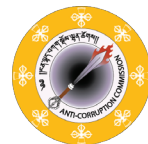


# ANNUAL REPORT 2017



**SAY NO TO  
CORRUPTION**



ངན་ལྷན་བཀག་སྲོམ་ལྷན་ཚོགས་པ།  
**ACC**  
ANTI-CORRUPTION COMMISSION



ངན་ལྷན་བཀག་སྡོམ་ལྷན་ཚོགས།

**ACC**

ANTI-CORRUPTION COMMISSION

## **VISION**

To strive towards building a happy, harmonious and corruption free society.

## **MISSION**

To eliminate corruption through leading by example, achieving excellence in partnerships, and mainstreaming anti-corruption strategies/measures in public/private organizations.



*The ACC joins the nation in  
commemorating the Golden Jubilee of  
India-Bhutan diplomatic relations*



**BHUTAN - INDIA**  
*An Enduring Friendship*

The ACC Office Building constructed with  
support of the Government of India

Total Expenditure: Nu. 71.05 mn



# TABLE OF CONTENTS

## Introduction

Page 1 - 3

## SECTION 1

The ACC as an Institution

Page 5 - 24

- The Commission's priorities: An Update
- Strategic Focus for the Year 2018
- Anti-Corruption Agenda in the 12th FYP
- Institutional and human resource capacity
- Working in partnership

## SECTION 2

The ACC's Performance

Page 25 - 57

- Public Education
- Prevention
- Complaints and Referrals
- Investigation and Referrals
- International Standing

## SECTION 3

The Resolutions of Parliament

Page 58 - 59

- Resolutions of the 9th and 10th Sessions of the Second Parliament
- Resolutions of the 19th Session of the National Council partnership

## SECTION 4

Challenges and Recommendations

Page 60 - 63

- Financial stability and security

## Conclusion

Page 65 - 66

## Annexures

Page 67 - 83

---



## INTRODUCTION

---

The year 2017 marks the last year of the 11<sup>th</sup> Five Year Plan (2017-2018). The year was an opportune moment to reflect on its past experiences so as to strategize its future plans and programs. The Anti-Corruption Commission (ACC) undertook context analysis: reviewed issues, identified challenges and subscribed to success stories in order to develop a strategic way forward for the 12<sup>th</sup> Five Year Plan (FYP).

The ACC made significant progress in mainstreaming anti-corruption measures in the development agenda. The 12<sup>th</sup> National Key Result Area (NKRA), “*Corruption Reduced*” in the draft 12<sup>th</sup> FYP recognizes the need to fight corruption in all its aspects and emphasizes the need for “*integrity*” in leadership to achieve our development agenda of “*Just, Harmonious and Sustainable Society through enhanced decentralization*”. It provides a comprehensive platform for public agencies, non-governmental organizations, civil society, youth and individual citizens to advance progress towards ending corruption. The ACC actively participated in the preparation of the Agency Key Result Areas (AKRAs) and Key Performance Indicators (KPIs) for the 12<sup>th</sup> FYP, and subsequently in sensitization of the stakeholders.

With further review and reconciliation, the backlog complaints qualified for investigation for 2006 – 2016 has been significantly reduced to 54 in the reporting period. Further, of the 47 complaints that qualified for investigation in 2017, 14 are yet to be assigned for investigation. In the reporting year, the total caseload was 64 of which 44 were new cases. Investigations of 45 cases have been completed, achieving overall case turnover of 70.3%. A total of 15 cases have been forwarded to the Office of the Attorney General (OAG) for prosecution.

Anti-corruption education and awareness raising of youth, public officials and general public were done through advocacy programs and interactive sessions. The ACC in collaboration with the Ministry of Education piloted Integrity Clubs in four schools. The ACC also continued to facilitate agencies in administering the Corruption Risk Management (CRM) and Integrity Diagnostic Test (IDT). To promote ethical businesses and to ensure level playing field for healthy competition among business entities, the Business Integrity Initiative of Bhutan (BIIB) program has been initiated as a pilot in selected corporate bodies.

The ACC also launched two research reports - National Integrity Assessment (NIA) 2016 and Public Road Construction research. NIA 2016 assessed the quality of services delivered by the public agencies. The National Integrity Score which is 7.95 (on a scale of 0 -10) indicates a good integrity level of public agencies in the country. The Public Road Construction research assessed efficiency, accountability

and transparency in road construction. The research established higher prevalence of corruption in the form of favoritism and abuse of functions.

The year 2017 also saw Bhutan, spearheaded by the ACC, preparing intensively for its review under the first cycle of the Implementation Review Mechanism of the United Nations Convention against Corruption (UNCAC). The review mechanism will assist Bhutan in effectively implementing the Convention. Bhutan will be reviewed by Cook Islands and Tajikistan. Bhutan has been also selected as a reviewing State along with Iran and Congo for the review of Thailand and Japan respectively. Bhutan's participation in the review mechanism re-affirms its collaboration with the international community in the fight against corruption.

The anti-corruption efforts that Bhutan has made so far has enabled it to improve its ranking in the Transparency International Corruption Perceptions Index (TI-CPI) 2017. Bhutan is ranked 26<sup>th</sup> out of 180 countries and territories with a score of 67 out of 100. In 2016, Bhutan was ranked 27<sup>th</sup> out of 176 countries and territories with a score of 65. The improvement in the rank and score has brought Bhutan a step closer to achieving the target of 20<sup>th</sup> position by 2020.

The annual report 2017 is the 11<sup>th</sup> report being submitted in accordance with Article 27 (4) of the Constitution of the Kingdom of Bhutan and Section 169 (1) of the Anti-Corruption Act of Bhutan (ACAB) 2011. The report covers the period from January to December 2017.

The report has four sections, excluding introduction and conclusion, as follows:

## **SECTION 1: THE ACC AS AN INSTITUTION**

The section presents an update on the Commission's priorities reported in the last annual report. The section also highlights the ACC's collaborative efforts with national stakeholders and international partners.

## **SECTION 2: THE ACC'S PERFORMANCE**

The section takes stock of the ACC's performance in its core functions of investigation, education and prevention. In addition, complaints and referral management and case backlogs are covered. Bhutan's international standing in terms of TI-CPI ranking in 2017 is also discussed.



**SECTION 3: THE RESOLUTION OF PARLIAMENT**

The section reports on the resolutions passed by Parliament pertaining to the ACC, and its implementation status.

**SECTION 4: CHALLENGES AND RECOMMENDATIONS**

The section underscores the challenges facing the ACC in the delivery of its constitutional mandate. The section also earmarks key recommendations necessary for the effective functioning of the ACC.

# Strengthening Internal Operations of the ACC





## SECTION 1: THE ACC AS AN INSTITUTION

---

This section presents an update on the Commission's priorities reported in the last annual report. The section also highlights the ACC's collaborative efforts with national stakeholders and international partners.

### 1.1 The Commission's Priorities: An Update

The Commission had identified immediate and long-term priorities in the annual report 2015, and an update on it was presented in the last annual report 2016. Update for the reporting period are presented below:

#### 1.1.1 Immediate priorities

##### *Organizational re-structuring and staffing*

The revised organizational structure and staffing were implemented on 1 April 2016. The Commission carried out rigorous recruitment to achieve the recruitment plan of 19 in 2017 plus the nine post vacancies carried over from 2016 (28 in total) to achieve the planned staff strength of 113 in 2017 and 147 by 2020 (excluding drivers & GSP/ESP).

The ACC recruited 21 staff in total during the reporting period (See **Table 1.1**) i.e. one Director (EX3), three Chiefs (P1), 14 officers (P5 - P2), and three staff (S4 - S2).

Five of the 21 recruits were from within the ACC (one Director and two Chief Integrity Promotion Officers recruited through open competition with promotion and two internal transfers). Hence, the additional staff inducted in the ACC was 16. At the same time, five officers left the ACC in 2017 (one on superannuation, two on transfer and two on voluntary termination of contract) so the net gain for the reporting period was 11, increasing the ACC staff strength from 85 as of December 2016 to 96 as of December 2017 against the planned staff strength of 113 for the year with a 39.3% achievement only.

The 17 post vacancies which could not be filled in 2017 will be carried over to 2018 for recruitment.

Attraction and retention of professionals is a perpetual challenge for the ACC. The extent of the problem calls for greater collaborative efforts among the Parliament, Government, RCSC and ACC.

**Table 1.1:** Recruitment status 2017

SN	Department	Approved	Staff Strength (Dec. 2016)	Recruited/ Transferred	Separated/ Transferred	Total Staff Strength (Dec. 2017)
1	Secretariat Services					
	Secretariat	1	0	0	0	0
	Policy & Planning Services	6	2	2	0	4
	ICT & Media Services	4	3	0	1	2
	HR & Training Services	3	2	1	0	3
	Admin. & Finance Services:					
	Administration	2	2	1	1	2
	Accounts	2	1	1	0	2
	Library	1	1	0	0	1
	Pool (including PS/PAs)	5	5	0	1	4
2	Technical Support Division	17	8	1	0	9
3	Legal Division	15	8	2	0	10
4	Dept. of Investigation	60	34	6	6	34
5	Dept. of Prevention & Education	21	12	4	1	15
6	Dept. of Professional Support	10	7	3	0	10
	<b>Total</b>	<b>147</b>	<b>85</b>	<b>21</b>	<b>10</b>	<b>96</b>
	<i>Staff strength including 3 Commission Members, 10 Drivers &amp; 3 ESP</i>					112

### ***Operationalize Complaints and Investigation Management System (CIMS)***

A software system to enhance the management of complaints and cases in the ACC named Complaint and Investigation Management System (CIMS) which was developed in-house in 2016 with the technical assistance from the Malaysian Anti-Corruption Commission was launched on 4 January 2017. It is web-based and uses the latest technologies. All new complaints and cases, starting 2017, are now managed in the CIMS.

### ***Professionalize Internal Operations of the ACC***

Putting in place systems, developing and administering policies and procedures, best practice guidelines/manuals and standards to guide the ACC's day to day operations is a continuous process. In the reporting year, the Commission streamlined the internal procedures for handling Discreet Enquiry, Information Enrichment and Action Taken Reports.



### ***Enhancing Coordination and Networking with Critical Key Partners***

***With RCSC:*** A joint review meeting on recruitment implementation progress and to discuss related HR issues confronting the ACC as required under Section 6 of the Memorandum of Understanding (MoU) signed between the ACC and RCSC in August 2016 was held on 22 September 2017.

Given the recruitment challenges faced by the ACC and its critical HRD needs especially long-term capacity building programs, the RCSC:

- Agreed to give priority and facilitate transfers, wherever possible to address the need to recruit in-service candidates with diverse background;
- Noted the request to enhance the number of Post Graduate Diploma (PGD) graduate placements in the ACC, preferably with finance background; and
- Noted the HRD requirements. Further, the RCSC asked the ACC to prioritize five key HRD fields based on which the RCSC has prioritized one slot for the ACC to apply for Policing, Intelligence and Counter Terrorism course under Australia Awards Scholarships for study commencing in 2019.

The meeting also discussed the need to institute Grievance Redress Mechanism (GRM); promote ethics and integrity in the civil service through enhancement of e-Learning course on Ethics and Integrity Management and the possibility of incentivizing the program by linking it to HR action(s); incorporate Ethics and Integrity modules in the existing training programs in the Royal Institute for Governance and Strategic Studies (RIGSS), Royal Institute of Management (RIM), etc. to reinforce such values; and disseminate and implement the role of Human Resource Officer (HRO) as 'Integrity Advocate'.

Further, to streamline the management of complaints pertaining to civil servants and in cognizance of the RCSC as the central personnel agency of the government (civil service) as enshrined in the Constitution, an arrangement has been made with the RCSC whereby all complaints that are administrative in nature which pertains to civil servants and GSP/ESP (who are governed by the BCSR) will henceforth be forwarded to and managed by the RCSC. However, should the examination/inquiry into the complaint reveal prima facie evidence of corrupt act/s, the RCSC will inform the ACC as a priority with its preliminary findings and documents, if any, for the ACC to further pursue the case. To that effect, a public notification was issued on 27 October 2017. It was also agreed that the RCSC and ACC will report on complaints shared in the respective annual reports.

**With OAG and RBP:** Initiated by the ACC, bilateral meetings were held, first with the Royal Bhutan Police (RBP) and OAG to resolve coordination issues pertaining to investigation, referral and prosecution, following which, a tripartite meeting between the OAG, RBP and ACC was conducted on 16 October 2017. To enhance mutual cooperation and provide a platform to discuss and resolve issues of common interests on time through effective communication, the meeting, among others, decided that tripartite meeting will henceforth be held twice a year and as and when required depending on the urgency of the matter. The meeting also decided the rules of proceedings for the bi-annual tripartite meeting, amendment of the existing tripartite MoU and submission of the challenges related to investigation, prosecution and restitution to the Judiciary for further directives.

The revised tripartite MoU incorporating the investigation and prosecution of corruption offences in the private sector was signed on 29 December 2017.

**With CBI, India:** The ACC's proposal to visit Central Bureau of Investigation (CBI) and sign an MoU is yet to materialize. Upon invitation of the ACC, the Director of CBI and his officer will be visiting Bhutan in April 2018. The visit is expected to revitalize and institutionalize the collaboration between the two agencies.

### **1.1.2 Long term priorities**

#### ***Branding the ACC as an Employer of Choice***

The Commission is continuously striving to enhance work environment by strengthening the internal work culture and providing the employees with professional and personal development opportunities.

In the reporting year, the Commission undertook the following initiatives:

- Finalized the proposal on the '*Institutional Motivation and Social Security Fund for the ACC cadre*'. It is an institutional motivation scheme designed mainly to secure the long-term commitment of professionals in the ACC by addressing their key social security needs i.e. to live with dignity and without having to depend on the goodwill of others after a term of dedicated service in the ACC. Through this Fund, the ACC will be able to better attract and retain qualified and experienced professionals, enhance staff morale to work without fear and prejudice, and also brand itself as an employer of choice.

His Majesty the King has graciously granted the Royal Approval for institution of the Fund for the ACC Cadre.

- Revised the Staff Welfare Scheme which has been instituted with the contributions from staff. All staff including Commission members, employees

on contract and ESP are members of the scheme. This scheme supplements the RCSC's Civil Service Welfare Scheme. The total accumulated savings as of December 2017 is Nu. 0.848 million.

- Finalized the construction of a Child Day Care facility and is currently under approval process from Thimphu Thromde. The work has been awarded to the NHDCL. While the facility will be constructed with financial support of the RGoB, expenses related to its management will be borne by the employees availing the facility. The management of the facility will be guided by a Standard Operating Procedure (SOP) developed in line with the Guidelines issued by the Ministry of Education.

### ***Financial Security***

The ACC, in its past annual reports, had highlighted its concerns on sustaining anti-corruption programs and institutionalizing ethics and integrity promotion measures across agencies. The Swiss Agency for Development and Cooperation (SDC), the ACC's major donor partner, wended up its support in June 2017.

The budget allocated for the ACC in the Financial Year (FY), 2017-2018 is Nu.125.281 million as compared to Nu.140.782 million in the FY 2016-2017. The ACC has grown in terms of human resources and reach over the years, but the annual budgetary allocation for the ACC has not increased. It has in fact decreased this time and the ACC did not get what it had requested. The tentative budget of only Nu. 75.000 million allocated for the ACC for the 12<sup>th</sup> FYP is also a serious concern (*see Section 1.3 for details*). The ACC has sensitized the Gross National Happiness Commission Secretariat (GNHCS) on this issue.

The political will of the country to fight corruption must be demonstrated by, among others, allocating adequate resources and safeguarding the impartiality and independence of the ACC. This calls for measures including legislation to be in place to secure adequate resources for the ACC thus ensuring ethical accountability.

### ***Reduce Backlog of Complaints***

In the annual report 2016, a backlog of 165 complaints qualified for investigation (2006 – 2015) was reported (*reduced from 529 reported in the annual report 2015*). In the reporting year, the Commission further reviewed and reconciled the backlog to 54 (including 16 complaints from 2016).

The details of the backlog complaints review report are presented in Section 2 of this report.

### ***Professionalize and Enhance Management of Complaints and Investigations***

The Commission is constantly striving to improve professionalism in the management of complaints and investigations. In the reporting year, the Commission implemented CIMS to manage complaints and cases.

As mentioned above in Section 1.1.1, understandings have been also reached with key critical partners: the RCSC on dealing with complaints of administrative nature pertaining to civil servants; the RBP on investigation in private sector; and the OAG on prosecution and judgment implementation which is aimed at effective and efficient management of complaints and cases.

### ***Enhance Prevention and Awareness Programs***

The Commission engaged agencies, youth (from university colleges/training institutes/schools), and the general public in enhancing education and awareness programs on corruption prevention. The Commission also enforced the revised rules namely, The Gift Rules 2017, The Asset Declaration Rules 2017 and Model Guideline on Managing Conflicts of Interest in the Public Sector 2017 to mainstream these corruption prevention measures in the governance systems.

The details of the initiatives taken by the Commission in the reporting year are presented in Section 2 of this report.

## **1.2 Strategic Focus for the Year 2018**

As reported in the annual report 2016, the Commission adopted an outward looking strategy and focused on investigation of cases – both proactive and complaint based. Backlog cases were given a priority and has been reduced from 165 to 54 complaints qualified for investigation (38 for 2006 – 2015 and 16 for 2016). Mainstreaming integrity and anti-corruption measures in the 12<sup>th</sup> FYP was another priority area which required substantial resources.

For the year 2018, the following will be the strategic considerations of the Commission:

**Collaboration and coordination:** Difficulties arising from shortcomings in legislations and their interpretations, and access to information and data from the custodians/agencies (*time is of essence in an investigation*) pose certain challenges to the ACC's investigations. Towards this, the ACC has submitted a White Paper titled 'Information Sharing and Data Integration for Enhanced Transparency, Accountability, Efficiency and Integrity' to the Cabinet Secretariat. The paper was proposed for consideration with the draft e-Governance Policy which is currently



under review by the Cabinet. The paper presents the rationale for development of a clear policy on sharing of confidential information and accordingly the development of an integrated information and data sharing platform to enhance efficiency and effectiveness of the ACC and other law enforcement agencies and in the delivery of justice services. The paper was prepared following the resolution passed by the 17<sup>th</sup> Session of the National Council.

The concept paper is a long-term solution. However, for its immediate requirement, the Commission will take up the matter of information sharing, particularly online access to government/public databases on need basis with the relevant agencies individually.-

**Operationalization of the Institutional Motivation and Social Security Fund for the ACC Cadre:** The Commission will follow up on the Royal Approval granted by His Majesty the King for institution of the Fund. Capital money will have to be secured, and the Fund management guidelines put in place. As an initial step, the ACC has secured a sum of Nu. 5.100 million (USD 80,000) under the United Nations Development Programme (UNDP) funded Project titled *Strengthening Anti-Corruption Commission of Bhutan: Anti-Corruption for Peaceful and Inclusive Societies in Asia-Pacific Region*.

The seed money will be invested and maintained for all times to come. The Fund will be sustained through the income generated from its investment and equated monthly installments (EMIs) of soft loans. The schemes for the Fund will include Soft Loans, Full scholarship for Masters program, compensation for workplace injury/death and retirement welfare schemes.

**Proactive investigations:** Strengthen surveillance and intelligence efforts in areas of strategic importance, and prioritize and pursue cases based on risks, investment of huge public fund, etc.

**Streamline systems for management of complaints of administrative nature:** The recommendation for the establishment of an Ombudsman office was not endorsed by the Parliament. Instead, the ACC was directed to continue to manage such complaints internally. Therefore, the Commission will explore/study systems in other agencies in the region and see the possibility of adopting/adapting in our context. Arrangements, similar to that made with the RCSC, will also have to be explored with other relevant agencies in the country.

**Implementation of the 12<sup>th</sup> NKRA in the 12<sup>th</sup> FYP:** FY 2018-2019 will be the first year of the 12<sup>th</sup> FYP and the ACC will have to facilitate agencies in implementing the 12<sup>th</sup> NKRA ‘*Corruption Reduced*’. The details are given in the subsequent paragraph.

