

# ANNUAL REPORT

## 2021-2022

integrity Dedication transparency teamwork **Grit** Fortitude humility professionalism credibility  
fearlessness expediency empathy  
**Accountability**  
Values creativity **Courage**  
result-driven **Leadership**  
impartiality Perseverance tenacity of purpose

UNITED  
AGAINST  
CORRUPTION



རང་སྐྱོད་བཀག་ཁྲོམ་ལྷན་ཚོགས།  
**ACC**  
ANTI-CORRUPTION COMMISSION





"As underpinned in our age-old saying, "the golden yoke of secular laws," accountability must henceforth become the cornerstone of governance. We must correct those who deviate, be firm with those who do not deliver, replace those who are incompetent, and terminate those who underperform and have therefore become a liability to our system and nation. We must not hesitate to expose those who engage in corrupt practices, so that we send a strong signal to deter others from doing so. "

His Majesty's Address on the 114<sup>th</sup> National Day, 2021



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## 2021-2022 AT A GLANCE



**435**  
Complaints  
received



**59**  
Investigations  
(caseload)



**88.62%**  
Conviction rate



Nu. **367mn**  
Ordered  
Nu. **155mn**  
Secured



**7.97/10**  
NIA 2019  
**7.95/10**  
NIA 2016



**25/180**  
(rank)  
**68/100**  
(score)



## ABBREVIATION

Action Taken Reports (ATR)  
Annual Performance Agreement (APA)  
Annual Performance Target (APT)  
Anti-Corruption Act of Bhutan (ACAB)  
Anti-Corruption Commission (ACC)  
Asset Declaration (AD)  
Asset Declaration Administrators (ADA)  
Asset Declaration Rules 2017 (ADR, 2017)  
Bhutan Broadcasting Service TV (BBS TV)  
Bhutan Transparency Initiative (BTI)  
Business Integrity Initiative of Bhutan (BIIB)  
Civil Society Organizations (CSO)  
Civil Society Organizations Authority (CSOA)  
Construction Development Board (CDB)  
Corporate Integrity Pledge (CIP)  
Corruption Risk Management (CRM)  
CSO Accountability Standard (CAS)  
Daily Subsistence Allowance (DSA)  
Department of Forest and Park Services (DoFPS)  
Department of Geology and Mines (DGM)  
Department of Labour (DoL)  
Department of Local Governance (DLG)  
Department of Public Account (DPA)  
Disproportionate Asset (DA)  
Druk Holding and Investments (DHI)  
Early Childhood Care and Development (ECCD)  
Financial Years (FY)  
Five Year Plan (FYP)  
Focus Group Discussions (FGD)  
Gewog Administrative Officer (GAO)  
Gewog Tshogde (GT)  
Green Tax (GT)  
Green Technology Center, Korea (GTC-K)  
Gross National Happiness Commission (GNHC)  
Human Resource (HR)  
Independent Commission against Corruption (ICAC)  
Information Enrichment (IE)  
Information, Education and Communication (IEC)  
Internal Auditors (IAs)



International Anti-Corruption Day (IACD)  
Jigme Singye Wangchuck School of Law (JSW law)  
Key Performance Indicators (KPI)  
Local Government (LG)  
Memorandum of Understanding (MoU)  
Mini Dry Port (MDP)  
Ministry of Economic Affairs (MoEA)  
Ministry of Education (MoE)  
Ministry of Finance (MoF)  
Ministry of Home & Cultural Affairs (MoHCA)  
Ministry of Labor and Human Resources (MoLHR)  
Ministry of Works and Human Settlement (MoWHS)  
National Environment Commission Secretariat (NECS)  
National Integrity Assessment (NIA)  
Office of the Attorney General (OAG)  
Organizational Integrity Plan (OIP)  
Parliamentarians Integrity Index (PII)  
Point of entry (PoE)  
Regional Revenue & Customs Office (RRCO)  
Riverbed Materials (RBM)  
Road Safety and Transport Authority (RSTA)  
Royal Audit Authority (RAA)  
Royal Civil Service Commission (RCSC)  
Royal Monetary Authority (RMA)  
Social Accountability (SAc)  
Transparency International - Corruption Perceptions Index (TI-CPI)  
Waste Management Division (WMD)  
Youth Integrity Assessment (YIA)  
Youth Integrity Program (YIP)

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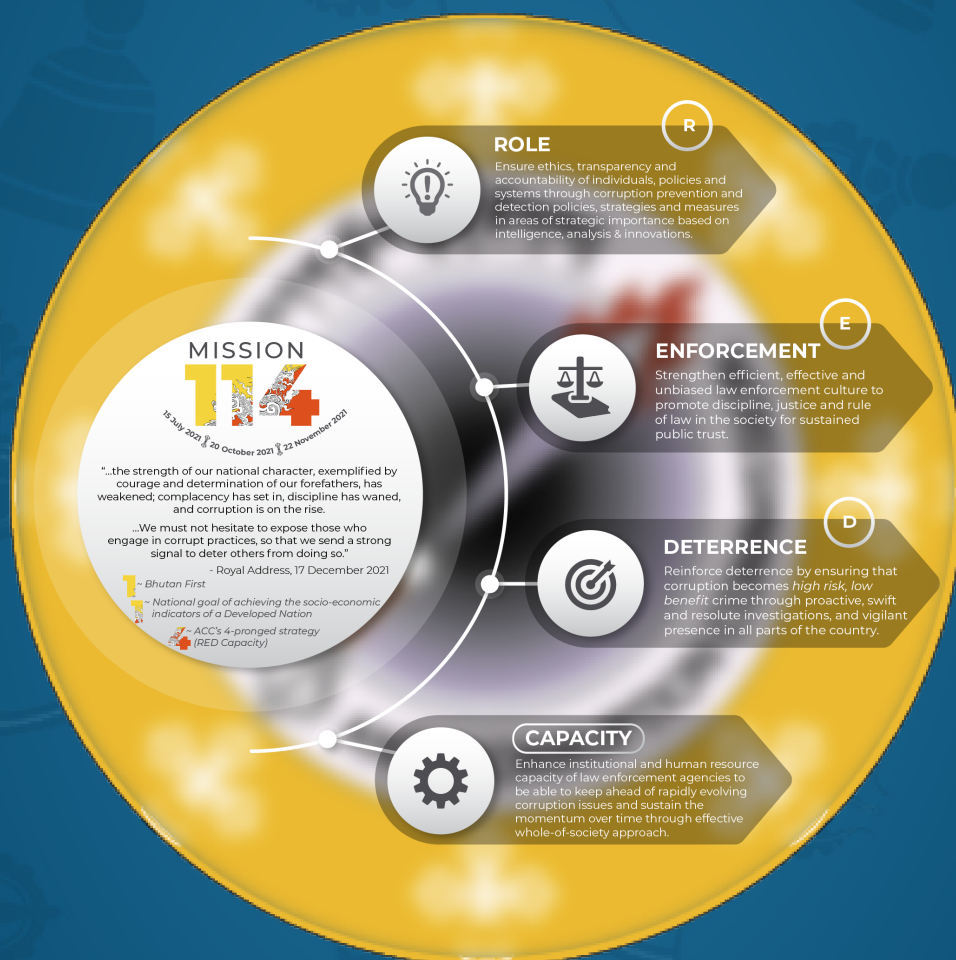
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# Introduction





The reporting period (July 2021 – June 2022) was an eventful year for the Anti-Corruption Commission (ACC) with the historic Royal Address of His Majesty The King on 17 December 2021 being the landmark event when the whole Nation was galvanized by the clarion call to integrity as the *sine qua non* for the achievement of our pressing national goals and in fact as the defining characteristic of our very identity.

Drawing inspiration from the Royal Vision and spurred on by the Royal Address, ACC reviewed and prioritized the anti-corruption efforts, strategies and policies and committed to swiftly transition into the kind of organization that could promptly cater to the needs of the hour. These are outlined in the ***Strategic Anti-Corruption Roadmap 2021 - 2030: defining the role of the ACC in the 21<sup>st</sup> Century*** (*Roadmap* hereafter). The *Roadmap* adopts three strategic focus areas, namely:

- (a) Research and analysis based anti-corruption measures, including intelligence-based proactive investigation in areas of strategic importance;
- (b) Effective deterrence with presence in all parts of the country, enhanced marketing and mainstreaming of the anti-corruption agenda; and
- (c) Strengthening law enforcement capacity and capability.

Despite the global pandemic and challenging Human Resource (HR) reality, ACC continued to work with greater momentum by revisiting the policies, redefining the procedures and innovating with whatever was at hand. These included restructuring and realigning the organizational structure and quickly adjusting within the available resources to keep up with the emerging uncertainties; and enhancing effective enforcement of anti-corruption strategies, including uptake of intel and investigations to embed integrity, accountability and discipline in the society.

In accordance with the broad objective of creating deterrence, fostering discipline and to make our services easily accessible at the grass roots, the ACC constituted, deployed and stationed multi-disciplinary teams to Phuentsholing, Bumthang and Trashigang. Moreover, cooperation, collaboration and coordination among the law enforcement agencies were further strengthened through the signing of Memorandum of Understanding (MoU) with the Office of the Attorney General



(OAG) and regular bilateral meetings with the Royal Audit Authority (RAA). Besides this, the ACC also practiced and adapted flexible, agile and responsive organizational functions to cater to the needs and changes to enhance its effectiveness. Regular in-house communication and on-boarding of staff were prioritized to set the agency in a mission mode, encapsulated as ACC's *Mission 114*.

During the reporting period, the ACC continued to conduct various education programs for targeted groups from schools, colleges, tertiary institutes, private/corporation sectors, civil society organizations, media, spiritual institutions, local governments and ministries through both virtual and in-person sessions. The ACC conducted thematic sessions for the officials of the justice institutions and Law Enforcement Agencies. Similarly, thematic sessions for the Human Resource officers, Local Government (LG) Engineers and newly elected LG leaders were also conducted. The integrity education handbook specifically developed for Early Childhood Care and Development (ECCD) facilitators titled 'DAMTSI Activity Book' was completed and rolled out and the Youth Integrity Assessment 2022 and Evaluation of Social Accountability Programs conducted. Further, the proposal on Parliamentarians Integrity Index (PII), to be assessed as part of the upcoming National Integrity Assessment (NIA); Civil Society Organizations (CSO) Engagement Program and CSO Accountability Standard (CAS) were developed. Likewise, the enhanced Asset Declaration System and upgraded e-Learning course on ethics and integrity for civil servants were launched.

Given the inevitable requirement for in-person interactions, the national and localized lockdowns particularly hindered progress on investigations and information enrichment of complaints. Nonetheless, ACC geared up and promptly initiated proactive investigations; opened 32 new cases bringing the caseload to 59 (as compared to 54 in the FY 2020-2021); and completed reviewing 35 backlog cases. Out of the 59 cases, ACC completed investigation of 30 cases of which eight cases were referred to the OAG for prosecution while ten were referred for administrative actions and 12 were dropped. In the reporting period, the ACC received a total of 435 complaints with an average of around 36 complaints per month, with known complaints outnumbering unknown complaints for the first time in the history of the ACC.

In terms of international standing, Bhutan dropped a place in the rankings, from 24<sup>th</sup> in 2020 to 25<sup>th</sup> in 2021, while the CPI score remained constant at 68. That the score has been stagnant for the last four years indicates the need for targeted efforts in preventing and combating corruption in the country to break through to a higher level of integrity in the public sector.



Drawing inspiration from the Royal Vision as Commanded to the Nation on the 114<sup>th</sup> National Day, ACC will, going forward, focus its efforts as outlined in ACC's *Roadmap*, spurred on by the spirit of *Mission 114*.

This Annual Report 2021 – 2022 is the 15<sup>th</sup> ACC Report being submitted to His Majesty The Druk Gyalpo, Prime Minister and Parliament as per Article 27 (4) of the Constitution of the Kingdom of Bhutan and Section 169 (1) of the Anti-Corruption Act of Bhutan (ACAB) 2011.

This report consists of five main sections as follows:

## SECTION 01

### PREVENTION OF CORRUPTION:

*Combating corruption by building informed and awakened citizenry and corruption resilient systems and processes.*

## SECTION 02

### COMPLAINTS AND REFERRALS:

*Managing complaints professionally and responding swiftly and objectively*

## SECTION 03

### INVESTIGATION OF CORRUPT ACTS

*Exposing and deterring corruption through effective investigation without fear and favour*

## SECTION 04

### OVERALL PERFORMANCE AND A LOOK INSIDE ACC

*Plans and Assessments, Resolutions and Follow-through, People and Culture at the Core*

## SECTION 05

### CHALLENGES AND WAY FORWARD

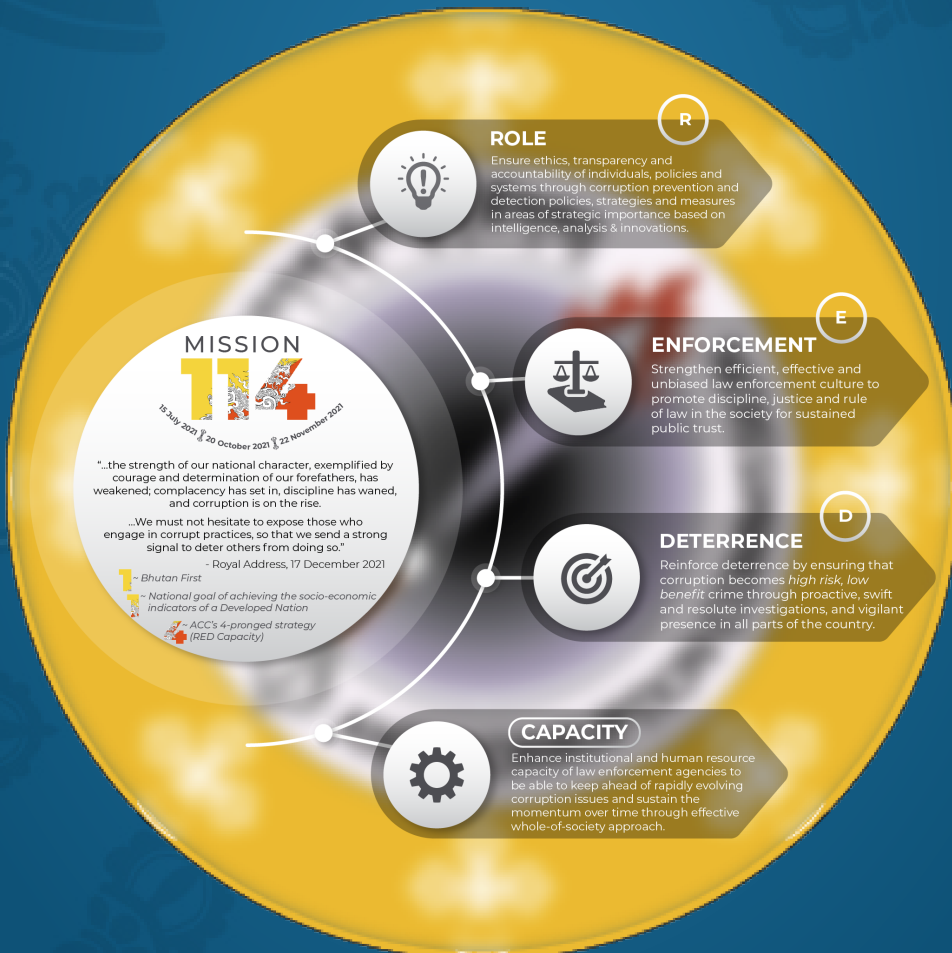


# Section

# 1

## Prevention of Corruption

*Combating corruption by building informed and awakened citizenry and corruption resilient systems and processes*





This section highlights the Prevention and Education strategies and activities rolled out by the ACC aimed at preventing and combating corruption.

### 1.1. Public Education

#### 1.1.1. *Building an informed and awakened citizenry by engaging citizens in general and raising anti-corruption consciousness of public officials, in particular*

##### a) *Interactive and Thematic Sessions*

In the reporting period, a total of 21 interactive sessions and 18 thematic sessions were conducted in person as well as virtually, as presented in **Table 1.1**.

**Table 1.1: Sessions conducted from July 2021- June 2022**

Sl. No.	Target Group	Number of Sessions	Number of Participants	Institutions Covered
<b>Interactive Sessions</b>				
1	General Public and Local Government officials	3	119	Lhuentse, Mongar, Pema Gatshel, Punakha, Samdrup Jongkhar, Samtse, Trashigang, Trashy Yangtse, Wangdue Phodrang
2	University Graduates; Students; and Staff in School/ University	3	250	Royal Institute of Management (Technical graduates) Tsirangtoe Central School, Tsirang Scouts of 14 <sup>th</sup> Leadership Training
3	Government Agencies; Corporate Sectors; Civil Society Organizations; and Private Sectors	15	386	Department of Immigration, MoHCA School Leadership Development Program (SLDP 2 to SLDP 7), Tsirang Bhutan National Bank Ltd. Financial Institutions Training Institute Business owner and representatives of Samtse





# ◀ Nurturing Systems of Integrity, Accountability & Transparency

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				Media Houses
				Bhutan Power Corporation Ltd.
<b>Thematic Sessions</b>				
1	Law Enforcement Agencies	8	236	Department of Revenue & Customs officials of Gelephu Thromde, Phuntsholing Thromde, Samtse Dzongkhag
				Department of Immigration officials of Gelephu Thromde, Phuntsholing Thromde, Samdrup Jongkhar Thromde, Samtse Dzongkhag, Paro International Airport and Thimphu Head Office
				Office of the Attorney General
2	Human Resource Officers (HROs)	1	46	Cross-sectoral agencies
3	Local Government (LG) Engineers	4	239	Thromdes: Gelephu, Samdrup Jongkhar and Thimphu Dzongkhags: Bumthang, Dagana, Gasa, Haa, Lhuentse, Mongar, Paro, Pema Gatshel, Punakha, Samdrup Jongkhar, Trashigang, Thimphu, Trongsa, Trashy Yangtse, Tsirang, Wangdue Phodrang, and Zhemgang
	LG leaders	5	106	Bumthang, Chukha, Dagana, Haa, Paro, Samtse and Tsirang Dzongkhags

*b) Information, Education and Communication (IEC) materials*

In the reporting period, the video infographic, ‘*Alo Yarab*’ was developed to inculcate values of **Honesty, Responsibility** and **Fairness** among young children. Likewise, a video infographic to inform citizens of the launch of *Juenlam ACC* was developed as a reminder to the citizen of their fundamental duty to report corruption and how they could do so reliably.





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INTERNATIONAL  
ANTI-CORRUPTION DAY

9 December 2021





### c) *Engagement with Media*

Given the important role of media in creating awareness on the corruption issues and anti-corruption measures, the ACC continued to engage with the Media. In the reporting period, four *Media Conferences* and two *Meet with the Media* were conducted. Likewise, the ACC in collaboration with Bhutan Broadcasting Service TV (BBS TV) and Radio also conducted panel discussions on NIA, corruption offences and many other related matters.

To inform as well as to create greater awareness and deterrence, the ACC piloted the issuance of ***Hard Facts*** on cases through social media forums. A total of 15 *Hard Facts* during the reporting period were published. However, towards achieving the goals more meaningfully and effectively, the ACC is currently reviewing the guidelines on media engagement.

### d) *18<sup>th</sup> International Anti-Corruption Day (IACD)*

The IACD is observed every year on December 9 with the standing slogan of “*United Against Corruption*”. In the reporting year, the theme was “*Your Right, Your Role: Say No to Corruption*”. The significance of the day and importance of the collective fight against corruption was highlighted in a video message by the leadership including the Hon'ble Prime Minister, Speaker and Chairperson, Chief Justice of the High Court, UN Resident Coordinator, Bhutan Media Foundation and the Commission, which along with views of random members of the public were broadcast on national television.

The heads of all the Constitutional Offices, the Attorney General and the Executive Director of the Bhutan Transparency Initiative (BTI) attended and addressed the event organized to mark the occasion in ACC's Head Office. On 9 December 2021, the meeting was honoured to also have the presence of Prof. Robert Klitgaard, University Professor at Claremont Graduate University, the focal person from the JSWLaw and media personnel. The e-Learning course for civil servants and the training manual for Community Score Card developed by BTI program were launched then.

The IACD program also included special emphasis in the social media to reach out to the growing number of netizens. A hashtag challenge with the tag ***#unitedagainstcorruption*** was organized in partnership with social media influencers. A quiz was hosted on the ACC's social media pages and stickers ‘*say no to corruption*’ distributed through the social media avenues. Additionally, radio and television programs on core functions of the ACC was aired and the written *Message from the Chairperson* distributed through the local newspapers.



### 1.1.2. *Inculcating values of integrity, discipline and professionalism through Youth Integrity Program (YIP)*

#### a) *Integrity Clubs*

To promote the right attitude and values, encourage good governance in schools and enlist young people's support and commitment in the fight against corruption, Integrity Clubs were established in 20 schools (10 in 2019 and 10 in 2020-2021), one in every Dzongkhag. In the reporting year, an additional Integrity Club was established in Lingmethang Middle Secondary School, Mongar taking the total to 21.

The Youth Integrity Assessment (YIA) 2022 found schools with Integrity Clubs had scored slightly higher with a score of 65.55 as compared to schools without Integrity Club (63.64). The schools with Integrity Clubs scored high specifically in the '*Index on Integrity Awareness*' with a score difference of 2.77. Moreover, the study also compared the scores of the members and non-members of the Integrity Clubs within the schools. The overall integrity score for Club members was found higher by 4.18 when compared to non-members. This appears to indicate the positive impact of Integrity Clubs.

Although constrained by the pandemic in the reporting year, some schools had integrated the club activities into the whole-school program. In the reporting year, there were 781 members (372 males and 409 females) in 21 schools.

#### b) *DAMTSI Activity Book*

Given early interventions for young children are essential to ensure their holistic development, ACC, in collaboration with the Ministry of Education, developed the Integrity Education Handbook for the ECCD Facilitators titled '*DAMTSI Activity Book*'. The book is aimed towards **D**eveloping **A**ccountable and **M**oral, **T**rusted and **S**uccessful **I**ndividuals. It is targeted to educate the children in ECCD centers, through the facilitators and parents, on abiding values of integrity, accountability and transparency and to develop a deep-seated intolerance to corruption.

Further, to ensure effective implementation, the Trainer's Guide was developed to familiarize trainers, facilitators and practitioners on core concepts and principles related to Integrity Education for children, and equip them with the skills necessary to implement the activities.



The first phase of the nationwide roll-out workshop of the DAMTSI Activity Book for the Education Officers and ECCD Facilitators of Sarpang Dzongkhag, Samtse Dzongkhag, Gelephu Thromde and Phuntsholing Dungkhag and Thromde was conducted from 11 to 20 October 2021. Similarly, the second phase of the nationwide roll-out workshop for the ECCD Facilitators was conducted from 3 May to 13 June 2022. As of 2021, there are 492 ECCD Centers with 10,662 children and 910 facilitators in the country. In total, 857 ECCD Facilitators were oriented and trained on the DAMTSI Activity Book as shown in **Table 1.2**.

**Table 1.2: Training on DAMTSI Activity Book to ECCD Facilitators**

Dzongkhag	No. of ECCD Facilitators	Remark
Sarpang Dzongkhag, Samtse Dzongkhag, Gelephu and Phuntsholing Thromde	81	1 <sup>st</sup> Phase roll-out workshop
Pema Gatshel Dzongkhag	25	2 <sup>nd</sup> Phase roll-out workshop
Haa Dzongkhag	14	
Zhemgang Dzongkhag	32	
Tsirang Dzongkhag	17	
Paro Dzongkhag	38	
Wangdue Phodrang Dzongkhag	47	
Punakha and Gasa Dzongkhag	34	
Thimphu Dzongkhag	18	
Chhukha Dzongkhag	30	
Samtse Dzongkhag	12	
Sarpang Dzongkhag and Gelephu Thromde	32	
Trongsa Dzongkhag	27	
Mongar Dzongkhag	68	
Lhuentse Dzongkhag	28	
Trashy Yangtse Dzongkhag	27	
Trashigang Dzongkhag	68	
Samdrup Jongkhar Dzongkhag and Thromde	45	
Bumthang Dzongkhag	20	
Thimphu Thromde	167	
Dagana Dzongkhag	27	
<b>Total</b>	<b>857</b>	



### ***1.1.3. Launch of e-learning course to promote Ethics and Integrity of Civil Servants***

The upgraded e-Learning Course on Ethics and Integrity for Civil Servants was launched on the IACD on 9 December 2021. The course was upgraded to optimise the use of technology in enhancing ethical culture in the public service thereby building a sustained avenue through which values of integrity can be promoted.

