowing is worth encouraging, then it cannot be misconduct, hence could not result in penalty. This is a new phenomenon that needs to be cultivated in a society, where such whistle blowing is considered as illegal, immoral and unethical.

However, the law prohibits such actions in many occasions in Sri Lanka. For example, Section 16 of the Sri Lanka Press Council Law, No.5 of 1973, prohibits any newspaper to publish any part of the Cabinet proceedings, any document sent by a Minister to the Secretary to the Cabinet, and vice versa, and any matter which purports to be a Cabinet decision. Even if the publication was bona fide with the object of exposing malpractice or corruption, the law makes it an offence punishable with imprisonment.

Even the exposure of malpractices in the public interest appears to be prohibited when the Chapter XLVII of the Establishment Code of Sri Lanka prescribes norms of conduct applicable to all public officers. Section 6 of this chapter authorises with discretion as to what should be supplied to the press or as the public information regarding the particular government department. However, it does stipulate restrictions on such discretion if such information embarrasses the government as a whole or any department in particular, forbidden interviews, communications directly or indirectly disclose any such information going through his official duties. These provisions appear to prohibit the disclosure even of the truth in regard to malpractice and corruption in the public sector, even where the public interest demands exposure. Employees are bound by the contract they sign to ensure secrecy in regard to the employer's affairs even after the employment has ceased. This is a broad prohibition on the exposure of malpractice and corruption.

These provisions not only fail to encourage the whistle blowers but expose them to disciplinary actions. Justice Mark Fernando explains in his speech on "Is whistle blowing an exercise of a fundamental right to freedom from corruption", why whistle blowing should be encouraged, if so what are the legal, ethical and moral consequences of doing so.



## **Need for an Anti-corruption Agency**

In a system in which corruption is endemic, conventional law enforcement mechanisms may themselves harbour corrupt officials and they will tend to lack the sophistication and expertise essential for the task. The establishment of independent bodies to oversee, to control and to enforce the integrity of public administration and to ensure the systematic reporting and auditing of political funds should be considered. Outstanding examples of successful anti-corruption agencies are to be found in Singapore, Hong Kong, Botswana, Malawi, South Africa and Australia. One factor is common and clear in each of these countries. That is the commissions have been enjoying the high levels of political and public support. They also have adequate research abilities and have adopted not only rigorous investigative programmes of prevention but have made the public aware of what is happening.

To operate successfully, an Anti-corruption Agency must possess the following:

- (i) Committed political backing at the highest level of government.
- (ii) Political and operational independence to investigate even at the highest levels of government.
- (iii) Adequate powers of access to documentation and to question witness, and leadership, which is seen as being of the highest integrity.

In setting up the Agency the following should be considered:

- (I) An anti-corruption Commission may not be independent if it can come under political direction and be used as a weapon to attack critics.
- (II) The agency can itself become an institution for extortion and corruption.
- (III) The agency should be kept as small as possible in order to minimise the chances of the agency itself becoming a centre of corruption simply through the probability of numbers.

The procedures set up in Singapore and Hong Kong can be taken as examples in drafting the relevant legislations.

## **Anti-Corruption Policies and Procedures**

Many activists in anti-corruption movements suggest opening up of public accounts to independent scrutiny. However this should be done with carefully drawn rules and regulations. Civil society organisations have begun to organise themselves more effectively, especially in many countries on the African Continent. Throughout the world, the public has suffered a tremendous loss of confidence in politicians. Trust in political parties is lower than in any other public institution. Hence, the policies and procedures should be clear to every one and also be implemented at all levels.

## **Enforcement of Criminal Law**

The need for clear definitions of national criminal law including corruption offences is vital. Broad scope of corruption offences and punishments in national legislation should necessarily include internationally committed offences of corruption. Further, the need for the government to make available adequate resources for investigation and prosecution of conception offences as well as for international cooperation in corruption cases.

Today Sri Lanka faces major crisis in both investigation of corruption and law enforcement. There can never be a society, which is both free, and wholly corruption-free, but levels of corruption can be kept to tolerable levels, if the society is committed. Asian Development Bank-Organisation for Economic Co-operation and Development (ADB-OECD) Anti Corruption



initiative for Asia-Pacific in Tokyo in November 2001 recommended to the signatories to commit to the development of an anti-corruption action plan and an evaluation of implemented reforms within 18 months. Sri Lanka is not a signatory in this initiative. This action plan requires signatories to address three pillars of anti corruption activity, namely improvements in the civil service, reduction of bribery and closer involvement of civil society.

The anti corruption strategy adopted by President Olusegun Obasanjo of Nigeria (Keynote address, Corruption, Democracy and Human Rights in West Africa, Africa leadership Forum, Cotonou, September, 1994) will give an inspiration to Sri Lanka in its fight against corruption. In this strategy there are four distinct limbs:

- (i) Leadership (code of conduct for Ministers)
- (ii) Institutional strengthening and reforms
- (iii) Strengthening of Laws, practices and procedures
- (iv) Wider environment- civil society, private sector involvement

Finally, it is important to mention here the attitude of the most powerful development institutions that are monitoring the funds granted to the developing countries. The International Monetary Fund (IMF) directly linked anti-corruption strategies with its programmes for external assistance to countries. The World Bank has a policy, which is called 'zero tolerance' on corruption and praises any governments' effort to root out corruption and poverty. Corruption makes the rich richer and the poor poorer.