# Sensitizing and facilitating agencies to mainstream Anti-corruption in the 12<sup>th</sup> FYP





### 1.3 Anti-corruption agenda in the 12<sup>th</sup> FYP

Mainstreaming anti-corruption measures in the 11<sup>th</sup> FYP and integration of National Integrity and Anti-Corruption Strategy (NIACS) in the Annual Performance Agreements (APAs) provided a good platform for agencies to work towards promoting good governance.

Maintaining ‘*Corruption Reduced*’ as one of the NKRA in the 12<sup>th</sup> FYP (draft) reflects the aspirations of the country to continue to be intolerant to corruption and achieve the development agenda of a “*Just, Harmonious and Sustainable Society through enhanced decentralization*”. The NKRA will be measured through three KPIs, namely, ‘*Transparency International’s Corruption Perceptions Index score*’, ‘*World Bank’s Control of Corruption Score*’ and ‘*National Integrity Score*’. The 12<sup>th</sup> FYP also prioritizes enhancing the efficiency, effectiveness and accountability of the justice sectors with one of the NKRA being “*Justice Services and Institutions strengthened*”. Thus, there is greater scope for fostering anti-corruption initiatives in the national and sectoral plans and programs in the 12<sup>th</sup> FYP.

In order to implement the 12<sup>th</sup> NKRA in the 12<sup>th</sup> FYP, three AKRAs and 24 KPIs were developed by the ACC in consultation with GNHC Secretariat and a core group consisting of officials from 15 key stakeholders. The NIACS 2013-2018 was also reviewed to assess its effectiveness in mainstreaming anti-corruption measures in the 11<sup>th</sup> FYP. The review recommended areas for improvement and established greater clarity and linkage with the 12<sup>th</sup> FYP AKRAs and its corresponding KPIs. The ACC also sensitized the heads and officials of various agencies to integrate the anti-corruption agenda in their respective plans and programs. A total of 955 participants from 135 agencies (Constitutional bodies, Ministries, Autonomous agencies, Dzongkhags, Thromdes, CSOs, Media and Corporations) were covered under the sensitization program conducted in the month of August and September 2017. As part of the sensitization program, the ACC facilitated the agencies to develop their respective Organizational Integrity Plan (OIP) which is expected to act as a catalyst to achieve the objective of enhancing integrity in the organization, and ultimately realize the bigger targets and objectives of the 12<sup>th</sup> FYP.

The success of OIP will greatly depend on the level of ownership taken by the agencies in institutionalizing it as an integral part of their governance system as opposed to it being imposed on them as an additional responsibility by an external agency (the ACC).

With regard to the ACC’s program for the 12<sup>th</sup> FYP, in particular towards contributing to the achievement of the NKRA “*Corruption Reduced*”, “*Justice Services and Institutions strengthened*”, “*Infrastructure, Communication and Public Service Delivery improved*” and “*Carbon Neutral, Climate and Disaster*

*Resilient Development enhanced*”, the ACC will implement the following two broad programs:

- To enhance efficiency, effectiveness & credibility of the ACC towards achieving excellence in preventing and combating corruption; and
- To deter acts of corruption through effective investigation and enhance mainstreaming of integrity and anti-corruption measures through prevention & education.

The indicative capital budget outlay for the ACC in the 12<sup>th</sup> FYP is only Nu. 75.000 million as against the total national capital outlay of Nu. 115,364.000 million. This tentative allocation to the ACC for a five-year period works out to about 0.1% of the total national capital outlay while the average annual expenditure of the ACC over the years is 0.2% of the total annual national expenditure. Conversely, as against the total capital outlay of Nu. 93.500 million for the ACC in the 11<sup>th</sup> FYP, the ACC has already utilized a total of Nu. 147.370 million in the last four financial years (excluding expenditures related to HRD and current). Thus, the indicative capital budget for the ACC in the 12<sup>th</sup> FYP is lower than the outlay in the 11<sup>th</sup> FYP and the utilization capacity of the ACC. The budget allocation for the ACC in the 12<sup>th</sup> FYP, given the important responsibility to lead the interventions related to the 12<sup>th</sup> NKRA besides having to contribute to other NKRA, logically warrants more than the 11<sup>th</sup> FYP at the very least.

## **1.4 Institutional and human resource capacity**

### ***1.4.1 Regional Synthesis of the Anti-Corruption Agency (ACA) Strengthening Initiative for Asia***

The *Regional Synthesis of the Anti-Corruption Agency (ACA) Strengthening Initiatives for Asia* scored the ACC’s effectiveness as 72 on the scale of 0-100. The report presents the major findings of country-level studies initiated by Transparency International (TI) on ACAs of Bangladesh, Bhutan, Indonesia, Maldives, Pakistan and Sri Lanka based on seven key components and 50 indicators assessed covering the period 2013-2015. The ACAs from six different countries were scored as shown in the **Figure 1.1**.

The *ACA Strengthening Initiative* which is based on the Jakarta Principles provides general recommendations on how to increase the effectiveness of ACAs. The assessment of the ACC Bhutan was conducted from June to August 2015 by the TI in collaboration with Bhutan Transparency Initiative and launched in December 2015. The report assessed and benchmarked the capacity and effectiveness of the ACC, besides identifying gaps and areas for interventions.





**Figure 1.1:** Aggregate Performance Score of ACAs of the six countries

### 1.4.2 Human Capital Development

With the generous support of the SDC, UNDP and RGoB, a total of 142 slots were availed for various capacity building programs: 42 slots in eight short-term ex-country trainings and 36 other regional/international seminars/workshops/institutional visits, and 64 slots in 20 in-country training programs. Four staff completed their long-term studies from Australia (masters and one diploma) and India (bachelors). The total investment in HRD in 2017 was Nu. 14.403 million.

The ACC must continue to invest in relevant capacity building programs for its staff given the nature of the job. However, with the withdrawal of SDC support in June 2017 (extended from September 2016), there has been a considerable gap in the resources for HRD. For the FY 2017-2018, the ACC received Nu. 5.116 million under the UNDP support in addition to Nu. 6.500 million from the RGoB. The total HRD budget of Nu. 11.616 million is a decrease from the average annual HRD budget of Nu. 15.210 million in the last four FYs, despite the increase in the staff strength over the years. As a result, the allocated HRD budget can only fund the regular mandatory and a few specialized training programs leaving out the long-term studies. The ACC has not been able to send any of its staff for long-term studies since April 2015 which is one of the main factors affecting attraction and retention of professionals in the ACC.

### ***1.4.3 ‘Strengthening Anti-Corruption Commission of Bhutan: Anti-Corruption for Peaceful and Inclusive Societies in Asia-Pacific Region’***

In order to sustain its programs and activities, the ACC also explored possibilities of getting support of other development partners like ADB, Austrian Development Coordination and UNDP. To that end, the ACC submitted a project proposal to the ‘Call for Proposals’ of the UNDP Bangkok Regional Hub on a regional project titled *Anti-Corruption for Peaceful and Inclusive Societies in Asia-Pacific Region (ACPIS)*. After thorough review by the UNDP and the Department of Foreign Affairs & Trade of Australia, the ACC’s proposal was selected along with three others, out of the 12 proposals attracted by the Call.

The support to strengthen the ACC as part of ACPIS is a one-year project with a total budget of **Nu. 11.929 million**. The project includes capacity building of the ACC staff and its stakeholders, establishment of institutional motivation scheme and integration of anti-corruption and integrity measures in youth and the private sector.

### ***1.4.4 Embedding integrity in the ACC***

The ACC has been making sustained and conscious efforts in building a strong, effective and system-driven institution through institutionalizing various integrity measures in its internal governance system.

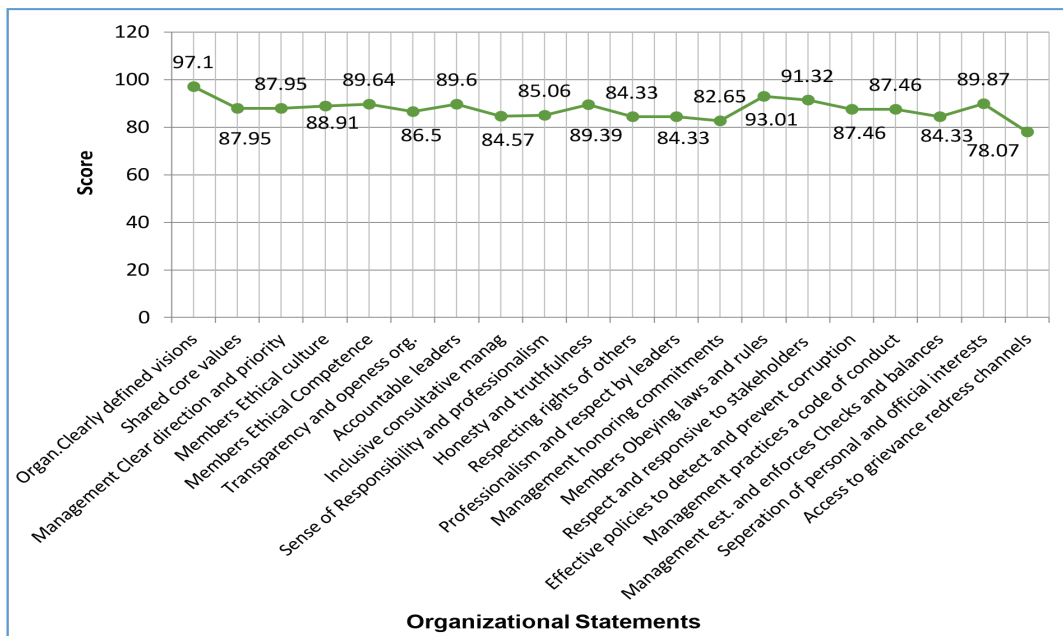
In line with the Gift Rules 2017, Gift Disclosure Administrator and Gift Administration Committee have been appointed. During the reporting period, 56 gifts (institutional souvenirs) were declared by 23 officials.

**Corruption Risk Management (CRM) and Integrity Diagnostic Tool (IDT)** are the two important tools that have been vigorously pursued to identify potential corruption risks, assess organization’s ethical culture and accordingly develop mitigation measures. During the reporting year, the ACC conducted its 5<sup>th</sup> IDT and 3<sup>rd</sup> CRM.

### **5<sup>th</sup> Integrity Diagnostic Test**

The 5<sup>th</sup> IDT in the ACC was administered online to all the ACC staff on 11 September 2017. A total of 83 staff participated in the test. The overall organizational integrity score was 87.46. The score has slightly reduced compared to the last IDT score (88.88/100) conducted in March 2015. Of the four pillars, ‘**Compass**’ (22.57/25) was identified as an area of strength substantiated by good scores on statements such as - ‘*Organization has a clearly defined vision & mission that is*

well understood throughout the organization’ (97.1/100), ‘Members have the right attitude and ability to address problems and perform their duty with high standard of integrity’ (89.64/100) and ‘Members of the organization have a culture that encourages them to consider the ethical consequences of their actions’ (88.91/100). ‘**Character**’-(21.75/25), ‘**Conscience**’-(21.78/25) and ‘**Control**’-(21.63/25) were identified as areas of opportunity substantiated by lower scores on statements such as - ‘Employees and stakeholders of the organization have access to and use grievance redress channels to resolve their problems and complaints’ (78.07/100), ‘Management of the organization can be trusted to keep its promises and honor its commitments’ (82.65/100), ‘Management of the organization has established and enforces checks and balances to prevent misconduct and unlawful behavior’ (84.33/100), ‘Organization gives importance to respecting the fundamental rights of the employees and its stakeholders regardless of their position or identity’ (84.33/100) , and ‘Top leaders of the organization treat its members with professionalism and respect’ (84.33/100). The detailed findings of the 5<sup>th</sup> IDT is presented in **Figure 1.2**



**Figure 1.2:** Disaggregated Score on 20 organizational Statements of 5<sup>th</sup> IDT

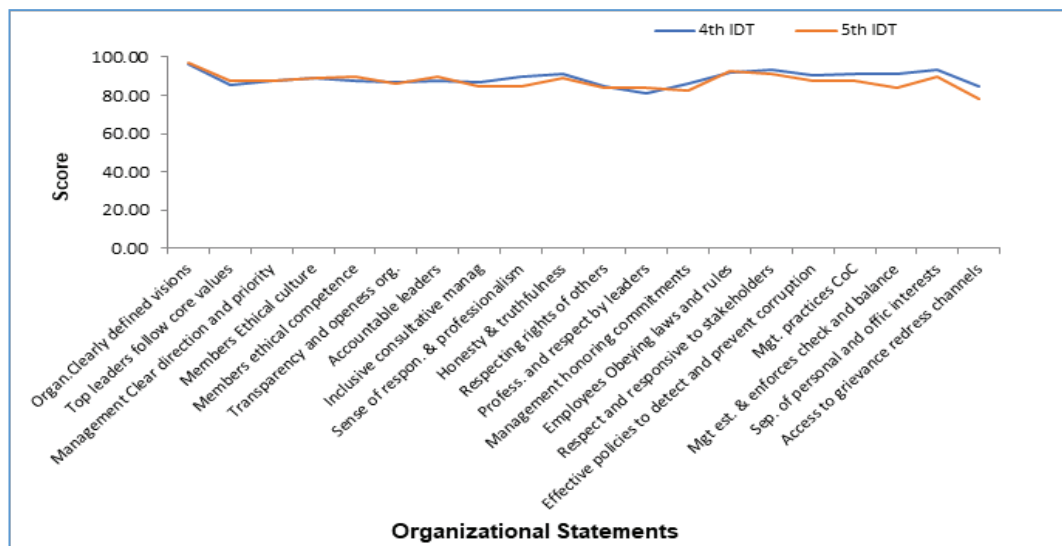
The 5<sup>th</sup> IDT result generally indicates that the ACC has strong ethical principles or direction and ethical competency of its employees which means that systems have been institutionalized. On the other hand, the result indicated the need for enhanced communication within the ACC, both vertically and horizontally since most of the areas identified for opportunity pertains to the management.

**A Brief Comparison on the findings of the last two IDTs:** The result of the 5<sup>th</sup> IDT (score-87.46) shows a slight decrease of 1.42 in the overall integrity score compared to the 4<sup>th</sup> IDT (Score-88.88). The detailed comparison of the last two IDT results is shown in **Table 1.2** and **Figure 1.3**.

While the actual reason for the decrease in the overall integrity score cannot be exactly ascertained, it could be due to the huge difference in the sample representatives and size. During the 5<sup>th</sup> IDT, most of the respondents (40.0%) were new to the organization and thus, they would be still adapting/learning the culture of the organization. The other reason could be due to the change in organizational structure. However, as shown in **Figure 1.3**, the trend of the integrity issues of the ACC has generally remained the same which indicates the need for further improvement or reinforcement of integrity measures in areas of reporting/resolving grievances and professionalism and transparency in terms of decision making process including internal communication.

Pillars of Integrity	Score (2017)	Score (2015)
Compass	22.57	22.34
Character	21.75	22.17
Conscience	21.78	21.83
Control	21.36	22.54
<b>Organizational Integrity Score</b>	<b>87.46</b>	<b>88.88</b>

**Table 1.2:** Comparison of the 4<sup>th</sup> and 5<sup>th</sup> IDT Scores of the ACC



**Figure 1.3:** Comparison on the 4<sup>th</sup> and 5<sup>th</sup> IDT Scores on each organizational statement.



### **3<sup>rd</sup> Corruption Risk Management in the ACC**

With the change in the leadership and organizational structure, it was timely to assess the potential corruption risks and vulnerabilities to ethical breaches. The ACC administered its 3<sup>rd</sup> CRM on 12 September 2017 involving 82 staff members. As an outcome of the CRM exercise, a total of 23 corruption schemes/risks under eight broad offences/risks have been identified, assessed and prioritized (based on risk rating).

Almost all the risks identified were the same risks that were identified in the previous CRMs except for a few such as Conflicts of Interest during digital forensic examinations; misrepresentation of research data; misuse of privileged information of projects/strategic information; and collusion between investigators/legal officers with accused/witnesses. The probable causes for the risks were identified as lack of individual integrity/professionalism, personal vendetta, lack of adequate check and balance system, etc. Most of the mitigation measures against the risks identified are already in place as most of the risks were the same risks identified in the previous CRMs. However, emphasis was given on strongly ensuring compliance and on monitoring and molding individual behavior. A total of 26 recommendations are being formulated against the risks identified during the 3<sup>rd</sup> CRM exercise.

The ACC plans to review the two tools (CRM & IDT) in 2018 to make the tool more comprehensive and also to overcome some of the limitations faced currently with the tools.

#### ***1.4.5 Auditing of the ACC***

The RAA audited the accounts and operations of the SDC funded project for the period July 2016 - June 2017. With the issuance of a clean audit report, the accounts for the SDC support to the ACC under its *Democratic Governance+ Programme* in the 11<sup>th</sup> FYP with a total expenditure of Nu. 108.113 million has been successfully closed.

#### ***1.4.6 Commemoration of the 12<sup>th</sup> ACC Foundation Day***

The 12<sup>th</sup> ACC Foundation Day on 31 December 2017 was observed by conducting Rimdo for the office.

#### ***1.4.7 Preparatory works for the ACC infrastructure development***

The work for the construction of the office building in Phuentsholing was awarded to M/S Gyeldron Venture Builders. The estimated cost for the construction is Nu. 43.345 million and is being funded by RGoB. The project duration is 18 months and the tentative date of completion is 6 July 2019.

# ENHANCING COOPERATION

with key national stakeholders



ACC held important bilateral meetings with the RAA, RBP, OAG and RCSC for collective action in the fight against corruption in the country. ACC also hosted the 4th meeting of the Constitutional offices to discuss issues of common interest.

### **1.4.8 The Civil Service Awards 2017**

During the reporting period, four officials received the Civil Service Award (Bronze Category) for their dedicated service to the Tsa-Wa-Sum. So far, 35 staff have received the awards in various categories (2013 – 2017).

Further, one staff on superannuation in March 2017 received Lifetime Service Award from the RCSC.

## **1.5 Working in Partnership**

With a view to enhance cooperation to prevent and combat corruption through sharing of information, knowledge and expertise, the ACC made conscious efforts in strengthening linkages with national as well as the regional and international counterparts.

### **1.5.1 National Networking**

The ACC coordinated the 4<sup>th</sup> meeting of the Constitutional Offices on 22 September 2017 to discuss common issues and strengthen cooperation and support among the Constitutional offices. The meeting discussed the need to: strengthen the culture of accountability in the civil service, address inconsistencies of the administrative actions sanctioned and align the model Individual Work Plan (IWP) of Human Resource Officers with their role as “Integrity Advocate”. The ACC also took the opportunity to present the NKRA on “*Corruption Reduced*” of the draft 12<sup>th</sup> FYP Plan. The next meeting will be hosted by the RCSC.

### **1.5.2 Regional/International networking**

**Basel Institute on Governance (BIG):** The ACC and BIG of Switzerland have a long-standing working relationship covering a range of joint endeavors on preventive and capacity building programs. The ACC signed an MoU with BIG on 24 May 2017 at Basel, Switzerland reconfirming its mutual intention to continue collaborating in its anti-corruption efforts.

Under the aegis of this MoU, the International Centre for Asset Recovery of BIG conducted a training on ‘*Financial Investigation and Asset Recovery*’ in November 2017 for 34 officials from 17 law enforcement and financial institutions in the country. The training was the 4<sup>th</sup> of its kind conducted by BIG since 2014 with a total of 113 officials from 19 agencies trained thus far. The training was co-funded by the Royal Monetary Authority and the UNDP as part of its on-going support to the ACC.

The ACC will continue to cooperate with BIG to work on areas of mutual interest and continue to draw from the pool of expertise and experience of BIG.





Fostering  
Cooperation  
with the regional and  
international stakeholders



**Anti-Corruption Commission of the People's Republic of Bangladesh:**

Following the study visit by the ACC of the People's Republic of Bangladesh to Bhutan in January 2016, the ACC Bhutan was invited to sign an MoU in Dhaka, Bangladesh. The MoU signed on 14 June 2017 is expected to establish a platform to strengthen, promote and enhance cooperation between the two countries to prevent and combat corruption. To capitalize on the visit, the Chairperson accompanied by four officials from the ACC also visited ACC Integrity Stores and Integrity Units in Bangladesh as well as interacted with the Corruption Prevention Committees to learn from their best practices.