To strengthen Civil Service Values and Conduct, the RCSC has made the completion of the course and submission of certificate mandatory for potential/aspiring candidates for promotion to P1 (including both Specialist and Management, as notified on 1 March 2022). Additionally, as a part of the mandatory activities pertaining to the '*Conduct of ethical leadership trainings*' in Organizational Integrity Plan (OIP), officials in P1 and above positions have availed the ***Level 2: Ethical Leadership*** of the course. Towards providing alternative platform to sensitize on ethics, integrity and professionalism culture at workplace and beyond, the course is designed to be self-paced and online. A total of 2,322 users had enrolled as of 30 June 2022, out of which 530 and 1,011 users have completed Level 1 and Level 2 respectively.

### ***1.1.4. Developed e-learning course for Parliamentarians and Corporate Employees***

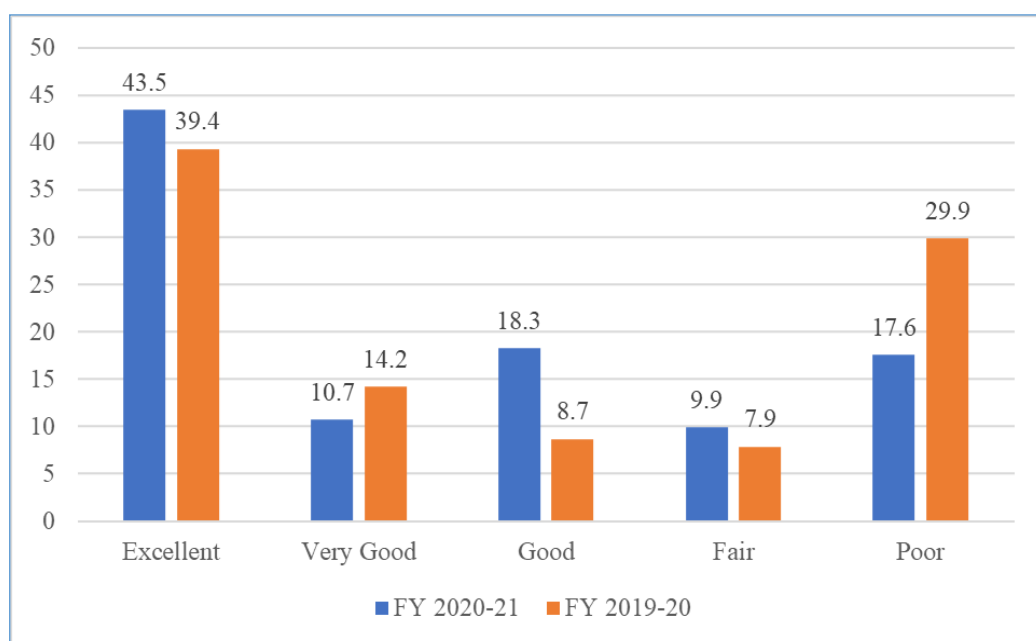
In the reporting year, the ACC also completed the development of the e-Learning Courses for Corporate Employees and for Parliamentarians with the support from the respective agencies, with the contents contextualized to the functions of the respective sectors.



## 1.2. Prevention

### 1.2.1. *Developing corruption-resilient, accountable and transparent systems and processes through implementation of Mandatory Indicators and OIP*

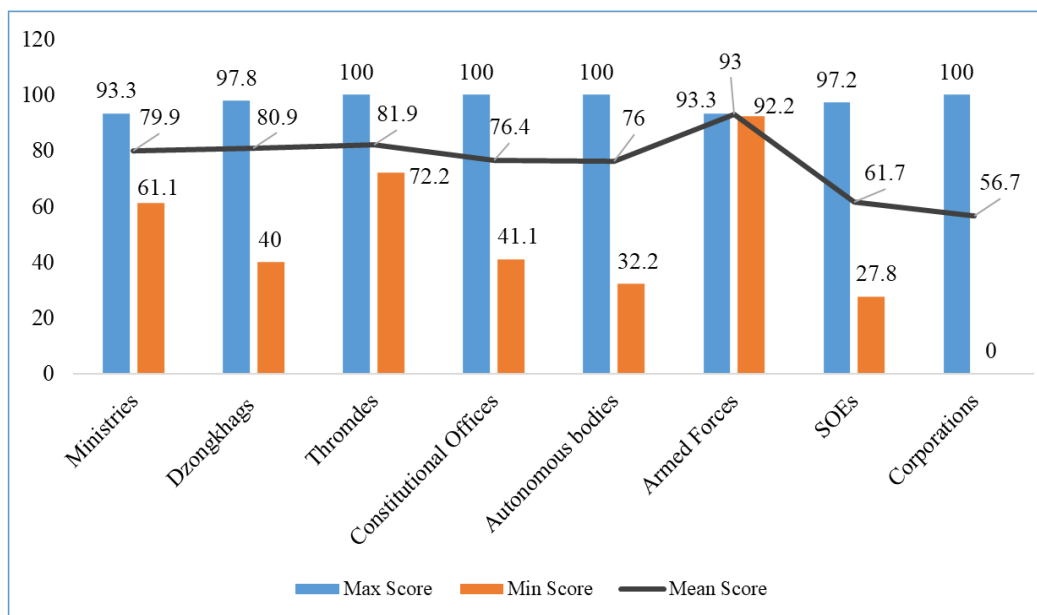
Over the past three years, implementation of the OIP by the organizations improved and gained momentum. Through the implementation of the OIP, integration of integrity promotion tools such as the Declaration and Management of Conflict of Interest (CoI) for recruitment, promotion and procurement purposes have improved. Similarly, compliance to Asset Declaration and Management has also improved over the years. The comparison of the OIP implementation for the last two Financial Years (FY) is shown in **Figure 1.1**.



**Figure 1.1:** Comparison of the OIP implementation for the last two FYs

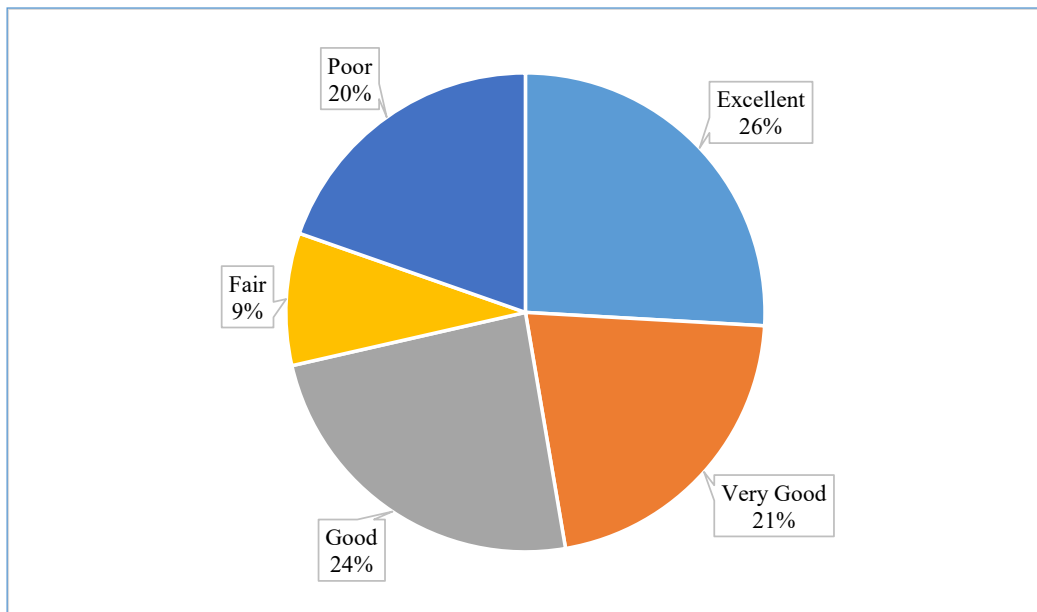
For the reporting year, a total of 112 agencies implemented the OIP. The agencies from the Ministries, Dzongkhag, Thromdes, Constitutional Offices, Autonomous Agencies, Armed Forces, SOEs, Corporations and Media & CSOs were assessed through the desk review of documents or the means of verification submitted by the agencies. The summary of assessment findings is shown in **Figure 1.2**.





**Figure 1.2: Findings from OIP assessment**

As depicted in **Figure 1.3**, of the 112 agencies assessed, 26 % achieved ‘Excellent’ level, while 21% and 24% achieved ‘Very good’ and ‘Good’ levels respectively. However, about nine percent and 20% of the agencies were rated in ‘Fair’ and ‘Poor’ level respectively.



**Figure 1.3: Overall implementation of OIP**



Moving forward, the government has indicated support and the Commission has accordingly proposed to increase the weightage of the indicators on integrity and anti-corruption by assigning specific indicators based on vulnerability of the respective agencies besides the general indicators applicable to all the Annual Performance Agreement (APA) /Annual Performance Target (APT)/OIP agencies.

### *1.2.2. Mainstreaming risk-based integrity measures in the public sector through Corruption Risk Management (CRM)*

In the reporting period, the ACC conducted training on CRM for 36 Internal Auditors (IAs) from Ministries, Dzongkhags, Thromdes and Autonomous agencies to strengthen their capacity in conducting regular corruption risk assessments. As an outcome of the training, 30 action plans to conduct CRM in the vulnerable areas (procurement, engineering, accounts, among others) in their respective agencies were submitted to the ACC.

Accordingly, during the reporting period, seven CRMs were conducted respectively by the IAs of the Ministry of Economic Affairs (MoEA), Ministry of Finance (MoF), Ministry of Information and Communications (MoIC), Ministry of Works and Human Settlement (MoWHS), Ministry of Education (MoE), Chhukha Dzongkhag and Thimphu Thromde. However, the effectiveness of the CRM conducted by the IAs is yet to be determined. The prioritized risks and recommendations from the CRM exercises conducted by ACC's Prevention Division are as given in **Annex 1**.

### *1.2.3. Facilitating evidence-based systemic improvement*

#### *a) System study on management of surface collection and dredging of riverbed materials (RBM)*

In the reporting year, a system study on the **Management of Surface Collection and Dredging of RBM** was conducted to examine the processes, procedures and practices instituted for surface collection and dredging of riverbed materials. The study covered the related agencies including the Department of Forest and Park Services (DoFPS), Divisional Forest Offices in Gedu, Samtse and Sarpang, as well as other relevant stakeholders such as the Department of Geology and Mines (DGM) and Regional Revenue and Customs Offices (Gelephu, Phuentsholing and Samtse). Some of the key findings and recommendations from the study are given in the **Table 1.3**.



**Table 1.3:** Key findings and recommendations from the system study

Findings	Recommendations
1. Risk of regulatory corruption due to overlapping mandates and ambiguities in certain provisions of rules and regulations.	1. Resolve issues of overlapping definitions and authorized agency: The Ministry of Agriculture and Forest and MoEA should review the legal framework such as acts, rules and regulations and guidelines to draw legal coherence.
2. Risks of collusion and bribery in the identification and assessment of the sites due to lack of guidelines that provide a technical method and clear set of criteria.	2. Develop and implement guidelines for site identification and assessment process: The DoFPS should develop guidelines or SOPs containing clear procedures and criteria for the identification and assessment of sites with potential resources in consultation with the DGM or other relevant stakeholders.
3. Risks of abuse of function, conflicts of interest and favouritism in site allocation due to lack of transparency, competitiveness and fairness in all the allocation methods adopted by the DoFPS.	3. Reallocate all the existing sites using the open auction method: the DoFPS should reclaim the sites awarded prior to the adoption of the open auction system and reallocate based on the open auction system hereafter.
4. Risks of bribery, collusion, embezzlement and fronting in the exporting process as a result of pertinent issues as listed below:	4. Reallocate the un-operated sites: the DoFPS should reallocate the unoperated sites to interested parties.
a. Non-maintenance of proper books of accounts by the exporters;	5. Rationalize the area for site allocation: the DoFPS should rationalize the area of sites for allocation based on the resource potential, location of the sites and operational capacity.
b. Lack of online payment system and risk of embezzlement	6. Develop and implement guidelines for processing export approval: the DoFPS must develop clear procedural guidelines for processing export approval, permits and related services to improve service delivery, fairness and transparency.
c. Lack of standard measurement unit	7. Adopt a uniform quantity measurement unit for RBM: the DoFPS must explore ways to institute a standard and uniform system of RBM quantity measurement for efficient service delivery, reducing administrative burden and preventing corruption.
d. Arbitrary fixation of the selling price and risk of fronting	8. Review and rationalize the royalty and service charges for RBM export: the DoFPS should review the royalty for its uniform application and rationalize service charges for transparency and avoid revenue losses if any.
e. Calculation of service charges and variations in the royalty collection	
f. Lack of safe passage for export of boulders	



<p>5. Lack of collaborative monitoring with relevant authorities which resulted in non-operation of awarded sites and non-monitoring of weighbridge offices.</p> <p>6. Poor implementation and management of corruption prevention tools (Code of Conduct, Conflicts of Interest, Gift, Grievance Redressal Mechanisms).</p> <p>7. Non-integration of online systems and poor documentation.</p>	<p>9. Ensure the actual selling rate is declared in the commercial invoice: the Regional Revenue &amp; Customs Office (RRCO), Department of Trade, Bhutan Chamber of Commerce and Industry (BCCI) and Bhutan Export Association should institute a proper system to ensure the selling price declared in the commercial invoice is the actual price received by the exporters.</p> <p>10. Enforce mandatory requirement of the books of accounts by boulder exporters: the RRCO should reinforce implementation and compliance with mandatory maintenance of proper books of accounts by all the RBM exporters.</p> <p>11. Facilitate trade routes for the export of stones and boulders: the MoEA, BCCI, and BEA, etc. in collaboration with the Indian counterparts may explore for safe passages via land and expedite water routes.</p> <p>12. Conduct collaborative monitoring: the DoFPS has to identify a dedicated agency for proper monitoring and administration of the weighbridge operation.</p> <p>13. Conduct sensitization and training on ethics and integrity management: All the relevant stakeholders like DoFPS, DGM, RRCO, etc. should promote and strengthen ethics and integrity through advocacy, sensitization, training and implementation of ethics and integrity promotion tools like the Gift Rules 2017, Conflict of Interest, Code of Conduct and Grievance Redress Mechanisms.</p> <p>14. Optimize utilization of internal audit expertise: the MoAF should utilize the expertise of the internal auditors for conducting corruption risk assessment, streamlining processes and procedures, developing guidelines and checking compliance with rules and regulations.</p> <p>15. Integration of ICT systems: the DoFPS should integrate the existing systems to improve transparency and efficiency. Further, the DoFPS may also explore the possibility of integrating their systems with external systems such as Bhutan Automated Customs System, Revenue Administration Management Information System, etc. for sharing information.</p>
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a) *Prevention Advisory ‘Denkuel’*

To highlight potential corruption risks and strategies to address them, two issues of prevention advisories ‘*Denkuel*’ on *Community Contracting in the Gewogs* and on *Drawings and Building Construction Approvals* were developed and shared with the relevant stakeholders.

**1.2.4. *Fostering ethical businesses through Business Integrity Initiative of Bhutan (BIIB)***

In the reporting period, five rounds of virtual sensitization sessions were conducted to a total of 585 small, medium and large construction firms during the induction and the annual refresher courses organized by the Construction Development Board (CDB). With the signing of the Corporate Integrity Pledge (CIP) by two more business entities: the Zoom Out Productions and Trashy Yangtse Tongjang Construction, as of now 15 DHI portfolio and Listed Companies and three private company have formalized their commitment to promote ethical businesses in the country.

**1.2.5. *Nurturing governance, social accountability & civil society through CSO Engagement Programme***

In the reporting period, CSO Accountability Standard (CAS), similar to OIP, customized to the CSOs has been developed and adopted unanimously by 48 out of 54 registered CSOs for implementation by all the CSOs in a phased manner. Moreover, the monitoring and assessment of the implementation of the CAS has been mainstreamed within the functional purview of the Civil Society Organizations Authority (CSOA). Henceforth, the CSOA will conduct the annual assessment of CAS implementation by the CSOs and submit report to the ACC.

**1.2.6. *Promoting evidence based systemic improvement through research***

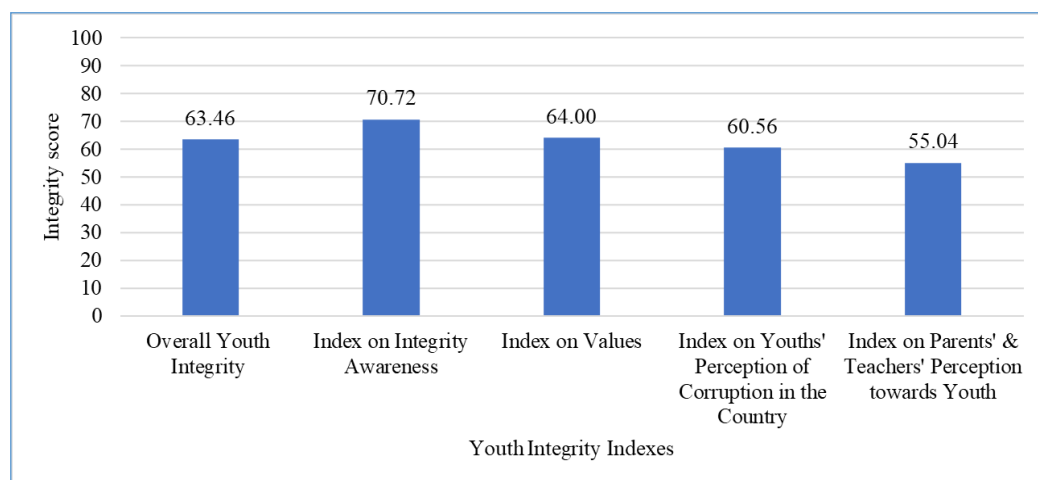
a) *Youth Integrity Assessment (YIA)*

The YIA 2022 is the second such study after the first assessment of 2012. The YIA is defined as an assessment of whether youth (in the age group of 15-24 years) possess behaviors and actions that are consistent with a set of moral values or ethical principles and standards. The YIA uses a scale from 0 to 100 where 0 indicates lowest level of integrity and 100 represents the highest level of integrity.



The score is calculated based on the level of awareness of integrity and corruption and the values and perceptions of corruption. The parents and teachers' perception towards youth are also taken into account. Further, the report also probes into the commitment in the fight against corruption, their experiences of corruption and their behavior when encountering corrupt acts.

The overall youth integrity score for the country is calculated at 63.46 as depicted in **Figure 1.4**, indicating just a 'Good' level of integrity.



**Figure 1.4:** Youth Integrity score with its indexes

The overall integrity score for youth is mostly contributed by the *Index on Integrity Awareness* with a score of 70.72. This is followed by the *Index on Values* with a score of 64.00 and the *Index on Youth's Perception of Corruption in the Country* with a score of 60.56. The least score is accorded by the *Index on Parents and Teachers' Perception towards Youth* with a score of 55.04.

In terms of the *Index on Youths' Perception of Corruption in the Country*, the score is 60.56 followed by the least score in the *Index on Parents and Teachers' Perception towards Youth* with 55.04. The report also presents the behavior-based integrity, comparison of scores between different parameters and between key survey items with the scores in 2012.



Based on the findings, the key recommendations proposed are as follows:

- Pursue a specific anti-corruption curriculum in the education systems;
- Develop measures to value students' character certificates and SUPW grade;
- Institute mechanisms to curb misuse of public resources, such as office cars, to drop children to school;
- Enforce strict disciplinary policy;
- Boost up Integrity Club or programs;
- Reward individuals as models of integrity in schools, colleges or institutes;
- Develop a framework to strengthen teacher-parent relationship;
- Initiate programs that honor people with integrity to create role models so that youth may emulate them;
- Initiate more awareness programs in schools and institutes;
- Optimize the use of social media and audio-visual productions; and
- Establish and provide resources to young people for reporting corruption and ensure they are accessible.

#### *b) Evaluation of Social Accountability (SAc) Programs*

Social Accountability is an approach to engage citizens and/or civil society organizations to exact accountability from public officials in the development process and public service delivery. In Bhutan, SAc programs were introduced in 2013 by the ACC in collaboration with the DLG, RIM and BTI. The SAc tools were sensitized, piloted, capacitated and rolled out in 78 Gewogs of the 205 Gewogs. The evaluation of the SAc Programs included the Dzongkhags and Gewogs where SAc tools had been piloted or implemented as well as those where none of the SAc tools had been initiated. The study was carried out to:

- Evaluate the SAc programs in terms of their impact, status, and processes;
- Compare the impact of initial SAc Tools;
- Gauge the perception of LG officials and citizens on the SAc tools and processes;
- Assess the opportunities and challenges for the implementation of the SAc programs; and
- Come up with recommendations pertaining to the SAc programs.



Some of the highlights of the study are:

- Participation and inclusion of citizens in the monitoring and evaluation process were very low, with existing committees controlled by LG officials who are supposed to be held accountable as opposed to greater participation and inclusion of citizens in planning, priority setting and budgeting process.
- Although, the platforms to receive feedback/grievances related to public service delivery from people were available in 88% of the Gewogs, it was observed that 78% of the Gewogs did not maintain records of the feedback/grievances received.
- Some of the SAc tools initiated varied in their complexity and the level of technical expertise required. For example, SAc tools like Budget Analysis and Advocacy; Community Monitoring Assessment Committee; and Social Audit demand financial and monitoring knowledge and skills from citizens. Therefore, initiating more complex SAc tools demand additional financial and management resources indicating a need to simplify and customize the various tools to best suit the context of Bhutan.
- It was observed that 98% of the committees were functioning without Terms of Reference or clarity of roles and responsibilities and this, in turn, made the Committees susceptible to undue influence and abuse of function by LG officials and Goshay Nyenshay during planning, decision-making, implementation and monitoring of the development processes.
- Although the effectiveness and sustainability of the programs mainly depended on the availability of budget, willingness and capacities of the LG officials and citizens, the study indicates a need to improve the synergy between LG and the citizens; and enhance the role of CSOs and media in advocating SAc as a means to promote transparency, accountability and good governance.
- The study revealed no major differences seen in the awareness level and engagement of citizens in the development processes between the respondents of Gewogs where SAc programs have been implemented and where none were initiated.

The study indicated that while there were positive results where the SAc were implemented, the actual implementation was dismal. However, the DLG and BTI have taken up the principles and modified/evolved forms are currently being



implemented in the field. What is clear is that there is a lack of collaboration amongst the various stakeholders to effectively leverage the social accountability tools. The study, therefore, recommends the following:

- Enhance coordination and collaboration among key stakeholders;
- Enhance the use of Sac tools in the Monitoring and Evaluation of programs;
- Mainstream capacity development programs of LG officials in SAc;
- Strengthen the role of Dzongkhags in promoting Social Accountability;
- Activate Social Accountability as part of Community Engagement Platform; and
- Leverage ICT to promote SAc Programs.

#### *c) Preparation for the 5<sup>th</sup> National Integrity Assessment 2022*

The NIA is the only longitudinal study that the ACC has conducted since 2009. The NIA is conducted every third year with the last one in 2019. The NIA scores are used as a Key Performance Indicator to measure the 12<sup>th</sup> National Key Result Area “*Corruption Reduced*” in the 12<sup>th</sup> Five Year Plan (FYP). Therefore, the ACC is required to conduct two NIAs for the 12<sup>th</sup> FYP where the score of NIA 2019 will serve as a baseline indicator.

In preparation for the 5<sup>th</sup> NIA, to be conducted in the FY 2022-2023, as required by the two Houses, the ACC has developed the proposal on the Parliamentarians Integrity Index (PII) to be assessed as part of the NIA. The objective of the PII is to determine the level of integrity of the Parliament of Bhutan in terms of transparency, accountability and corruption. It will also examine the effectiveness of Parliament in terms of legislation development, representativeness, budget scrutiny, and policy analysis and oversight.

#### ***1.2.7. Enhancing public accountability and transparency through Asset Declaration (AD) and Management***

The section 38 (1) of the ACAB 2011 require public servants or other individuals using public resources to prepare and declare their personal assets, income and liabilities as well as those of their spouses and/or dependents.



### a) AD Compliance

As of 2021, the total declarants increased to 25,255 from 24,508 in 2020. The declarants are further categorized into Schedule I (698) and II (24,557) public servants based on the vulnerability. The compliance rate for 2021 was 100% and 99.4% respectively for Schedule I and II bringing the overall compliance rate to 99.5% as indicated in **Table 1.4**. The increase in the compliance rate over the years can be attributed to strict enforcement of AD Rules, regular training for the Asset Declaration Administrators (ADA) and enhanced awareness among declarants while much remain to be done with regard to data accuracy and verification of ADs.

**Table 1.4: AD Compliance**

Category	Total Covered Persons	Total Late Declarants	Total Non-Declarant	Compliance Rate
Schedule I	698	0	0	100%
Schedule II	24,557	93	43	99.4%
<b>Total</b>	<b>25,255</b>	<b>93</b>	<b>43</b>	<b>99.5%</b>

All the covered persons under Schedule I declared on time (100%). Under Schedule II, as per the report submitted by the agencies, 99.4% of the covered persons filed on time as compared to 99.9% in 2019 with only 93 cases of late declaration and 43 cases of non-declaration.