## CONCLUSION

Corruption weakens the fabric of societies and leads to the society becoming dysfunctional. Any decision motivated by greed is a bad decision because it is determined by an irrelevant consideration. On the one hand, the ordinary citizen has to contend with sub-standard and over priced goods and services, inefficiency and waste in the provision of public services, and a substantial loss in productive effort if he/she attempts to resist the demands of corrupt public officials. On the other hand, the distortion of the decision-making process results in wrong suppliers or contractors chosen and wholly unnecessary and inappropriate purchases made or unfeasible projects undertaken.

When the government of a country fails or neglects to curb or contain corruption, that government also fails to fulfil its obligation to promote and protect the fundamental human rights of the people of the country in at least three important aspects namely; corruption perpetuates discrimination, corruption prevents the full realization of economic, social and cultural rights, and corruption leads to the infringement of several civil and political rights. Therefore, the campaign against corruption and the protection of human rights are inextricably linked and interdependent. The elimination of corruption and strengthening of human rights both require a strong integrity system.

Corruption impoverishes social, economic and political life and undermines the possibilities available to society to give citizens the benefits and to safeguard their rights. The promotion and protection of human rights, the primary responsibility for strengthening the national integrity system, rests with civil society. Hence the civil society movements play a significant role in the fight against corruption, which means it is the responsibility of every individual.

The Role of "Faith -Based" organizations driven by the civil society will help any government to genuinely launch its fight against corruption.

Enactment of legislations that are intended to curb corruption should be done both nationally and internationally. The Global Forum on Fighting Corruption and Safeguarding Integrity has acknowledge this.



There is no specific way to curb corruption. Even with all the rules and regulations corruption will continue if the Government does not take seriously the countermeasures. Therefore, examples should be set by the government to ensure the integrity of their officials, by political parties in promoting transparency in their financing, private sector in applying high standards of accountability, and most of all commitment of every individual. We are aware that corruption cannot prosper in the full light of openness. Transparency and impartial forms of public control as well as cooperation by the private sector are of utmost importance. Independent and investigative media have a vital role to play.

## **Notes**

### **1. Giving and receiving bribes**

Employers and certain persons employed on a contractual basis, who demand or accept improper remuneration for their official duties, are liable to charges of receiving bribes. This applies to individuals and contractors in both the public and private sector. The meaning of the term improper remuneration may be determined by decisions of the courts of law. The Part II of the Bribery Act of Sri Lanka stipulates offences of bribery.

### **2. Extortion**

Extortion means that illegal compulsion is used to persuade an individual to act or not to act in such a way to cause financial damage to the individual or someone he/she represents, while producing corresponding gains for the extortionist. Extortion is defined in Section 372 of the Penal Code of Sri Lanka as, whoever intentionally puts any person in fear of any injury to that person or to any other and thereby dishonestly induces the person so put in fear to deliver to any person any property of valuable security or anything signed or sealed which may be converted into a valuable security, commits "extortion".

### **3. Favouritism and Nepotism**

Favouritism is a form of abuse of power that is used to increase political or economic influence. It is characterized by partiality in the distribution of public resources. Nepotism is a form of favouritism, which results in the improper favouring of relatives and friends, without due reference to qualifications, particularly in appointments to public posts. Nepotism is sometimes referred to as 'friendship corruption'.

### **4. Embezzlement**

Embezzlement occurs when an individual retains property with which they have been entrusted and that the individual is to either return or account for. The act results in the victim of the crime suffering financial damage and the embezzler or some other party enjoying a corresponding gain.

### **5. Conflict of interest**

Conflict of interest exists when administrators handle or make decisions in a matter in which they have a personal interest or whose outcome can result in gain or damage to themselves or someone close to them. This can also arise if their handling of an assignment can call into question their impartiality in the matter.

### **6. Fraud**

Fraud is a crime that is committed by anyone spreading misleading information publicly in order to influence the price of goods, securities or other properties.

### **7. Illegal monetary contributions to political parties**

Making contributions to political parties where the contributions are not made openly and where legislations prohibits support of this type.



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13. Establishment Code, Volume I and 11, Democratic Socialist Republic of Sri Lanka
14. Sri Lanka Press Council Law, No. 5/1973
15. The Constitution of the Democratic Socialist Republic of Sri Lanka 1978
16. Hong Kong Independent Commission Against Corruption Ordinance (Chap. 204)
17. International Covenant on Civil and Political Rights (ICCPR), 1996
18. International Covenant on Economic, Social and Cultural Rights (ECOSOC), 1996
19. Universal Declaration of Human Rights (UDHR), 1948
20. United Nations Resolution 55/6 of 4 December 2000

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22. [www.oecd.org/daf/noncorruption/index.html](http://www.oecd.org/daf/noncorruption/index.html)
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