**The Federal Bureau of Investigation (FBI):** The ACC facilitated the visit of the officials from the Office of the Legal Attaché, FBI, US embassy in New Delhi to Bhutan. The objective of the visit was to familiarize and strengthen cooperation with the ACC and other law enforcement agencies in the country. Following the visit, the Office of the Legal Attaché conducted a two-day workshop on Analysis of Intelligence for 25 officials from the RBP, ACC and other law enforcement agencies. Over the last six years, collaboration with the FBI has benefited the ACC immensely in building its specialized investigative capacities.

**Other international counterparts:** With the objective of building institutional linkages with renowned international counterparts, the ACC visited the Federal Bureau of Anti-Corruption (BAK) and International Anti-Corruption Academy (IACA) in Austria, Serious Fraud Office and Metropolitan Police Service in UK. The visit provided an opportunity to learn from their experiences/best practices and most importantly, build networks to support the capacity development of the ACC.

**United Nations Convention against Corruption:** With the ratification of the UNCAC in 2016, Bhutan as a State Party to the Convention was selected as a Country under review for the first cycle of the review mechanism. Bhutan is being reviewed by Cook Islands and Tajikistan. Under this review cycle, Bhutan's compliance on the implementation of Chapter III: Criminalization and Law Enforcement and Chapter IV: International Cooperation of UNCAC will be reviewed.

In preparing for the review, the ACC apprised the Hon'ble Prime Minister and subsequently, the heads of the relevant agencies on the review, its importance, what it entails, how the ACC plans to work on it and the role of the various agencies in this regard. A National Steering Committee and a Technical Working Committee with members from the identified relevant agencies were formed with the ACC as the lead agency. Bhutan has already submitted its self-assessment checklist to the Secretariat of UNCAC for review. This checklist was prepared after a number

of stakeholders' consultative meetings. It provides details on Bhutan's compliance to the requirements of the Convention, the challenges faced in its implementation and the technical assistance needs. A country visit by the reviewing States and the Secretariat is tentatively scheduled in March 2018.

In order to understand the procedures of the review mechanism, a two-member delegation from Bhutan participated in the 8<sup>th</sup> Session of the UNCAC Implementation Review Group (IRG) in Vienna, Austria from 19 - 23 June 2017. The Session focused on the review of the implementation of the UNCAC and the performance of the mechanism for the review amongst others. During this Session, Bhutan was drawn as one of the reviewing States together with Iran for the review of Thailand under the second cycle. This cycle reviews the implementation of Chapter II: Preventive Measures and Chapter V: Asset Recovery of UNCAC. As a reviewing State, Bhutan is required to appoint Governmental experts for the review and inform the Secretariat accordingly. 15 Governmental Experts have been appointed from various agencies and the same has been communicated to the Secretariat through the Ministry of Foreign Affairs.

In order to familiarize the Governmental Experts with their roles and responsibilities in the review mechanism process, the ACC in collaboration with the UNODC conducted a one-day workshop on 6 September 2017, which was facilitated by the Regional Advisor for Southeast Asia and the Pacific, UNODC. A Stakeholder Consultative Meeting was also conducted the following day to discuss the various technical assistance planned by UNODC for the region and the ways and means to tailor such assistance so as to cater to the needs at both the national and regional levels.

Bhutan participated in the 7<sup>th</sup> Conference of the States Parties (CoSP) to UNCAC that was held in Vienna from 6 - 10 November 2017 for the first time since it ratified the Convention. The CoSP is a policy-making platform to improve the capacity of and cooperation between States Parties to achieve the objectives set forth in the Convention. During the resumed IRG Session, Bhutan's name was once again drawn from the lot to review Japan (the latest State Party to ratify the Convention) for the first cycle of the review mechanism together with Congo.

## SECTION 2: THE ACC'S PERFORMANCE

This section takes stock of the ACC's performance in its core functions of investigation, education and prevention. In addition, complaints and referral management and case backlogs are covered. Bhutan's international standing in terms of TI-CPI ranking in 2017 is also discussed.

### 2.1 Public Education - Building an informed and awakened citizenry

In order to empower citizens to help prevent and combat corruption, the ACC has been conducting series of advocacy programs and engaging them through interactive sessions. Thematic areas such as enhancing transparency and accountability in service delivery, the need for mainstreaming anti-corruption measures, and the importance of embracing the principles and values of ethics and integrity were covered during such programs. The role of each individual in realizing a happy, harmonious and a corruption free society was the recurring theme discussed so as to evoke collective responsibility in the fight against corruption. In the reporting year, a total of 149 sessions reaching out to 26,381 participants from schools, colleges, training institutes, government agencies and corporate sectors were conducted as shown in **Table 2.1**. It was a substantial increase from 4,925 participants covered in 2016.

Agencies such as Bhutan Telecom Ltd. and Kuensel Corporation Ltd. have taken the initiatives of creating awareness on anti-corruption and integrity through their services/products. Bhutan Telecom Ltd. has incorporated an anti-corruption message on their mobile phone post-paid bill. Likewise, Kuensel Corporation Ltd. has started to print bookmarks with anti-corruption message (as shown in the picture below). Such initiatives not only complement the ACC's effort to create anti-corruption awareness among the people but also demonstrates their support in the fight against corruption.

The image shows a mobile bill from Bhutan Telecom Ltd. and an anti-corruption bookmark. The bill includes the following information:

- Logo:** Bhutan Telecom Ltd. (dhi Company)
- Tagline:** Always there for you!
- BILLING MONTH:** DEC-2017
- For Service(s):** Mobile
- Bill No.:** ZB0001069411-DEC-17
- Bill Period:** 01-Dec-2017 to 31-Dec-2017
- Mobile Postpaid Data Plans:**
  - 1.36 GB - Nu. 199 (Easy Pack)
  - 2.19 GB - Nu. 299 (Lite Pack)
  - 4.10 GB - Nu. 499 (Medium Pack)
  - 7.08 GB - Nu. 699 (Large Pack)
  - 11.43 GB - Nu. 1099 (Surf More Pack)
  - 17.58 GB - Nu. 1599 (Large Data Pack)
- Call to Action:** Dial 1600 for more information
- Message:** More Fun with more data, more benefits.
- Anti-Corruption Message:** \*\* Say 'No to Corruption' for a better society!

The bookmark on the right features a red background with a white chain graphic and the text: **Break the CORRUPTION chain**.



# Advocacy Programs:

Building greater anti-corruption consciousness





**Table 2.1:** Advocacy and interactive sessions conducted in the calendar year 2017

No. of sessions	Target group	No. of participants	Places/ Institutes covered
102	General public and Local Government officials	16,073	Invitation sent to 34,927 households of 102 Gewogs of 9 Dzongkhags (Bumthang, Chhukha, Dagana, Lhuntse, Mongar, Paro, Punakha, Tsirang and Wangdue Phodrang). Turnout was very low.
26	University Graduates,  Students and Staff in schools  Trainees and Instructors	9,134	Jigme Singye Wangchuck School of Law, National Graduate Orientation Program, Paro College of Education, College of Science & Technology, College of Business Studies and Gyelposhing College of IT  Chumey CS, Ura CS, Tang CS, Pakshikha CS, Kamji CS, Geserling CS, Lamoidzingkha CS, Tangmachhu CS, Autsho CS, Yadhi CS, Wanakha CS, Kabjisa MSS, Dechentsemo CS, Radhi MSS, Damphu CS, Phobjikha CS and Semtengang CS  Royal Institute of Management and Technical Training Institute, Wangdiphodrang
21	Government agencies including law enforcement and corporate sectors.	1,174	Thimphu Thromde, Thimphu Dzongkhag Administration, MoF, MoAF, DRC, NPPF, Dratshang Lhentshög (Thimphu), Dzongkhag Tshogdu (Punakha), Orientation Program for Dzonggrabs and Drungpas (Gelephu), Biennial GAO Symposium (Mongar and Tsirang), Finance Officers (Gelephu)  Annual Conference of the Senior Police Officers (Phuentsholing)  RIGSS leadership program participants (YPLP, DHI-SEDP, FLP and Bhutan Foreign Service Program)

### 2.1.1 Commemorating the 14<sup>th</sup> International Anti-Corruption Day (IACD)

The ACC observed the 14<sup>th</sup> International Anti-Corruption Day (IACD) on 9 December 2017 on the theme “*United against corruption for Development, Peace and Security*” at Mongar. Globally, IACD is a time for creating awareness on the importance of the day and call for collective efforts against corruption.

Graced by the Mongar Dzongdag, the event witnessed artists from Happy Valley, an entertainment firm perform street theatre on themes such as complaint management procedures of the ACC, Corruption in the procurement sector, Constructive citizen engagement through Social Accountability and Citizen’s role in ensuring clean elections.

རྒྱལ་སྤྱི་འཇུག་ལྷན་འགྲུལ་གྱི་ཉེན་མཚན་གྱི་ཉིན་མཇུག

# INTERNATIONAL ANTI-CORRUPTION DAY

9 December

UNITED  
AGAINST  
CORRUPTION



རྒྱལ་ཁབ་གྱི་གོང་འཕེལ་དང་ ཞི་བདེ་ ཉེན་སྲུང་གི་དོན་ལཱ།  
FOR DEVELOPMENT, PEACE AND SECURITY



Attended by about 2,400 participants (1,000 students, 900 public, 400 guests & 100 participants), this one-day program was aimed at building an informed citizenry and garner support in the fight against corruption. Some 89 volunteers signed their pledges to act against corruption. As a part of the program, the “*Public Road Construction Research Report*” and “*ACC Promotional Song*” were also launched.

### ***2.1.2 Information, Education and Communication (IEC) Materials***

The advocacy programs were complemented through the publication and dissemination of education and communication materials. In the reporting year, a poster on the theme “*Collective effort in the fight against corruption*” was developed and one TV Advisory invoking values of *Tha Dam Tshig* and *Ley Jumdrey* (causality) was produced and broadcast on national TV. The ACC is also working on the translation of five radio jingles to English which are targeted to the youth.

### ***2.1.3 Behavioral Change Program***

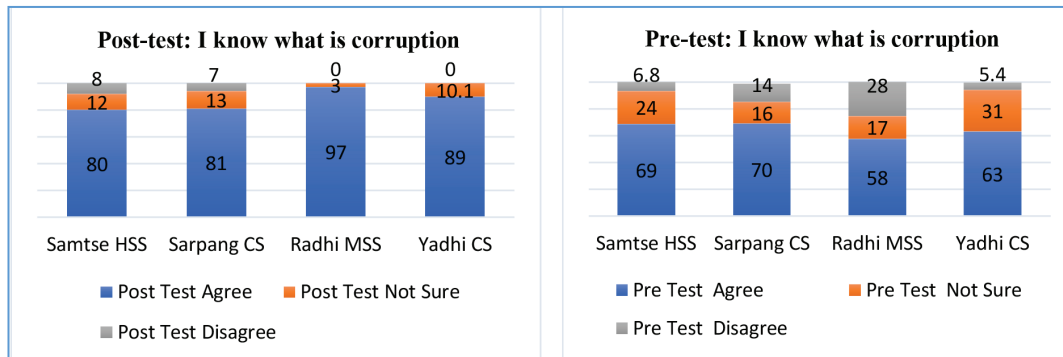
#### ***Establishment of Integrity Clubs in Schools***

The ACC in collaboration with the Ministry of Education piloted Integrity Clubs in four schools namely Radhi Middle Secondary School (MSS), Samtse Higher Secondary School (HSS), and Yadhi and Sarpang Central Schools (CS) for a period of one year (2017). The Integrity Clubs through its activities advocated values of integrity, trust, respect, ownership, leadership, teamwork and patriotism to students and staff. A total of 112 students (Radhi MSS-20, Yadhi CS-30, Samtse HSS-32 & Sarpang CS-30) were enrolled as club members.

As a part of the club activities, members carried out awareness programs calling for resistance against corruption during events such as the Dzongkhag Education Conference and Parent - Teacher Meetings. Guest speakers from religious institutions, armed forces, Dzongkhag and Gewog administrations were invited to share their experiences on the importance of upholding values. The school authorities also facilitated the club members to visit the nearby schools and institutes to enable members to share their experiences and learn about values such as teamwork, ownership, respect and gratitude. All these activities have helped students to get a better understanding of the important values necessary for good character building and work culture outside of their school campus.

The club activities brought significant cognitive and behavioral changes among students. As shown in the **Figure 2.1**, the average level of awareness among students on what corruption is has increased from 65.0% in the pre-test to 86.8% in the post-test.





**Figure 2.1:** Students' level of understanding on what corruption is

In an integrity experiment conducted by the club coordinators where they had secretly placed things (books, pen, watch & even some cash), the post-test revealed higher degree of integrity among students with instances of students reporting found items against comparatively lower integrity level in the pre-test findings. This finding suggests that educational programs and practical exercises in the anti-corruption drive help young people in their formative stages of life.

Further, the institution of Integrity Clubs in schools has also encouraged the school authorities and the Student Body to promote transparency and accountability by declaring all the expenditures incurred to the students on their notice boards. Building on these significant changes brought about by School Integrity Clubs, the ACC has partnered with MoE to extend the initiatives of the Integrity Club in another six schools (Chhukha CS, Lhuentse HSS, Phobjikha CS, Tsenkharla CS, Tsirangtoe CS & Zhemgang CS) in the upcoming academic year.

## 2.2 Prevention – Mainstreaming anti-corruption measures effectively in sectoral plans and public/private institutions.

Measures such as research and system studies; strengthening ethics and integrity infrastructure; anti-corruption tools such as CRM, IDT, CoI Declaration & Management, Gift Declaration & Management and Asset Declaration & Management; and facilitating clean and ethical business transactions through BIIB are the ACC's core prevention programs.

### 2.2.1 Embedding Ethics and Integrity in Public Service

#### *2<sup>nd</sup> round of Training of Trainers (ToT) on Ethics and Integrity Management*

The ACC is making concerted and constant effort in building systems of integrity through the initiation of numerous integrity and anti-corruption programs in the



public service. In the reporting period, the 2<sup>nd</sup> round of ToT on Ethics and Integrity Management was conducted in June 2017 at Phuentsholing. The four-day training was primarily facilitated to build the capacity of the ‘Integrity Advocates’ (HROs) on mainstreaming ethics and integrity measures into their governance system. Topics covered included basic understanding of ethics and integrity, ethical dilemmas, integrity management tools and formulation of OIP. A total of 184 HROs and Asset Declaration Administrators from 138 agencies (Ministries, Autonomous, Armed Forces, Corporate, CSOs/Media & private firms) attended the training. The first round of ToT was conducted in two batches in December 2014 and March 2015. An Ethics and Integrity Handbook developed in the reporting year will be published in 2018.

### ***2.2.2 Implementation of “Corruption Reduced” (14<sup>th</sup> NKRA) integrated into the Annual Performance Agreement (APA), 2016-2017***

Towards achieving the 11<sup>th</sup> FYP’s overall objective of “*Self-Reliance and Inclusive Green Socio-Economic Development*”, the anti-corruption index “*Corruption Reduced*” (14<sup>th</sup> NKRA) has been integrated into the overall planning process as a mandatory component under the Performance Agreement Pacts. To that end, “*Implementation of the recommendations of CRM and IDT*” was identified as a mandatory KPI for the public agencies. Consequently, CRM and IDT were conducted in Gelephu Thromde and all Dzongkhag Administrations except for Gasa, Punakha, Trongsa and Dagana Dzongkhags, which had already been carried out in the earlier financial years. IDT was conducted in eight agencies: GNHCS; Drugs Regulatory Authority (DRA); National Environment Commission Secretariat (NECS); Tourism Council of Bhutan (TCB); Jigme Dorji Wangchuck National Referral Hospital (JDWNRH); National Commission for Women and Children (NCWC); National Statistics Bureau (NSB); and Bhutan Narcotics Control Authority (BNCA).

The implementation reports of the CRM and IDT action plans of the agencies were reviewed and evaluated, and the implementation scores were submitted to GPMD in September 2017. The overall implementation rate for CRM/IDT (for 16 Dzongkhags & Gelephu Thromde) was 68.0% and IDT (for 10 ministries and eight autonomous agencies) was 72.0%.

Some of the notable measures instituted as a result of the CRM and IDT exercises in the agencies are institution of GRM with operating procedures (TCB, MOAF, MoWHS & NCWC), online GRM (Mongar, Samdrup Jongkhar and Pemagatshel Dzongkhags), development of internal SOP for procurement (Mongar, Sarpang & Trashiyangtse Dzongkhags), and institution of online feedback forum for employees & internal staff survey on service delivery (GNHCS). Besides this, institution of gift register and suggestion box in many agencies are some of the visible outcomes of the rigorous anti-corruption and integrity promotion drive.



# BIIB

Business Integrity Initiative of Bhutan

Companies signing  
Corporate Integrity  
Pledge

The level of seriousness and ownership by agencies is still a concern. Thus, more attention needs to be given on monitoring its management for effective implementation in the 12<sup>th</sup> FYP. The training and sensitization conducted on important ethics and integrity management tools in 2017 for public agencies is nonetheless expected to help institutionalize effective management guidelines/policies and their implementation.

### ***2.2.3 Promoting Ethical Businesses through Business Integrity Initiative of Bhutan***

The Bhutanese economy has grown manifold and it continues to grow. Concurrently, the role of the corporate and private sector grows as economic policies take root in the country. Therefore, towards making a comprehensive effort to promote ethical businesses and to ensure level playing field for healthy competition among business entities, the “*Business Integrity Initiative of Bhutan*” (BIIB) was introduced. The initiative is in line with the World Economic Forum principles that prohibit bribes, improper political contributions, improper charitable contributions and sponsorships, improper facilitations payments, and gifts and hospitality expenses.

The work on developing a strategy to implement the initiative started in 2016, and after its completion and finalization in early 2017, a Task Force was formed to spearhead this important initiative. The Task Force is expected to integrate the initiative into existing systems for reducing corruption in businesses. The members of the task force consist of officials from the MoEA, MoF, MoLHR, RMA, DHI and BCCI. For the time being, the ACC acts as the secretariat to the Task Force.

Considering the existing service regulations and accounting standards coupled with the strong governance system in DHI companies, the initiative is being piloted in the DHI portfolio and Listed Companies. With an aim to sensitize the CEOs and Senior Managers about the initiative as well as identify companies for the pilot, a sensitization session on the initiative was conducted on 30 November 2017. A total of 104 participants from 21 companies attended in which 15 companies made pledges to conduct their business ethically and adopt mechanisms to prevent corruption.

14 Companies from the DHI portfolio and Listed Companies have signed the Corporate Integrity Pledge (CIP) to formalize their commitment to promote ethical businesses in the country on 22 December 2017 (Kuensel Corporation to sign in early 2018). The CIP is a commitment by the Companies to operate according to high standards of corporate integrity, thus ensuring that all the companies carry out their duties responsibly. With the signing of CIP, the companies pledged to promote clean business environment in the country and create enabling conditions for a



level playing field for healthy competition. Such expressions not only demonstrate the will to promote strong corporate governance culture in the companies but also strengthen the ethical culture of doing businesses in the country.

DHI portfolio and Listed Companies who have signed the CIP are:

1. Druk Holding and Investments Ltd.
2. Bank of Bhutan Ltd.
3. Bhutan National Bank Ltd.
4. Druk Green Power Corporation Ltd.
5. Bhutan Telecom Ltd.
6. Drukair Corporation Ltd.
7. Natural Resources Development Corporation Ltd.
8. State Mining Corporation Ltd.
9. State Trading Corporation of Bhutan Ltd.
10. Wood Craft Center Ltd.
11. Bhutan Board Products Ltd.
12. Dungsam Polymers Ltd.
13. Druk PNB Ltd.
14. GIC-Bhutan Reinsurance Co. Ltd.

The participants, however, raised concerns on the possible competitive disadvantage that their companies may encounter by adopting the program and hence felt that the scope of the program needs to be extended to cover as many private companies as possible to ensure uniformity. To address this concern, the Task Force plans to take the initiative to the solely owned private companies after consultations with the BCCI. The Task Force will explore possible incentive schemes in order to encourage private companies to adopt the initiative.