### b) Actions on Non-Compliance

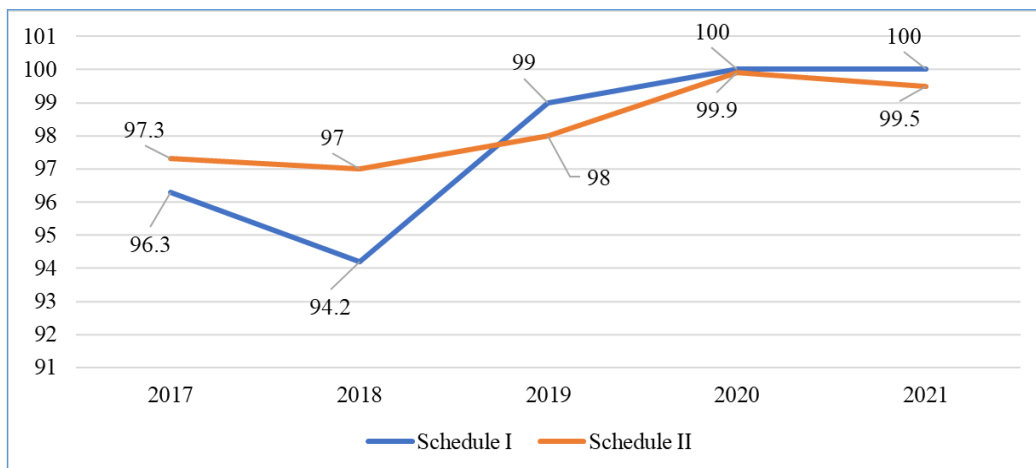
In accordance with Section 38 (4) & (5) of ACAB 2011 and Section 53 and 54 of the ADR 2017, actions have been taken on Late Declarants and Non-Declarants as shown in **Table 1.5**. Penalties were waived off where justifications for non-compliance were found reasonable.

**Table 1.5: Action on Late Declarants of Schedule I and Non-Declarants of Schedule I and II**

Action Taken	Late Declarants	Non-Declarants		
	Schedule I	Schedule I	Schedule II	Total
Penalty waived	0	0	25	25
Penalty imposed	0	0	18	18
<b>Total</b>	<b>0</b>	<b>0</b>	<b>43</b>	<b>43</b>



A total of Nu 0.92million (Late Declarant – 0.10 million & non-Declarants – 0.82 million) was collected as penalty amount from all the non-compliance cases who were imposed penalty. The compliance rate for both Schedule I and II since 2017 is shown in **Figure 1.5**.



**Figure 1.5:** Compliance rate of schedule I and II (2017-2021)

#### c) Disproportionate Asset (DA)

A total of 136 DA cases were flagged off by the system and verified for Schedule I. Under Schedule II, out of the total 4,843 DA cases flagged, 981 DA cases pertaining to Dzongkhag, Thromde and Ministry and 442 DA cases for other agencies were verified.

Upon verification, 1,558 DA cases were dropped, only one was upgraded for further information. One primary reason for the system flagging off such a huge number of DA cases was due to declaration error which is the negligence from the declarants.

#### d) Enhanced Asset Declaration System

In order to address various operational challenges, the existing online AD system was enhanced to ease burden on users; improve efficiency in AD administration and management; and facilitate automated and effective verification. The enhanced AD System is a proprietary and custom-built software system designed and developed to meet the changing needs. The new AD system incorporates additional functional & non-functional features and also includes extended capabilities like API configuration with security infrastructures in place.



The enhanced AD system is integrated with 11 external databases with foreseeable integration with other relevant databases in due course of time. The enhanced system is bilingual (English and Dzongkha) to enable user convenience in use of the declaration forms. The system also has features to promote lifestyle check of public servants through a whistleblowing mechanism.

While there is still substantial ground to be covered for the system to continue maturing towards fulfilling the mandate, the recent enhancement, especially the integration with external databases/systems, will enable wider verification and support the declaration and management of Conflict of Interest. Therefore, the AD System is now better equipped to achieve the objectives of Asset Declaration.

*e) Asset Declaration Management and way forward*

While the AD system has been capturing a large amount of data on income, assets and liabilities of individuals holding vulnerable positions in public offices, it is vital that the accuracy of such information is verified strategically and thoroughly. Inaccuracy could result either from incorrect declarations or errors in data representation, intentional or otherwise. Both the issues will have to be taken care of and shall be done with continued data integration efforts with external databases/systems and the revision of the *Asset Declaration Rules 2017* wherein appropriate penalty provisions for false declarations / deliberate misrepresentations will be included, wherever feasible, to enhance seriousness in AD filing and data integrity. Moreover, the current practice of sending out timely general public notifications in mainstream media and social media in addition to training of ADAs and sensitization of declarants will be continued to effectively manage AD.

Starting from this year, ACC aims to conduct proactive verification of ADs along with reactive verification of DAs flagged out by the system so that instances of illicit enrichment and poor management of Conflict of Interest are effectively detected and appropriately addressed.



### 1.2.8. Reinforcing anti-corruption measures through strengthened legal framework

#### a) Anti-Corruption (Amendment) Act 2022

As reported in the last annual report, the Good Governance Committee (GGC) of the National Assembly initiated the amendment of the Anti-Corruption Act of Bhutan 2011 in 2019 and adopted the Anti-Corruption (Amendment) Bill in its Fifth Session. The National Council deliberated the Anti-Corruption (Amendment) Bill in its 28<sup>th</sup> Session and adopted the same on 9<sup>th</sup> December 2021.

As the two Houses of the Parliament could not come to a consensus on some of the provisions in the Bill, a Joint Committee was established to deliberate the disputed provisions in the Anti-Corruption (Amendment) Bill. The Joint Committee submitted their recommendations on the 24 disputed sections of the Anti-Corruption (Amendment) Bill on 4<sup>th</sup> July 2022. The Joint Session of the National Assembly adopted the Anti-Corruption (Amendment) Bill with exception to proposed amendments in sections 8(1), 8(2) and 28(1) on the HR independence and section 128(3) on the prosecution by the ACC.

Some of the major amendments include the following:

- (i) The term ‘favoritism, nepotism and patronage’ has been removed from sections 58 and the phrase ‘cause loss to the State’ added in sections 58 and 59 pertaining to the abuse of function. With the amendment in these sections, a public servant can be held liable for abuse of function when there is loss to the State even if there is no benefits to himself or herself or to another person;
- (ii) Various sections defining the quantum of penalty against the offences established under Chapter 4 has been amended to align the value-based sentencing with section 18 of Penal Code (amendment) Act 2021;
- (iii) New sections have been inserted criminalizing the active and passive bribery of witness;
- (iv) New sections have been inserted requiring the ACC to adopt a rule on the administration and management of seized or frozen moveable and immoveable properties;



- (v) New section has been inserted to enable the ACC to share administrative complaints for actions with relevant agencies. To affect this insertion, sections 138 and 139 have been amended to enable the ACC to take further action based on the Action Taken Report of the agencies;
- (vi) Section 165 has been amended to extend scope of liability of legal person beyond bribery and make inclusive of other corruption offences, and to provide the grading of the offence for a person held liable because of legal accountability; and
- (vii) Section 167 has been amended to incorporate and implement the directives of Supreme Court on suspension of public servant.

### **UNCAC (Amendment) Bill**

As reported in the earlier report, the Parliament of Bhutan ratified the United Nations Convention Against Corruption (UNCAC) in 2015 with reservation on Article 66 (2). The reservation read as “*The Royal Government of Bhutan shall not be bound by paragraph 2 of Article 66 of the United Nations Convention Against Corruption*”. The Ministry of Foreign Affairs deposited the instrument of ratification to United Nation’s Secretary General on 21 September 2016. However, the reservation was not registered at that time of depositing the instruments of ratification. The attempt to deposit the reservation albeit being late failed as there was objection from other state parties.

The National Assembly discussed the matter in its 5<sup>th</sup> Session of Third Parliament and adopted the UNCAC amendment Bill without reservation. The same was discussed by the National Council on 30<sup>th</sup> November and 9<sup>th</sup> December, 2021 in its 28<sup>th</sup> Session. The National Council rejected the amendment by the National Assembly to revoke the earlier reservation on article 66(2) and decided to denounce the ratification and re-accede with reservation. The decision was taken in order to ensure supremacy of Parliament and rule of law is not compromised, amongst other.

Since the two Houses of the Parliament could not come to consensus, a Joint Committee was constituted to discuss the UNCAC (Amendment) Bill. The Joint Committee proposed to denounce and re-accede in the 7<sup>th</sup> Session of the Third Parliament. However, it did not get two-third majority in favour of the proposal in the Joint Session. Thus, the ratification to UNCAC with reservation remains status quo.



### *a) Public Service Code of Conduct*

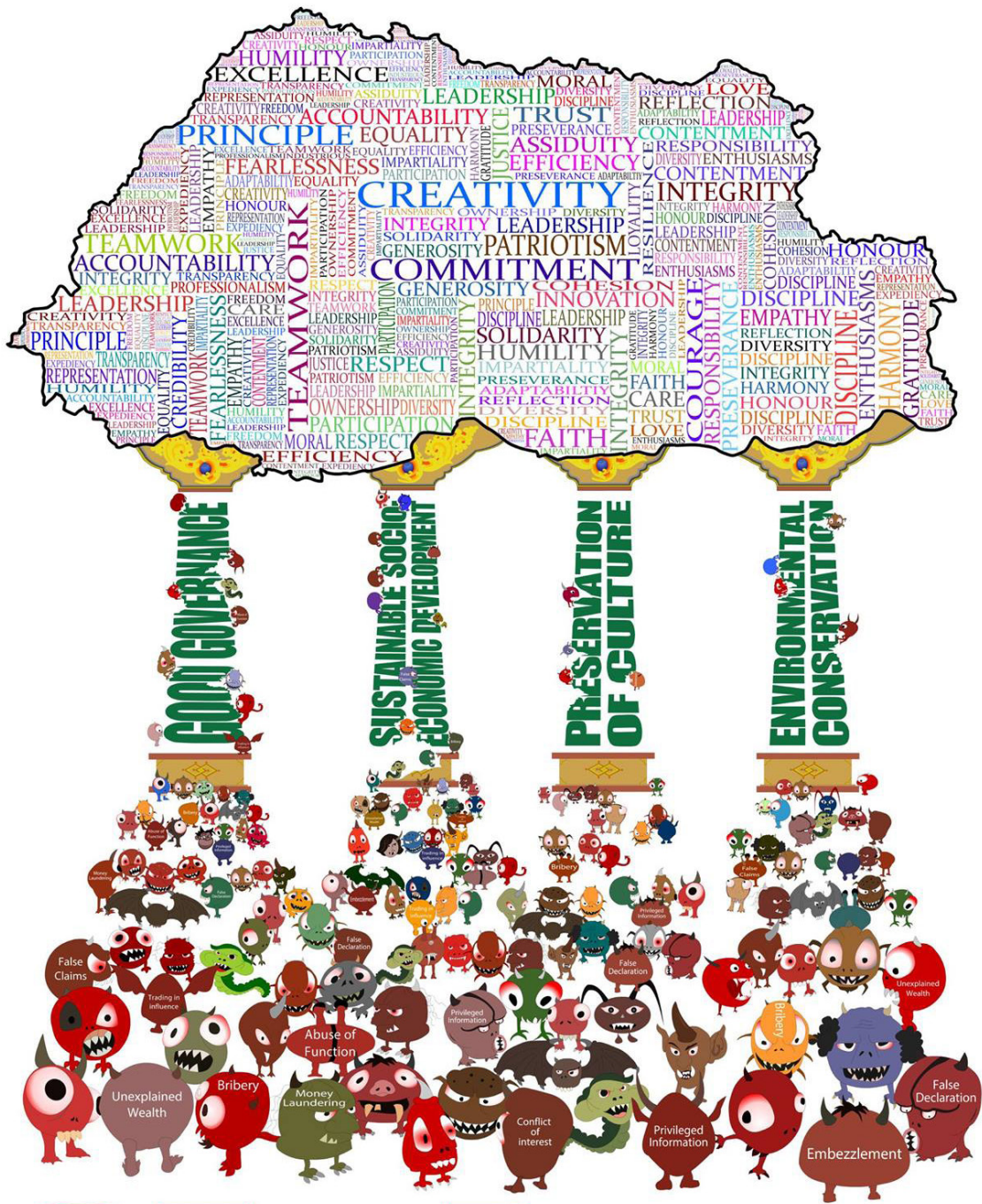
The Public Service Model Code of Conduct (Model Code hereafter) is considered an important strategy to fight corruption as it brings together the prevention, education and enforcement aspects to complement and reinforce each other with the enforcement provisions being particularly effective in changing the ethical climate in the public service. The Model Code sets out the generic purpose, aims and justifications; standards of integrity and conduct; manner of its implementation; process of dealing with complaints; and sanctions for any breach.

Section 35 of ACAB 2011 require the ACC to develop a Model Code and advice the public agencies to develop specific code of conduct using it as the basis but prescribing more onerous requirements suited to their specific mandate and functions. The Parliament had also required ACC to follow up on it. Accordingly, the ACC is currently in the process of finalizing the Model Code.

One of the important features of the Model Code for the Bhutanese public service is the requirement for integrity vetting before employment of any person by public agencies. The increasing instances of repeated malfeasance committed by a person employed in a new office, public or private, due to lack of proper background checking of malfeasance in the previous office practically demonstrate and heighten the need to have a reliable integrity vetting system in place, which should be available to private agencies as well.

Currently, Integrity Vetting Reports based on the ACC's records, are being provided by ACC for consideration of the requesting agencies. This is under review. For effectiveness, the integrity vetting report will be of four types: informational, advisory, directorial and obligatory in nature. The procedures for seeking and issuing the integrity vetting report are being clearly elaborated in the Integrity Vetting System (IVS) Rules.





# STOP CORRUPTION



བན་ལྷན་བཀག་སྐོམ་ལྷན་ཚོགས་པ།  
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ANTI-CORRUPTION COMMISSION

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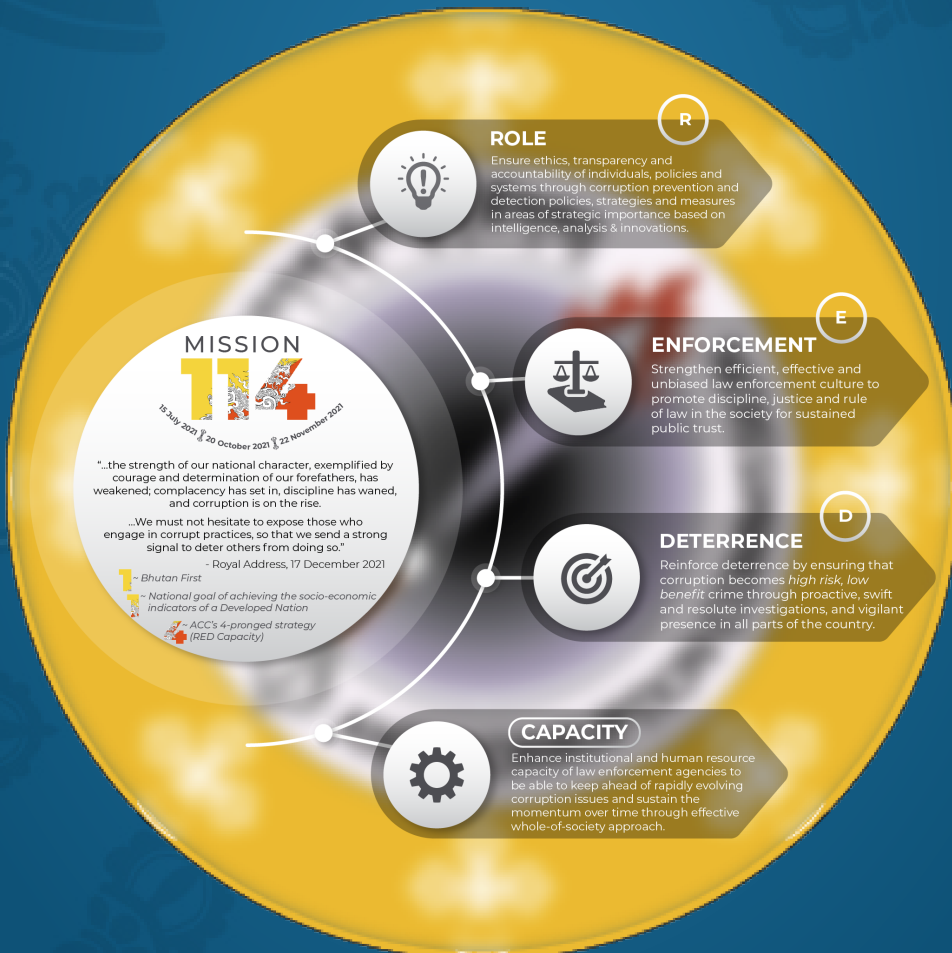


# Section

# 2

## Complaints & Referrals

*Managing complaints professionally and responding swiftly and objectively*





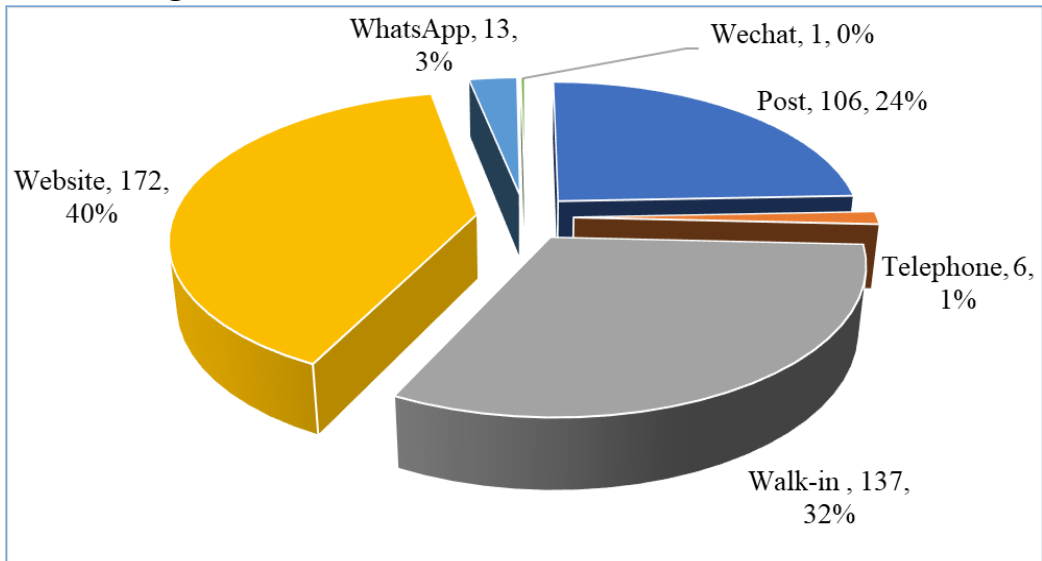
## 2.1. Analysis of complaints received

### a) Number of complaints received

During the reporting period, the ACC received a total of 435 complaints with an average of about 36 complaints per month. The average number of complaints received per month increased from 25 in 2020 to 36 in 2021.

### b) Complaints by different modes

As in previous years, *Webmail* continued to be the most preferred mode to lodge complaints. The ACC received 172 (40%) complaints via *webmail*. *Walk-in* complaint was the second preferred mode followed by *Postal*. While social media means like *WhatsApp* and *WeChat* may be popular among public, it has not been used widely for reporting corruption with the number of complaints reported via *WhatsApp* and *WeChat* dropping from 30 in 2020 to 14 in the reporting period. For the second consecutive year, no complaints were received via *Fax*. The complaints received in the reporting period through the various modes are as shown in **Figure 2.1**.



**Figure 2.1:** Complaints by mode



### c) Source of complaints

For the first time in the history of the ACC, the number of known complaints surpassed the number of anonymous complaints. Of the 435 complaints received, 219 complaints were from known sources and 216 from anonymous sources. The rise in known complainant may be due to the increased awareness, trust and confidence in the ACC. Known sources also include 13 complaints referred by the agencies as shown in **Table 2.1**.

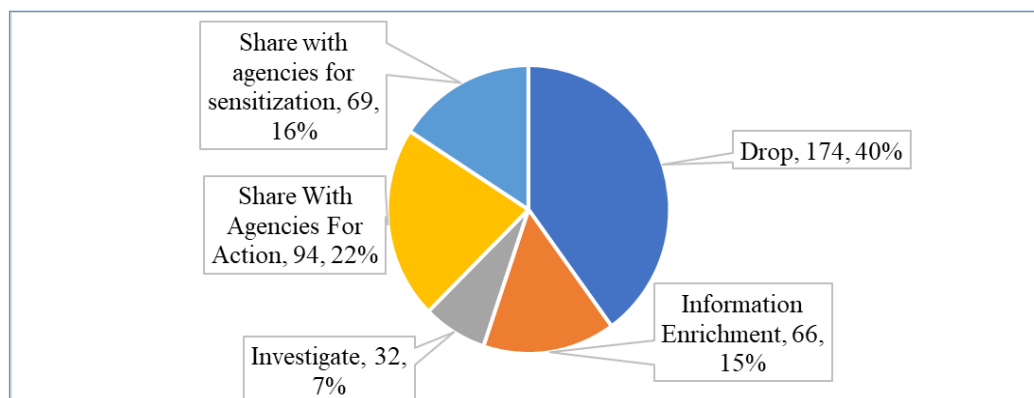
**Table 2.1: Referrals**

Sl. No	Agency	Number of reports
1	RAA	5
2	MoHCA	1
3	Ministry of Health	1
4	MoIC	2
5	MoEA	1
6	Paro Dzongkhag Administration	1
7	Zhemgang Dzongkhag Administration	1
8	Construction Association of Bhutan	1
9	ACC Intel	10

Of 219 complaints from Known sources, excluding referrals from the agencies, 162 complainants were lodged by male and 34 by female.

## 2.2. Action taken against complaints and referrals

Of the 435 complaints received, 32 (7%) qualified for investigation as shown in **Figure 2.2** which is lesser than those qualified for investigation in 2020 (9.3%).



**Figure 2.2: Decision on complaints**



Further, details of actions on the complaints by mode and disclosure of identity are as depicted in the **Table 2.2.**

**Table 2.2: Decision on complaints by mode and source**

Mode of Complaints	Total Number of complaints	Qualified for investigation		Shared for Action		Shared for sensitization		Information Enrichment		Dropped		Total	
		Known	Unknown	Known	Unknown	Known	Unknown	Known	Unknown	Known	Unknown	Known	Unknown
Walk-in	137	15	1	24	5	9	3	20	3	51	6	119	18
Telephone	6	0	0	1	1	0	1	0	1	1	1	2	4
Post	106	9	1	7	15	3	11	5	13	13	29	37	69
ACC Web	172	2	4	13	25	5	32	10	13	21	47	51	121
WeChat	1	0	0	1	0	0	0	0	0	0	0	1	0
WhatsApp	13	0	0	1	2	1	3	1	0	3	2	6	7
	435	26	6	47	48	18	50	36	30	89	85	216	219
TOTAL		32		95		68		66		174		435	
		7.4%		21.8%		15.6%		15.2%		40.0%		100.0%	
		435											

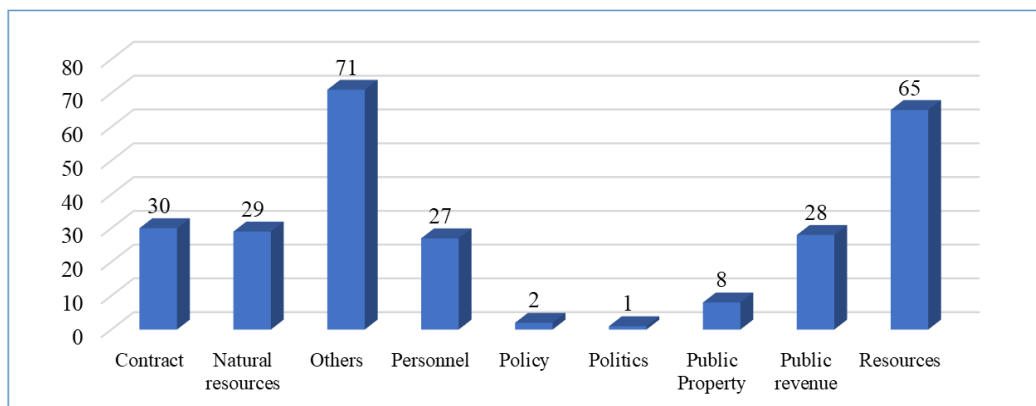
Of the total complaints received, 261 (60%) warranted further action while 174 were dropped. Of the total complaints dropped, 51.15% were from Known sources and 48.86% anonymous.

The 261 complaints that warranted action by the ACC and agencies concerned are presented below by area, offence, agency and place of occurrence:



a) *Area*

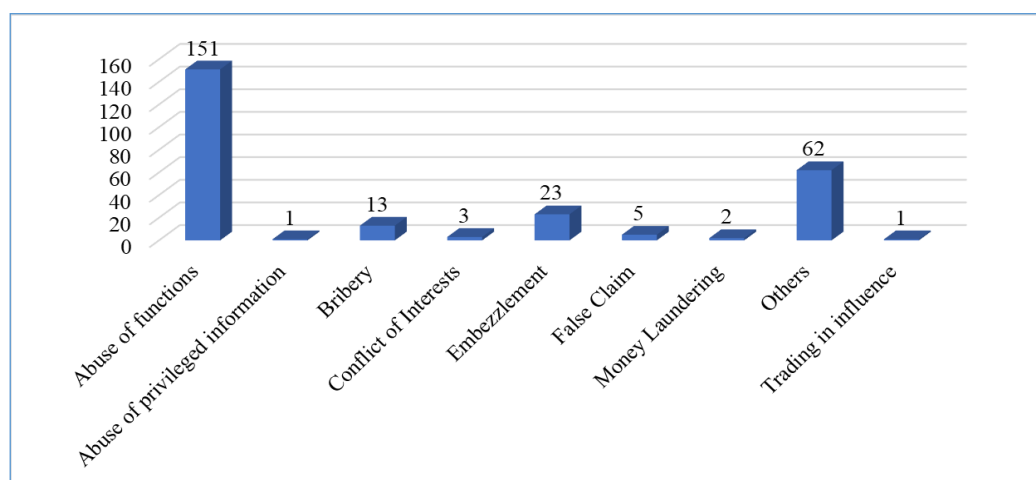
Of the 261 complaints, the complaint against management of *Resources* (65) is the highest followed by complaint against the *Award of Contract* (30) and *Natural Resources* (29) as shown in the **Figure 2.3**. The '*Others*' category includes those complaints which do not fall in any of the above categorized areas.



**Figure 2.3:** Complaints by area of allegations

b) *Corruption Offence*

From the total of 261 complaints requiring further actions, maximum complaints pertained to *Abuse of Functions* amongst the 11 broad areas of corruption offences categorized under ACAB 2011. The **Figure 2.4** shows the details of complaints by the type of alleged corruption offences.



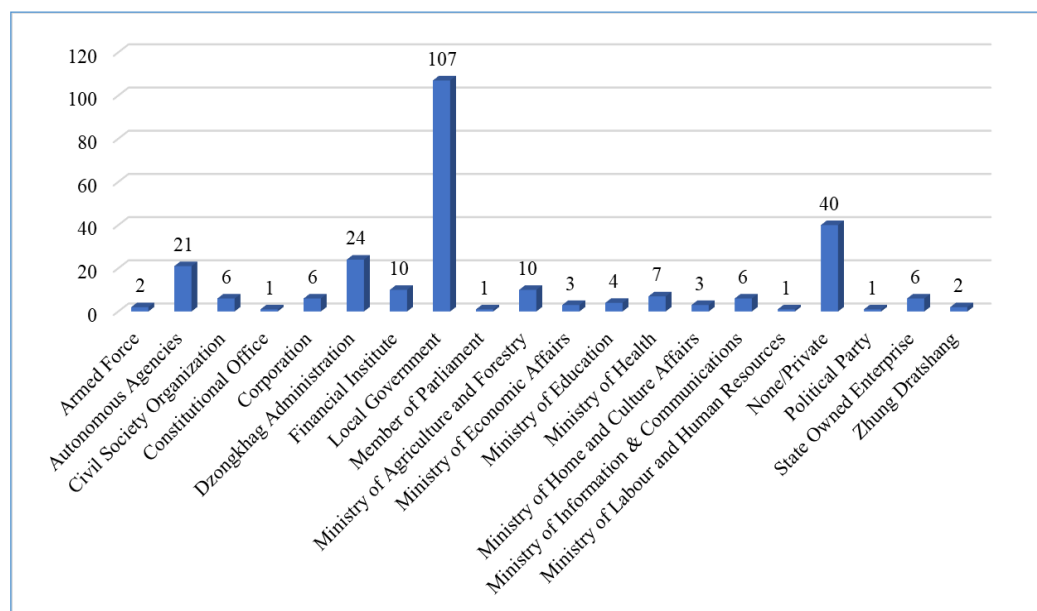
**Figure 2.4:** Complaints by type of alleged corruption offences



Of the total 151 complaints on *Abuse of Functions*, majority were in the area of Resources (46), followed by Contract (25), Natural Resources (21) and Personnel (20). Complaints on *Abuse of Functions* have been consistently on rise over the years and this trend clearly indicates the weakness in ethics, integrity and professionalism of public servants. Further, complaints on *Embezzlement* continued to be the second highest. Majority of the complaints on *Embezzlement* were reported in the area of Public Revenue (11) and Resources (8).

### c) Agency

With regard to complaints against agencies, LG constituted the highest number of complaints (107) followed by Ministries (34) and Dzongkhag Administrations (24). The details of the complaints received by the ACC against agencies are given in **Figure 2.5**. Of the total complaints against LG, highest number of complaints were lodged against the Gewogs of Paro (16), Punakha (13) and Thimphu (12) Dzongkhags.



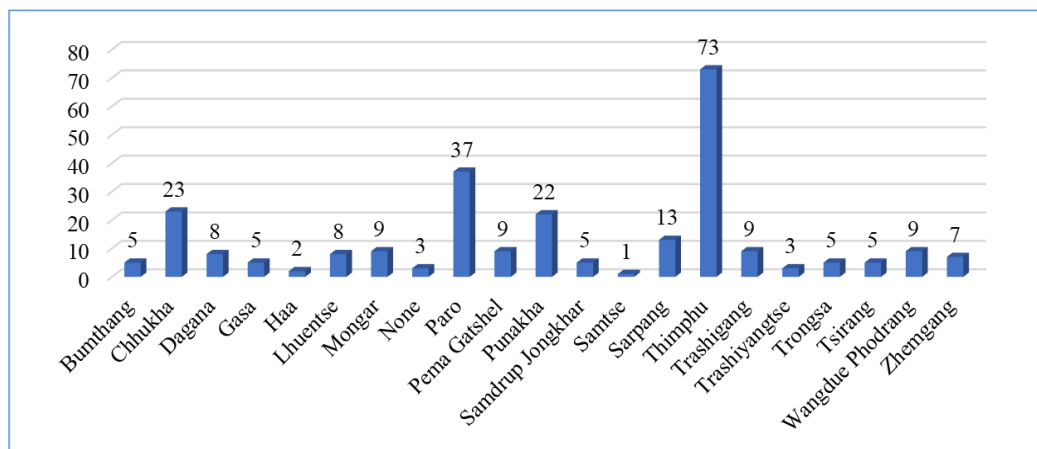
**Figure 2.5:** Complaints received agency-wise

With regard to the Ministries, highest complaints were lodged against the MoAF (10), followed by MoH (8) and MoIC (6). Among Dzongkhag Administrations, Paro Dzongkhag had the highest number of complaints (6) followed by Punakha and Chhukha with 3 complaints each.



#### d) Place of occurrence

Unlike in the past, ACC received complaints from all 20 Dzongkhags in the reporting period. This year too, the highest number of complaints received pertained to occurrences in Thimphu with 73 complaints. The least number of complaints pertained to Haa and Samtse Dzongkhags as shown in **Figure 2.6**.



**Figure 2.6:** Complaints by place of occurrence

Further analysis revealed that the number of complaints in Thimphu pertained to Autonomous Agencies (17), followed by Ministries (14), Financial Institutes (8) and Thromde (7).

## 2.3. Complaints qualified for Information Enrichment (IE)

In addition to the 66 complaints that merited IE, two more complaints shared for action to various agencies were further assigned for IE. Thus, in the reporting year, the total complaints qualified for IE is 68. The details of complaints qualified for IE and its status along with those reported in 2019 and 2020 are as shown in **Table 2.3**.



**Table 2.3:** Status of complaints assigned for IE

Year	Complaints Qualified for IE	Decisions on IE findings				On-going	Pending
		Closed	Upgraded for Investigation	Shared for Action	Shared for Sensitization		
2021	68	21	9	6	3	8	21
2020	49	22	8	6	0	4	9
2019	6	2	1	1	0	2	0
Total	123	45	18	13	3	14	30
		79					

## 2.4. Complaints Shared for Action

With 13 complaints from IE being shared with agencies based on the findings of IE, the actual number of complaints shared for action during the reporting year is 107. Of the 107 complaints shared for action, Action Taken Reports (ATR) for three complaints shared were not solicited as they were either shared for sensitization purpose only or was considered as penal offence within the jurisdiction of RBP. The status of complaints shared for actions including other complaints of 2020 and below are as shown in **Table 2.4**.

**Table 2.4:** Status of complaints shared for action with various agencies

Year	Total complaints shared for Action	Decisions on ATRs				Under review	ATR not solicited	Total	ATR not received
		Closed	Upgraded for Investigation	Upgraded for IE	Deferred for more Action				
2021	107	44	4	1	6	0	3	58	49
2020	57	20	2	1	2	0	0	25	32
2019	23	2	0	0	4	0	0	6	17
2018 & before	38	8	1	0	8	0	0	17	21
Total	225	74	7	2	20	0	3	106	119
		103							

At the end of the reporting period, excluding the deferred ATRs (20), a total of 119



ATRs were not received from various agencies as shown in **Table 2.5**. Moreover, a total of three ATRs were not solicited as they were either shared for sensitization purpose only or was considered as penal offence within the jurisdiction of the RBP.

**Table 2.5: Pending ATRs by year and agency**

SN	Agency	2017	2018	2019	2020	2021	Total
1	Bhutan National Bank Limited	0	0	0	0	1	1
2	CSOA	0	0	1	0	0	1
3	Choedhey Lhentshog	0	0	0	0	1 <sup>1</sup>	1
4	Druk Air Corporation	0	0	0	0	1 <sup>2</sup>	1
5	DHI	0	0	2	0	0	2
6	Druk Punjab National Bank Ltd.	0	1	0	0	0	1
7	NLCS	5	2	2	0	8	17
8	RAA	1	9	3	19	7	39
9	Royal Bhutan Police	0	1	0	0	0	1
10	RIM	0	0	0	0	2	2
11	RSTA	0	0	0	0	1	1
12	Tarayana Foundation Center	0	0	0	0	1	1
14	Tourism Council of Bhutan	0	0	0	0	1	1
15	Thimphu Thromde	1	1	1	1	1	5
16	Zhung Dratshang	0	1	0	0	0	1
<b>Dzongkhag Administrations</b>							
17	Bumthang	0	0	0	0	1	1
18	Chhukha	0	0	1	0	0	1
19	Dagana	0	0	0	2	1	3
20	Gasa	0	0	0	0	1	1
21	Lhuentse	0	0	0	0	1	1
22	Monggar	0	1	0	1	1	3
23	Paro	0	0	0	0	11 <sup>3</sup>	11
24	Pema Gatshel	0	0	0	0	1	1
25	Punakha	1	2	4	2	4	13
26	Samdrup Jongkhar	0	0	0	0	2	2
27	Samtse	0	0	1	0	1	2
28	Thimphu	0	0	1	1	3	5

<sup>1</sup> Complaint shared with Chode Lhentshog is also shared with RAA and Pema Gatshel Dzongkhag (ACC/CR/2021/12/25)

<sup>2</sup> Complaint shared with Druk Air is also shared with MoLC (ACC/CR/2022/4/22)

<sup>3</sup> Complaint also shared with NLCS (ACC/CR/2022/4/38)



29	Trashigang	0	0	0	1	0	1
30	Tsirang	0	0	0	0	2	2
31	Wangdue Phodrang	0	1	0	1	1	3
<b>Ministries</b>							
32	MoAF	0	0	1	1	1	3
33	MoE	0	0	0	1	1	2
34	MoEA	0	0	0	1	1	2
35	MoF	1	0	2	0	0	3
36	MoHCA	0	0	0	2	1	3
37	MoIC	0	0	2	0	1	3
		<b>9</b>	<b>19</b>	<b>21</b>	<b>33</b>	<b>60</b>	<b>142</b>

The complaints shared with RAA are usually resolved during the bilateral meetings held biannually between the two institutions wherein the status of referrals are regularly updated.

## 2.5. Action on referrals from the RAA

The RAA, in line with Section 34 (7) of the Audit Act of Bhutan 2018, refers Audit Reports to the ACC in case of suspicions of corruption offences. In the reporting year, ACC received five reports from the RAA. **Table 2.6**, shows the status of the RAA referrals to the ACC from 2010 till 2022.

**Table 2.6:** Status on the pending RAA referrals

Year	No. of pending reports	Status					
		ACC	OAG	Under trial	Shared with agencies	Enforcement pending	Closed
2010	2	0	0	0	2	0	0
2011	2	0	0	0	0	2	0
2012	2	0	0	1	0	1	0
2014	2	0	0	0	0	1	1
2015	7	2	0	0	3	2	0
2016	3	0	0	2	0	0	1
2017	2	0	0	2	0	0	0
2018	4	1	0	1	0	0	2



2019	1	0	0	1	0	0	0
2020	9	9	0	0	0	0	0
2021	7	5	0	0	0	0	2
2022	1	1	0	0	0	0	0
<b>Total</b>	<b>42</b>	<b>18</b>	<b>0</b>	<b>7</b>	<b>5</b>	<b>6</b>	<b>6</b>

## 2.6. Complaints qualified for investigation

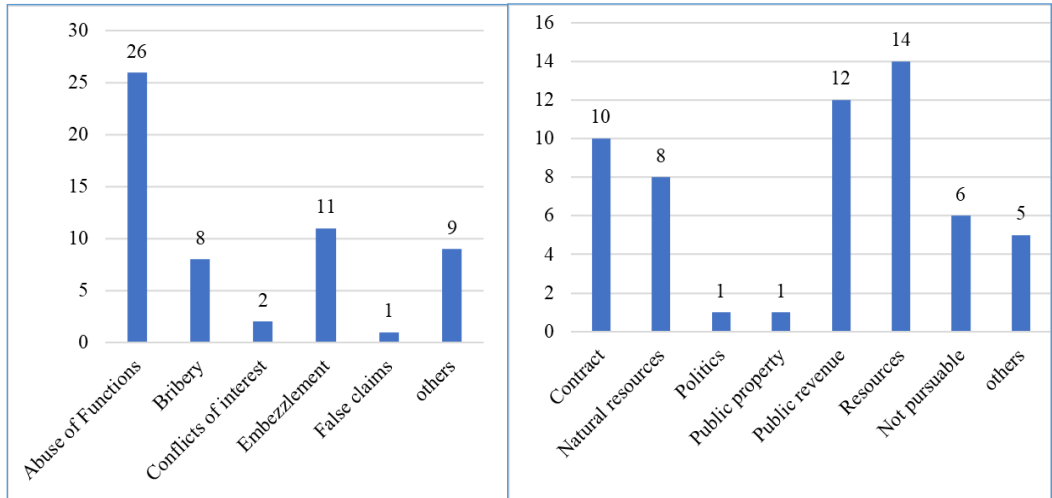
Of the total complaints received, 7.36% of the complaints (32) qualified for investigation. In addition, 7 complaints that had been Shared for Action and 18 complaints that qualified for IE were upgraded to investigation based on the findings of ATR and IE reports. Therefore, the number of complaints qualified for investigation during the reporting year is **57** as shown in **Table 2.7**.

**Table 2.7:** Total complaints qualified for investigation

Year of Complaints	Description	No. of Complaints
2021	Complaints	32
	IE upgraded	9
	ATR upgraded	4
2020 & before complaints carried over to 2021	IE upgraded	9
	ATR upgraded	3
<b>Total qualified for investigation in 2021</b>		<b>57</b>

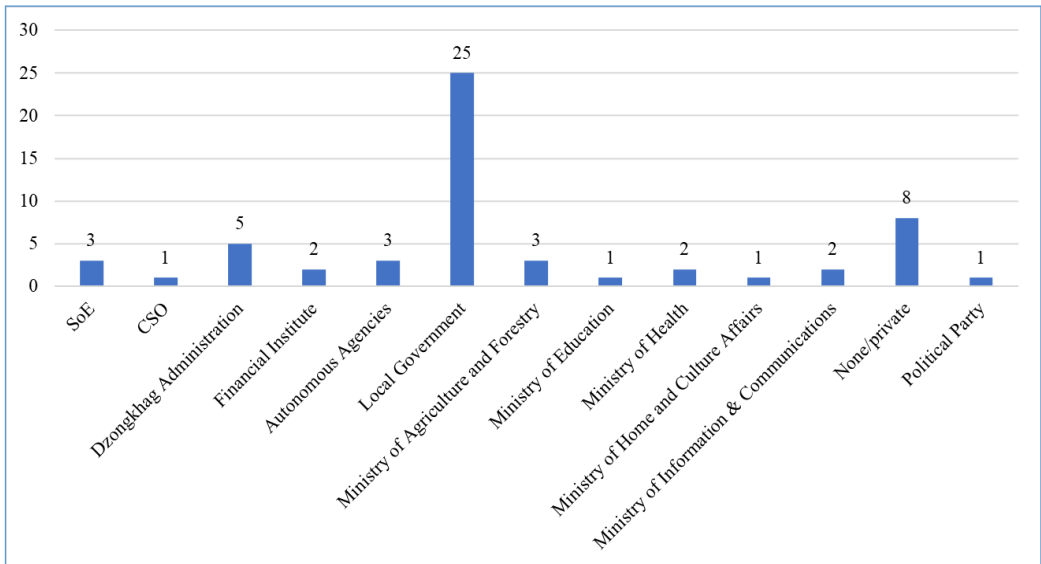
Of the 57 complaints that qualified for investigation, 74% of the complaints were from known sources indicating that quality of complaints from known sources being more reliable than anonymous sources. As for the type of complaints that qualified for investigation, most of the complaint pertained to *Abuse of functions* (45.6%) followed by *embezzlement* (19.3%). In terms of area, most complaints were under Resources (24.56%) followed by Public revenue (21.05%), Contract (17.54%) and Natural Resources (14.03%) as shown in **Figure 2.7**.





**Figure 2.7:** Complaints qualified for investigation by type of corruption offences and area

As for the agencies, LG had the highest with 25 complaints that qualified for investigation followed by Ministries (9) as shown in **Figure 2.8**.



**Figure 2.8:** Agency-wise complaints qualified for investigation



## 2.7. Status of backlog complaints qualified for investigation

Out of 57 complaints that qualified for investigation during the reporting period, only 17 complaints could be assigned for investigation. There are 40 complaints which are yet to be assigned for investigation. The status of backlog complaints including those that were upgraded for investigation from ATRs and IEs are given in the **Table 2.8**.

**Table 2.8:** Status of complaints qualified for investigation

SN	Year of Complaint	Balance for investigation as per Annual Report 2020-2021	Assigned for investigation/desk review in 2021-2022	Current Balance
1	2006 – 2016	34	15	19
2	2017	6	2	4
3	- ATRs and/or IEs of 2017 & before - Complaints reviewed in 2018	5	2	3
4	2018	8	3	5
5	- ATRs and/or IEs of 2018 & before - Complaints reviewed in 2019	2	1	1
6	2019	5	2	3
7	Jan 2020- June 2021	37	7	30
8	July 2021- June 2022	57	17	40
<b>Total</b>		<b>154</b>	<b>49</b>	<b>105</b>



## COMPLAINTS

**SOURCE:** Members of Public, Referrals from RAA, Parliament, Cabinet & Other Govt. Agencies.

STEP  
01

RECEIVE

**MODE:** Walk-In, Telephone, Fax, Post, ACC Website & Juenlam, ACC.

STEP  
02

REGISTER AND  
ACKNOWLEDGE

- CMD will register complaints in the CIMS and acknowledge the receipt of complaints as necessary.

STEP  
03

COMPLAINT  
EVALUATION

- CMD will coordinate the CEC meeting.
- CMD will review, enrich and apprise complaints.
- CEC will evaluate complaints as per P-Value scoring, and recommend to the Commission the actions to be taken on the complaints.

STEP  
04

ACTION ON  
COMPLAINTS

- CMD will coordinate the Commission meeting on complaints.
- The Commission will decide the actions to be taken on the complaints based on recommendations of CEC or own their own.

Route it through CEC for further actions.

Route it through CEC for further actions.

P-Value > 30

Investigate

- Complaints will be forwarded to Dept. of Investigation after prioritization of complaints that qualified for investigation.

P-Value 25 - 29

Information  
Enrichment

- CMD will conduct information enrichment and put up to CEC for further action. The CEC will recommend to the Commission the further actions to be taken.

P-Value 25 - 29

Share with  
Agencies

- CMD will share the complaints with concerned agencies.
- For those complaints shared with agencies for actions, CMD will seek and review ATR and apprise the CEC for further decisions. The CEC will recommend to the Commission the further actions to be taken.

For action

For sensitization

P-Value 1 - 24

Drop

- No actions.
- Complaints will be maintained in CIMS database.

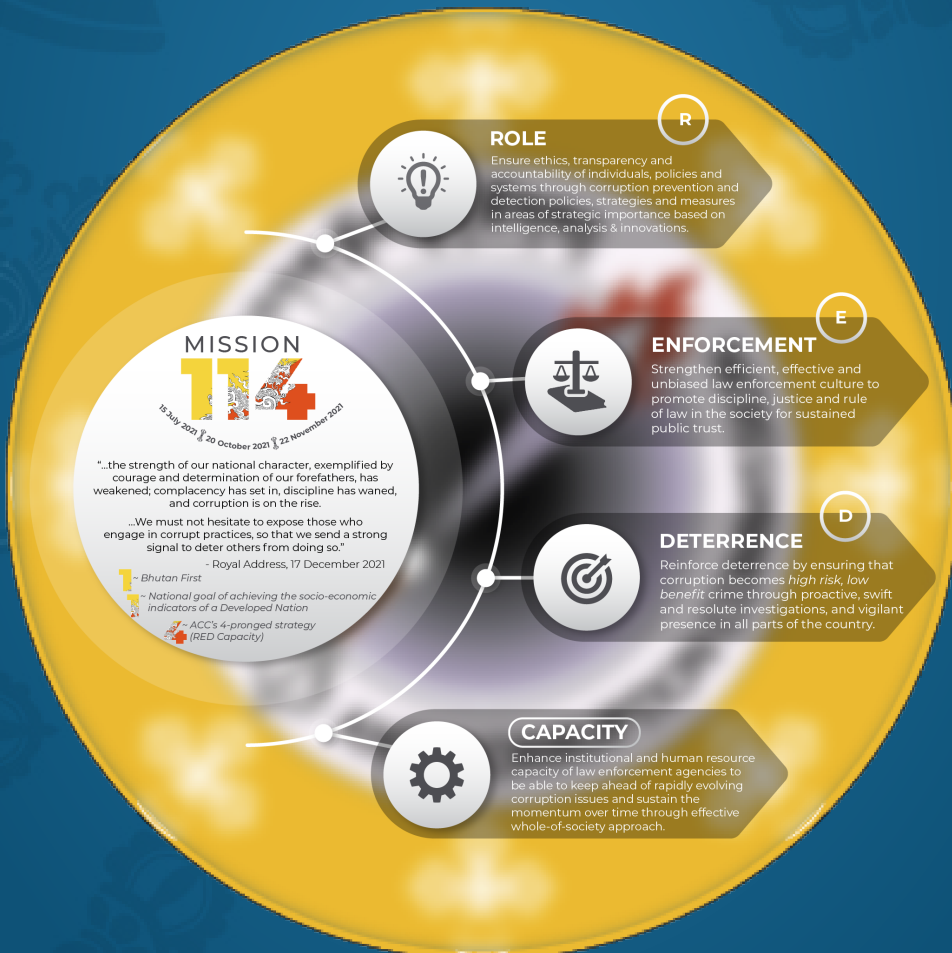


# Section

# 3

## Investigation of Corrupt Acts

*Exposing and deterring corruption through effective investigation without fear and favour*





### 3.1. Caseload and Outcome

During the reporting period, the Commission opened 32 new cases bringing the total caseload to 59 including 27 spillover cases. Besides that, 35 Backlog cases as reflected in the previous Annual Report 2020 – 2021 were also reviewed by the ACC remotely during the lockdown.

Out of the 59, the ACC completed investigation of 30 cases during the reporting period, achieving an overall case turnover of 50.85 % of which eight cases were referred to the OAG, 12 cases were dropped and closed due to lack of evidence of corruption, and 10 cases were referred to the relevant agencies for administrative actions. The following **Table 3.1**, presents total cases handled during 2021 - 2022 and its year-end outcomes and status.