#### ***2.2.4 Strengthening Accountability Culture***

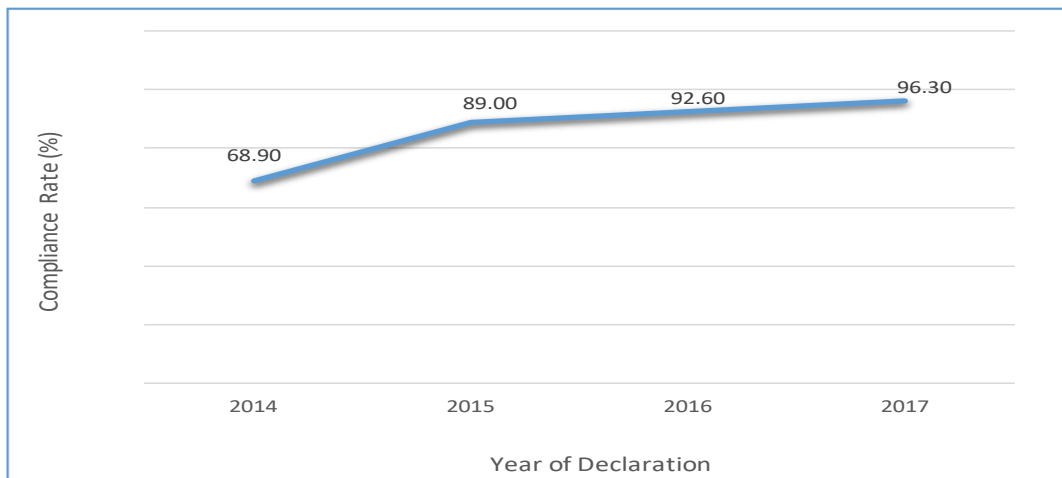
Asset Declaration (AD) is an important corruption prevention tool aimed at enhancing transparency and accountability of public employees. In the reporting year, the AD rules 2012 was revised and updated based on practical experiences gained, stakeholder consultations and feedback received so as to make it comprehensive, practical and effective. The AD Rules 2017 provide greater clarity on the frequency of declarations; declaration contents; penalties; and the roles and responsibilities of the administrator and Head of the agency. The scope of AD has also been widened to facilitate the management of conflicts of interest situations.



In order to improve AD compliance and facilitate effective implementation of the AD Rules 2017, 184 Asset Declaration Administrators from 162 public agencies were trained and 135 Heads of Agencies were sensitized on the revised rules. Further, to facilitate online filing of AD in the armed forces, hands-on training on the online AD system was conducted for the 54 relevant officials from RBG (17) and RBA (37) respectively. The AD Rules 2017 will come into force from the declaration year 2018 onwards (i.e. reporting year 2017). The AD Guideline has also been improved, simplified, and made more user friendly.

### ***AD Compliance***

Over the years, the AD compliance rates for both Schedules I and II have been improving (see **Figure 2.2** for Schedule I (2014-17)). This can be attributed to the rigorous advocacy conducted over the years and enhanced awareness as well as the strict enforcement.



**Figure 2.2:** Compliance Rate of Schedule I from 2014-2017

Under Schedule I, the covered persons in the declaration year 2017 increased to 464 from 462 in 2016. Of the total covered persons, 96.3% (447) declared on time compared to 92.6% (428) in 2016 thereby increasing the compliance rate by 3.7%. The remaining 17 declared late.

Under Schedule II, there were a total of 21,247 covered persons of which 20,678 declared on time as per the report submitted by the agencies. There were 569 late/non-declarants.

For the declaration year 2016, penalties amounting to Nu. 33,250.00 from Schedule I and Nu. 703,016.00 from Schedule II (Nu. 736,266.00 in total) have been collected.

### ***Disproportionate Asset (DA)***

The online AD system is designed to flag all Disproportionate Asset (DA), which may indicate possible illicit enrichment. As Schedule I public officials are exposed to higher levels of risk attributable to greater authority in decision making, all the DA cases flagged by the system were verified. In Schedule I, there were a total of 99 DA cases flagged by the system compared to 157 in the previous year. However, upon verification, 97 cases were dropped and two were assigned for further inquiry. In Schedule II, there were 4,596 DA cases compared to 3,169 cases in the previous year. The increase in DA cases could be due to the increase in the number of declarants. However, due to the ACC's human resource constraints, only the DA cases that were over 100% (3,462/75.3%) were verified and were all consequently dropped.

The reasons for the dropped DA cases were - increase in the current market value of the properties; filing AD for the first time; typographical error; declaring assets and shares of previous years; not importing loan information; savings from abroad; technical issues; increase in number of shares due to decrease in face value; and wrongly declaring jointly owned properties with full cost.

As reflected in the Annual Report 2016, the 54 DA cases of the declaration year 2015 that were kept under the watch list were found to have no issues in the declaration year 2016.

### ***2.2.5 System Studies***

#### ***Proactive Studies: Facilitating evidence based systemic improvement***

In 2017, the ACC completed and launched two research reports that were carried out in collaboration with key stakeholders.

#### ***Public Road Construction Research Report***

The research report titled “*Towards Enhanced Efficiency, Transparency and Accountability in Public Road Construction*” was launched on the International Anti-Corruption Day (9 December 2017) in Mongar. The research is one of the key proactive undertakings of the ACC in collaboration with key stakeholders such as the Ministry of Works and Human Settlement (MoWHS), Ministry of Finance (MoF) and College of Science and Technology, Royal University of Bhutan.

Conducted with an objective to assess efficiency, accountability and transparency in road construction, the research, established higher prevalence of corruption in the form of favoritism and abuse of functions. Existence of bribery, abuse of privileged information and bid rigging were also reported.

The causes identified are:

- Poor supervision, monitoring and enforcement;
- Undue influence;
- Dishonesty;
- Unfair practices; and
- Lack of accountability.

These have been further aggravated by improper planning, ineffective coordination among the agencies, lack of capacity development for engineers and contractors, and lack of a material price index, among others.

The research proposed the following recommendations:

- Develop Standard Operating Procedures/guidelines for effective contract implementation, supervision and monitoring;
- Develop guidelines for deviation;
- Develop and enforce Quality Assurance Plan;
- Develop a material price index;
- Develop the capacity of engineers and contractors;
- Develop and enforce contractors' accountability framework;
- Review technical score system;
- Review national wage rate;
- Conduct awareness programs on Procurement Rules and Regulations (Procuring and Law Enforcement Agencies);
- Adopt and enforce The Debarment Rules;
- Adopt and implement integrity initiatives;
- Implement Model Guideline on Managing Conflicts of Interest in Public Sector 2017;
- Implement The Gift Rules 2017;
- Provide training on ethics and integrity to engineers and contractors;
- Engage community in monitoring and assessment of GC and farm roads; and
- Develop data mining at the agency level.

The findings and recommendations were presented to the Secretaries and officials of the MoWHS and MoF on 5 October 2017. Similarly, consultative meetings were also held with the engineers of Dzongkhags, Thromdes and Regional Offices of



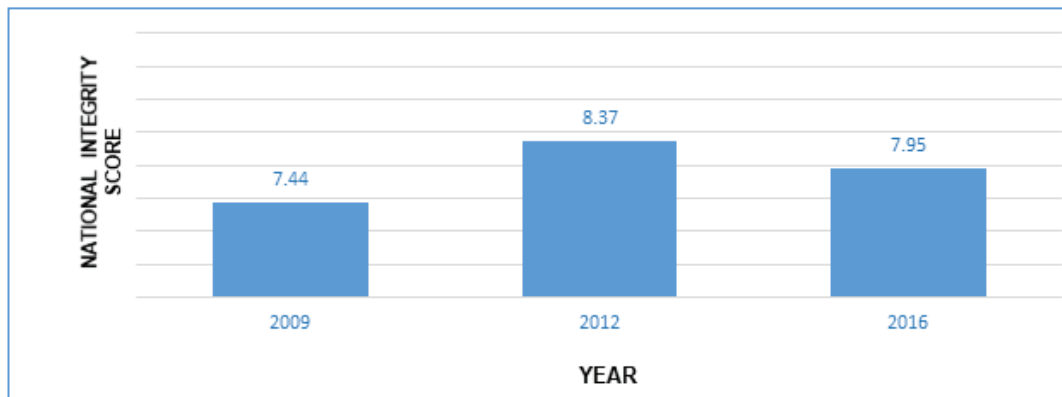
the Department of Roads (DoR) and contractors from 14 - 24 October 2017 before finalizing the report. The ACC will follow up on the implementation status of the recommendations.

### **3<sup>rd</sup> National Integrity Assessment (NIA)**

The NIA 2016 report was launched on 31 December 2017 coinciding with the ACC Foundation Day. The data collection for the NIA started in 2016 - 17 FY. The 3<sup>rd</sup> in the series of integrity assessments, NIA 2016 covered 254 services from 80 agencies. A total of 10,814 respondents comprising 8,706 service users (external clients) and 2,108 service providers (internal clients) were interviewed. The NIA was first adapted by the ACC in 2009 from Anti-Corruption & Civil Rights Commission (ACRC), South Korea. Since then, NIA is being conducted every third year in collaboration with the NSB.

The NIA, in general, is an “assessment of whether, in an agency, a public official follows standard procedures in providing services fairly and transparently and that the services are not processed based on personal propensity towards a special condition or inducement” (ACRC, 2015). Thus, NIA assesses both experienced and perceived condition of services delivered by the public agencies. The services for the assessment were selected based on criteria such as vulnerability to corruption, importance to socio-economic development, etc.

The NIA 2016 score is 7.95 from a possible 10 depicting a good status of the national integrity level. However, as compared to NIA 2012, there is a decrease of 0.42 in the score (refer **Figure 2.3**).



**Figure 2.3:** The comparative study of the scores of the three NIAs conducted till date

The main cause of the decrease is due to the decrease in the score of external integrity in terms of accountability and transparency. Weak information sharing, complex and lengthy procedures, negligence of official duty and abuse of function by public officials contributed to the decrease in transparency and accountability scores respectively.

The NIA 2016 found that corruption in the form of favoritism and nepotism were prevalent in public service delivery. The 2016 research on Human Resource Management also found prevalence of favoritism in HRM processes in the civil service. Further, NIA 2016 revealed that corruption, in the form of payments in cash or in-kind, entertainment and other forms of gratifications were provided by the clients in availing the services. Reasons cited include expediting the processing of services, expression of gratitude, avoidance/waiver of penalty, and in a few cases, demand by the public officials on duty.

Based on the findings, the study made the following recommendations:

- Strengthen accountability: develop and institutionalize effective supervision and monitoring plan as well as a communication and reporting plan;
- Improve conduct of public officials: strengthen enforcement of the Ethical Code of Conduct and provide training on ethics and integrity;
- Promote and strengthen e-services;
- Develop service delivery standards;
- Encourage whistleblowers and ensure their protection;
- Institutionalize Grievance Redress Mechanism related to service delivery in the public agencies;
- Implement Model Guidelines on Managing Conflicts of Interest in the Public Sector 2017;
- Implement The Gift Rules 2017;
- Enhance implementation of Social Accountability Tools; and
- Develop and implement Organizational Integrity Plan.

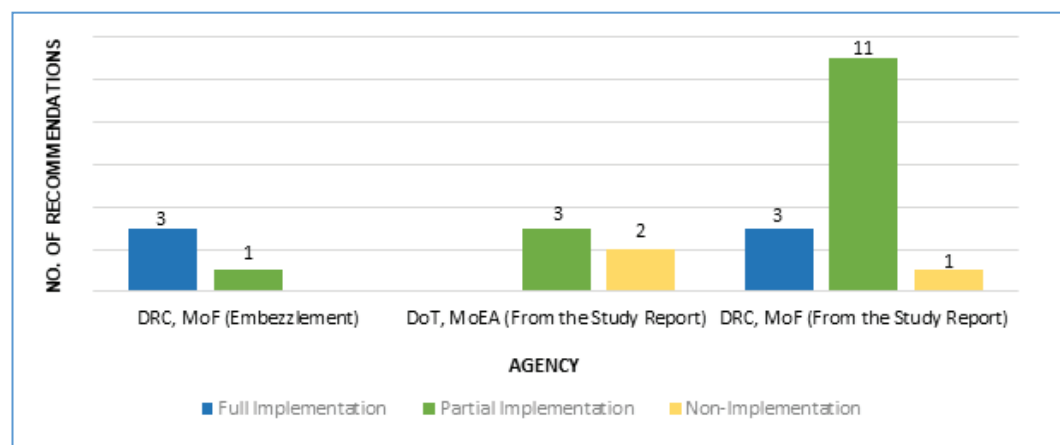
The ACC is in the process of developing agency-specific reports which will be disseminated to facilitate the respective agencies to further work on enhancing integrity.

## 2.2.6 Follow-up on the Systemic Recommendations

Towards implementing the recommendations from the reactive study report “Review to Strengthen the Systems related to Trade & Customs in Bhutan” undertaken following the investigations that the ACC launched in Phuentsholing in 2015, the Department of Revenue and Customs (DRC) and Department of Trade (DoT) submitted their respective action plans in March 2017 and the reports on the implementation status of the action plan/recommendations from both the DRC and DoT were received in October 2017 (refer **Figure 2.4**).

In addition to the follow-up on the implementation of the recommendations from the study report mentioned above, follow-up on the post-investigation systemic recommendations on an embezzlement case in the DRC (2016) was also done in the reporting year.

**Figure 2.4** depicts the implementation status of the action plans based on the recommendations from the study report and the post-investigation systemic recommendations of DRC (embezzlement case).



**Figure 2.4:** Implementation status of systemic recommendations

While some recommendations were implemented, some still remain to be implemented in the near future. Full implementation of all those recommendations that are yet to be implemented in addition to the initiatives already taken would greatly contribute towards further strengthening systems and mitigating corruption risks.



Some of the initiatives taken based on the recommendations are:

### Department of Trade, MoEA

- Formed a multi-sectoral committee to review the existing rules on ‘fronting’. The Committee, in April 2017, submitted their recommendations to the Legislative Committee of NA to strengthen regulations on fronting; and
- Starting March 2017, a pilot exercise on initiating Dzongkhag Trade & Industry Office (DTIO) was carried out. It will be completed in February 2018. The exercise will determine the workload and HR requirement of the RTIOs and DTIOs.

### Department of Revenue & Customs, MoF

- Established DRC Tax Payer Call Centre to attend to tax payers’ queries;
- Developed Tax info apps under G2C initiative for the benefit of public;
- Developed service charter;
- Established Revenue Intelligence Unit;
- Enacted Fiscal Incentive Act of Bhutan 2017 and framed the rules; and
- Conducted CRM, and ethics and integrity session.

**Table 2.2:** Recommendations that were not implemented

Agency	Recommendations	Reason(s) for Non-Implementation
Department of Trade, MoEA	1. Establish 'e-regulations' system and a common model for public information for all business license.	It could not be implemented due to lack of financial resources. World Bank agreed to implement the project (Trade Portal) as part of "Bhutan Regional Trade & Transport Studies Project." However, with RGoB deferring the entire WB project to be implemented in the 12 <sup>th</sup> FYP, the department is exploring financial assistance from donor agencies.
	2. Develop & implement a dispute settlement and appeal system for all licensing systems.	Provisions to address these requirements have been clearly defined and incorporated into the Trade Development Bill (TDB) which was submitted to the cabinet in June 2017. However, the Cabinet could not forward the TDB to the parliament due to the uncertainty in convening the 11 <sup>th</sup> NA session. Later, the Ministry was instructed to form a task force to work on incorporating investment sector under the TDB. The task force is currently working on incorporating investment aspects in the TDB and is expected to be completed and submitted to the cabinet in the current Financial Year, 2017 - 2018.
Department of Revenue & Customs, MoF	1. Continue reducing the risk of collusion between taxpayers and officers and of staff corruption by expanding the use of the MIS in RAMIS.	The developer failed to deliver the Customs Module of RAMIS system. The few components delivered are associated with major technical problem. Therefore the customs module of RAMIS is terminated.  The MoF has accorded approval to the department to explore fund. The department is in the process of exploring fund for development of New Customs System.

**Table 2.2** presents the recommendations from the study report that were not implemented along with the justification for the non-implementation as provided by the agencies concerned.

## 2.3 Complaints and Referrals – Reporting corruption

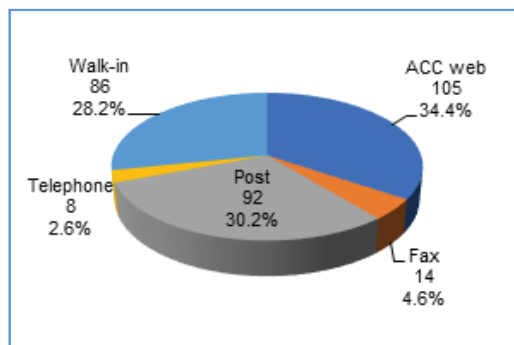
### 2.3.1 No. of Complaints received

In the reporting period, the ACC received 305 complaints with an average of 25 complaints per month through five different modes made available for filing complaints. This is a decrease of 13.3% from the previous year which registered 352 complaints.

### 2.3.2 Modes of Complaints

As shown in **Figure 2.5**, of the total complaints received, maximum number of complaints was received through webmail constituting 34.4% (105 complaints), followed by post constituting 30.2% (92 complaints) that included referrals from RAA, RBP and other agencies.

Walk-in complaints constituted 28.2% (86) of the total complaints received. Percentage wise, it has increased as compared to 25.6% in 2016 and 19.8% in 2015. Quality of walk-in complaints was also better than other modes as 46.2% (18) of the complaints that qualified for investigation was from walk-in. This increase in walk-in complaints is a positive indication of growing public trust in the ACC.



**Figure 2.5:** Complaints received by modes

Complaints received through telephone and webmail have also increased for 2017 compared to 2016.

### 2.3.3 Known vs Anonymous complaints

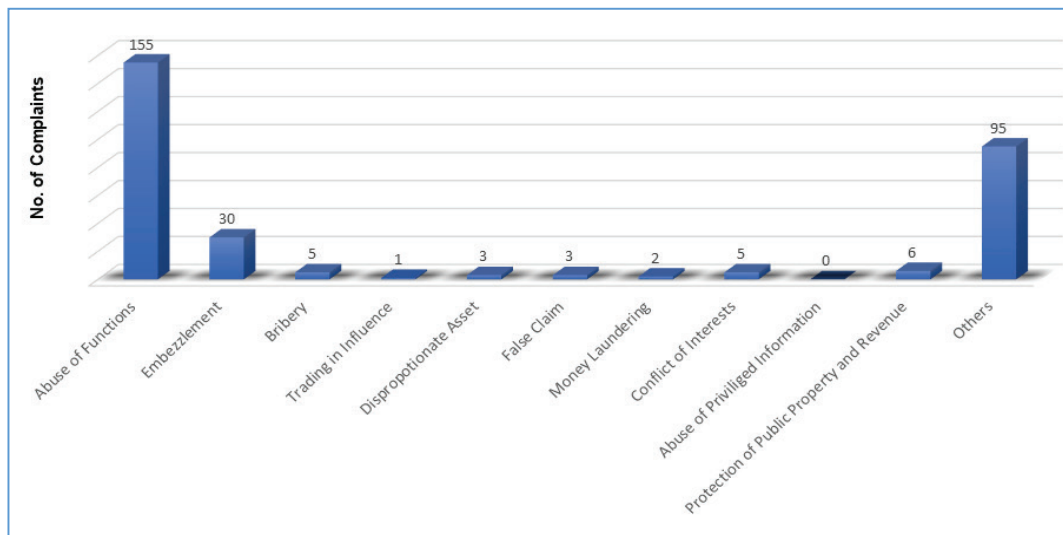
From the 305 complaints received during the reporting period, 57.4% were from anonymous sources and 42.6% were from known sources. There is a slight increase in the percentage of known sources as compared to 41.8% in the previous year.

### 2.3.4 Complaints by type of alleged corruption offences

Abuse of functions is one the most alleged corruption offences constituting 50.8% (155) of the total complaints received as shown in **Figure 2.6**. Complaints in the

category ‘Others’ which does not relate to corruption offences constituted 31.2% (95).