**Table 3.1:** Status and outcome of investigation

Description	Old	New	Total	%
No. of cases carried over to 2021-2022	27	0	27	45.76%
No of new cases assigned in 2021 – 2022	0	32	32	54.24%
<b>Total</b>	<b>27</b>	<b>32</b>	<b>59</b>	<b>100%</b>
<b>Investigation outcome/status</b>				
(1) Forwarded to OAG	2	6	8	13.56%
(2) Shared/ Referred to Agency	1	9	10	16.95%
(3) Dropped/Closed	5	7	12	20.34%
(4) Investigation on-going	19	10	29	49.15%
<b>Total</b>	<b>27</b>	<b>32</b>	<b>59</b>	<b>100%</b>

In the reporting period, the ACC launched a proactive investigation at Phuntsholing Mini Dry Port (MDP), suspecting bribery and other illicit activities during import of essential goods into the country. The investigation uncovered a deep network of both public officials and private individuals involved in criminal activities, profiteering by helping each other. While, initially the investigation started as a single case of bribery, it branched out into eight parts due to involvement of other public officials and private individuals in bribery and money laundering issues.



For deterrence, the investigating teams also proactively conducted sting operations intercepting 4 trucks carrying undervalued goods on 15 Dec 2021. The operation resulted in the RRCO Phuntsholing levying over Nu.1.000 million in fines and penalties on offending importers.

The average turnaround time (TAT) to complete a case during the period is approximately 70.9 working days which is a slide improvement compared to last year (73 days).

## 3.2. Search/seizure and detention

The ACC has to often exercise the powers of search/seizure of vital evidence and information and arrest and detain suspects to prevent destruction and /or fabrication of evidence/potential witnesses and address the risk of flight. Between July 2021 to June 2022, the ACC had to execute 17 search and seizure operations and detain 24 suspects during the investigation process as shown in **Table 3.2**.

**Table 3.2:** Search/Seizure and detention executed between 2017 to June 2022

	Jul 2021 - Jun 2022	Jan 2020 – Jun 2021	2019	2018	2017
No of cases under investigation	59	54	50	39	64
Search/Seizure	17	8	7	13	16
Detention	24	0	6	5	17

## 3.3. Prosecution referral and outcome

In the reporting period, eight cases were forwarded to the OAG for prosecution, one being re-referred (refer **Annex II**). Of the total cases forwarded, nine cases are under OAG review (refer **Annex III**), 34 cases are under various trial courts (refer **Annex IV**) and judgment rendered on 69 cases (refer **Annex V**) as of June 2022. Of the total judgments rendered, majority of the cases were related to embezzlement. A total of 127 defendants were charged for corruption and other criminal offenses out of which 109 were convicted, 14 acquitted and four deferred as shown in **Table 3.3**. Hence the conviction rate for the reporting period stands at 88.62% excluding deferred judgments.



**Table 3.3:** Prosecution outcome

Description	Prosecuted		Judgment rendered			Conviction rate
	No. of cases	Charged	Convicted	Acquitted	Deferred	
2017	12	62	46	7	9	<b>86.8%</b>
2018	46	57	45	11	1	<b>80.4%</b>
2019	60	106	81	23	2	<b>81.6%</b>
Jan 2020 – Jun 2021	34	116	71	24	21	<b>74.7%</b>
Jul 2021 – Jun 2022	30	127	109	14	4	<b>88.6%</b>
<b>Total</b>	<b>203</b>	<b>468</b>	<b>352</b>	<b>79</b>	<b>37</b>	<b>-</b>
<b>Conviction rate over the last five years</b>						<b>81.6%</b>

### 3.4. Highlights of a few significant cases closed during the reporting period

#### *Case No. 1: Fraudulent Acquisition of Land in Trongsa*

The ACC, upon receiving complaint against former Trongsa Dzongdag Mr. Lhab Dorji, his wife Mrs Karma Tshetim Dolma, former Gup Tenzin and surveyor Mr. Narayan Dangal, investigated the case and referred it to the OAG on 17 July 2015 for prosecution. The OAG informed ACC of its decision to drop the case on 30 December 2016. ACC decided to pursue the matter and filed the case before the Dzongkhag Court, Trongsa on 15 February 2017.

The investigation determined that Mr. Lhab Dorji while working as Trongsa Dzongdag between 2003 to 2006, fraudulently obtained and registered in his wife's name, more than 4 acres of State land located opposite the Trongsa Dzong. Mrs. Karma Tshetim Dolma, was then working as Principal of Sherubling Higher Secondary School. The investigation determined that the fraud was conspired during the process of acquiring land at Taktse from two villages under Dragteng Gewog for establishment of the Institute of Language and Cultural Studies (ILCS). He had seized the opportunity in the process of his official work with land substitution cases with the public.

The *modus operandi* entailed first getting legal Thram ownership of someone's land (that had already been enlisted for acquisition) into his wife's name. After the ownership had been transferred through the Court and the land record authority, he used his position as Dzongdag to process for land substitution from another Gewog i.e. Nubi Gewog, at the location where they later built a tourist resort. In doing so,



he engaged Drakteng Gup Tenzin who in turn involved his Tshogpa (deceased) to fabricate land sale agreements and Court documents purporting to have bought land from three different individuals. Two were sisters (one married to former Drangpon Mr. Ugyen Tenzin) and their land acquired by the government had already been substituted from Gelephu under *Kasho* of His Majesty the Fourth Druk Gyalpo. The former Trongsa Dzongda already had knowledge about the *Kasho* and land substitution in Gelephu. During the transfer process in the Court, the former Drangpon under persuasion of Gup Tenzin had arranged a forged *Power of Attorney* for the purpose of effecting the transfer of his wife's land despite his clear knowledge about the Gelephu land substitution. .

Further, the former Dzongda processed for transfer of two more plots measuring 2.18 acres of land belonging to the complainant's late mother (also in the government's acquisition list) by fabricating a sale deed. Prior to initiating the Court process, the former Dzongda, using his subordinate Land Record Assistant Sangay (deceased), fraudulently altered the acreage in the Thram record and made the land record authority effect the changes. Owing to time pressure due to his transfer out of the Trongsa Dzongkhag, the former Dzongda had attempted to circumvent legal procedure and obtain approval for substitute land from the land authority claiming that his wife had bought land from the complainant when the fact was that he had not even registered the application to the Court. Around the time when the Trongsa court issued the verdict, the land owner was deceitfully paid Nu. 45,000/= in a restaurant and given to believe that she was being paid government compensation. The investigation found that the former Dzongdag had unduly delayed the land substitution process to accommodate his vested interest i.e. to complete legal and administrative formalities of getting the Thram registration into his wife's name and seeking approval for substitution from another location. However, he failed to materialise this due to the effect of the new Land Act that came into force from 2007, which restricted land substitution from different gewogs or Dzongkhags. Then in 2011 during the National Cadastral Resurvey Programme (NCRP), his wife, in collusion with the surveyor Mr. Kezang Nima, enlisted in the *Kidu* list as a Genuine Y Plot and eventually regularised her Thram.

As opposed to the perception being wrongly propagated in public forum that ACC's freezing had led to the deterioration of the property, the freeze order only restrained the defendant from transferring the land in question but did not stop or require business operations to be stalled whatsoever and was accordingly conveyed in writing to Mrs. Karma Tshetim Dolma by ACC. Similarly, the Trongsa Court had also ordered the appellant to operate the resort if she wanted to if she so wished. However, Mrs. Karma Tshetim Dolma had chosen not to continue the



business operations.

In what can be described as the darkest moment in the history of ACC, the defendant Lhab Dorji, on 29 April 2022, attacked an ACC officer with a knife, inside the Supreme Court after the guilty verdict was pronounced. Such a brazen, callous and despicable act of aggression, in the Supreme Court, was an attack not on an individual but to the institution and public service in general.

The delusional allegation that evidence was hidden with the purpose of implicating the defendant Lhab Dorji is totally baseless. There is no conceivable ground or reason for ACC or any individual officer to hide any evidence or harbour any malicious intent. The fact that such allegations were not substantiated, hence not considered by any of the Courts during the trial and appeal process over the last five years, only stands to prove that such allegations were without merit. The outcome is solely driven by evidence and not by any personal biases. For the record, the complaint was received by ACC in 2013 and investigations were initiated by the first Commission. The second Commission completed the investigations and initiated the prosecution and the conclusion of the adjudication process happened during the current (third) Commission's term.

From the time a complaint or a case is first registered to its final disposition, the existing procedures governing the complaint and investigation management are robust and stringent enough to safeguard from individual discretion. An individual officer has neither interest nor opportunity to gain or lose from a case assigned to him/her other than performing their duties diligently and professionally as required of them.

The charges and the final decisions are presented in **Tables 3.4.1** and **3.4.2** below.

**Table 3.4.1: Charges in the Trongsa Land Case**

Sl. No.	Name	Charges
1	Mr. Lhab Dorji	Total eight counts of criminal charges including four counts of forgery, three counts of official misconduct and one count of execution of document by deception
2	Mrs. Karma Tshetim Dolma	Total nine counts of criminal charges including four counts of forgery, four counts of criminal solicitation and one count of offence related to witness
3	Mr. Tenzin	Total eight counts of criminal charges including five counts of forgery and three counts of deceptive practices



4	Mr. Narayan Dangal	Total two counts of criminal charges including one count of aiding and abetting and one count of official misconduct
5	Mr. Ugyen Tenzin	One counts of forgery
6	Mr. Phuntsho	Two counts of forgery
7	Mr. Kezang Nima	One count of official misconduct
8	Mr. Tashi Pelden	One count of official misconduct
9	Mr. Wangchukla	One count of official misconduct
10	Mr. Kinleyla	One count of official misconduct

The case came to a final closure with the Supreme Court decision of 29 April 2022, as in **Table 2**.

**Table 3.4.2: Judgment on Trongsa Land Case**

Sl. No.	Name	Trongsa Court	High Court (Bench II)	Supreme Court
1	Mr. Lhab Dorji	Convicted for five years of non-compoundable imprisonment	Upheld	Upheld
2	Mrs. Karma Tshetim Dolma	Convicted for six years of non-compoundable imprisonment	Upheld	Upheld
3	Mr. Tenzin	Convicted for six years of non-compoundable imprisonment	Upheld	Upheld
4	Mr. Narayan Dangal	Convicted for one and half years of non-compoundable imprisonment	Upheld the sentencing term but made it compoundable i.e., can pay Thrimthue in lieu of imprisonment	Upheld
5	Mr. Ugyen Tenzin	Convicted for one and half years of non-compoundable imprisonment	Upheld the sentencing term but made it compoundable i.e., can pay Thrimthue in lieu of imprisonment	No appeal
6	Mr. Phuntsho	Convicted for one and half years of non-compoundable imprisonment	Upheld the sentencing term but made it compoundable i.e, can pay Thrimthue in lieu of imprisonment	No appeal
7	Mr. Kezang Nima	Convicted for one year of compoundable imprisonment	No appeal	No appeal



8	Mr. Tashi Pelden	Acquitted for becoming State approver	No appeal	No appeal
9	Mr. Wangchukla	Acquitted for becoming State approver		
10	Mr. Kinelyla	Acquitted for becoming State approver		

The judgment is currently under enforcement. With regard to the structure built on the impugned land, the Commission, on 13 June 2022, sought the Government's decision and accordingly, the Cabinet had directed the Ministry of Finance to initiate the acquisition process. As regards land restitution, the Thram has been referred for de-registering from the individual's name to the State.

### ***Case 2: Investigation into fraudulent registration and encroachment of State land***

Upon receiving numerous complaints against the former Chang Gup Naku for allegedly registering and transacting State lands in Thimphu during his tenure as Gup of Chang Gewog, Thimphu from 1999 to 2001, ACC launched various investigations in 2012. The investigations revealed a range of illegal activities in collusion with surveyors and key public officials. The late Gup was found to have misused his public office as a Gup and access to privileged information about land within his jurisdiction either to advantage himself or others.

ACC investigated a total of nine such cases involving the former Gup and others and the final decisions in the cases are as presented in the **Table 3.4.3** below.

Case	Person(s) Charged	Final Decision on Conviction/ Acquittal/ Deferment	Restitution ordered	
			Monetary	Assets
1. Fraudulent registration and encroachment of 1.37 acres of State land at Tshalumaphey, Thimphu	1. Late Gup Naku 2. Mr. Namgay 3. Former Chang Gup Ken cho 4. Mrs. Dechen Youden 5. Former Tshogpa Chencho 6. Mr. Tshewang Gyeltshen 7. Mr. Gyeltshen 8. Mr. Kinga 9. Mr. Tandin Sithub 10. Mr. Namgyel 11. Mrs. Bidha	1 year (deceased) 2 years 1 year and 6 months 1 year 6 months Acquitted 3 months 3 months 3 months 3 months	-	1.37 acres



2. Illegal transaction surrounding the sale of 50 decimals of State land at Babesa, Thimphu	1. Late Gup Naku 2. Mrs. Yangchen Dema 3. Mr. Kezang Tenzin 4. Late Pema Wangdi 5. Mr. Lobzang Gyembo	Withdrawn as per Section 47(1) of OAG Act, 2015 1 year 1 year Withdrawn as per Section 47(1) of OAG Act, 2015 6 months	-	-
3. Encroachment of 1.32 acres of government land at Gangchey and Chang Debsi, Thimphu	1. Mrs. Passang Dema 2. Mr. Sherab Dorji 3. Mr. Wangchuk D 4. Late Gup Naku 5. Late Pema Wangdi	2 years 1 year 1 year Withdrawn as per Section 47(1) of OAG Act, 2015		70 decimals (62 decimals deferred)
4. Fraudulent registration and encroachment of 0.33 acres of government land at Lungtenphu, Thimphu	1. Late Gup Naku 2. Mr. Namgay 3. Mrs. Namgay Wangmo 4. Mr. Kencho 5. Late Pema Wangdi	Withdrawn as per Section 47(1) of OAG Act, 2015 6 months 4 months 3 months Withdrawn as per Section 47(1) of OAG Act, 2015	Nu. 287,496.00	0.33 acres land with the building
5. Encroachment of 1.06 acres of government land near Serbithang; Thimphu	1. Late Gup Naku	Withdrawn as per Section 47(1) of OAG Act, 2015	Nu. 662,362.80	1.06 acres
6. Fraudulent registration and encroachment of 1.10 acres Sokshing at Gyabjakha, Babesa; Thimphu	1. Late Gup Naku	Withdrawn as per Section 47(1) of OAG Act, 2015		1.10 acres of land
7. Fraudulent registration and encroachment of 0.46 acres of government land at Babesa, Thimphu	1. Late Gup Naku	Withdrawn as per Section 47(1) of OAG Act, 2015	Nu. 400,760.00	0.46 acres



8. Fraudulent registration and encroachment of 0.63 acres of State land at Tshalumaphey, Thimphu	1. Mr.Mindu Dorji 2. Mrs.Pem 3. Mr.Namgyel 4. Mr.Kencho 5. Late Gup Naku 6. Mr.Gyeltshen 7. Mr.Jabchung 8. Gup Kanjur	3 years 6 months 6 months 6 months Withdrawn as per Section 47(1) of OAG Act, 2015 6 months 6 months 6 months	Nu. 549,901.04	0.63 acres
9. Illegal conversion and substitution of 4.5 acres of land at Gangchey, Thimphu		ACC forwarded the case to the National Land Commission for necessary action		

### ***Case 3: Embezzlement in Royal Insurance Corporation of Bhutan Ltd. (RICBL)***

The Commission conducted investigation into alleged embezzlement of funds by Mr. Rinchen Wangdi, Accountant/Cashier at the Paro Branch of the RICBL after receipt of report from the RICBL Head Office that the cashier had misappropriated about Nu.93.00 million from its Current Deposit Account maintained with the Bhutan National Bank Ltd (BNBL) Branch in Paro. The involvement of other staff in RICBL and BNBL branch offices, Paro was suspected. When the Commission received the report in June 2015, the alleged had already absconded after being alerted of the internal audit enquiry. He was deported from Nepal back to Bhutan in August 2015.

The investigation revealed that the financial improprieties had started as early as 2011. The accused had connived with some of the staff of BNBL branch office, Paro to embezzle and conceal it from the RICBL management by submitting rigged bank statements every month and forged yearly balance confirmation certificates to the RICBL Head Office in Thimphu where bank reconciliation was being done. He had many acquaintances in the BNBL, one of whom helped him to arrange forged bank balance certificates. Furthermore, he forged RICBL cheques, made unauthorised bank withdrawals with the help of some bank staff and his friends, and also made payments through RICBL cheques to numerous individuals including some of the bank's staff for his personal purposes such as buying property and lending money.

The *modus operandi* adopted by Mr. Rinchen Wangdi evolved over time. Initially, he replaced the embezzled funds at the end of every month for reconciliation



purposes. Some replacements were done through manipulation of card loan accounts of the RICBL clients, and cash shortages were carried forward from one month to another. However, as the account shortfall kept on increasing with this scheme, he found it difficult to adjust for reconciliation purposes for which he was required to submit bank statements to the head office on a periodic basis. Then, he sought help Mrs. Yezer Dema, an IT Assistant of BNBL, who eventually became his main partner in crime. She helped in generating rigged bank statements using backdating options in the system which showed more bank balance than the actual balance. This was done to conceal unauthorised withdrawals and avoid detection during the bank reconciliation at the head office. Overtime, the IT Assistant took advantage of the accused to obtain money whenever she needed, which essentially came out of the RICBL account.

Mr. Rinchen Wangdi was charged for ‘Embezzlement of funds and securities by public servant’, ‘Forgery’, ‘Tampering of documents’ and ‘Participation in an offence’. Likewise, Mrs. Yezer Dema was held liable for ‘Tampering of documents’, ‘Concealment of corruption proceeds’ and ‘Participation in an offence’. Mr. Tshering Wangdi was held liable for ‘Forgery’ and ‘Participation in an offence’ while Mr. Dorji Wangdi was held liable for ‘Concealment of corruption proceeds’, ‘Participation in an offence’ and ‘Tampering of documents.’ Additionally, 18 other individuals were also charged with ‘Concealment of corruption proceeds’, 9 others for ‘Participation in an offence’ and 19 staff of BNBL were held liable for ‘Omission amounting to abuse of functions.’

With the decision of the Supreme Court being rendered on five appeals in the case, the final decisions are as given in the **Table 3.4.4** below:

**Table 3.4.4:** Judgement against individuals in Embezzlement Case, RICBL, Paro

Sl. No.	Person Charged	Judgement from High Court	Restitution ordered
1.	Mr. Rinchen Wangdi	20 years (upheld by Supreme Court)	Nu. 63,267,135.19
2.	Ms. Yezer Dema	10 years	Nu. 35,171,314.33
3.	Mr. Dorji Wangdi	9 years, 6 months (upheld by Supreme Court)	Nu. 9,670,000.00 (High Court) Nu. 6,660,000.00 (Supreme Court)
4.	Mr. Tshering Wangdi	5 years ( upheld by Supreme Court)	Nu. 1,000,000.00
5.	Mr. Norbu Tshering	5 years	-
6.	Mr. Heruka	3 years (High Court); Deferred (Supreme Court)	Nu. 1,000,000.00



7.	Mr. Yeshe Dorji	1 year	-
8.	Mr. Pema Wangda	1 year, 6 months (High Court) Acquittal (Supreme Court)	Nu. 500,000.00

The Supreme Court rendered deferred judgement for 14 other individuals.

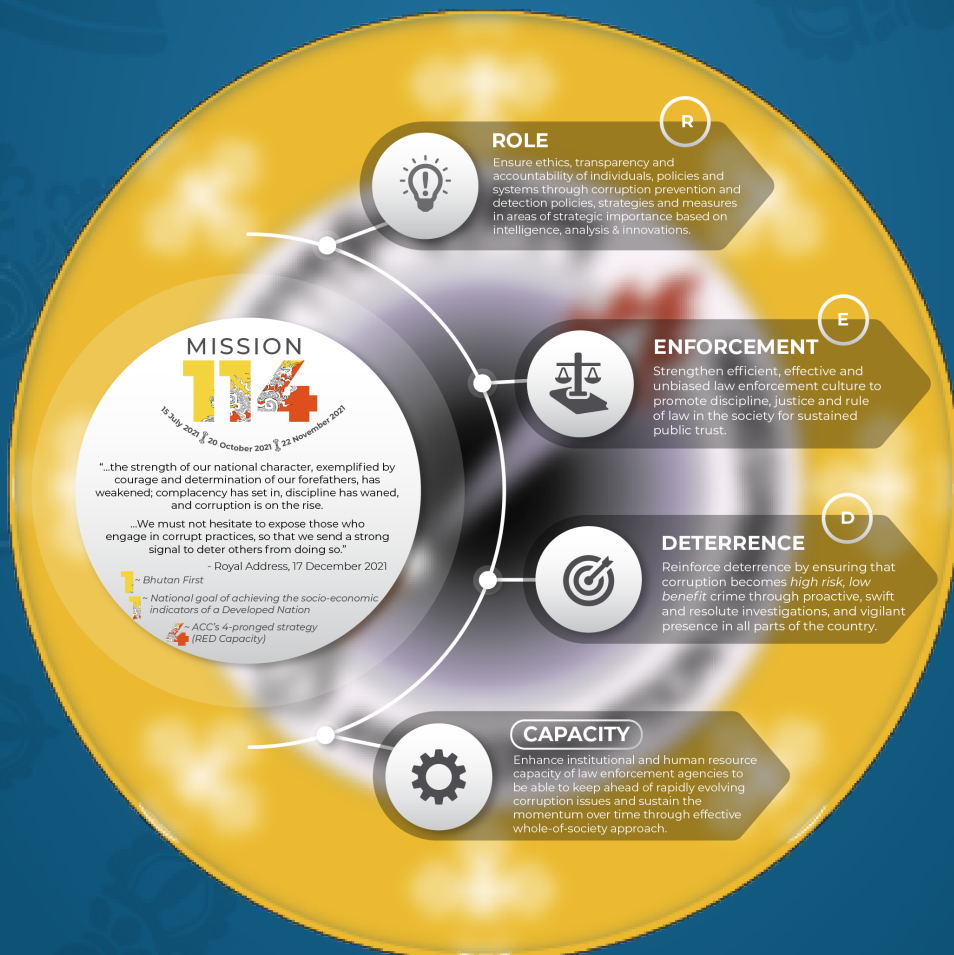


# Section

# 4

## Overall Performance & a Look Inside ACC

*Plans and Assessments, Resolutions and Follow-through, People and Culture at the Core*





This section includes the review of performance against the annual plan, assessment by Transparency International, outline of the ACC's organogram, staff and culture.

### 4.1. Annual Review of the APT: FY 2021 – 2022

The year-end evaluation of the APT 2021-2022 was conducted in-house. The review scored the ACC's performance at 96.6 for the FY 2021-2022, which is '*Outstanding*' group in the Agency Categorization Framework of the Government Performance Management System. In terms of financial performance, 91.4% of the total approved budget of Nu. 170.224 million were utilized.

In the context of the pandemic situation and changing priorities, the budget for the Financial Year had to undergo several changes. The approved budgets vis-à-vis planned activities had to be reprioritized for new activities and supplementary budget were incorporated over and above the approved budget. Thus, the progress reported above is inclusive of changes made in the targets and priorities during the FY.

### 4.2. APA for the FY 2022-2023

In view of the changes in the performance management system, the annual plans of all the budgetary agencies are being formulated as APA. The APA for the ACC follows the Ministry format i.e. at three different levels including the Ministry, Department and Division levels.

At the Commission level, the APA includes one outcome and three Key Performance Indicators (KPI); while at the Departmental, the Department of Investigation has three outcomes and seven KPIs; the Department of Prevention and Education has four outcomes and seven KPIs and the Department of Professional Support has two outcomes and eight KPIs. Similarly, the 14 divisions have 59 KPIs. The new APA is expected to not only ensure clear line of accountability but also drive the performance of agencies.



A capital budget of Nu. 39.416 million and current budget of Nu. 93.593 million i.e., total budget of Nu. 133.009 million has been approved for the FY 2022-2023. The current budget includes mandatory expenditure for pay and allowances which is Nu. 84.216 million and controllable expenditure of Nu. 9.377 million.

Given the dire economic and financial situation in the country, the approved budget for the FY 2022-2023 declined as compared to the approved budget for the previous FY (total budget of Nu. 170.224 million was approved). Therefore, with the existing approved budget, it would be even more challenging for the ACC to realize expeditious need to fulfil its envisioned aims and objectives.

### 4.3. Transparency International - Corruption Perceptions Index (TI-CPI)

The Transparency International (TI) released the CPI 2021 on 25 January 2022 and Bhutan is ranked 25<sup>th</sup> least corrupt country with a score of 68. While the rank dropped from last year's 24<sup>th</sup>, the score of 68 remained the same. For the last nine years, Bhutan consistently placed at the sixth position in the Asia and Pacific Region as shown in **Table 4.1**.

**Table 4.1:** Bhutan's Global and Regional CPI Rank and Score from 2012 to 2021

Year	Global Ranking	No. of participating countries	Score (0-100)	Asia Pacific Ranking	No. of Surveys Used	Confidence Range
<b>2021</b>	<b>25</b>	<b>180</b>	<b>68</b>	<b>6</b>	<b>4</b>	<b>64.32-71.68</b>
2020	24	180	68	6	4	64.08-71.92
2019	25	180	68	6	4	63.48-72.52
2018	25	180	68	6	4	63-73
2017	26	180	67	6	5	64-70
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

The overall score in the data sources have remained the same as in the previous year except for Varieties of Democracy Project wherein some of the indicators that have declined are the accountability indexes, clean election index, media, political and public sector corruption and rule of law index.



In general, the ratings and the dimensions being assessed indicate the imperativeness for a whole-of-government approach to bring substantial improvement in terms of governance, accountability and performance. This is not news for Bhutan and Bhutanese, having been consistently guided and reminded in every Royal Address with the most recent during the 114<sup>th</sup> National Day wherein it has been categorically Commanded to enhance accountability:



*As underpinned in our age-old saying, “the golden yoke of secular laws,” accountability must henceforth become the cornerstone of governance. We must correct those who deviate, be firm with those who do not deliver; replace those who are incompetent, and terminate those who underperform and have therefore become a liability to our system and nation. We must not hesitate to expose those who engage in corrupt practices, so that we send a strong signal to deter others from doing so.*

Going forward, there cannot be a more strident clarion call than the Royal Commands of the 114<sup>th</sup> National Day exhorting accountability and integrity, grit, resolve and determination in the fight against corruption in the best interest of our Nation and People. Collective effort of the government, citizens and agencies is *sine qua non* to successfully fight corruption even as courage, perseverance and resilience must define every aspect of our national endeavor.

## 4.4. Resolutions of Parliament

This section reports on the resolutions passed by Parliament on ACC’s Annual Report 2020-2021 and its implementation status.

### 4.4.1. Resolutions of the 28<sup>th</sup> Session of National Council on ACC’s Annual Report 2020-2021

01

*Create awareness on the need to follow the model code of conduct and avert the risk of agencies developing and using their own models which contravene, are not resilient or coherent with prevailing laws.*

As required under section 35 of ACAB 2011, the ACC initiated the process of reviewing the draft Model Public Service Code of Conduct to be finalized in



the coming financial year. It aims to set the minimum standards of integrity and conduct for the public servants. Once it is finalized, the public agencies would be required to adopt the Model and develop their specific code of conduct to suit their mandate and functions prescribing requirements that are more onerous than those in the Model Code. Though the main contribution of the Model Code would be educational and preventive, it also contains certain enforcement aspects that can be effective in changing the ethical climate in the public service.

02

*Consider creating awareness on the provisions of the Act and Guidelines on the protection of witnesses/informers and consequences of false complaint, and conduct a review of adequacy of the provisions of the Act and Guidelines to understand if there is a need to enact a separate Witness Protection Act*

As mandated, the ACC conducted general advocacy and thematic sessions to the target groups. The ACC in collaboration with BBS, also conducted advocacy programs through BBS TV and radio on anti-corruption laws. The specific focus made in every session was to inform the participants on the duty to report corruption and attempted acts of corruption as well as the consequences of false complaints including the failure to report. The complaints reporting forms available on the ACC website contain warning for false and malicious reporting as well.

Witness protection is imperative to ensure successful adjudication of cases, however, Chapter 7 of ACAB 2011 provides limited empowering provisions on witness protection. Nonetheless, through advocacy programs, efforts are being made to inform the general mass on protection of the identity of witness(s) and complainant(s).

Specifically, as per ACAB 2011, there is need to (i) maintain confidentiality of the identity and records that may cause the disclosure of the identity of a witness or complainants; (ii) provide protection from criminal, civil or administrative liabilities; (iii) provide physical and economic protection; (iv) provide procedural protection during the prosecution and adjudication; and; (v) provide immunity for assisting the Commission. However, these empowering provisions do not provide the procedural aspects of implementing or enforcing it which was clearly pointed out by the reviewers during the first cycle review of Bhutan's compliance with United Nations Convention Against Corruption. Moreover, the witness protection provisions under ACAB 2011 extends only to the witness related to corruption cases. Neither the Civil and Criminal Procedure Code nor the Evidence Act of



Bhutan provides detailed legal mechanisms on the witness protection besides the need to protect the identity of a witness. Therefore, it would be beneficial to have a consolidated and standalone witness protection law that applies to all criminal offenses.

03

*Assess the efficacy of the Integrity clubs in schools either on its own or outsource its impact assessment to a relevant agency to avoid biases.*

The ACC undertook a youth integrity assessment during the reporting period, the last one having been conducted in 2012, for a deeper and evidence-based understanding of the level of integrity of the Bhutanese youth; the young people's perception of integrity and its violation; and the perception of parents and teachers.

In line with the recommendation of the House, a comparative analysis was carried out to see the difference in level of integrity between the schools with integrity clubs and schools without. In the study, the schools with integrity clubs scored slightly higher (65.55) as compared to schools without integrity clubs (63.64). In terms of the specific indexes, the score was much higher in the *Index on Integrity Awareness* with a score difference of 2.77 which could be due to the Club activities on integrity and corruption issues.

04

*Explore a systematic process that would help institutionalize any ACC related trainings and programmes within the LG institutions for their sustainability and explore conducting such programs at the beginning of the LG tenure*

Since the establishment of the ACC, it has been conducting advocacy and thematic sessions for the LG institutions and officials. Considering the importance of LG and to achieve the National Council's recommendation to institutionalize and conduct ACC related training and programs within the LG institutions at the beginning of the LG tenure, the ACC collaborated with the RIM and Department of Local Governance (DLG) to include in the program for the elected LG leaders being conducted in six Eastern Dzongkhag.

Similarly, the ACC also participated in the orientation program organized by DLG and had interactive sessions with the LG leaders with thematic sessions conducted for the elected LG leaders of Bumthang, Samtse, Chhukha, Paro, Tsirang, Dagana and Haa Dzongkhags. Further, thematic sessions for 239 LG engineers of 17 Dzongkhags and four Thromdes were conducted in the reporting year. The ACC will continue to collaborate with DLG, RIM and relevant stakeholders in providing such programs/sessions.



Strengthening Institutional

# CAPACITY

for collective efforts against corruption





## 4.5. Recruiting, retaining and attracting Human Resources

### 4.5.1. Recruitment and retention of human resources

In 2018, for the 12<sup>th</sup> FYP, the ACC had proposed 174 staff of which 152 were approved. In line with the *Roadmap* the ACC proposed 243 staff of which 163 were approved in 4 May 2022. As of June 2022, there were 128 staff (excluding ESP/GSP/Drivers), out of which nine are on EOL/long term studies, leaving only 119 of the active workforces in office fulltime. The attrition rate had increased from 7.48% in 2021 to 7.89% in June 2022. During the reporting period a total of 18 new staff joined ACC and 18 officials separated. While there is no net change in numbers, the loss of experienced staff is of much concern.

Attraction and retention of staff was an issue since the inception of ACC and it continues to be one to this day. While adapting the recruitment practice and planning for a continuous process in view of the rapid staff turnover, the Commission adopted a HR rationalization approach to optimize the existing resources within the agency, focusing on priority and strategic focus areas underpinned by the creed of ***all for one and one for all***. A gist of ACC's HR Rationalization document dated 6 June 2022 and endorsed by the Commission in its meeting on 1 June 2022 (81<sup>st</sup> Commission meeting) is as presented in ***Inset*** below:

### Rationalization of Existing Human Resources in ACC

Besides shortage of human resources, difficulties in attracting potential employees and retention of staff are major challenges. For instance, 6 officials left in 2019; 10 in 2020; 11 in 2021 and in just the first half of 2022, a total of 12 officials had left ACC. The staff attrition rate for the last four years has increased steeply as presented in Table 1 below:

Year	Total No. of Staff	No. of staff Recruited	No. of staff Separated	Attrition Rate (%)
2019	118	19	6	4.84
2020	123	15	10	7.52
2021	124	12	11	8.15
2022 *	128	16	12	8.57

\* As of June 2022



Separation of core professionals after having obtained indispensable skills and experience remains as one of the pressing issues, in particular, the attrition is consistently highest from the Department of Investigation (DoI).

One of the main causes for staff leaving ACC is reportedly the work pressure and nature of work with the inherent risk of reprisal and social backlash in a small society, besides better remuneration elsewhere. With the present HR attrition rate and difficulty in getting the right replacement, the workload on the existing staff has been escalating, especially on those involved with investigations. For instance, during the Phuntsholing MDP investigations in 2021, each investigator worked around 13 hours per day, including weekends for several weeks at a stretch.

### **Focus on the Investigation Mandate**

To achieve the mission of turning around investigations from the current predominantly reactive mode to a strategic, proactive and intel-based mode and amplifying the presence and weight of law enforcement in every Dzongkhags against the ground realities of the HR situation, with strong indications of even more staff leaving in the foreseeable future, the Commission has taken up the following four rationalization:

#### **Rationalization 1: Establishment of an Agile and Fluid system within ACC**

Every Departments and Divisions in the ACC will work collectively towards supporting the investigation mandate. For instance, experienced Technical Support Division officer is currently leading an investigation team comprising of members from the Legal Division as well as fresh investigators from the DoI. Likewise, in 2021 a team from the Department of Professional Support (DoPS), with guidance from an experienced investigator from DoI, took up full-fledged investigation into a case that started with DoPS's Information Enrichment exercise.

The culture of agile and fluid movement is also aimed at contributing towards building a reserve pool of experienced investigators, outside the DoI, who could take up even high-profile investigations if and when necessary. This is expected to have a significant impact on optimization of HR and the sustainability of knowledge and experience in ACC.



### Rationalization 2: Flexibility of APT and IWP

The major challenges associated with the establishment of an agile system and a culture of fluid movement within ACC is expected to be associated with the implementation of the Annual Performance Target (APT) and individual staff's work plan (IWP), besides hesitation of few of the staff concerned in taking up investigations.

### Rationalization 3: Parity of allowance during deployment to investigation

While on investigation assignment, the professional allowance of the staff from non-investigation department/division would need to be enhanced to 45% from the otherwise 20%. These would pertain to staff from Department of Prevention and Education (DoPE), Policy and Planning Division or Secretariat Services, and those deployed at the three regional and field offices where all professional staff are required to carry out investigation functions, and support staff are also required to render support.

### Rationalization 4: Mainstreaming corruption prevention

Since ACC has invested into the professional development of Internal Auditors in the government agencies including Dzongkhag Administrations, some of the time-intensive prevention programs will be mainstreamed through them. This way, ACC will be able to free some staff from DoPE as well to assist investigations at the same time deriving insights and inputs for prevention programs.

#### 4.5.2. Capacity Development

The two weeks mandatory training conducted from 21 March – 1 April 2022 was attended by 18 new recruits and 11 officials assigned to the field offices. In continuation, the induction program for new recruits was held from 14-16 February 2022. The training included detailed briefing about the workings of each department and division and to sensitize on the policies, acts, rules and regulations. Due to the lockdown, the sessions were carried out in virtual and





Fostering  
INTERNAL  
**COMMUNICATION**  
for enhanced comradeship



# Promoting Purpose-Driven ACC bounded by Common Values & Solidarity





hybrid mode. Thereafter, officials assigned in the field offices were briefed on the coordination and collaboration among the departments and divisions, and respective field offices, from 7-8 April 2022.

## 4.6. Enriching conducive work environment

### 4.6.1. *Nurturing culture of steady, consistent communications and team spirit*

The ACC conducts regular meetings: Commission and management on weekly, Directors monthly and all staff on quarterly basis. These meetings are conducted to enhance coordination, collaboration and team spirit through effective and timely sharing of information and consultation on decisions and policies adopted. Like in the past year, while the protracted impact of Covid-19 pandemic limited in-person gathering, most of the communication forums were enabled virtually in keeping with the Covid-19 measures.

With the *Commission Decisions App*, the decisions taken by the Commission in various meetings are formally assigned and notified, tracked and real-time update made available on the implementation status. The App has not only ease monitoring of activities of the respective Departments/Divisions/Service but also enhance transparency, accountability and performance.

### 4.6.2. *Attraction and Retention of Staff: Promoting the ACC as an “Employer of Choice”*

In the reporting period, the following initiatives of the past were continued:

#### **(1) Staff Welfare Scheme of the ACC**

The Staff Welfare Scheme is an important forum that strengthen bonds between officials in the ACC as in the times of need, individuals are able to financially support one another. A total of 2% of the gross salary is contributed as *Semso* for the death of a close family member. The scheme is of significant financial assistance to staff especially during the loss of close family members. During the reporting period, nine such sad occasions arose when the family came together in sympathy and support. Similarly, six happy occasions were also observed with the ACC family.

#### **(2) Childcare Facility**

The Childcare facility has persistently been beneficial to the working parents



of the ACC for years now. Currently, there are 13 children managed by three ECCD facilitators. The ECCD facility and facilitators are managed by the parents availing the service.

### ***(3) Civil Service Award for dedicated Service***

During the reporting period, 15 officials were honoured with Civil Service Awards consisting of one Gold, four Silver and 10 Bronze medals for their dedicated service to the *Tsa-Wa-Sum*.

## **5.7. Enhancing partnership and networking with critical partners**

### ***5.7.1. National Networking***

#### ***Jigme Singye Wangchuck School of Law (JSW law)***

JSW Law was established under the Royal Charter in 2015 to promote rule of law with the objective to build an effective legal fraternity that is educated, competent and socially responsible professionals. Recognizing the need to establish a guiding framework of collaboration to reinforce an effective functional relationship, a MoU was signed on 2 September 2021 with the JSW law to strengthen cooperation in preventing corruption and promoting rule of law.

#### ***Office of the Attorney General***

In order to strengthen professional communication, collaboration and partnership between the ACC and OAG in preventing, investigating and prosecuting corruption cases, a MoU was signed on 23 May 2022. The MoU provides a framework for professional communication and collaboration between the two agencies to work closely in the best interest of the Nation.

#### ***Construction Development Board (CDB)***

To enhance the partnership in the fight against corruption and strengthen network given the functional relevancy and also construction sector being a vulnerable area, several rounds of discussion were conducted. However, in view of the ongoing reform initiatives, the parties agreed to defer the signing of the MoU for the time being.





Strengthening **National Network** for  
robust alliance in fighting corruption



## ***Data Integration***

The fight against corruption has always been encouraged by the unstinted support from the stakeholders. Strong political will have been a critical resource and a testament of *collective responsibility* to minimize the level of corruption risks in the country.

To this, taking insight from the Royal Addresses on the importance of leveraging technologies and building cohesion amongst the agencies, the ACC has successfully enhanced the Asset Declaration System while the enhancement works for the Complaints & Investigation Management System (CIMS) is ongoing. While both systems have been in operation for some time now, with rapid advancement in the technology, it is deemed necessary to upgrade the existing systems with latest technological capabilities including integration with other data repositories to ensure that the systems are dynamic, intelligent and comprehensive.

In this regard, the ACC conducted bi-lateral meeting with all relevant agencies (MoEA, BICMA, CDB, Credit Information Bureau, MoF, MoHCA, NLCS, RSEB, RSTA and RMA) to discuss on data integration and accordingly sought confirmation from the heads of respective agencies to develop API based data sharing platform. While most of the agencies have agreed to integrate the systems, a few have confidentiality concerns and needs further discussion. However, all agencies have reassured their support and cooperation.

### ***5.7.2. Regional and International Networking***

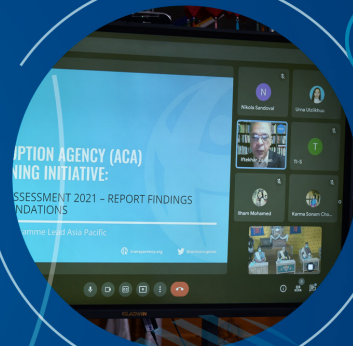
#### ***Independent Commission against Corruption (ICAC) Mauritius***

With increasing transnational corruption cases, it is found advisable to widen our network and foster partnerships with other anti-corruption agencies. The proposed MoU with ICAC, Mauritius is currently being reviewed with capacity building and exchange of knowledge and expertise as possible areas of cooperation.

#### **Anti-Corruption Agencies strengthening initiative: Assessment of Bhutan Anti-Corruption Commission 2021.**

On 11 May 2022, the ACC launched the Anti-Corruption Agencies strengthening initiative: Assessment of Bhutan Anti-Corruption Commission 2021, an assessment carried out by the Transparency International.





Enhancing **REGIONAL** &  
**INTERNATIONAL** collaboration  
 against corruption



Transparency International (TI) developed an assessment aimed at strengthening Anti-Corruption Agencies (ACAs) in the Asia Pacific Region. The assessment is aimed at highlighting the strengths and weaknesses of ACAs and the tool was been developed and refined over a period of five years with the latest iteration of the tool based on the experience of conducting an initial pilot in Bhutan in 2015 and a first round of assessments in seven other countries in the Asia Pacific region in 2016 and 2017.

TI carried out the second assessment of the ACC, Bhutan between September and December 2021 to measure progress since the initial pilot assessment in 2015. The assessment indicated that the ACC continued to perform very well where by **66% of the indicators were rated as high, 30% as moderate and 4% as low**. The overall rating declined slightly since the first assessment in 2015 (when 70 % were rated as high, 26 % as moderate and 4 % as low). However, the two assessments are not directly comparable as the indicator framework has been revised since the first assessment.

According to the 2021 assessment, the commission's strongest dimensions were: (A) independence and status (94%); (E) prevention, education and outreach (94%); and (B) financial and human resources (83%). By contrast, its weakest dimensions were: (D) detection, investigation and prosecution (67%); (F) cooperation and external relations (67%); and (C) accountability and integrity (78%).

Some of the recommendations as per the assessment were:

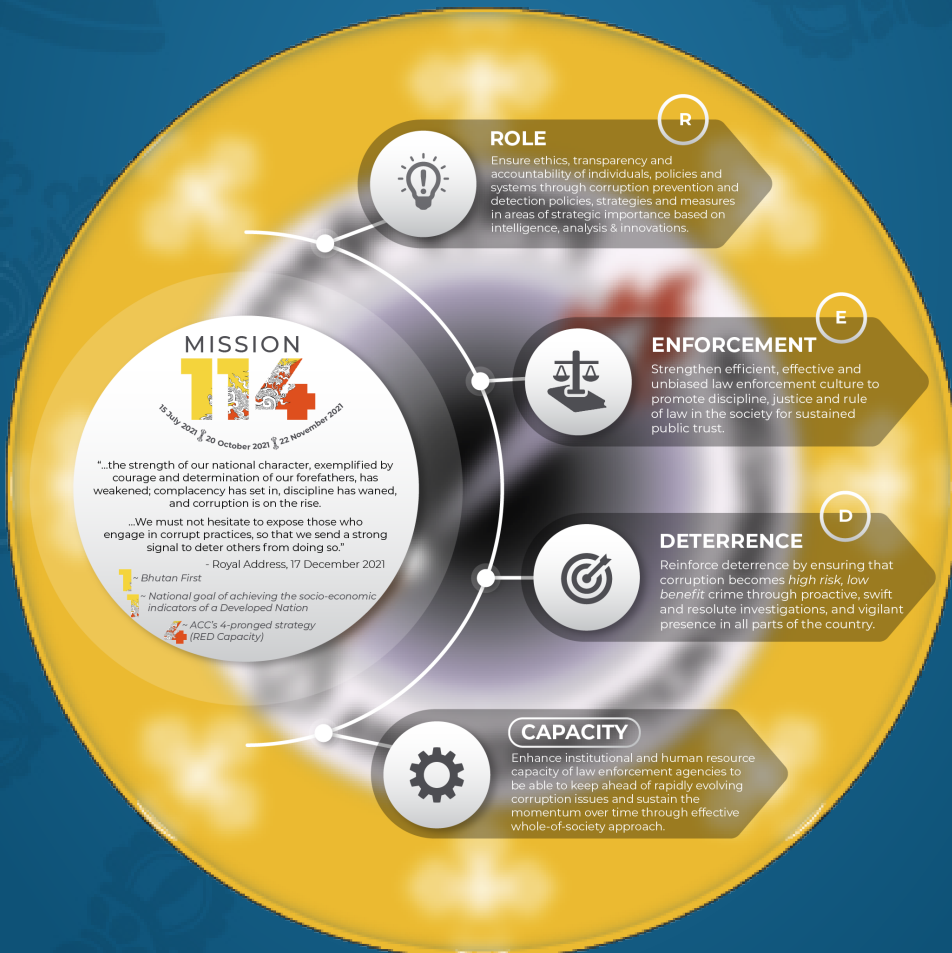
- 01** The ACC to strengthen and broaden the scope of its intelligence division;
- 02** The ACC to explore possibilities to better pool its expertise and research capacity;
- 03** The ACC should consider how it can collaborate more with external stakeholders on its outreach and education campaigns;
- 04** Parliament should pass proposed amendments to the Anti-Corruption Act;
- 05** The ACC should consider incorporating exit interviews of current, former and outgoing employees and;
- 06** The ACC could publicly present the results of its reports to citizens, civil society organizations and the media.



# Section

# 5

## Challenges & Way Forward





The historic Royal Address of His Majesty The King on 17 December 2021, the 114<sup>th</sup> National Day, is particularly momentous for the ringing clarion call to integrity as the *sine qua non* for the achievement of our national goals and in fact as the defining aspect of our national identity.

Towards realizing the Royal Vision and the national aspirations, the ACC drafted and operationalized the *Strategic Anti-Corruption Roadmap 2021-2030* to swiftly transition into the kind of organization that could promptly cater to the pressing needs of the hour. Some of the challenges that continue to loom and necessary response thereof are as follows:

## 6.1. Attraction and retention of human resources

As of June 2022, out of the total 152 approved staff for the 12<sup>th</sup> Five Year Plan, ACC only had a total of 128 staff (excluding ESP/GSP/Drivers) on its payroll with **119 active** and 9 on long term study or on EOL. Another major challenge confronted by the ACC is the retention of core professionals. The current trend clearly indicates that, after gaining experience, staff tend to leave.

The number of officials leaving continues to increase every year with a total of around 106 officials having left in the last fifteen years since the establishment of the ACC. For instance, 6 officials had left in 2019; 10 in 2020; and 12 in just the first half of 2022.

## 6.2. Intelligence-Based Investigation (IBI) approach

ACC's strategic considerations in meeting emerging challenges effectively and optimising opportunities and available resources to ensure the complete fulfilment of its mandate includes the realignment towards and intensification of the IBI approach such that ACC would:

1. Take up cases based on intelligence gathered in areas of strategic importance, and not base its investigations on complaints alone; and
2. Prioritize and pursue cases based on risk and vulnerability, investment of substantial public funds, of high impact and national importance, etc.



To forge ahead despite the challenges and bleak HR outlook, ACC, as outlined in ***Inset in Section 4 (HR Rationalisation)*** is implementing a more agile and all-hands-on-deck approach to the deployment of existing HR and re-organising and re-orienting its functioning to focus on strategic intel-based investigations and leveraging systemic and process-oriented interventions including the roll-out of the Public Service Model Code of Conduct and Integrity Vetting etc. Effective and resolute investigations, (complemented by effective prosecution and court conviction), are reliable and certain means to combat corruption and drive home the deterring message that corruption does not pay. However, a longer-term arrangement is necessary to be put in place to stabilize and build on the momentum created.

### 6.3. Multi-disciplinary teams of ACC Officials in the regions

To create deterrence across the country with corruption being made a ***high cost, no benefit crime***, and while awaiting the formal process of Regional Offices, ACC constituted multi-disciplinary teams of officials from existing strength and stationed in Phuentsholing, Bumthang and Trashigang on assignment mode by April 2022.

Going forward, the officials in the field offices will continue to undertake integrated multi-pronged function of investigation, prevention, and education, ensuring holistic conclusion of corruption cases of the respective region. It is expected that as and when the Regional Offices are formalized and staff transferred, rather than on assignment mode, there would be benefits in terms of both travel expenses as well as on the TATs.

### 6.4. Legal apparatus to empower law enforcement officials

Given the personal and complex nature of corruption and the challenging mandate of the ACC, there is considerable pressure and stress with officials continuing to be victimized, ostracized and intimidated. To this day, ACC investigators and officials continue to face spiteful reprisals from affected individuals. In the reporting year, on 29 April 2022, ACC officials were attacked in the Supreme Court premises in the line of duty. The incident was deeply disturbing and traumatic, not only for the staff but also their families. It was a stark demonstration of the total disregard for the rule of law as well as the negativity with which law enforcement officials and



agencies are surrounded but nonetheless it was a compelling reminder to us of the call to our duty, why we do what we do, why it is important that we remain steadfast in our commitment and have the courage to continue to fulfil our responsibilities and mandate, professionally without fear or favour. The Commission has faith in our justice system and believes that the criminal act will be properly investigated, effectively prosecuted and decided for justice to be done and a clear message of deterrence sent.