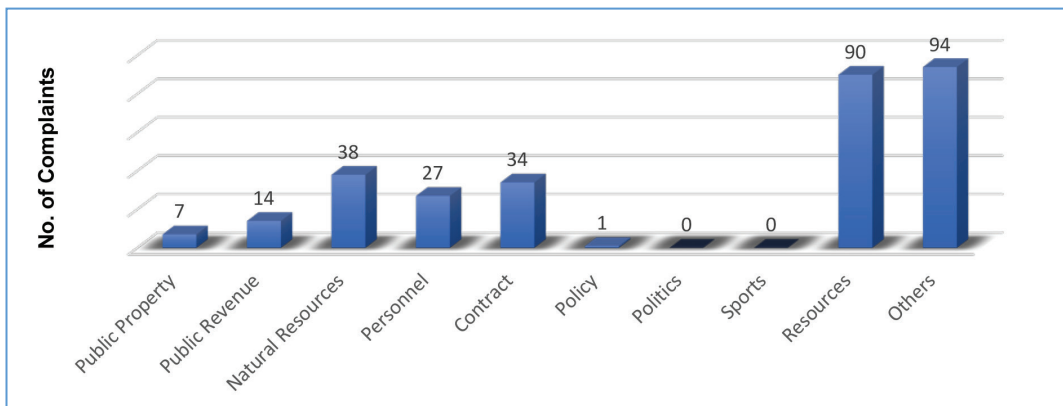
Allegations on embezzlement constituted 9.8% (30) of the total complaints received. Complaints on rest of the alleged corruption offences were comparatively very minimal.



**Figure 2.6:** Complaints by type of alleged corruption offences

### 2.3.5 Complaints by area of alleged corruption offences

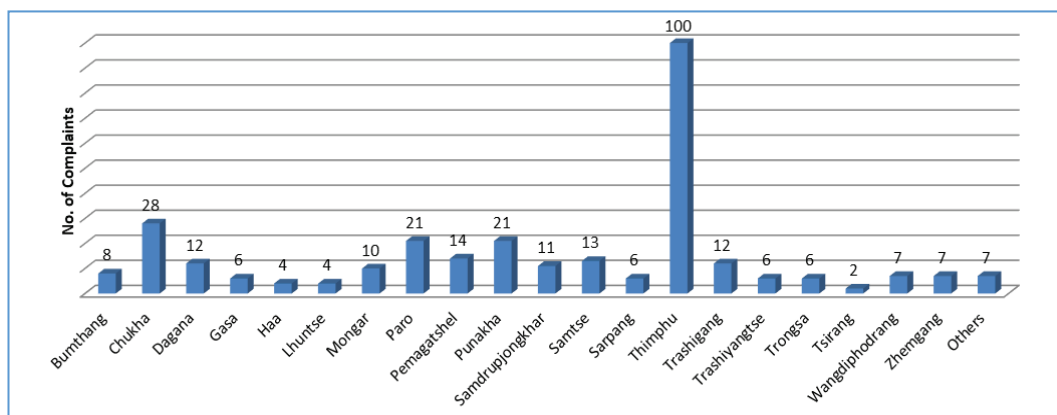
As shown in **Figure 2.7**, maximum complaints were in the category ‘Others’ constituting 30.8% (94) of the total followed by resources (29.5%, 90), natural resources (12.5%, 38), contract (11.1%, 34) and personnel (8.9%, 27).



**Figure 2.7** Complaints by area of alleged corruption offences

### 2.3.6 Complaints by place of occurrence

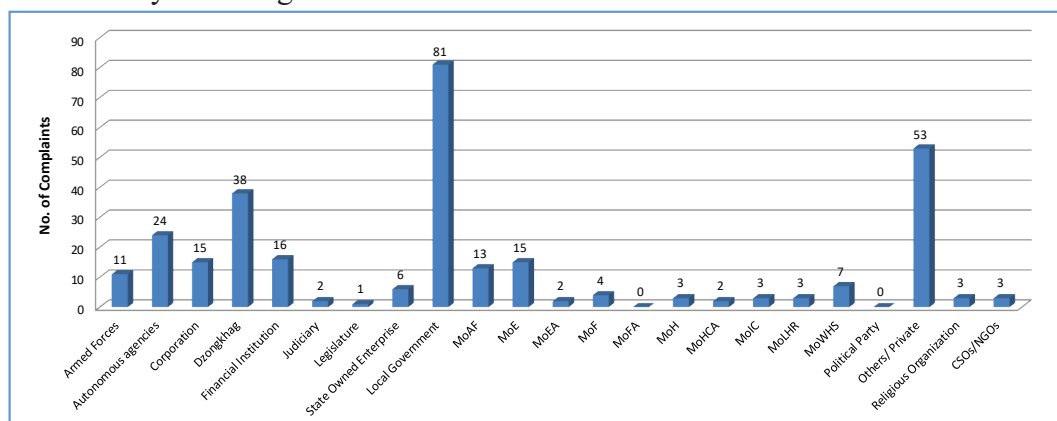
The highest number of complaints alleged were in Thimphu Dzongkhag constituting 32.8% (100) followed by Chukha Dzongkhag with 9.8% (28) which is consistent with that of 2016 and 2015. Tsirang Dzongkhag had the least number of complaints (2). Complaints pertaining to Sarpang Dzongkhag have decreased to six as compared to 29 in the previous year (See **Figure 2.8**).



**Figure 2.8:** Complaints by place of occurrence

### 2.3.7 Complaints received Agency-wise

As shown in **Figure 2.9**, allegations against Local Government continue to be the highest with 81 complaints constituting 26.6% of the total complaints received. This may be attributed to the increasing delegation of responsibilities and resources to the local governments without commensurate check and balance and accountability mechanisms. However, it has decreased compared to the previous year (33.8% in 2016 and 27.9% in 2015). No complaints were received against political parties and the Ministry of Foreign Affairs.

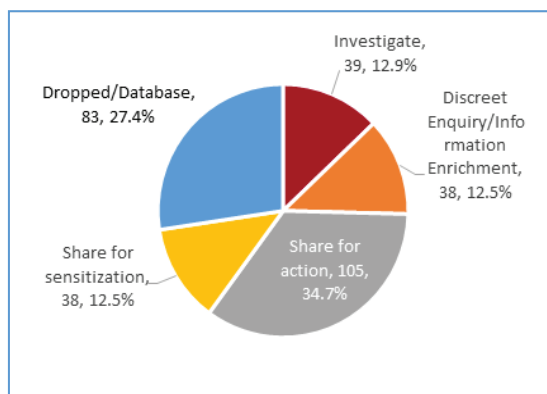


**Figure 2.9:** Complaints received Agency-wise



### 2.3.8 Actions on Complaints

The Commission's decisions or actions taken on complaints based on the parameters defined in the Complaints Management Policy and Procedures are shown in **Figure 2.10**. From the total of 305 complaints, decisions were taken on 303 complaints. Out of the 303 complaints, 12.9% comprising 39 complaints qualified for investigation, 47.2% were shared with relevant agencies either for administrative action



**Figure 2.10:** Actions on complaints

(105/34.7%) or sensitization (38/12.5%), 12.5% qualified for discreet inquiry or information enrichment (38). The percentage of dropped complaints decreased to 27.4% (83) in 2017 from 31.9% (108) in 2016. Of the 39 complaints that qualified for investigation, 66.7% (26) was from known sources and 33.3% (13) was from anonymous sources (See **Table 2.3**).

**Table 2.3:** Decisions on the complaints by source and mode

Mode of complaints	Total complaints received	Investigation						Share with agency for:		Information Enrichment/Discreet Enquiry		Drop		Pending		Total	
		Adm. Action		Sensitization				Known	Unknown	Known	Unknown	Known	Unknown	Known	Unknown	Known	Unknown
		Known	Unknown	Known	Unknown	Known	Unknown										
Walk in	86	17	1	29	6	4	0	10	2	16	0	1	0	77	9		
Telephone	8	0	0	3	3	0	0	0	0	1	1	0	0	4	4		
Post	92	5	5	7	19	4	10	5	7	5	25	0	0	26	66		
Fax	14	2	0	3	0	1	3	1	1	2	1	0	0	9	5		
ACC Web	105	2	7	6	29	2	14	1	11	3	29	0	1	14	91		
TOTAL	305	26	13	48	57	11	27	17	21	27	56	1	1	130	175		
		39		105				38		38		83		2		305	
		12.8%		34.4%				12.5%		12.5%		27.2%		0.7%		42.6% 57.4%	
		305															

### ***2.3.9 Outcome of Information Enrichment/Discreet Enquiry***

Information enrichment is conducted to verify complaints or information that does not provide sufficient knowledge to the Commission to ensure consistency, transparency and credibility of both decision-making process and its outcomes. Out of the 38 complaints assigned for information enrichment, 18 complaints have been closed, five have been upgraded for investigation, five have been shared with agencies for action and enrichment works are ongoing on the remaining 10 complaints.

#### ***2.3.10 Status of Complaints shared with agencies***

Complaints that are assessed to have no element of corruption but required administrative recourse are shared with relevant agencies. During the reporting year, 105 such complaints were shared with agencies for administrative inquiry and action.

**2017 complaints:** The 105 complaints include the 24 complaints shared with the final appellate authority of the civil service, the RCSC for appropriate action along with three complaints shared for sensitization based on the agreement to forward all complaints pertaining to civil servants that are perceived to be administrative in nature.

For the remaining 81 complaints shared for action, the ACC received action taken reports (ATRs) for 31 complaints (38.3%). Based on the review and findings of the ATRs, 26 complaints have been closed (32.1%), one complaint has been upgraded for investigation and four complaints have been referred back to the agencies concerned for further action.

**Complaints of 2016 & before:** In addition to the 31 ATRs received for the complaints shared in 2017, the ACC received 52 ATRs pertaining to the complaints shared for action in 2016 and before. With the review of 52 ATRs and its subsequent findings, 45 complaints have been closed, two have been upgraded for investigation, one complaint upgraded for information enrichment (by the ACC) and additional information have been sought from the respective agencies for the remaining four complaints.

Of the total 71 ATRs reviewed and closed in 2017 (26 for 2017 & 45 for prior years), 39 (54.9%) complaints have been found to be true and relevant agencies have taken administrative action on 23 complaints while 16 complaints did not warrant any action. The administrative actions ranged from reprimand, warning, recovery of money, fine and termination from job. The remaining 32 complaints (45.1%) as per the ATRs have been found to be baseless.

The Commission is yet to receive ATRs for 50 (61.7%) complaints that were shared for action from different agencies.

### 2.3.11 Complaints qualified for investigation

During the reporting period, 47 complaints have qualified for investigation of which 33 complaints have been assigned for investigation and the remaining 14 complaints are yet to be assigned. The details of complaints qualified for investigation reported above are summarized in **Table 2.4**

**Table 2.4:** Total complaints qualified for investigations

Complaint Year	Details	Complaints qualified for Investigation
2017	Complaints	39
	Information Enrichment upgraded	5
	ATR upgraded	1
Prior to 2017	ATRs upgraded	2
<b>Total</b>		<b>47</b>

### 2.3.12 Referrals from RAA

The RAA, in accordance with Section 67 of the Audit Act of Bhutan 2006, refers Audit Reports to the ACC when there are suspicions of corruption offences. During the reporting period, RAA has referred three audit reports to the ACC (accounted under complaints received by post) and all three qualified for investigation.

Bilateral meetings are held bi-annually to discuss status and follow up actions on the referrals. The Audit reports reflected for 2010 - 2017 in **Table 2.5** are those pending final outcome on the referrals.

**Table 2.5:** Status of the RAA referrals

Year	No. of Reports brought forward	Status					Remarks
		ACC	OAG	Under Trial	Shared With Agencies	Closed	
2010	2	0	0	1	1	0	AIN: 8510 has been shared with the MoF for administrative action.
2011	2	0	0	2	0	0	
2012	5	0	1	1	0	3	
2013	1	0	0	0	0	1	
2014	6	1	0	2	0	3	
2015	11	2	1	2	3	3	
2016	6	2	1	0	0	3	
2017	3	2	0	0	1	0	One RAA referral has been shared with agency after its investigation.
<b>Total</b>	<b>36</b>	<b>7</b>	<b>3</b>	<b>8</b>	<b>5</b>	<b>13</b>	

### 2.3.13 Review, Reconciliation and Status of Backlog Complaints Qualified for Investigation

The annual reports of 2015 and 2016, reported reducing backlog of complaints qualified for investigation to at least 40% by July 2020 as one of the long-term priorities of the Commission. Drawing lessons from the Court judgments, experiences from the conduct of investigations and information enrichment exercises thus far pertaining to availability and admissibility of evidence gathered in the Courts of Law, and also based on the internal Guidelines on Prioritization of Complaints qualified for Investigation, the Screening Committee undertook all-encompassing review of backlog complaints. The review also confirmed that from the backlog complaints qualified for investigation, decisions had already been taken on 46 such complaints i.e.

- 7 resolved and jointly closed by the ACC & RAA (bilateral meetings);
- 13 shared with NLC Secretariat;
- 19 already investigated; and
- 7 clubbed with the on-going related cases and investigated.

The recommendations of the Screening Committee were reviewed by the Commission in five Commission Meetings. Consequently, the number of backlog complaints qualified for investigation has been reduced to 54 i.e. 41 for 2006 – 2015 and 13 for 2016. These were further segregated into three priorities of High, Medium and Low category as presented in **Table 2.6**.

**Table 2.6:** Prioritization of backlog complaints qualified for investigation

Year	High	Medium	Low	Total	
2006	0	2	0	2	} 41
2007	2	5	1	8	
2008	2	0	0	2	
2009	1	1	1	3	
2010	1	3	0	4	
2011	0	0	0	0	
2012	1	5	0	6	
2013	0	1	1	2	
2014	3	3	1	7	
2015	1	5	1	7	
2016	10	1	2	13	13
<b>Total</b>	<b>21</b>	<b>26</b>	<b>7</b>	<b>54</b>	<b>54</b>
		<b>54</b>			

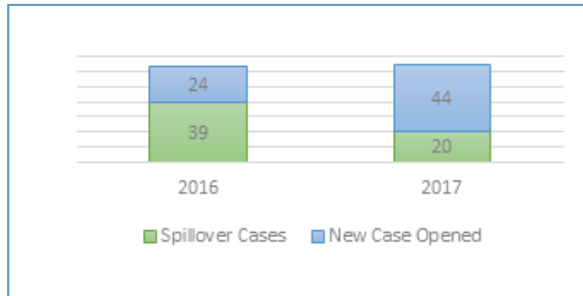


As reported above, 47 complaints qualified for investigation in the reporting year of which 14 complaints are yet to be assigned for investigation, thus the backlog complaints qualified for investigation stood at 68 as of December 2017.

## 2.4 Investigation and Referrals – Expose and deter corruption by effective investigation without fear or favor

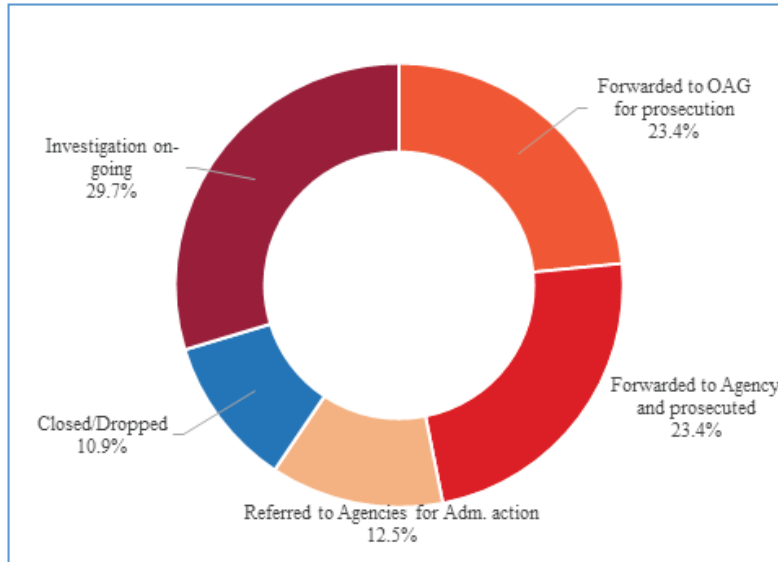
### 2.4.1 Caseload

The total caseload for the reporting period was 64 as compared to 63 cases in 2016, as shown in **Figure 2.11**. 44 of the 64 cases (68.8%) assigned were new cases which is 83.3% more than last year. Out of the 64 cases, the ACC completed investigation of 45 cases during the period achieving overall case turnover of 70.3%. Although only



**Figure 2.11:** Caseload 2016 vs 2017

15 cases have been referred to the OAG in 2017 (see **Annex I**) compared to 31 in 2016. However, another 15 cases involving 42 people were investigated and



**Figure 2.12:** Status of Investigations

actually prosecuted and adjudicated outside the civil court jurisdiction, thus bringing the total cases forwarded for prosecution to 30 (46.9%) as shown in **Figure 2.12**. As of 31 December 2017, 19 cases (five old and 14 new cases) were on-going at various stages; seven cases have been closed and dropped due

to lack of evidence of corruption or administrative improprieties; and eight cases pertaining mostly to irregularities in recruitment were referred to the relevant agencies for administrative action. The overall investigation outcomes and the year-end status for 2017 is given in **Table 2.7**.

**Table 2.7:** Investigation, its outcomes and status

Description	Old	New	Total	%
No of cases carried over to 2017	20	-	20	31.2%
No of new cases opened in 2017	-	44	44	68.8%
<b>Total caseload for 2017</b>	<b>20</b>	<b>44</b>	<b>64</b>	<b>100%</b>
<b>Outcome/Status</b>				
<b>(1) Investigation completed:</b>				
i. Forwarded to OAG	9	6	15	23.4%
ii. Forwarded and prosecuted outside the civil court jurisdiction		15	15	23.4%
iii. Referred to Agencies for Adm. action	2	6	8	12.5%
iv. Closed/Dropped	4	3	7	10.9%
<b>(2) Investigation on-going</b>	<b>5</b>	<b>14</b>	<b>19</b>	<b>29.7%</b>
<b>Total</b>	<b>20</b>	<b>44</b>	<b>64</b>	<b>100%</b>

Out of the 15 cases forwarded to the OAG in 2017, 11 cases were of fraud and embezzlement, while the remaining pertained to conflicts of interest, abuse of functions and other offences. The majority of these embezzlement cases investigated were allegations referred from the banks and corporations, some of which entailed more than one investigation in the same institution. Total of 78 people were recommended to be prosecuted which is subject to change upon detailed review by OAG.

As of December 2017, 19 cases investigated by the ACC were under OAG review (**Annex II**) and 62 cases were in courts (**Annex III**).

#### **2.4.2 Prosecution by the ACC**

One of the significant decisions the Commission had to take in 2017 was on the prosecution of the Trongsa land case.

The ACC had investigated the case in 2015. The investigation findings revealed land substitution fraud during the process of acquisition and substitution of land to the public at Taktse, Trongsa implicating the then Trongsa Dzongdag and nine other public servants.

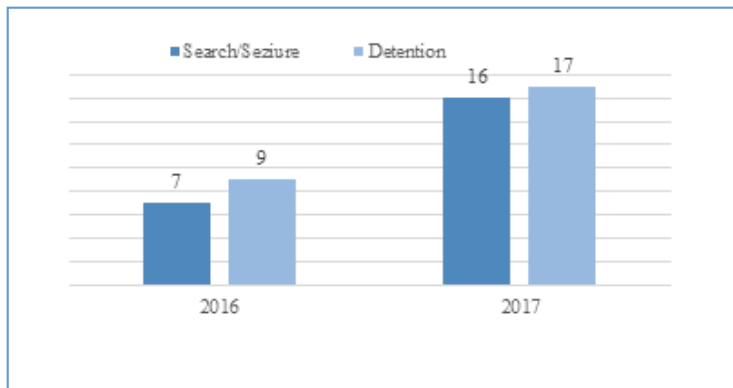
The case was referred to the OAG on 17 July 2015 for prosecution. However, the OAG returned the case on 31 December 2016 reasoning that there were no merits to initiate legal proceeding against the accused in the Court of law.

The ACC once again reviewed the facts and evidence of the case as well as the justifications provided by the OAG. Convinced of the factual merit of the case and its evidence, the ACC could not reconsider its views and conclusions. Accordingly, for the second time in its history, the ACC decided to invoke Section 128 (3) of the ACAB 2011 and prosecute the case on its own. The case was successfully registered with Trongsa District Court in February 2017.