Given the inherent threat, the security of anti-corruption officers had always been put forth as an agenda for discussion through the annual report ever since the tenure of the first Commission itself. Recent incidents raise the consideration of the security aspects of not only ACC but that of other law enforcement authorities as well. In order to ensure the rule of law and reduce crime in the society, it is important to ensure strong legal mechanisms to enable the law enforcement authorities to exercise their mandate safely and resolutely. Therefore, the Commission in accordance with section 24 (1)(c) of the ACAB 2011, recommend Parliament to consider reviewing the effectiveness of legal provisions related to offenses against law enforcement authorities and amend them accordingly.

## 6.5. Rationalization of financial resources

Given the grim consequences of the pandemic, the economy in the country has been adversely affected and similar to other public agencies in the country, the ACC too has been severely affected by the unavoidable budget constraints. During the current financial year, total current expenses aggregated to Nu.85.983 million, out of which Pay & Allowances amounted to Nu.74.971 million and Nu.11.012 million was spent for the entire operation and management services including the investigation, prevention and education programs.

ACC continued to be conscientious in making judicious and prudent use of resources and is mindful of the need to continue re-strategizing, re-shaping and re-defining how its business is conducted. In this regard, the various areas to further rationalize and curtail both capital and current expenses without diminishing the focus include:

- a) *Internal Auditors of Ministries & Dzongkhags to undertake Corruption Risk Assessment and system vulnerabilities*

Since the ACC has invested adequate resources towards capacitating IAs to conduct CRM, the IAs will undertake the assignment of conducting the corruption



risk assessment and evaluation of system vulnerabilities hereon. Few Internal Audit units of agencies in the past year had conducted the CRM of some units in their respective agencies with impressive quality output. Therefore, ACC will require agencies to have CRM conducted and reviewed through OIP. The ACC will only provide technical backstopping in exceptional circumstances only.

*b) Conduct advocacies and thematic sessions on virtual platforms wherever and whenever technologically feasible.*

Both the ACC HQ and field offices will continue to coordinate and conduct advocacy and behavioral change programs through virtual platforms as far as possible in the respective jurisdictions to cut travel and time expenses.

*c) Coordination and Networking*

ACC will continue to further the efforts to gather information from other agencies through API connectivity. Due to technical glitches and lukewarm cooperation, significant resource and time, besides weakening of the technical aspects, is spent on securing information and evidence from other agencies. Therefore, the possibility of conducting joint investigation, as permitted under ACAB 2011, will be explored so as to complete investigations expeditiously and reduce the TAT.

*d) Optimise Use of Field Office, Phuentsholing*

The construction of the ACC building in Phuentsholing with accommodation and working facility has been completed and is being operationalized as a field office. The ACC officials from HQ and field offices travelling to Phuentsholing will be encouraged to use this facility with the payment of TA/DA to be further rationalized. Further, rationalization of expenditure on the team on assignment in Phuentsholing Field Office will need to be taken up further.

*e) Enhance use of social media platforms for marketing of anti-corruption messages*

The ACC has already put in substantial efforts to convey anti-corruption messages to the public through mainstream and social media platforms. Going forward, slight shift in the platforms from mainstream to freely available medium would be further explored to rationalize costs.

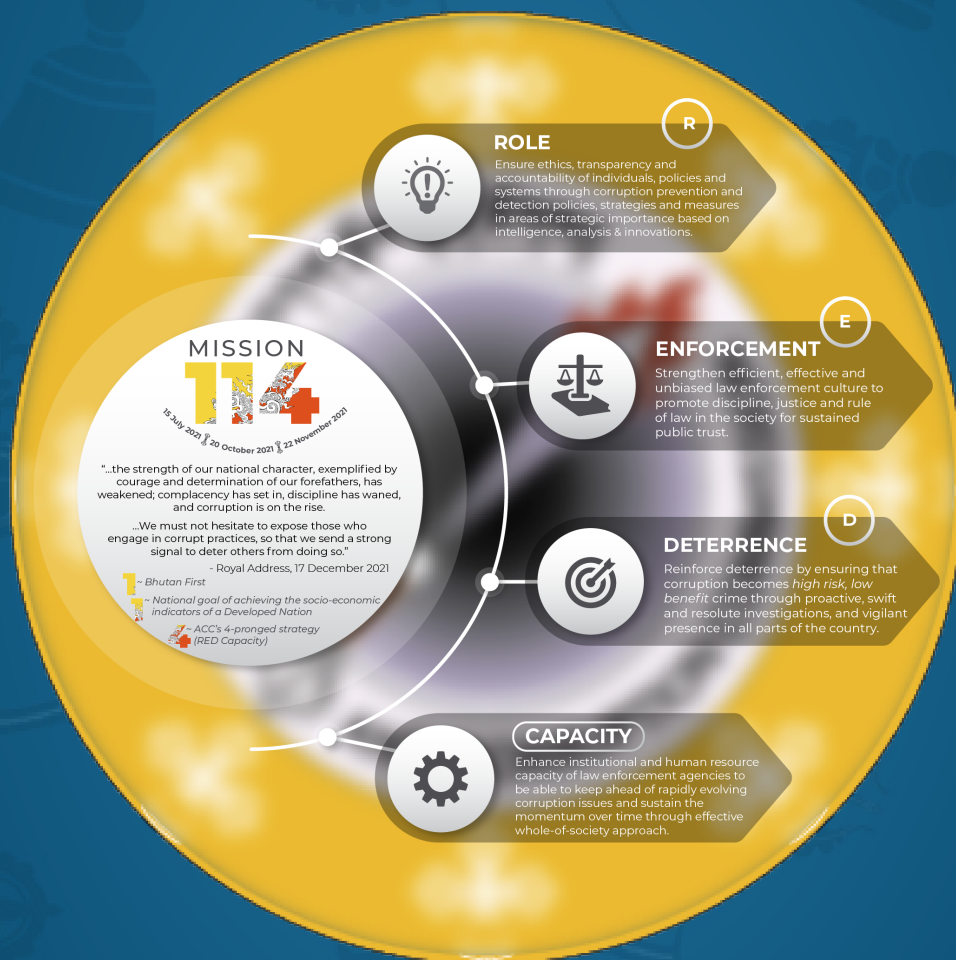


*f) Use of IT and e-platforms*

Various e-platforms such as the recently launched the e-litigation platform would need to be optimised. Similarly, under the Justice Sector Plan, efforts are underway to develop electronic evidence management system to save cost of duplication in terms of evidence management in hard copy. This initiative will certainly entail considerable savings in terms of both time and resources for ACC, OAG and judiciary.



# Conclusion





## Conclusion

The Enlightened Vision, Leadership, Guidance and unstinting Support of His Majesty The Druk Gyalpo, is truly a blessing and the limitless source of inspiration and strength for the ACC family, even as it holds true for all Bhutanese as well as far beyond the borders of our country. The extraordinary privilege of being a Bhutanese citizen, and specifically of serving in the ACC, was amplified by the Royal Address on the 114<sup>th</sup> National Day with civic responsibility and systems of integrity underscored as the foundational pillars and moral courage, grit and accountability of every individual being the threads that weave the very fabric of our society.

Over the years, some progress has been made in mainstreaming anti-corruption measures and strengthening systems in both public and private sectors. However, curbing corruption still remains a daunting task, and with the increasing complexity of corruption cases due to the advancements in technology, fighting corruption has become even more challenging and arduous. This is accentuated with the stagnation of Bhutan's score at 68 for the last four years in the TI-CPI 2021. A review of the scores for various parameters indicate the imminent need for collective efforts to prevent and combat corruption, embedding of a culture of integrity through fostering ethical business in the private sector and engaging CSOs and media as well as pursuance of rigorous advocacy, promoting ethical leadership, expanding integrity in schools and training institutes etc.

Most important and urgent is the need for effective and strong deterrence through sure detection and investigation, the probability of conviction, and severity of punishment. It requires that not only is there a strong legal basis for the fight against corruption, but that there is resolute enforcement followed by effective adjudication. This virtuous cycle has to be underpinned by effective and efficient administration and good governance that allows no room or loopholes for corruption to breed and thrive.

Given the need of the hour, the ACC emphasized on expanding reach to create more deterrence and strengthen accountability, discipline, professionalism and integrity in the country. In doing so, three field offices were operationalized in Phuentsholing, Bumthang and Trashigang in April 2022 while the process of formalizing as Regional Offices were initiated in December 2021 itself and final formal approval awaited. Moreover, besides usual reactive investigation on cases, in the reporting period, the ACC took up proactive investigation as well. Furthermore, one of the major milestones achieved this year was the signing of MoU with the OAG which aims to strengthen the communication, collaboration



cooperation between the two law enforcement agencies. The MoU serves as a common platform through which the two organizations aspire to work cohesively towards the shared national goals.

As much ground as may have been gained in the last 16 years, there is a long way ahead of us and there is much to do be done. Given the fact that out of the 32 cases qualified for investigation, the majority of the cases pertains to abuse of function (57.9%) indicates the need to further strengthen and enforce transparency, accountability and disciplinary mechanisms stringently. The momentum in combating corruption must be bolstered for sustained and equitable development as Bhutan cannot afford to be complacent especially during these times of reform and transformation aimed at exponential growth, anchored safely by integrity.

In the words of His Majesty The King,



*We know our country best. We are a compassionate and close-knit society. We hesitate from giving our honest views or taking bold actions, which might risk offending or displeasing others. As a result, the strength of our national character, exemplified by courage and determination of our forefathers, has weakened; complacency has set in, discipline has waned, and corruption is on the rise...*

*As underpinned in our age-old saying, “the golden yoke of secular laws,” accountability must henceforth become the cornerstone of governance. We must correct those who deviate, be firm with those who do not deliver, replace those who are incompetent, and terminate those who underperform and have therefore become a liability to our system and nation. We must not hesitate to expose those who engage in corrupt practices, so that we send a strong signal to deter others from doing so.*

*There is nothing new in what I am sharing today. These are part of daily conversation among our people while expressing their concerns, hopes and aspirations. Rather than leave these concerns and sentiments within the confines of their homes, I re-articulate them today as the King’s Command on this National Day.*



## Annexure I: Prioritized risks and recommendations of CRM in six agencies

SN	Agency	Function/Services	Prioritized Risks & Recommendations
1	<b>MoEA</b>  Mining Division, Mineral Development Division and Regional Offices of Thimphu & Wangdue	Issuance of permit for low grade or undersized minerals	<p><b>Risk:</b> Misinformation and wrong sampling in verification process.</p> <p><b>Recommendation:</b> Improve the existing SOP &amp; Periodic monitoring by Head office.</p> <p><b>Risk:</b> Sale of high grade in the name of permitted low-grade mineral.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Monthly reporting of mineral dispatched and its verification by the existing technical Committee.</li> <li>2. Periodic reshuffling of Mines Inspectors within the same region by Regional Coordinator.</li> </ol>
		Process of surface collection application (non-earmarked sites)	<p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Abuse of authority in application processing.</li> <li>2. Abuse of authority in seeking sectoral clearances.</li> <li>3. Abuse of authority in issuance of permits.</li> </ol> <p><b>Recommendation:</b> Adopt an online application system and implement TAT.</p>
		Process of surface collection application (ear-marked sites)	<p><b>Risk:</b> Ear-marking the surface collection sites and abuse of privileged information of ear-marked sites.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Adopt SOP for earmarking sites.</li> <li>2. Composed of members from different divisions (formation of committee).</li> </ol>
		Process of new mining applications	<p><b>Risk:</b> Mining lease agreement – manipulation of terms and conditions.</p> <p><b>Recommendation:</b> Any deviation from the standard needs to be clearly mentioned in the Note submitted to the Ministry for approval of the mining lease.</p>
		Performance rating of the mines	<p><b>Risk:</b> Biases in rating during bi-annual and annual performance rating.</p> <p><b>Recommendation:</b> Improve the existing mines monitoring tools to reduce the subjectivity in rating.</p>



SN	Agency	Function/Services	Prioritized Risks & Recommendations
2	MoF Customs and Excise Division of 5 RRCOs	Assessment	<b>Risk:</b> Wrong Classification. <b>Recommendation:</b> Conduct an induction course and refresher course on a regular basis.
			<b>Risk:</b> Under Valuation. <b>Recommendation:</b> Strengthen the capacity of Customs Officials in conducting risk assessments.
			<b>Risk:</b> Misuse of Exemption. <b>Recommendation:</b> Carry out frequent Post clearance audits.
			<b>Risk:</b> Documents Verification. <b>Recommendation:</b> Strengthen Preventive Officials and conduct regular surprise checks.
			<b>Risk:</b> Temporary/Permanent Registration. <b>Recommendation:</b> Ensure that the revenue receipt number is generated and reflected in the Declaration Form before allowing the vehicle to exit from the customs area.
			<b>Risk:</b> Over Valuation (Nil Tax). <b>Recommendation:</b> Carry out Risk Assessment and accordingly conduct Physical verification.
		Physical Verifications	<b>Risk:</b> Examination of goods based on samplings. <b>Recommendation:</b> Establish a Risk Assessment unit to conduct Risk Assessment and share information to the responsible officers.
			<b>Risk:</b> Have to follow zero contact release protocol. <b>Recommendation:</b> Collaborate with Customs Officials from other regions and trade, RBP officials to conduct physical verification and ensure that the goods released from the Customs area (during pandemic) are as per the goods declared to the Customs.
			<b>Risk:</b> Existence of Informal Trade. <b>Recommendation:</b> Formalize the trade practices in collaboration with the Ministry of Economic Affairs.



SN	Agency	Function/Services	Prioritized Risks & Recommendations
			<p><b>Risk:</b> Checking/ inspection of good.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Constant rotation of Customs Officials.</li> <li>2. Declare conflict of interest/responsibility and accountability to be fixed.</li> <li>3. Team verifications</li> </ol>
			<p><b>Risk:</b> Misclassifications of goods during verifications.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Constant rotation of Customs Officials.</li> <li>2. Establish a Risk Assessment unit to conduct Risk Assessments and share information with the responsible officers.</li> </ol>
			<p><b>Risk:</b> Misclassifications of goods during verifications.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Constant rotation of Customs Officials.</li> <li>2. Establish a Risk Assessment unit to conduct Risk Assessments and share information with the responsible officers.</li> </ol>
		Monitoring	<p><b>Risk:</b> Physical monitoring (lack of Risk management system).</p> <p><b>Recommendation:</b> Develop Risk Management Systems.</p>
			<p><b>Risk:</b> Laborious Work (Manpower shortage).</p> <p><b>Recommendation:</b> Develop Data Maintenance System.</p>
			<p><b>Risk:</b> Responsibility &amp; Accountability Issues.</p> <p><b>Recommendation:</b> Responsibility and accountability to be fixed with stringent penalties.</p>
			<p><b>Risk:</b> Decision making from Influencing Parties.</p> <p><b>Recommendation:</b> Collective decision making.</p>



SN	Agency	Function/Services	Prioritized Risks & Recommendations
3	Thimphu Thromde  Infrastructure Division & Maintenance Division	Estimation and Design- Preparing detailed costing and design for the proposed activities	<b>Risk:</b> Abuse of Function.  <b>Recommendation:</b> Need expertise/specialist in planning for check and balance.
		Evaluation- Evaluation of the Tendered works	<b>Risk:</b> Trading in influence.  <b>Recommendation:</b> Strengthen evaluation committee to work in a team and not individually.
		Development of Urban infrastructure and public buildings (like school buildings, labor camps, drop-off centers, etc.) Ad hoc work.	<b>Risk:</b> Abuse of Function and Trading in Influence.  <b>Recommendations:</b> 1. Strict Compliance with existing rules. 2. Development of SOP for Ad hoc activities.
		Planning of construction works (preparation of work plans, quality assurance plan, environment management plans, etc.)	
		Coordination with other stakeholders (Planning, land and survey, and MTO)	
		Average Performance Scoring (APS) of the contractors	<b>Risk:</b> Abuse of Function.  <b>Recommendations:</b> 1. Strict compliance as per the existing format developed by CDB. 2. Form an evaluation committee comprising the concerned site engineer to give marks on APS after completing the works.
		Operation and maintenance of Water, Road, Sewer, Drain and Footpath, Street and Compound lighting	<b>Risk:</b> Abuse of Function, False declaration, Favoritism, and Embezzlement  <b>Recommendations:</b> 1. Develop SOP. 2. Adoption of a project tracking App to track the inventory on maintenance work. 3. Adoption of Complaint management app.



SN	Agency	Function/Services	Prioritized Risks & Recommendations
4	MoIC Airport Development Division & Airport Service Division	Development & Planning	<b>Risk:</b> Risk of biased bid preparation. <b>Recommendation:</b> Formation of working Committee during the planning phase.
			<b>Risk:</b> Sharing of privileged information <b>Recommendation:</b> Enhance ethics and integrity through education and training.
			<b>Risk:</b> Risk of developing irrelevant training programme <b>Recommendation:</b> Verify the frequency and relevance of training by the HRC.
			<b>Risk:</b> Risk of executing substandard works <b>Recommendation:</b> Formation of working Committee during the planning phase.
		Implementation and Execution	<b>Risk:</b> Risk of awarding additional works by the site engineer. <b>Recommendation:</b> Ensure approval from relevant tender committee and institute a system of proper record keeping of decision taken.
			<b>Risk:</b> Risk of nomination of unbefitting personnel for trainings. <b>Recommendation:</b> Maintaining training record by HRC to review the relevance and frequency of training availed.
		Monitoring	<b>Risk:</b> Risk of Payment without bills/approvals. <b>Recommendation:</b> Ensure transparency amongst the implementer and administration.
			<b>Risk:</b> Lack of adequate and timely monitoring <b>Recommendation:</b> Conducting surprise site visit by the relevant officials.
			<b>Risk:</b> Risk of untimely progress payment. <b>Recommendation:</b> Committee to conduct the verification of works.
			<b>Risk:</b> Payment not in line to the physical progress. <b>Recommendation:</b> Field verification in every work and goods by the relevant committee involving Finance personnel.



SN	Agency	Function/Services	Prioritized Risks & Recommendations
		Airport Safety and Security	<p><b>Risk:</b> Lack of implementation.</p> <p><b>Recommendation:</b> Proper monitoring and supervision by the relevant staff.</p>
			<p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Risk of Ignorance/Negligence during screening.</li> <li>2. Bias to favor certain people.</li> <li>3. Risk of Ignorance during Surveillance/patrolling.</li> </ol> <p><b>Recommendation:</b> Monitoring and supervision in place.</p>
			<p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Risk of biasness to favor certain needs during assessment and procurement plan.</li> <li>2. Risk of accepting goods not in compliance with technical requirements.</li> </ol> <p><b>Recommendation:</b> Equipment procured as per the standard of ICAO and National Regulations.</p>
			<p><b>Risk:</b> To save lives and property (Risk of Favoritism).</p> <p><b>Recommendation:</b> Manual/SOP required to be amended.</p>
			<p><b>Risk:</b> HR Training (Misuse of authority / Favoritism).</p> <p><b>Recommendation:</b> To provide the relevant training to the relevant staff and to recognize the performing staff.</p>
			<p><b>Risk:</b> Administration (Risk of Favoritism).</p> <p><b>Recommendation:</b> Proper delegation of power/ roles and responsibilities (Right person for the right job).</p>
5	MoWHS Construction Division (Department of Roads)	Procurement of works	<p><b>Risk:</b> Abuse of privileged information.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Awareness on existing procurement processes among HR members and strict enforcement of rules and regulations.</li> <li>2. Sensitization to all the officials charged with tendering processes and fixing accountability.</li> </ol>



SN	Agency	Function/Services	Prioritized Risks & Recommendations
			<p><b>Risk:</b> Bribery.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Advocacy and awareness on RAA &amp; ACC rules and regulations.</li> <li>2. Sensitization on ACC Act and its consequences on acceptance of gifts and other perks.</li> <li>3. Revision of ToR and PRR from time to time.</li> </ol> <p><b>Risk:</b> False Declarations.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Formation of Special Technical Committee for review and recommendations.</li> <li>2. All tender evaluation committee must get thorough with the evaluation criteria guidelines issued by MoF and abide by it. Otherwise, to fix accountability on failing to perform with due diligence.</li> <li>3. Establish an independent committee to review APS (quality).</li> </ol> <p><b>Risk:</b> Failure to declare CoI.</p> <p><b>Recommendation:</b> Strict enforcement of PRR/BCSR/Reviewing the formation committee members/Reviewing by external bodies like RAA etc.</p>
		Execution of Works	<p><b>Risk:</b> Abuse of function.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Formation of the monitoring team for frequent site inspection.</li> <li>2. Constant physical monitoring with adequate laboratory tests for confirmation of the quality specified/required.</li> <li>3. All bills raised by the firms must be attached with test results and accordingly the bills to be passed.</li> <li>4. Physical verification to be carried out by the verifying official/team.</li> <li>5. Establish systems of fixing accountability at all levels.</li> <li>6. Need a system of appreciation as well.</li> </ol>



SN	Agency	Function/Services	Prioritized Risks & Recommendations
			<p><b>Risk:</b> Embezzlement.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Creating awareness and advocacy.</li> <li>2. Verification of Advance bills by Construction/Maintenance EE.</li> <li>3. Strict enforcement of tender clauses.</li> </ol>
			<p><b>Risk:</b> Bribery.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Creating awareness and advocacy</li> <li>2. Joint verification of the completed works at the end of the 12th month of the contract period.</li> <li>3. Monitoring and conducting regular meetings amongst stakeholders and also capacity building required to the implementors.</li> <li>4. Check and balance of resources.</li> </ol>
		<ol style="list-style-type: none"> <li>1. Selection of participants for training/ workshops.</li> <li>2. Critical decision making.</li> </ol>	<p><b>Risk:</b> Non-declaration of conflict of interest.</p> <p><b>Recommendations:</b></p> <p>Strengthen current controls by implementing a systemic process of COI declaration for nominations OR Ensure nominations are processed/approved through the School/ Dzongkhag/Thromde HRC, where applicable.</p>
6	<p><b>MoE</b></p> <p>School Health &amp; Nutrition Division and School Planning &amp; Coordination Division</p>	Design/selection of school education and implementations	<p><b>Risk:</b> Abuse of function (Biased design/ selection of school education and implementations to suit the interest of Stakeholders).</p> <p><b>Recommendations:</b></p> <p>Review current process/procedure for upgrading schools to identify gaps and potential solutions to address gaps by:</p> <ol style="list-style-type: none"> <li>1. Ad hoc upgrading of schools should not be approved.</li> <li>2. School upgradation should be plan based i.e., included in the FYP and must fulfil all requirements for upgradation.</li> <li>3. DEOs/TEOs and Dasho Dzongdas must recommend school upgrading.</li> <li>4. Fixing of accountability.</li> <li>4. Formation of committees Bifurcation and consolidation is recommended when status quo cannot be maintained. Information sharing to be approved by supervisor/Chief/ HoD/HoA as necessary.</li> </ol>



SN	Agency	Function/Services	Prioritized Risks & Recommendations
		Monopoly services or discretionary and authorization for approval	<p><b>Risk:</b> Abuse of function.</p> <p><b>Recommendation:</b> Institute information sharing to the newly elected Local Government on process for change of school status so that the process/procedure is not bypassed at any level to ensure fulfillment of requirements.</p>
		Official tours	<p><b>Risk:</b> Abuse of function (Taking unnecessary official tours).</p> <p><b>Recommendation:</b> Institute a phase/stage-based timeline for visits for assessment. Requests for visits from the Dzongkhags and Thromdes to be approved at Department level.</p>
		Allocation of students	<p><b>Risk:</b> Abuse of function by the officials based on political influence.</p> <p><b>Recommendation:</b> Strengthen current controls by decentralising to Dzongkhag/Thromde to give transparency and accountability at all levels to ensure allocation of students are based on the intake capacity and students' preference are prioritised.</p>
		Nomination of participants in PD programmes/ meetings/ conferences	<p><b>Risk:</b> Favoritism</p> <p><b>Recommendation:</b> Strengthen current controls by prioritizing nominations based on the following order:</p> <ol style="list-style-type: none"> <li>People who have not been trained previously;</li> <li>People who have not attended training in the last six months;</li> <li>People who have attended training in the last six months.</li> </ol>
		Need analysis/ assessment	<p><b>Risk:</b> False Declaration. Understatement/ overstatement of the need analysis/assessment.</p> <p><b>Recommendation:</b> Strengthen current controls through follow up with the clients.</p>
		Policy formulation	<p><b>Risk:</b> Ad-hoc activities/pre designed policies to suit stakeholders for political mileage.</p> <p><b>Recommendation:</b> Propose and study implementing a system approach where Ad hoc upgrading of schools will not be approved without adequate budget or if there is additional cost/implication on approved budget.</p>