### 2.4.3 Search/Seizure and Detention

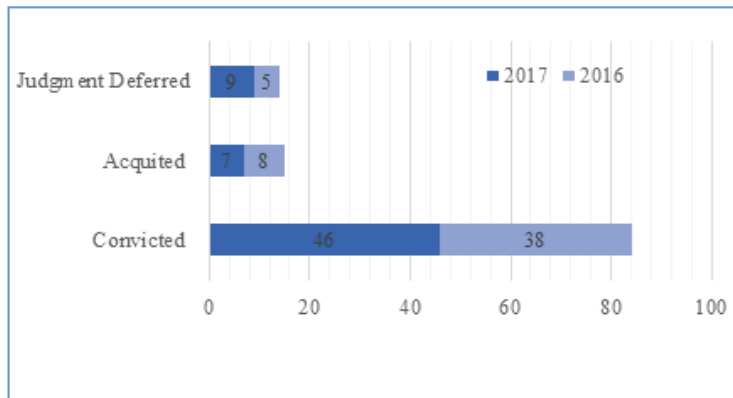
The operative part of investigation often entails detaining suspects for questioning and preventing destruction or fabrication of evidence as well as conducting search and seizures. The Commission continues to maintain strict oversight to ensure that the need for such coercive powers are considered and exercised responsibly and within the due process of law. In 2017, the ACC executed 16 search and seizure operations and detained 17 individuals during the investigation process (See **Figure 2.13**). Out of the 17 people detained during the year, 13 people were recommended to be prosecuted, one referred for administrative action while three remained under investigation. This supports the fact that the ACC detentions are not arbitrary as generally perceived.



**Figure 2:13:** Number of search/seizure & detention

### 2.4.4 Prosecution outcome

During the reporting period, various courts rendered judgment on 12 cases, involving 62 defendants charged for corruption and other criminal offences. Out of 62 people adjudicated, 46 individuals (74.2%) were convicted with sentences ranging from one month to 15 years imprisonment term, seven (11.3%) were acquitted and nine



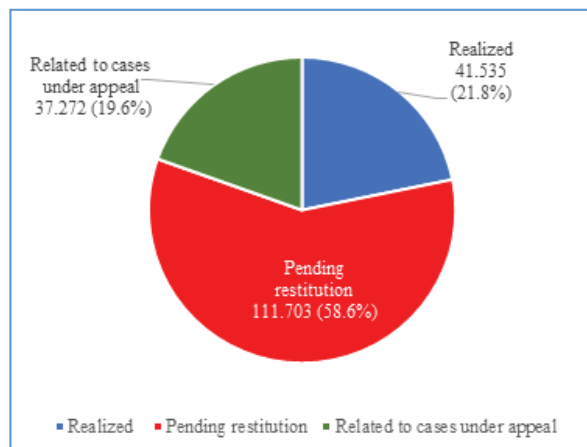
**Figure 2.14:** Prosecution Outcome 2016 vs 2017

(14.5%) were deferred as shown in **Figure 2.14**. The conviction rate for the year stands at 86.8% (excluding the nine deferred judgments) and the total monetary restitution ordered by the courts is Nu. 42.886 million.

### 2.4.5 Restitutions

Effective fight against corruption calls for a multi-faceted approach from different stakeholders at various levels of the criminal justice cycle. At a macro level, it has always been the ACC's desired policy direction to make corruption a 'high-cost low-reward affair' for offenders in order to create disincentives to engage in corruption. This objective can be achieved by creating deterrence through increased risk of detection and through imposing deterrent criminal and administrative sanctions against those found guilty.

From 2006 - 2017, various courts have awarded total restitution of Nu. 190.511 million and 81.92 acres of State land (excluding other physical properties). While 81.65 acres of land have been reinstated as government land, only Nu. 41.535 million (21.8%) of the financial restitution awarded has been realized as of December 2017, including Nu. 6.601 million restituted in the reporting year. Of the total pending restitution of Nu. 148.976 million, Nu. 37.272 million (19.6%) is related to the cases which are under appeal in various courts and Nu. 111.703 million (58.6%) pending restitution as shown in **Figure 2.15** (see **Annex IV** for the list of cases pending judgment implementation).



**Figure 2.15:** Status of restitution (2006-2017)



## 2.4.6 Case Highlights

### **Case # 1: Embezzlement of public funds, Goshing Gewog, Panbang**

With increased financial decentralization, greater control over public resources and autonomy in decision making without having the required capacity in contract administration or transparency and accountability mechanisms in place, rising opportunities of corruption in local government continues to pose a serious concern for the ACC. A significant proportion of complaints received by the ACC every year pertains to Gewog administrations.

This case is an investigation into allegation of embezzlement of public funds by the Goshing Gup, Panbang, Zhemgang Dzongkhag while constructing the Goshing Gewog Connectivity road in 2011 and farm road from Lamtang to Mewangang in 2012 with a total budget of Nu. 31.009 million and Nu. 7.177 million respectively. Both the works were executed departmentally.



The investigation ascertained that the incumbent Gup of Goshing Gewog while executing two projects had siphoned off Nu. 4.177 million by inflating Bhutan Oil Corporation's (BOC) bills; Nu. 3.628 million by submitting fake bills and log book for hiring of heavy earth moving equipment; Nu. 1.179 million from community contractors for allowing them to use materials and the excavator which was intended to be used for those two projects; Nu. 0.664 million by preparing fake muster rolls, and finally, Nu. 0.945 million in fraudulent claims for construction of L-Drain. In total, he had embezzled Nu. 10.593 million over the period of five years from 2011 to 2015.

The modus operandi adopted by the accused Gup entailed making arrangements with private parties to hire machineries and trucks on an agreed lump sum price but actually billing on an hourly system to the Gewog's account and pocketing the difference. In some instances, he made false claims against machinery which were never deployed at site. Reflecting ghost workers in the muster roll payments and manipulation of BOC cash memos in connivance with several employees of BOC, Gelephu for the purchase of petrol, oil and lubricants for the excavators engaged in the projects, were also some of the other fraudulent schemes used in this case.

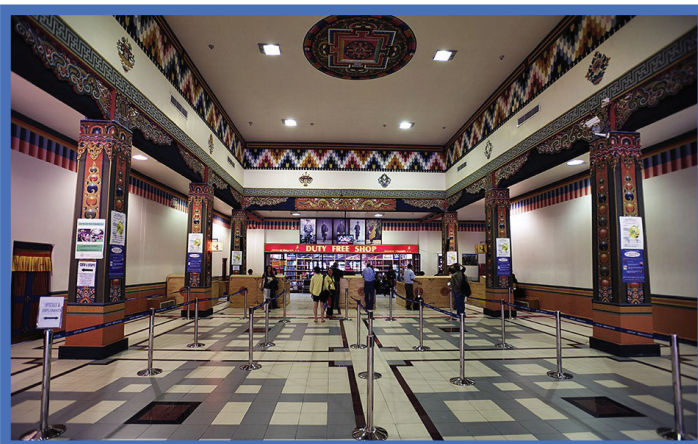
Further, he took advances from his office and later settled them by filing manipulated cash memos directly to his accountant without the same being certified by the store keeper. The ACC referred this matter to OAG on 10 October 2017.

### ***Case # 2: Embezzlement of Visa Fees by Immigration Officials at Paro International Airport***

This case was received from the MoHCA. The case pertains to the embezzlement of visa fees by Immigration officials at Paro International Airport. Investigation revealed lapses in government revenue management, misplacement of departmental money receipts (visa coupons) and shortage in depositing the government revenue from January 2013 to August 2017.

Although the Revenue Accounting Manual 2004 stipulates that all cash collected should be deposited the next day and the cash book be countersigned by the cashier, Head of Accounts and Controlling Officer, the visa fees collected were neither handed

over to the cashiers by the immigration officials the next day after collection, nor did the cashier deposit the same in the bank within the stipulated time frame. In fact the role of the cashier was entrusted to a messenger. Investigation found that the laxity in monitoring of daily collections and deposits of visa fees by the Controlling

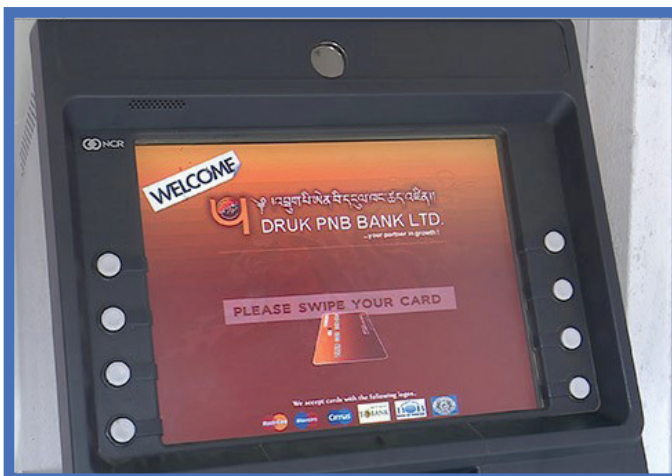


officer, lack of a standard practice on issue/return of coupons, improper handing/taking over of coupon booklets (used & unused) on transfer of the staff, sharing of individual user IDs and password among the staff and allowing the cashier/inspectors to take home the cash collected due to lack of a proper safe in the office to store the cash collected contributed in the embezzlement of visa fees amounting to Nu. 6.782 million by eight officials. The ACC will be forwarding this case to the OAG for prosecution.

### ***Case # 3: Embezzlement of ATM cash of Druk PNB Bank Ltd., Thimphu***

This investigation was based on the report made by the Druk PNB Bank Ltd. wherein one of its employees in the Thimphu branch was alleged to have embezzled cash meant for ATMs amounting to Nu. 10.552 million. The fraud came to light when

the Bank conducted the physical verification of cash inside all of its nine ATMs in Thimphu on 22 April 2017 after experiencing frequent customer complaints and unusual rate at which the machines were running out of cash. This in fact had been triggered off after the Branch Head curtailed the normal replenishment amount from Nu. 3.100 million to just Nu. 1.600 million. As an unwitting result, the accused was unable to manipulate the physical cash balance in ATMs and hence this led to a few ATMs becoming out of service. The accused was eventually compelled to confess to the Branch Head.



The investigation revealed that the accused had started his embezzlement scheme as early as 2013 while he was entrusted with the responsibility of replenishing all nine ATMs of the Bank in Thimphu. Among his circle of friends, he was known to have a higher standard of living and very generous with money. He had bought cars and lent money to many individuals, and those activities were all financed through the embezzled ATM cash of the Bank.

The Bank, to maintain adequate cash for dispensation, replenished each ATM (irrespective of its location) with Nu. 3.100 million cash every time the system balance ran below Nu. 1.000 million. In every refilling, any cash balance lying inside the ATM from the previous refill is removed and returned to the Head Cashier. So, theoretically, the cash balance in the ATMs never went below Nu. 1.000 million which the accused soon saw a window of opportunity to play around with the cash balance. He short-loaded ATMs since the ATMs cannot auto read the physical cash balance. He targeted machines located in areas that were less frequently visited by customers. The accused did not show any physical cash shortages in ATMs during reconciliations of ATM cash transactions and concealed the embezzlement of ATM cash from the Bank management by tallying, on record, the physical cash balance with system balance every time he replenished the ATMs.

Furthermore, the investigation found out that the illicit activities of the accused did not remain completely oblivious to the management. In fact, he had the blessings of one of the senior Bank staff in committing as well as concealing his act since they also benefitted from the scheme. The ACC forwarded the case to OAG for prosecution on 9 October 2017.

## 2.5 International Standing

This segment presents Bhutan's international standing as per the TI-CPI 2017 ranking.

### 2.5.1 Transparency International - Corruption Perceptions Index (TI-CPI)

The TI-CPI 2017 ranked Bhutan as the 26<sup>th</sup> cleanest country out of the 180 countries/territories covered, with the score of 67. This rank and the score is a significant improvement for Bhutan as compared to the CPI 2016. In fact, it is the best result that Bhutan ever achieved since it participated in the TI-CPI assessment in 2006. **Table 2.8** shows Bhutan's CPI rank and score at the global and regional level since 2006.

Bhutan has maintained the 6<sup>th</sup> position in the Asia-Pacific region with New Zealand (1<sup>st</sup>), Singapore (6<sup>th</sup>), Australia and Hong Kong (13<sup>th</sup>), and Japan (20<sup>th</sup>) above Bhutan and is the cleanest country in the SAARC region as shown in **Table 2.9**.

**Table 2.8:** Bhutan's TI CPI ranking

Year	Global Ranking	No. of participating countries	Score	Asia Pacific Ranking	No. of Surveys Used	Confidence Range
Scale (0 -100)						
<b>2017</b>	<b>26</b>	<b>180</b>	<b>67</b>	<b>6</b>	<b>5</b>	<b>64 - 70</b>
2016	27	176	65	6	5	62 - 69
2015	27	168	65	6	4	61 - 69
2014	30	175	65	6	4	62 - 68
2013	31	177	63	6	4	59 - 67
2012	33	176	63	6	3	57- 69
Scale (0 -10)						
2011	38	183	5.7	7	4	5.3-6.1
2010	36	178	5.7	7	4	5.1-6.6
2009	49	180	5	10	4	4.3-5.6
2008	45	180	5.2	9	5	4.5-5.9
2007	46	180	5	10	5	4.1-5.7
2006	32	163	6	7	3	4.1-7.3



**Table 2.9:** TI CPI Rank (R) and score (S) of Bhutan and other SAARC countries.

Country	2017		2016		2015		2014		2013		2012	
	R	S	R	S	R	S	R	S	R	S	R	S
Bhutan	26	67	27	65	27	65	30	65	31	63	33	63
India	81	40	79	40	76	38	85	38	94	36	94	36
Sri Lanka	91	38	95	36	83	37	85	38	91	37	79	40
Maldives	112	33	95	36	N/A							
Pakistan	117	32	116	32	117	30	126	29	127	28	139	27
Nepal	122	31	131	29	130	27	126	29	116	31	139	27
Bangladesh	143	28	145	26	139	25	145	25	136	27	144	26
Afghanistan	177	15	169	15	166	11	172	12	175	8	174	8
Participating Countries/Territories	<b>180</b>		<b>176</b>		<b>168</b>		<b>175</b>		<b>177</b>		<b>176</b>	

A total of 180 countries/territories have been covered in the CPI 2017, which is an increase by four as compared to CPI 2016. Even though the coverage of countries/territories has increased in 2017, it has not affected Bhutan's ranking. Over the years, Bhutan has also improved on the standard error interval providing better confidence level. The index measures the perceived level of corruption in the public sector in different countries/territories, using a scale of 0 to 100, where 0 is highly corrupt and 100 is very clean. The average global score is 43 out of 100.

The same data sources have been used to construct the CPI for Bhutan namely, World Bank Country Policy & Institutional Assessment, World Economic Forum Executive Opinion Survey, Global Insight Country Risk Ratings, Bertelsmann Stiftung's Transformation Index and Democracy Projects.

The improvement in the rank and the score of Bhutan can be attributed mainly to the unstinted support from the highest level and resolute political will to fight corruption which has created a conducive environment for effective enforcement of laws and policies in preventing and combating corruption. In general, the significance of mainstreaming integrity and anti-corruption measures in the overall governance process is well acknowledged by the stakeholders. Further, "*Corruption Reduced*" has been maintained as one of the NKRA's in the 12<sup>th</sup> FYP and agencies are already in the process of formulating OIP as an implementation guide in reducing corruption risks in the respective agencies.

It is important to sustain the current momentum of fighting corruption and remain united against the social menace. Bhutan is not immune to corruption risks and with the accelerated pace of development it is only going to proliferate if concerted anti-corruption efforts are not made.

## SECTION 3: THE RESOLUTIONS OF PARLIAMENT

---

This section reports on the resolutions passed by Parliament pertaining to the ACC, and its implementation status.

### 3.1 Resolution of the 9<sup>th</sup> and 10<sup>th</sup> Session of the Second Parliament - National Assembly

1. *It was resolved that a system should be instituted for the Anti-Corruption Commission, the Royal Bhutan Police, and the Office of Attorney General to hold meeting from time to time.*

As reported under section 1.1.1, a tripartite meeting between the RBP, OAG and ACC has been instituted which is expected to enhance mutual cooperation and provide a platform to discuss and resolve issues of common interests on time through effective communication. In addition, bilateral meetings with the RBP and OAG were also held to discuss and resolve coordination issues and reach a common understanding.

2. *The ACC, the OAG and the RBP should have their research units to analyze the data such as the average time taken to investigate a case (ACC), review a case (OAG), and prosecute a case (OAG).*

For the 12<sup>th</sup> FYP, the RBP, OAG and ACC developed specific KPIs on improving turnaround time (TAT) taken by various functions to provide justice services related to the 12<sup>th</sup> NKRA on “*Corruption Reduced*” and the 16<sup>th</sup> NKRA on “*Justice Services & Institutions Strengthened*”. Therefore, in order to attain the above KPIs in the 12<sup>th</sup> FYP, the respective agencies are required to collect data and analyze comprehensively for policy decision and interventions.

3. *All agencies to submit the Action Taken Reports to the ACC on cases shared with them by the ACC within the stipulated time.*

The status of the ATRs is presented under Section 2.3.10. The time given to agencies to submit an ATR is 30 days. In the reporting year, 105 complaints were shared with agencies for action out of which the ACC received ATRs for 31 complaints. Of the 31 ATRs received, only 8 ATRs (25.8%) were received on time. Rest (23 ATRs) were received after the stipulated time, maximum being 213 days. Seriousness on the part of the agencies to deal with the misconduct of public officials and their competing priorities are a cause for concern.

4. *The ACC and the GGC to carry out the feasibility studies for the establishment of an ombudsman's office.*

The GGC and ACC conducted a meeting to discuss the proposal to establish an Office of the Ombudsman on 27 October 2017. Subsequently, the ACC submitted a preliminary concept paper to the GGC.

The 10<sup>th</sup> Session of the 2<sup>nd</sup> Parliament resolved that “*a department or division or a section under the ACC be instituted with additional man power provided by RCSC and additional budgetary support provided by the Government. After having gained enough experience, the unit could be separated from ACC as an independent office in future*”.

While the Parliament has proposed for establishment of the Ombudsman in the ACC, in view of the reasons already mentioned in the Annual Report 2016, the actual operation may not be feasible. However, as reported in section 1.2 above, the ACC will review and institute a system similar to that of sharing complaints with the RCSC.

### **3.2 Resolution of the 19<sup>th</sup> Session of the National Council**

1. *Develop a workable mechanism in collaboration with agencies like the RCSC, DHI, MoLHR, etc. to effectively deal with complaints that are administrative in nature, and*

As reported under Section 1.1.1, an arrangement has been made with the RCSC for civil servants. Similar arrangements will be explored with other relevant agencies for complaints pertaining to other public servants.

2. *Review and streamline the apparent inconsistencies in handling seized immovable and moveable properties.*

In view of the practical challenges in handling seized properties, a dedicated division, Seized Properties Management Division has been established under the Department of Professional Support. Internal policies and procedures have also been developed.

To further streamline, professionalize and address the *apparent inconsistencies* in the management of seized properties, the ACC has initiated consultations with the Judiciary for clarity/interpretation of the provisions of the ACAB 2011 and other relevant laws. The ACC also plans to conduct consultation meetings with stakeholders including the financial institutions to discuss the issue.

## SECTION 4: CHALLENGES AND RECOMMENDATIONS

This section underscores the challenges facing the ACC in the delivery of its constitutional mandate. The section also earmarks key recommendations necessary for the effective functioning of the ACC.

### 4.1 Financial stability and security

As reported under Section 1.1.2 and also highlighted in the past annual reports, financial stability and security is critical for the ACC to be ‘independent’ and deliver its mandate effectively. Article 14 (13) of the Constitution and Section 7 (1 & 2) of the ACAB 2011 guarantees adequate financial resources for the ACC.

#### 4.1.1 Budget for the ACC

So far, the ACC has received sufficient resources for its operations. The average annual budget allocation to the ACC in the last 10 FYs (10<sup>th</sup> and 11<sup>th</sup> FYPs) was not less than 0.2% of the total annual national budget. However, 64.3% of the total budget that the ACC received from July 2008 to June 2018 (excluding pay and allowances) were funded by its development partners. Therefore, the ACC has been largely dependent on donor funds for its programs and activities.

The capital budget of the ACC for the last 10 FYs is 74.4% (Nu. 547.607 million) of the total annual budget with the maximum share of 79.5% (Nu. 435.452 million out of Nu. 547.607 million) being financed by the development partners as shown in **Table 4.1**.

**Table 4.1:** Capital budget (RGoB vis-à-vis donor contributions)

Period	Total Capital Budget (Nu. in millions)						Total
	RGoB	SDC	GoI	UNDP	SNV	DANIDA	
July 2008 - June 2018 (As of December 2017)	112.155	273.767	120.109	27.257	0.800	13.519	547.607
Total	112.155	435.452					547.607
In %	20.5%	79.5%					100%

With the ending of the SDC’s development cooperation with Bhutan (support to the ACC in particular ended in June 2017), the RGoB has stepped up its budget support to fill the resource gaps in the last three FYs (2015 – 2018). However, the allocation of annual budget for the ACC over the last five years (11<sup>th</sup> FYP) shows a decreasing trend. Budget allocation (excluding pay and allowances) is not commensurate to the growing capacity - staff strength increased from 58 in 2013 to 96 in 2017.



Further, the indicative capital budget of Nu. 75.000 million for the 12<sup>th</sup> FYP for the ACC, which is only 0.1% of the total national capital outlay of Nu. 115,364.000 million, is also a significant decrease in the budget for the ACC. As indicated in Section 1.3 of this report, the indicative capital budget for the ACC for the 12<sup>th</sup> FYP is less than the 11<sup>th</sup> plan outlay and the utilization capacity of the ACC as shown in **Table 4.2**.

**Table 4.2:** Five Year Plan Budget vis-à-vis expenditure

Five Year Plan	Indicative Capital Outlay	Revised Capital	Expenditure
9 <sup>th</sup> (Jan 2006 – June 2008)	Not available	34.447	24.225
10 <sup>th</sup> (July 2008 – June 2013)	125.370	265.777	154.533
11 <sup>th</sup> (July 2013 – June 2018)	93.000	278.223	207.993
12 <sup>th</sup> (July 2018 – June 2023)	<b>75.000</b>		

In the 12<sup>th</sup> FYP, the ACC will have to lead the interventions related to the 12<sup>th</sup> NKRA besides having to contribute to other NKRA. In addition, the 12<sup>th</sup> NKRA being one of the mandatory KPIs, all the agencies are expected to achieve the planned targets for which the ACC will have to provide the technical assistance. The ACC will also have to engage non-budgetary agencies like CSOs, media, corporations and private sector to achieve the targets of the 12<sup>th</sup> FYP. Further, the projected staff strength for the ACC to be achieved by 2020 is 147 and correspondingly, the implementation capacity will be enhanced.

Therefore, the indicative capital budget outlay of Nu. 75.000 million in the 12<sup>th</sup> FYP will not be adequate. The ACC deems it necessary to have at least a total capital budget of Nu. 211.000 million in order to realize the programs formulated for the 12<sup>th</sup> FYP.

The ACC will have to rely on the RGoB funding for adequate financial resources as guaranteed by the Constitution. This is also one of the KPIs of the 12<sup>th</sup> NKRA in the 12<sup>th</sup> FYP.

While the ACC acknowledges the enhanced budgetary support of the RGoB, mechanisms need to be put in place to guarantee adequate financial resource for the ACC as already highlighted in the Annual Report 2015 and not be dependent on the Government of the day. Unless adequate financial resource is guaranteed and provided, risk of the ACC being rendered dysfunctional is real.

#### **4.1.2. HRD Budget**

One of the major areas that requires substantial budget is the HRD program. As a relatively young institution with a challenging mandate and the specialized nature of its functions, the HRD/training programs are a must to acquire the required

technical competencies/professional expertise for effective job performance of its staff. Accordingly, investments have to be made in long and short-term trainings both within and outside the country in light of the following reasons: 1) changing dynamics of corruption; 2) 18.8% of the total staff being young with less than five years of experience in the service; 3) induction of new staff; 4) the need for specialized investigation knowledge and skills; and 5) to keep abreast of the emerging technologies, among others.

Opportunities for long-term studies for specialization in corruption matters has become the pressing HR issue for the ACC. It is one of the main factors contributing to the low attraction and high attrition rate of staff.

In the absence of opportunities for availing long-term studies in the ACC, individuals are opting for self-financing, transfer in the hope of availing scholarship opportunities and resignation. As a result, the ACC is losing competent officers, some of whom have served as long as eight years in critical positions. The ACC lost nine officers in the last two years (and another nine officers during January to April 2018 – five resignations, three transfers and one on EOL). Providing opportunities to avail long term studies has become a critical retention strategy of the Commission.

The ACC's total staff strength is 96 (as of December 2017) which is 65.3% of the total 147 targeted to be achieved by June 2020. From this, 72 positions are in the Professional & Management position category and the majority of them are young with an average age of 32 years. 43 (59.7%) of the officers do not have a Masters Degree. In January 2018, 37 of them will be eligible to pursue Masters, and this number is only going to increase, creating a huge gap in the HRD. To make the matter worse, since March 2015, the ACC has not been able to provide any Masters scholarships despite the need and the urgency.

From the projected staff strength of 147 by 2020, 51 positions remain to be filled of which 32 are positions related to the core mandates of investigation and prevention of corruption. Therefore, given the large pool of staff (existing) without opportunities for availing long-term studies for specialization, there is no incentive/motivation for new ones to join the ACC to fill in the vacant positions. Consequently, the ACC will continue to face the challenges of attraction and retention of professionals in the discharge of its mandated functions unless adequate financial resources are provided to narrow the gaps in the HRD, especially long-term studies in specialized fields.

The ACC's effectiveness in the fight against corruption in the country hinges on its ability to attract and train the right people and retain them. Therefore, the need of the hour is adequate financial resources for HRD in the ACC.

Over the last 10 FYs, the total investment of Nu. 93.272 million has been made on HRD with the generous support of its development partners (92.6%) and the RGoB (7.4%) as shown in **Table 4.3**.

**Table 4.3:** HRD expenditures (RGoB vis-à-vis donor contributions)

Financial Year	HRD Expenditure (Nu. in millions)		Total
	RGoB	Donor	
July 2008 - June 2009	-	0.590	0.590
July 2009 - June 2010	-	5.570	5.570
July 2010 - June 2011	-	5.545	5.545
July 2011 - June 2012	-	11.100	11.100
July 2012 - June 2013	-	12.236	12.236
July 2013 - June 2014	-	12.272	12.272
July 2014 - June 2015	-	16.485	16.485
July 2015 - June 2016	-	12.234	12.234
July 2016 - June 2017	4.584	8.435	13.019
July 2017 - December 2017	2.285	1.936	4.221
<b>Total</b>	<b>6.869</b>	<b>86.403</b>	<b>93.272</b>

Up to June 2016, HRD programs, both long term and short term trainings were funded through the donor support with SDC being the major donor. With the withdrawal of the donor support, the ACC's budget for HRD programs/trainings is largely dependent on the RGoB funding since FYs 2016-17. The RGoB allocated HRD budget of Nu. 6.500 million for the current FY for the short term mandatory trainings only. The current one year UNDP funded project titled, "*Strengthening Anti-Corruption Commission of Bhutan: Anti-Corruption for Peaceful and Inclusive Societies for Asia Pacific Region*" will end in June 2018 and thereafter, the ACC will be fully dependent on the RGoB funding for its HRD programs. Further, given that the country will be graduating from the category of Least Developed Country, it is less likely that the ACC will get donor support any more.

Scope of development activities in the 12<sup>th</sup> FYP is bigger than the 11<sup>th</sup> plan. Consequently, there will be bigger risks. His Majesty in His National Day Address in 2014 emphasized that "*increased workload compounds associated risks and possible failures*" and warned that "*the highest probable risk to development that I foresee is corruption.*"

In conclusion, the ACC reiterates that its effectiveness in the fight against corruption in the country hinges on having adequate resources to:

- Attract, build capacity, motivate and retain professionals; and
- Sustain anti-corruption programs and keep up the momentum.





# Capacity building for Collective efforts against Corruption





## CONCLUSION

---

The fight against corruption has been brought to the forefront of public debate and deliberation which bears testimony to the effectiveness of our anti-corruption efforts. The progress made so far is seen in Bhutan's improved ranking (from 27<sup>th</sup> to 26<sup>th</sup>) and score (from 65 to 67) in the TI CPI 2017. Measures to prevent corruption in all tiers of governance are being further strengthened in the 12<sup>th</sup> FYP development agenda. These measures will have their desired impact if they are institutionalized by agencies and implemented with due diligence.

As much as we have made some headway, there is still a long way to go. Embezzlement of public funds and abuse of power continues to take place. Therefore, it is very important that we put in place transparency and accountability mechanisms and enforce codes of conduct strictly as a way of preventing corruption. There is a need to promote and enhance integrity among public office holders. Public education must be strengthened which is essential to fight corruption wherein the citizens resolve to resist, condemn and report corruption. We need more of public anger against corrupt officials.

The ACC, in itself, is facing a daunting task in taking necessary steps to prevent and combat corruption in the country. The human resource issues are perennial to the ACC and is further aggravated by financial resource constraints. The indicative budget outlay of Nu. 75.000 million for the ACC for the 12<sup>th</sup> FYP against the total plan outlay of Nu. 115,364.000 million will pose significant challenges in delivering its mandated functions. It also poses serious questions on assurance of adequate finance for the ACC (the financial independence of the ACC) as enshrined in the Constitution.

The political will to fight corruption must continue to translate to actions from rhetoric. Prosecution and enforcement of the judgments, especially restitution of proceeds of corruption must not only be efficient but effective in creating deterrence for corrupt acts. Therefore, the independent law enforcement institutions must be adequately resourced to carry out a successful anti-corruption crusade. And most importantly, we must act. The executive, the legislature and the judiciary must act decisively and collaboratively to deal with the social menace.

Corruption affects all in the most negative ways. The 12<sup>th</sup> FYP will start from next FY, 2018-2019, and as we embark on the crucial journey of implementation, corruption may stand in our path. The third parliamentary election will also take place, and it gives us all the more reason to guard against corruption. What is needed is a lot of political will and support, beyond the electioneering rhetoric or vacuous statements on fighting corruption.

Bhutan is privileged to have the leadership of His Majesty the King who has an unequivocal stand on corruption. As democracy takes root in Bhutan and as the third parliamentary election draws closer, both candidates and the electorate alike must reflect, imbibe and uphold what His Majesty has constantly stressed upon:

*“Our immediate and foremost duty is the success of democracy. That is our foundation for the future success of Bhutan. But democracy can only flourish if all Bhutanese uphold the rule of law; if there is good governance; if corruption is eradicated and if the delivery of public services is fair and effective.”*

7<sup>th</sup> session of the first Parliament on 20 May 2011

*“In spite of all the pledges made during elections, many elected representatives fail to live up to the expectations of the people once they come into power, and instead fall victim to greed and self-interest. When the elected leaders lose the respect and trust of the people, when they fail to set the right examples and uphold certain standards, corruption and bad practices spread. This greatly destabilizes the entire democratic process, and eventually undermines the future of the nation.”*

3<sup>rd</sup> session of the second Parliament on 16 May 2014

Bhutan has come a long way in the fight against corruption. The concerted efforts in combating corruption must be continued and strengthened, responding to the challenges of fast evolving time and context. The ACC acknowledges all those who have rendered support in the ACC’s onerous journey of combatting corruption. As we solemnly invoke fighting corruption as a ‘collective responsibility’, the ACC calls for greater accountability, transparency and integrity from all levels of governance.

Say No to Corruption!

**ANNEX I: Cases forwarded to the OAG for prosecution in 2017**

Sl. No.	Case No.	Case Title	Referral Date
1	25/2016	Embezzlement in Bhutan Telecom, Wamrong	20-03-2017
2	22/2016	Embezzlement in T/Yangtse Dzongkhag Administration	24-04-2017
3	24/2016	Thimphu Land case - Illegal registration of govt. land at Debsi	06-06-2017
4	05/2016	Embezzlement in FCBL, Nganglam	13-06-2017
5	23/2016	Embezzlement in BDBL, Thimphu	22/06/2017
6	06/2016	Embezzlement in Talo Gewog Administration, Punakha	17-07-2017
7	20/2016	Corrupt practices in Bhutan Trust Fund for Environmental Conservation	31-07-2017
8	05/2017	Embezzlement in BDBL, Thrimshing	07-09-2017
9	06/2017	Embezzlement of ATM cash in DPNB Ltd., Thimphu	09-10-2017
10	15/2017	Embezzlement in Kichu Resort, Paro	09-10-2017
11	21/2016	Embezzlement in Goshing Gewog Administration, Panbang	10-10-2017
12	08/2017	Conflict of interest in purchase of land by PCAL at Gelephu	07-11-2017
13	25/2017	Embezzlement in DoFPS, MoAF	01-12-2017
14	14/2016	Corrupt practices in financial transactions between RICBL and Nubri Capital	29-12-2017
15	03/2017	Corrupt practices by RICBL management	29-12-2017

## ANNEX II: Cases under review by the OAG as of December 2017

Sl. No.	Case No.	Case Title	Referral Date
1	01/2013 (Part 7)	Illegal registration of 1.10 acres of Shokshing at Gyabjakha, Babesa	29-09-2016
2	10/2009	Illegal registration of government land at Emalakha, Gedu	21-12-2016
3	13/2014 (Part 37)	Tax Evasion involving Druk Tyres	29-12-2016
4	01/2016	Embezzlement in RICBL	29-12-2016
5	25/2016	Embezzlement in Bhutan Telecom, Wamrong	20-03-2017
6	22/2016	Embezzlement in T/Yangtse Dzongkhag Administration	24-04-2017
7	24/2016	Thimphu Land case - Illegal registration of govt. land at Debsi	06-06-2017
8	05/2016	Embezzlement in FCBL, Nganglam	13-06-2017
9	23/2016	Embezzlement in BDBL, Thimphu	22-06-2017
10	06/2016	Embezzlement in Talo Gewog Administration, Punakha	17-07-2017
11	20/2016	Corrupt practices in Bhutan Trust Fund for Environmental Conservation	31-07-2017
12	05/2017	Embezzlement in BDBL, Thrimshing	07-09-2017
13	06/2017	Embezzlement of ATM cash, DPNB Ltd, Thimphu	09-10-2017
14	15/2017	Embezzlement in M/s International Treks and Tours Pvt. Ltd(ITT), Paro	09-10-2017



Sl. No.	Case No.	Case Title	Referral Date
15	10/2017	Embezzlement in Goshing Gewog Administration, Panbang	10-10-2017
16	08/2017	Conflict of interest in purchase of land PCAL at Gelephu	07-11-2017
17	25/2017	Embezzlement in DoFPS, MoAF	01-12-2017
18	14/2016	Corrupt practices in financial transactions between RICBL and Nubri Capital	29-12-2017
19	03/2017	Corrupt practices by RICBL management	29-12-2017

## ANNEX III: Cases with Courts as of December 2017

Sl. No.	Case No.	Case Title	To OAG-Ref. Date	Registration date-Trial Court	Trial Court	Status as of December 2017
1	02/2014	Repatriation of Indian Currency, DPNBL, Thimphu	26-03-2014	07-04-2014	District Court, Thimphu	Under trial
2	11/2014	Embezzlement involving Accounts Personnel in MoIC	11-04-2014	21-11-2014	District Court, Thimphu	Under appeal in High Court since 05/6/2017
3	14/2012	Financial Irregularities in the operation of Government fund through the Royal Bhutan Embassy in Thailand	05-02-2015	26-02-2016	District Court, Thimphu	Under trial
4	05/2014	Misuse of powers and government fund by Gelephu Drungpa	09-03-2015	20-11-2015	Drungkhag Court, Gelephu	Under appeal in District Court, Sarpang since 26/6/2017
5	13/2014 (Part 6)	Bribery & Tax evasion, P/ling (Dorji Wangmo T/Khang)	08-08-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
6	13/2014 (Part 7)	Bribery & Tax evasion, P/ling (Rigsom Ent.)	08-08-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
7	13/2014 (Part 8)	Bribery & Tax evasion, P/ling (Norzang Trading)	08-08-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
8	13/2014 (Part 9)	Bribery & Tax evasion, P/ling (Rabten Pharmaceutical)	08-08-2015	18-03-2016	Drungkhag Court, P/ling	Under trial

Sl. No.	Case No.	Case Title	To OAG-Ref. Date	Registration date-Trial Court	Trial Court	Status as of December 2017
9	13/2014 (Part 33)	Bribery & Tax evasion, P/ling (JPLP)	08-08-2015	04-09-2015	Drungkhag Court, P/ling	Under appeal in High Court since 31/7/2017
10	13/2014 (Part 1)	Bribery & Tax evasion P/ling (D.P T/Khang)	25-08-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
11	13/2014 (Part 2)	Bribery & Tax evasion P/ling (T. Phuentsho Ent.)	25-08-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
12	13/2014 (Part 3)	Bribery & Tax evasion P/ling (Brumi Enterprise)	25-08-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
13	13/2014 (Part 4)	Bribery & Tax evasion P/ling (Chotaylal Sha Grocery)	09-10-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
14	13/2014 (Part 5)	Bribery & Tax evasion, P/ling (Rabten Roadways)	09-10-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
15	13/2014 (Part 10)	Bribery & Tax evasion, P/ling (IS Enterprise)	09-10-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
16	01/2014	Fraud and bribery in the illegal repatriation of Indian Rupee, DPNBL, Thimphu	13-10-2015	25-10-2016	District Court, Thimphu	Under trial
17	13/2014 (Part 11)	Bribery & Tax evasion, P/ling (D.K General Shop & DK Tailoring)	24-10-2015	18-03-2016	Drungkhag Court, P/ling	Under trial

Sl. No.	Case No.	Case Title	To OAG-Ref. Date	Registration date-Trial Court	Trial Court	Status as of December 2017
18	13/2014 (Part 12)	Bribery & Tax evasion, P/ling (Druk Norlha Ent.)	24-10-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
19	13/2014 (Part 13)	Bribery & Tax evasion, P/ling (Bhutan Steel Center)	24-10-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
20	13/2014 (Part 14)	Bribery & Tax evasion, P/ling (Sonam Cement Agent)	24-10-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
21	13/2014 (Part 18)	Bribery & Tax evasion, P/ling (Tenzin Enterprise)	13-11-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
22	13/2014 (Part 19)	Bribery & Illegal Repatriation of Indian Rupee, P/ling (Kundrup Enterprise)	13-11-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
23	13/2014 (Part 20)	Bribery & Tax evasion, P/ling (UD Beer Distributor)	13-11-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
24	13/2014 (Part 22)	Bribery & Tax evasion, P/ling (Y.P Enterprise & M/s Y.P Winery)	13-11-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
25	3/2014 (Part 23)	Bribery & Tax evasion, P/ling (Yangkhor Enterprise)	18-12-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
26	13/2014 (Part 34)	Bribery & Tax evasion, P/ling (Gyalse Nadin Ventures)	18-12-2015	27-04-2016	Drungkhag Court, P/ling	Under trial
27	13/2014 (Part 15)	Bribery & Tax evasion, P/ling (Lhayang Ent.)	23-12-2015	18-03-2016	Drungkhag Court, P/ling	Under trial



Sl. No.	Case No.	Case Title	To OAG-Ref. Date	Registration date-Trial Court	Trial Court	Status as of December 2017
28	13/2014	Bribery & Tax evasion involving Choyzang Tashi	10-12-2015	21-01-2016	Drungkhag Court, P/ling	Defendant has appealed to District Court, Chukha
29	13/2014 (Part 16)	Bribery & Tax evasion, P/ling (Yeshey Pema Enterprise & Tyres)	23-12-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
30	3/2014 (Part 24)	Bribery & Tax evasion, P/ling (Yangkhor Auto spare parts)	30-12-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
31	13/2014 (Part 25)	Bribery & Tax evasion, P/ling (K.J enterprise)	30-12-2015	18-03-2016	Drungkhag Court, P/ling	Under trial
32	09/2015	Deception and forgery in Bhutan Postal Corporation	30-12-2015	30-08-2016	District Court, Thimphu	Under trial
33	13/2014 (Part 32)	Bribery & Tax evasion, P/ling (Tama Beer Agency)	12-01-2016	18-03-2016	Drungkhag Court, P/ling	Under trial
34	13/2014 (Part 27)	Bribery & Tax evasion, P/ling (Leki Dema)	04-04-2016	29-08-2016	Drungkhag Court, P/ling	Under trial
35	13/2014 (Part 35)	Bribery & Tax evasion, P/ling (R.K Motors)	20-06-2016	29-08-2016	Drungkhag Court, P/ling	Under trial
36	13/2014 (Part 21)	Bribery & Tax evasion, P/ling (Penjor Steel)	01-07-2016	20-10-2016	Drungkhag Court, P/ling	Under trial

Sl. No.	Case No.	Case Title	To OAG-Ref. Date	Registration date-Trial Court	Trial Court	Status as of December 2017
37	10/2015	Embezzlement in DCCL, Nganglam	04-07-2016	17-10-2016	Drungkhag Court, Nganglam	Under appeal in High Court since 05/01/2018
38	04/2015	Land substitution fraud at Trongsa involving former Dzongdag	17-07-2015. Returned by OAG on 31/12/2016	15-02-2017	District Court, Trongsa	Prosecution by the ACC
39	06/2015	Embezzlement in YMC	05-10-2015	17-08-2017	District Court, Thimphu	Under trial
40	13/2014 (Part 43)	Tax Evasion involving Udee Clearing Agent	19-10-2015	28-03-2017	Drungkhag Court, P/ling	Under trial
41	08/2015	ATM fraud, P/ling	22-12-2015	20-03-2017	Drungkhag Court, P/ling	Under trial
42	05/2012	Bribery and illegal regularization of govt. land at Tshalumphey, Thimphu	26-05-2016	21-03-2017	District Court, Thimphu	Under trial
43	01/2013 (Part 1)	Illegal registration of 1.37 acres of govt. land at Tshalumphey, Thimphu	02-06-2016	22-03-2017	District Court, Thimphu	Under trial
44	11/2015	Fraudulent DSA claim in RMA	23-06-2016	23-03-2017	District Court, Thimphu	Under trial

Sl. No.	Case No.	Case Title	To OAG-Ref. Date	Registration date-Trial Court	Trial Court	Status as of December 2017
45	01/2013 (Part 2)	Illegal transaction 50 decimals govt. land at Babesa	07-07-2016	24-03-2017	District Court, Thimphu	Under trial
46	13/2014 (Part 31)	Bribery and Unexplained wealth involving Custom inspector	28-07-2016	25-03-2017	Drungkhag Court, P/ling	Under trial
47	09/2013	Embezzlement in FCBL depot, P/ling	02-08-2016	26-03-2017	Drungkhag Court, P/ling	Under trial
48	01/2013 (Part 5)	Illegal conversion and substitution of 4.5 acres land at Gangchey, Thimphu	07-09-2016	27-03-2017	District court, Thimphu	Under trial
49	04/2016	Embezzlement involving Customs inspectors	21-09-2016	28-03-2017	Dungkhag Court Nganglam and P/ling	Under trial
50	13/2014 (Part 39)	Tax Evasion involving Ramprit Sha	29-12-2016	29-03-2017	Drungkhag Court, P/ling	Under trial
51	13/2014 (Part 38)	Tax Evasion involving Sha & Sons	29-12-2016	30-03-2017	Drungkhag Court, P/ling	Under trial
52	13/2014 (Part 40)	Bribery & Tax Evasion involving Tashi Enterprise	29-12-2016	31-03-2017	Drungkhag Court, P/ling	Under trial
53	01/2013 (Part 8)	Thimphu Land Case - Fraudulent registration of government land by former Gup	29-12-2016	01-04-2017	District court, Thimphu	Under trial

Sl. No.	Case No.	Case Title	To OAG-Ref. Date	Registration date-Trial Court	Trial Court	Status as of December 2017
54	02/2016	Embezzlement in BNBL, Paro	21-10-2016	02-04-2017	District Court, Thimphu	Under trial
55	01/2013 (Part 9)	Thimphu land case - Illegal encroachment of government land involving Revenue Clerk	29-12-2016	03-04-2017	District Court, Thimphu	Under trial
56	01/2013 (Part 4)	Illegal registration of 33 decimal govt. land at Lungtenphu, Thimphu	07-09-2016	04-04-2017	District Court, Thimphu	Under trial
57	01/2013 (Part 3)	Encroachment of 132 decimals govt. land at Gangchey and Chang Debsi	06-07-2016	05-04-2017	District Court, Thimphu	Under trial
58	11/2016	Embezzlement of excess land payments at Sambaykha, Haa	31-10-2016	06-04-2017	Drungkhag Court, Sambaykha	Under trial
59	07/2015	Embezzlement in RICBL Branch Office, Paro	29-04-2016	07-04-2017	District Court, Paro	Under trial
60	12/2016	Illegal Regularization of Public Tsamdrol at Chang Debsi	30-12-2016	03-10-2017	District Court, Thimphu	Under trial
61	13/2014 (Part 36)	Tax Evasion involving Kenpa Private Ltd.	30-12-2016	16-10-2017	Drungkhag Court, P/ling	Under trial
62	01/2013 (Part 6)	Illegal registration of 106 decimals of govt. land at Serbithang	16-09-2016	28-04-2017	District Court, Thimphu	Under trial



## ANNEX IV: Judgment implementation status (2006 - 2017)

Sl. No.	Case No.	Case Title	Initial Registration Date	Judgment Date	Final Court of adjudication	Person from whom to restitute	Restitution		Remarks
							Monetary	Assets	
1	09/2006	Illegal conversion of Shokshing to Kamzhing at Dagana	15-10-2007	14-01-2009	High Court	Karma Samdrup	40,000.00		OAG following up with the Court
2	04/2007	Embezzlement in Youth Development Fund	25-10-2007	15-10-2009	High Court	Singye Dorji	1,169,895.56		Execution actively under process to be restituted in early 2018 *
3	05/2009	Embezzlement in Gaselo HSS	11-12-2009	07-06-2010	District Court, Wangdue	Tshering Dorji	75,800.00		OAG following up with the Court
4	11/2008	Misappropriation of resettlement fund at Samtse	29-10-2009	21-11-2011	High Court	TB Subha	128,000.00		
5	18/2008	Samtse Mining Case	10-04-2009	30-12-2011	Supreme Court	Sangay Gyeltshen	43,262,980.00		Execution actively under process
6	4B/2010	Construction of Dagana HSS and Pangna CPS, Dagana Dzongkhag	05-08-2010	28-05-2012	High Court	Phanchung	900,000.00		Partially restituted

Sl. No.	Case No.	Case Title	Initial Registration Date	Judgment Date	Final Court of adjudication	Person from whom to restitute	Restitution		Remarks
							Monetary	Assets	
7	11/2008	Misappropriation of resettlement fund at Samtse	29-10-2009	18-07-2012	High Court	BB Mongar	230,500.00		
8	13B/2009	MoH: Bribery of Liaison Officers at Kolkata	10-12-2010	22-08-2012	High Court	Tshewang Samdrup	665,000.00		OAG following up with the Court
9	07/2011	Fraudulent Misappropriation and embezzlement in Health Procurement Fund (Offshoot from Case 13/2009)	20-02-2012	30-11-2012	District Court, Thimphu	Sonam Chophel	286,925.00		
				11-04-2013	Supreme Court	LB Subha	4,103,761.98		Execution actively under process
10	03/2013	Embezzlement in BOBL, Punakha	15-01-2014	26-09-2014	High Court	Wangdi	2,001,464.00		Not restituted
						Tshering Chodup	2,857,009.00		Partially restituted
						Indra Lama	1,076,285.00		Restituted in 2017
11	13B/2009	MoH: Bribery of Liaison Officers at Kolkata	10-12-2010	11-12-2014	Supreme Court	Nawang Gyeitshen	90,000.00		OAG following up with the Court
12	10/2010	Construction of BHU at Narang	03-07-2012	14-01-2015	Supreme Court	Ugyen Wang-chuk	2,190,888.20		Partially restituted

Sl. No.	Case No.	Case Title	Initial Registration Date	Judgment Date	Final Court of adjudication	Person from whom to restitute	Restitution		Remarks
							Monetary	Assets	
13	08/2011	Fraud and Bribery in the Tendering of Drug Procurement in MoH	06-02-2013	27-02-2015	District Court, Thimphu	LB Subha	292,000.00		Not restituted
14	13/2012	Case related to Lhakhang Karpo	23-01-2015	27-10-2015	High Court	Tshewang Rinzin	100,000.00		
15	12/2013	Bribery at Tanalum check post, Chukha (Immigration case)	04-03-2015	28-12-2015	District court, Chukha	Karma Tshering	14,000.00		
						Sonam Jamtsho	111,000.00		OAG following up with the Court
						Chogyal Wangdi	47,100.00		
16	11/2009	Misuse of Government vehicle and manpower, false claim of TA/DA at CDCL	06-08-2012	12-01-2016	High Court	Thuktenla	26,800.00		Restituted in 2017
						Kunzang Thinlay	13,450.00		
17	11/2009	Embezzlement in CDCL	06-08-2012	12-01-2016	High Court	DN Sharma	1,600,443.60		Execution under process by NLCS
									1. 15 decimal land at Sampheling, Chukha and 2. 13 decimal land at Gelephu

Sl. No.	Case No.	Case Title	Initial Registration Date	Judgment Date	Final Court of adjudication	Person from whom to restitute	Restitution		Remarks
							Monetary	Assets	
18	02/2013	Tendering Fraud at Dagana Dzongkhag (Shatong Gonpa)	26-01-2015	17-05-2016	Supreme Court	Tharchen	135,600.64		Partially restituted
19	01/2015	Embezzlement in RICBL, Dagana	29-12-2015	07-07-2016	High Court	Tandin Chogyal	789,909.10		Not restituted
20	13C/2009	MoH: Bribery in Procurement of Medical Equipment and consumables	25-06-2014	04-11-2016	High Court	Rinchen Dorji	420,000.00		Equivalent to USD 6,000.00 Execution actively under process
21	12/2014	Misappropriation of fund at RICBL, P/ling	08-04-2015	27-12-2016	District Court, Chukha	Jigme Dorji Karchung	2,218,250.00		Restituted in 2017
22	10/2015	Embezzlement in DCCL	17-10-2016	17-04-2017	Drungkhag Court, Nganglam	Tsagay	1,320,000.00		Not restituted
23	07/2012	Fraudulent transportation claims by M/s Dophu Transport Service	20-05-2016	23-10-2017	Drungkhag Court, Phuntsoling	Dophu	1,934,984.52	530,609.45	Restituted in 2017  Execution actively under process to be restituted in early 2018 **

Sl. No.	Case No.	Case Title	Initial Registration Date	Judgment Date	Final Court of adjudication	Person from whom to restitute	Restitution		Remarks
							Monetary	Assets	
24	13/2014	Sales Tax Evasion by 18 importers at entry point, P/ling	05-06-2017	04-12-2017	Drungkhag Court, Phuentsoiling	Rita	19,892.47		Execution actively under process to be restituted in early 2018 ***
25	10/2015	Embezzlement in DCCL	17-10-2016	17-04-2017	Drungkhag Court, Nganglam	Pema Choden		1. Santa Fe SUV; and 2. 30 decimal land at Dekiling Sarpang	
26	05/2014	Embezzlement by former Gelephu Dungpa and others	20-11-2015	14-06-2017	Drungkhag Court, Gelephu	Tempa Dorji	361,430.00	12 Sheet (CGI)	Restituted in 2017
27	11/2015	Abuse of function and false claim in RMA	23-01-2017	30-06-2017	District Court, Thimphu	M/s Hotel Holiday Home	153,739.17		
28	04/2016	Embezzlement in Custom Check Post, Nganglam	22-05-2017	08-07-2017	Drungkhag Court, Nganglam	Tshering Namgyel	162,924.00		
29	12/2014	Misappropriation of fund at RICBL, P/ling	08-04-2015	25-07-2017	High Court	Sangay Dorji	45,000.00		



Sl. No.	Case No.	Case Title	Initial Registration Date	Judgment Date	Final Court of adjudication	Person from whom to restitute	Restitution		Remarks
							Monetary	Assets	
30	13/2014 (Part 42)	Tax evasion by 18 importers	05-06-2017	04-12-2017	Drungkhag Court, P/ling	Karma Tenzin	39,591.11		
						Suk Bdr. Baraili	18,511.09		
						Subada Maya Karki	9,074.68		
						Tenzin Dolma	7,132.18		
						Zeko Dem	13,721.12		Restituted in 2017
						Kinley Choenzom	18,578.38		
						Tashi Choden	68,480.53		
						Pema Dolma	18,959.90		
						Tenzin Yuden	33,565.75		
						Tshewang Peljor	43,600.96		
						Leki Dorji	29,000.59		
						Ugyen Dolma	6,306.77		
						Tshering Bida	24,501.41		Execution actively under process for restitution in early 2018 **
						Pema Tashi	481,499.02		
						Jasman Gimirey	39,780.63		
						Nima Lhamo	86,607.09		

**Note: Updates**

\*Partially restituted in March, 2018

\*\*Fully restituted in January, 2018

\*\*\*Fully restituted in March, 2018

<b>Gross restitution ordered</b>	<b>Nu. 190,511,019.00</b>
----------------------------------	---------------------------

<b>Restituted</b>	<b>Nu. 41,534,719.73 (21.8%) (including Nu. 6,601,879.85 in 2017)</b>
-------------------	---

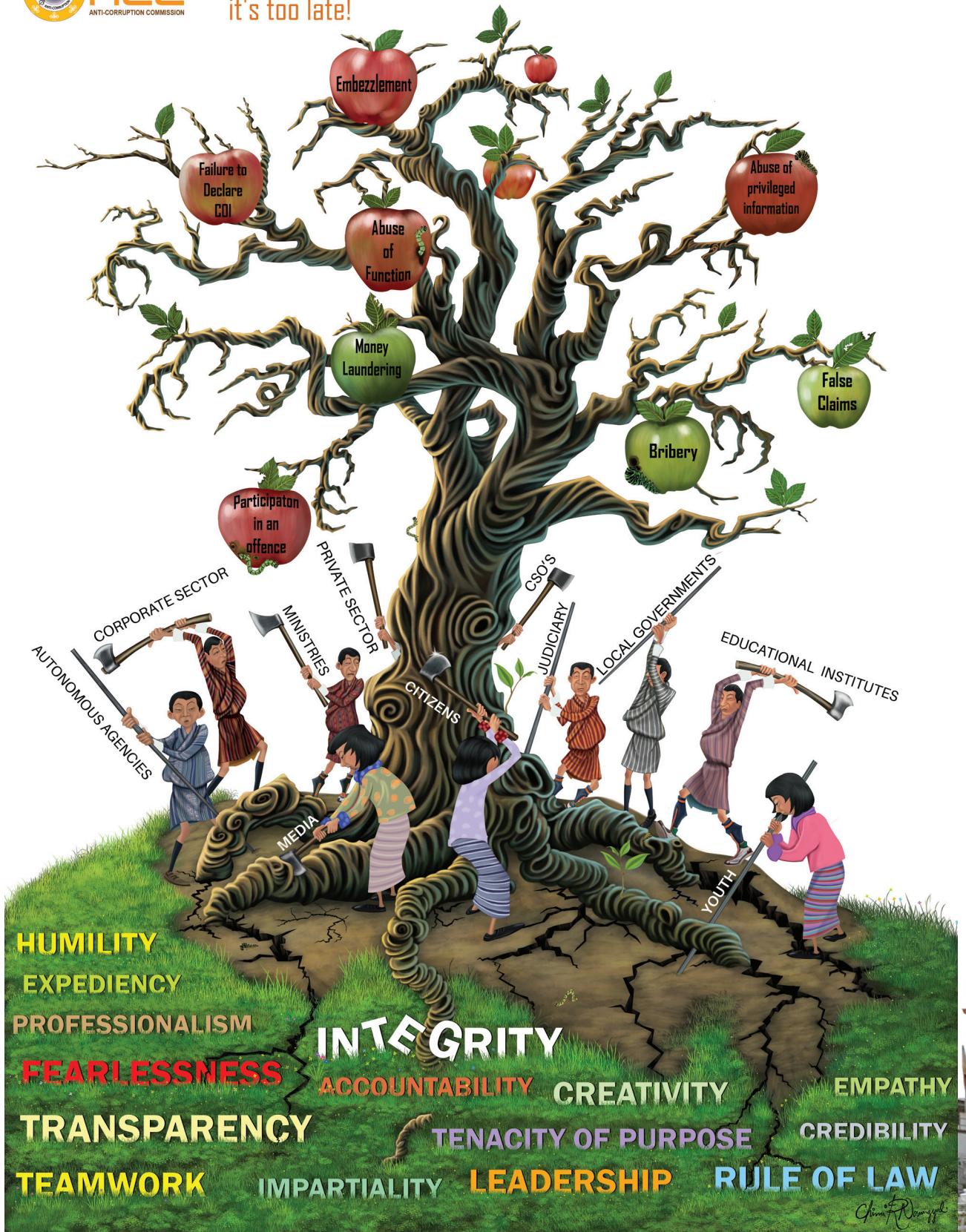
<b>Cases under appeal (restitution pending)</b>	<b>Nu. 37,272,669.13 (19.6%)</b>
---	----------------------------------

<b>Pending restitution</b>	<b>Nu. 111,703,630.14 (58.6%)</b>
----------------------------	-----------------------------------

# COLLECTIVE EFFORT IN THE FIGHT AGAINST CORRUPTION



Let's chop down the poisonous tree of corruption collectively before it's too late!



**SAY NO TO  
CORRUPTION**

**REPORT IT!**

## HOW TO REPORT?



**Walk-in**

Your NAME and CONTACT DETAILS - OPTIONAL  
Anonymous complaints are entertained. However,  
it may limit the ACC's capability to investigate the  
allegations without contact information to verify or obtain further details



**Tel: 322987**



**Fax: 334869**



**Post Box No. 1113**  
Lhadro Lam, Kawangjangsa  
Thimphu



**Report Online**  
[www.acc.org.bt](http://www.acc.org.bt)  
E-mail  
[complaints@acc.org.bt](mailto:complaints@acc.org.bt)

## WHAT TO REPORT?



**Corruption Offence only**

*(Eg. Abuse of Functions, Bribery, Embezzlement, etc.)*



**People involved** *(Name and Address)*



**Details of corruption offence** *(What, Where & How)*



**Witness(es) & Documentary Evidence**, *if any*

## WHAT HAPPENS TO THE COMPLAINTS?

**CEC**

Complaints Evaluation Committee evaluates the complaints weekly and makes recommendations to the Commission

**Commission**

Reviews recommendations of CEC and takes final decision on complaints

**Corruption Offence - Investigate**

**Administrative lapses - Share with Agencies**

**No corruption element / Inadequate information - Drop**



བདེ་སྤྲོད་བཀག་སྟོབས་ལྷན་ཚོགས།

**ACC**  
ANTI-CORRUPTION COMMISSION

Post Box No. 1113  
Lhadro Lam, Kawangjangsa  
Thimphu-11001, Bhutan  
Tel: 975 2 334863/66, 336407/08  
Fax: 334865  
Website: [www.acc.org.bt](http://www.acc.org.bt)



If You Care, You Will Dare!

**CORRUPTION**  
Your **NO** counts

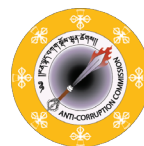




integrity  
 transparency  
 teamwork  
 fearlessness  
 expediency  
 empathy  
 humility  
 professionalism  
 credibility  
 accountability  
**Values**  
 creativity  
**Leadership**  
 impartiality  
 result-driven  
 tenacity of purpose

Anti-Corruption Commission  
 Post Box No.1113  
 Lhadro Lam, Kawangjansa  
 Thimphu

Tel: +975-2-334863/64/66/67  
 Fax: 334865  
 Website: [www.acc.org.bt](http://www.acc.org.bt)



འགྲུབ་ལྷན་པོའི་ལྷན་ཚོགས།  
**ACC**  
 ANTI-CORRUPTION COMMISSION