SN	Agency	Function/Services	Prioritized Risks & Recommendations
		Administrative	<p><b>Risk:</b> Submit fictitious expenditures/ Forge bills/ receipts.</p> <p><b>Recommendation:</b> Bills to be verified by committee members and monitoring from time to time.</p>
		Tender	<p><b>Risk:</b> Accepting bribery and other gratification from supplier/vendor/hotel.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Administrative Sanctions if found involved in accepting bribes.</li> <li>2. All changes in Standard Bidding Document and Contract Agreement to be approved through the Award Committee.</li> </ol>
		Supply of food items to schools	<p><b>Risk:</b></p> <ol style="list-style-type: none"> <li>1. Involvement in pilferages of food items supplied to schools.</li> <li>2. Uneconomical purchases for supply of food items to schools</li> </ol> <p><b>Recommendation:</b></p> <ol style="list-style-type: none"> <li>1. Accrual updating of records of office supplies/equipment as and when purchased in the GIMS system.</li> <li>2. Yearly physical verification of office supplies/equipment by the property focal officer.</li> </ol>
7	Chhukha Dzongkhag Accounts Section	Capital transactions, Current transactions & Deposit work transactions	<p><b>Risk:</b> Abuse of privileged information.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Frequent reminders and awareness by Finance Officer to Accounts.</li> <li>2. Strict enforcement of rules and regulations.</li> </ol>
			<p><b>Risk:</b> Abuse of Functions</p> <p><b>Recommendation:</b> Strictly abide by the FRR even if there is perusal from the higher authorities.</p>
			<p><b>Risk:</b> Bribery</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Advocacy and Awareness on RAA &amp; ACC rules and regulations.</li> <li>2. Changing the mindset of accounts personnel.</li> <li>3. Follow check &amp; balance procedure as per the FRR.</li> <li>4. Revision of ToR from time to time/ sharing of knowledge and experiences.</li> </ol>



SN	Agency	Function/Services	Prioritized Risks & Recommendations
			<p><b>Risk:</b> Embezzlement.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Creating awareness and advocacy.</li> <li>2. Frequent reminders and monitoring by the head of agency and the Internal Audit Unit.</li> </ol>

## Annex II: Cases forwarded to the OAG for prosecution from July 2021- June 2022

SN	Case No	Case Title	Referral Date
1	09/2021	Embezzlement of Public Funds by Teller at BDBL, Wamrong	06-07-2021
2	16/2020	Embezzlement of public funds by account at BPC, Paro	09-07-2021
3	07/2020	Tax evasion by Mr. Ugyen Norbu Jamyang, Proprietor, Ugyen Auto, Thimphu	11-08-2021
4	08/2019	Embezzlement of stamps by staff of Philately Division, Bhutan Postal Corporation Limited, Thimphu	11-10-2021
5	14/2021	Foreign worker data manipulation involving senior ICT officer, MoLHR	30-11-2021
6	08/2021	Allegations of corruption against Dangchu Gup	10-12-2021
7	16/2021	Illegal import of Navy Cut cigarettes by Mr. Phurba Wangdi, former Gojay of southern border duty, Samdrup Jongkhar.	21-04-2022
8	02/2019 Part III (Off shoot case)	Unlawful river dredging works undertaken by three contractors (Rigsar, Yangkhil & Chukha Construction)	13-05-2022
9	15/2021	Suspected embezzlement of foreign aid through consultants at NEC, Thimphu	27-05-2022



## Annex III: Cases under review by the OAG as of June 2022

SN	Case No	Case Title	Referral Date
1	16/2017	Encroachment of government land at Olakha, Thimphu	18-09-2018
2	05/2018	Land fraud at Taba involving former Lyonpo Namgay Dorji, MoF	01-03-2019
3	09/2019	Solicitation of bribery against MoWHS official in relation to import of wire mesh	28-11-2019
4	02/2019 Part II	Gabion wall-bribery involving Mr. Wangchuk Thaye and Mr. Sherab, Rigsar Construction	Re-referral date 16-05-2022
5	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	18-07-2019
6	16/2020	Embezzlement of public funds by accountant at BPC, Paro	20-07-2021
7	16/2021	Illegal import of Navy Cut cigarettes by Mr. Phurba Wangdi, former Gojay of southern border duty, Samdrup Jongkhar.	21-04-2022
8	02/2019 Part III	Unlawful river dredging work undertaken by three Contractors (Rigsar, Yangkhil & Chukha Construction)	13-05-2022
9	15/2021	Suspected embezzlement of foreign aid through consultants at NEC, Thimphu	27-05-2022



## Annexure IV: Cases with Courts as of June 2022

SN	Case No.	Case Title	Referral Date	Judgment	Initial registration with Court	Status
1	10/2009	Illegal registration of government land at Emalakha, Gedu by Ap Chethay	21-12-2016	OGZ	14-06-2019	Appealed for review
2	06/2017	Embezzlement of cash from ATM, DPNB Ltd, Thimphu	09-10-2017	Thimphu	23-07-2019	Under trial
3	21/2016	Embezzlement of funds by Goshing Gup	10-10-2017	Supreme Court	06-04-2018	Under appeal
4	08/2017	Fraudulent purchase of land by Penden Cement Authority Ltd at Gelephu	07-11-2017	Gelephu	04-04-2019	Under trial
5	14/2016	Irrational financial transactions between RICBL and Nubri Capital	29-12-2017	Thimphu	05-04-2019	Under appeal at High Court (HC).
6	22/2017	Allegation against NCHM on tendering of water discharge system Trashigang	06-03-2018	Tashigang	27-10-2020	Under trial
7	33/2019	Embezzlement of Private Funds at Bhutan Oil Corporation, Gelephu	11-12-2020	Gelephu	01-03-2021	Under trial
8	26/2017	Fraud and corruption in Gol funded construction project in CST, Phuentsholing	28-05-2019	Phuentsholing	14-12-2020	Under trial
9	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	18-07-2019	Thimphu	10-12-2020	Under trial
10	01/2019	Fraudulent practice by Mr. Leki Wangchuk of M/s Zangchok Const.	23-07-2019	Tashigang	27-10-2020	Under trial
11	09/2016 (Part II)	Embezzlement of Buddha Dordenma Project Fund	13-09-2019	Thimphu		Under trial
12	03/2018	Embezzlement of fund at Phuentsholing Dungkhag	28-12-2018	Phuentsholing	20-12-2019	Under trial
13	09/2016 (Part I)	Tax fraud involving M/s Lhai Metog Export & Import between 2009 to 2017	31-12-2018	Thimphu		Under trial



SN	Case No.	Case Title	Referral Date	Judgment	Initial registration with Court	Status
14	32/2019	Embezzlement of Government Revenue at RSTA, Regional Office, Gelephu.	05-03-2020	Gelephu	04-03-2021	Appealed at Sarpang
15	13/2014 (Part 27)	Yoezer Import House (Leki Dema Civil Part)	04-04-2016	Phuentsholing	29-08-2016	Appealed for additional order against erred judgment
16	28/2017	Bribery, Fraudulent Practice & Tax Evasion in the construction of Gelephu Domestic Airport	29-06-2018	Sarpang	15-01-2019	Appealed at Sarpang
17	04/2018	Suspected Collusion between T&K const. and SPBD, MoE	23-08-2018	Lhuntse	23-01-2019	Under appeal at HC
18	23/2017	Fraud & corruption involving Official from Department of Livestock, MoAF.	27-12-2018	Thimphu	02-10-2019	Under trial
19	15/2018	Encroachment of government land at Pangchang Khorloi Tag Kasha Lungpa, Thimphu	28-12-2018	Thimphu	10-07-2019	Under appeal
20	29/2017	Corruption in tendering process under Overseas Employment Program implemented by MoLHR	28-12-2018	Thimphu	26-08-2019	Under trial
21	04/2020	Embezzlement of funds at Lhamoizingkha Drungkhag, Dagana	17-03-2021	Lhamoizingkha		Under trial
22	15/2017	Embezzlement of funds of M/s International Treks and Tours Pvt. Ltd (ITT), Paro	09-10-2017	Paro		Under trial
23	35/2019	Allegation against Auction Committee Members for suspected price rigging in auction at BDBL (Reassigned Case 2019)	31-05-2021	Thimphu		Under trial
24	19/2020	Match fixing by Proprietor, Druk Star Football Club, Thimphu	13-07-2021	Thimphu	07-10-2022	Under appeal
25	05/2019	Misuse of power by Shelnga Gjemi Gup, Punakha	09-07-2021	Punakha	04/04/22	Under trial
26	09/2021	Embezzlement of Public Funds by Teller at BDBL, Wamrong	20-07-2021	Wamrong		Under trial



SN	Case No.	Case Title	Referral Date	Judgment	Initial registration with Court	Status
27	22/2019	Corruption in the procurement of goods (bitumen) at Thimphu Thromde	11-09-2019	Thimphu		Under trial
28	18/2018	Corruption in the procurement of works at Thimphu Thromde	02-10-2019	Thimphu	13-10-2021	Under trial
29	07/2014	Illegal registration of govt. 8.55 acres of govt. land at Wangsisina involving former LRO	07-11-2018	Thimphu		Under trial
30	28/2017	Bribery, Fraudulent Practice & Tax Evasion in the construction of Gelephu Domestic Airport	29-06-2018	Gelephu		Defendant is in abroad and case is still pending at OAG
31	23/2016	Embezzlement of fund at BDBL, Thimphu	22-06-2017	Supreme Court	18-05-2018	Under appeal
32	09/2013	Embezzlement at FCBL Depot, P/Ling	02-08-2016	Chukha	26-03-2017	Under appeal at HC
33	21/2017	Embezzlement of funds by Public Servant at BDBL, Pemagatshel	06-03-2018	Larger Bench	30-10-2018	Appealed to Larger Bench
34	07/2020	Tax Evasion by Mr. Ugyen Norbu Jamyang, Proprietor, Ugyen Auto, Thimphu	08-11-2021	Thimphu	15-02-2022	Under trial



## Annex V: Judgments rendered from July 2021- June 2022

SN	Case No.	Case Title	Initial Registration	Judgment Date	Court of Adjudication	Status
1	05/2012	Bribery in illegal regularization of govt. land at Tshalumphey, Thimphu.	19-02-2020	07-07-2021	Larger Bench	Appealed to SC
2	05/2014	Embezzlement and other related allegations against Mr. Pema Wangdi, Former Gelephu Drungpa (Repatriation of fund from Gangtok)	06-09-2019	21-07-2021	Larger Bench	Enforcement ongoing
3	05/2014	Embezzlement and other related allegations against Mr. Pema Wangdi, Former Gelephu Drungpa (Trafficking of Tokey Gecko)	30-08-2019	21-07-2021	Larger Bench	Enforcement ongoing
4	22/2016	Misuse of fund in construction of irrigation canal at Tashi Yangtse.	17-01-2020	12-07-2021	Larger Bench	Enforcement Completed
5	05/2014	Embezzlement and other related allegations against Mr. Pema Wangdi, Former Gelephu Drungpa (Trafficking of Tokey Gecko)	06-09-2019	06-08-2021	Larger Bench	Enforcement ongoing
6	07/2015	Embezzlement of public funds in Paro RICBL Branch Office	01-09-2020	11-08-2021	Larger Bench	Closed
7	24/2016	Fraudulent registration and encroachment of Government Land at Chang Debshi, Thimphu	16-06-2021	31-08-2021	High Court Bench I	Appealed to SC
8	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	29-07-2021	26-08-2021	Thimphu Cr. Bench II	Closed
			03-08-2020	24-02-2021	High Court Bench I	Closed
9	07/2017	Embezzlement of public funds at Immigration Office, Paro Airport	05-07-2018	31-05-2021	Paro Court Bench II	Appealed to HC
			29-06-2021	31-08-2021	High Court Bench I	Closed



SN	Case No.	Case Title	Initial Registration	Judgment Date	Court of Adjudication	Status
			05-08-2020	17-02-2021	High Court Bench II	Closed
			30-03-2020	14-04-2021	High Court Bench III	Enforcement ongoing
			03-08-2020	17-03-2021	High Court Bench II	Closed
10	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	29-07-2021	26-08-2021	Thimphu Cr. Bench II	Closed
11	01/2014	Fraud and bribery in the illegal repatriation of Indian Rupee, DPNB, Thimphu	13-11-2019	05-04-2021	High Court Bench III	Enforcement ongoing
12	01/2016	Embezzlement of public funds by Sr. Accounts Assistant at RICBL, Thimphu	11-05-2020	06-08-2021	Larger Bench	Enforcement pending
13	07/2015	Embezzlement of public funds in Paro RICBL Branch Office	03-12-2020	22-09-2021	Larger Bench	Closed
14	06/2015	Fraud and embezzlement related to commemoration of International Anti-Corruption Day 2014 (YMC)	12-08-2019	13-09-2021	Larger Bench	Enforcement pending
15	08/2018	Embezzlement and forgery by Former Legal Officer, DPNBL	03-08-2020	08-09-2021	High Court B-III	Enforcement pending
16	14/2018	Embezzlement of fund at Samdrup Choeling Dungkhag by Account Assistant.	25-05-2020	06-09-2021	Samdrup Jongkhar	Enforcement pending
17	19/2017	Forgery & abuse of function in the construction of Park Range Office, Punakha	30-12-2019	08-02-2021	High Court B-I	Appealed to Supreme Court
18	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	26-02-2021	18-10-2021	Thimphu Cr. Bench II	Closed
19	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	10-12-2020	14-10-2021	Thimphu Cr. Bench II	Closed
20	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	10-12-2020	11-10-2021	Thimphu Cr. Bench I	Closed



SN	Case No.	Case Title	Initial Registration	Judgment Date	Court of Adjudication	Status
21	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	29-07-2021	14-10-2021	Thimphu Cr. Bench I	Closed
22	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	07-09-2021	21-10-2021	Thimphu Cr. Bench II	Closed
23	19/2017	Forgery & abuse of function in the construction of Park Range Office, Punakha	10-02-2021	21-10-2021	Larger Bench	Appealed Supreme Court
24	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	29-07-2021	15-11-2021	Thimphu Cr. Bench II	Closed
25	07/2015	Embezzlement of public funds in Paro RICBL Branch Office	09-11-2021	25-11-2021	Supreme Court	Case open
26	11/2015	Fraudulent DSA Claim in Royal Monetary Authority	15-05-2020	07-12-2021	Larger Bench	Closed
27	05/2012	Bribery in illegal regularization of govt. land at Tshalumphey, Thimphu.	29-07-2021	05-11-2021	Supreme Court	Enforcement ongoing
28	02/2019 Part I	Tax Evasion by Rigsar Construction	07-04-2021	25-11-2021	Mongar	Closed
29	24/2016	Fraudulent registration and encroachment of Government Land at Chang Debsi, Thimphu	28-09-2021	10-11-2021	Supreme Court	Closed
30	10/2015	Embezzlement of funds by Accounts Officer at DCCL, Nganglam	25-11-2021	25-11-2021	Supreme Court	Closed
31	23/2016	Embezzlement of fund from BDBL, Thimphu	10-01-2020	29-10-2021	High Court, Bench II	Case open
32	07/2015	Embezzlement of public funds at RICBL, Paro Branch Office	18-03-2021	02-11-2021	Larger Bench	Case open
33	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	20-08-2021	08-11-2021	Thimphu Cr. Bench II	Closed
34	01/2013 Part IV	Encroachment- 0.33 Acres of Government Land at Lungtenphu	21-07-2020	30-11-2021	High Court Bench II	Case open



SN	Case No.	Case Title	Initial Registration	Judgment Date	Court of Adjudication	Status
35	12/2016	Illegal transaction of Land at Chang Debsi by former LRO and Gup Kanjur pertaining to CRN/2014/4/9	09-07-2021	08-12-2021	Supreme Court	Case open
36	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	10-09-2021	08-12-2021	Thimphu Cr. Bench I	Appealed to High Court
37	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	02-12-2021	24-12-2021	High Court Bench II	Closed
38	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	03-12-2021	30-12-2021	Thimphu Cr. Bench II	Closed
39	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	29-10-2021	16-12-2021	Thimphu Cr. Bench I	Closed
40	01/2013 Part VII	Encroachment- 1.10 Acres of Sokshing at Gyabjakha, Babesa	03-01-2020	30-11-2021	High Court, Bench-II	Enforcement
41	18/2017	Encroachment of govt. land at Hejo pertaining to CRN. ACC/CR/2017/7/2	31-01-2020	29-07-2021	Thimphu Civil Bench	Closed
42	22/2016	Misuse of fund in construction of irrigation canal at Tashi Yangtse.	29-09-2021	29-03-2022	Supreme Court	Closed
43	08/2018	Suspected embezzlement and forgery by former legal officer, DPNBL	14-09-2021	05-04-2022	Supreme Court	Enforcement
44	07/2015	Embezzlement of public funds by Cashier at RICBL, Paro	13-09-2021	05-04-2022	Supreme Court	Enforcement
45	12/2016	Illegal transaction of Land at Chang Debsi by former LRO and Gup Kanjur pertaining to CRN/2014/4/9	09-07-2021	08-12-2021	Supreme Court	Enforcement
46	05/2012	Bribery in illegal regularization of govt. land at Tshalumphey, Thimphu.	29-07-2021	05-11-2021	Supreme Court	Enforcement
47	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	29-07-2021	23-12-2021	Thimphu Cr. Bench I	Closed



SN	Case No.	Case Title	Initial Registration	Judgment Date	Court of Adjudication	Status
48	07/2015	Embezzlement of public funds in Paro RICBL Branch Office	24-12-2021	28-03-2022	Supreme Court	Closed
49	14/2016	Nubri Capital-pertaining to complaint registration no.2015/4/5 and 2016/2/10	05-04-2019	13-04-2022	Thimphu Cr. Bench I	Appealed to HC
50	01/2014	Fraud and bribery in the illegal repatriation of Indian Rupee, DPNB, Thimphu	12-04-2021	15-12-2021	High Court Larger Bench	Enforcement
51			17-11-2021	21-04-2022	Supreme Court	Closed
52	07/2015	Embezzlement of public funds in Paro RICBL Branch Office	10-07-2019	11-04-2022	Thimphu Cr. Bench I	Appealed to HC
53	15/2018	Allegation against Kinley Wangdi, C/o Hotel Jomolhari on the shifting of land from Hongtso to Thimphu Town	30-12-2021	13-12-2021	High Court Bench I	Enforcement
54			10-09-2021	08-12-2021	High Court Bench Bench III	Closed
55			31-03-2022	20-04-2022	Thimphu	Enforcement
56	14/2018	Embezzlement of fund at Samdrup Choeling Dungkhag by Accounts Assistant.	12-01-2022	19-04-2022	High Court Bench III	Closed
57	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	28-12-2021	29-04-2022	Supreme Court	Enforcement
58	01/2013 Part III	Encroachment- 1.32 Acres of Government Land at Gangchey & Chang Debsi	09-06-2021	27-04-2022	Thimphu	Under appeal
59	02/2019 Part I	Tax Evasion by Rigsar Construction	16-12-2021	15-04-2022	Supreme Court	Open
60	04/2015	Land Substitute fraud, Trongsa				
61	28/2019	Embezzlement of funds by Account Asst. IV at Ministry of Health.				
62	07/2015	Embezzlement of public funds at RICBL, Paro Branch Office				



SN	Case No.	Case Title	Initial Registration	Judgment Date	Court of Adjudication	Status
63	21/2016	Embezzlement of Public Funds by Goshing Gup, Panbang	22-11-2021	29-04-2022	High Court Bench I	Appeal not known
64	04/2018	Suspected Collusion between T&K const. and SPBD, MoE	23-01-2019	06-05-2022	Lhuntse	Open
65	19/2020	Match fixing during Bhutan Premier League and Bhutan Super League Football	07-10-2020	20-05-2022	Thimphu	Open
66	05/2014	Embezzlement of fund and other offences by former Gelephu Dungpa and others (Gangtok Fund Repatriation)	09-08-2021	28-04-2022	Supreme Court	Open
67	28/2019	Embezzlement of funds by Account Asst. IV at Ministry of Health.	16-05-2022	31-05-2022	High Court Bench II	Under appeal
68	32/2019	Embezzlement of Government revenue at RSTA, Regional Office, Gelephu.		27-05-2022	Gelephu	Under appeal
69	16/2018	Bribery and fraud involving traffic personnel in connection to obtaining driving license from RSTA	04-05-2022	13-06-2022	High Court Bench II	Completed



## Annex VI: Judgments implementation-restitution between July 2021-June 2022

SN	Case No.	Case title	Initial registration date	Judgment Date	Final Court of adjudication	Person to restate	Restitution ordered								Remarks	
							Total restitution ordered		Restituted between Jan 2020 to June 2021		Restituted between July 2021 to June 2022		Total Recovery	Restitution pending		
Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset									
1	04/2007	Embezzlement in Youth Development Fund	10/25/07	10/15/09	High Court	Singye Dorji	1,169,895.56		500,000.00		0.00		500,000.00	669,895.56		Enforcement Ongoing
2	18/2008	Samtse Mining Case	4/10/09	12/30/11	Supreme Court	Sangay Gyelshen	43,262,980.00		2,173,679.10		41,089,300.90		43,262,980.00	0.00		Completed
					Supreme Court	Nagay	47,844,281.52		5,184,072.88		0.00		5,184,072.88	42,660,208.64		Enforcement Ongoing
3	4B/2010	Construction of Dagana HSS and Pangna CPS, Dagana Dzongkhag	8/5/10	5/28/12	High Court	Phanchung	1,402,563.00		502,563.00		300,000.00		802,563.00	600,000.00		Enforcement Ongoing
4	13B/2009	MoH: Bribery of Liaison Officers at Kolkata	12/10/10	8/22/12	High Court	Tshewang Samdrup	665,000.00		242,339.00		362,661.00		605,000.00	60,000.00		Enforcement Ongoing
5	07/2011	Fraudulent Misappropriation and embezzlement in Health Procurement Fund (Offshoot from Case 13/2009)	2/20/12	4/11/13	Supreme Court	LB Subha	4,103,761.98		1,790,643.98		0.00		1,790,643.98	2,313,118.00		Enforcement Ongoing
6	03/2013	Embezzlement in BOBL, Punakha	1/15/14	9/26/14	High Court	Tshering Chodup	2,927,009.00		756,155.00		0.00		756,155.00	2,170,854.00		Enforcement Ongoing
						Wangdi	2,001,464.00		0.00		0.00	2,001,464.00		Enforcement Ongoing		
7	01/2015	Embezzlement in RICBL, Dagana	12/29/15	7/7/16	High Court	Tandin Chogyal	789,909.10		323,375.00		100,000.00		423,375.00	366,534.10		Enforcement Ongoing
8	13/2014 (Part 7)	Bribery and Tax evasion by Rigsom Enterprise	3/18/16	5/11/18	Dungkhag Court, Pling	Sonam Choden	446,000.00		0.00		0.00		0.00	446,000.00		Enforcement Ongoing
9	13/2014 (Part 21)	Bribery and Tax evasion by Penjor Steel	3/18/16	5/14/18	Dungkhag Court, Pling	Tashi Wangdi	1,056,100.00		0.00		0.00		0.00	1,056,100.00		Enforcement Ongoing



SN	Case No.	Case title	Initial registration date	Judgment Date	Final Court of adjudication	Person to restitute	Restitution ordered								Remarks	
							Total restitution ordered		Restituted between Jan 2020 to June 2021		Restituted between July 2021 to June 2022		Total Recovery	Restitution pending		
							Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset		
10	13/2014 (Part 19)	Bribery and Tax Evasion by Kundrup Enterprise	3/18/16	5/22/18	Dungkhaig Court, P/ling	Bikash Agarwal	83,769,270.00		0.00		0.00		0.00	83,769,270.00		Judgment rendered in absentia.
11	25/2016	Embezzlement of fund at Bhutan Telecom, Wamrong	2/5/18	9/18/18	Dungkhaig Court, Wamrong	Karna Choeji	1,613,081.77		509,710.00		0.00		509,710.00	1,103,371.77		Enforcement Ongoing
12	42,461.00	Fraud and embezzlement at RRCO, P/Ling	3/28/17	11/20/18	Dungkhaig Court, P/ling	Tshering Dorji	1,357,224.13		0.00		0.00		0.00	1,357,224.13		Enforcement Ongoing
13	13/2014 (Part 40)	Bribery and tax evasion by Tashi Enterprise	3/31/17	6/4/18	Dungkhaig Court, P/ling	Anu Lamghadey	8,564,036.01		6,854,036.01		0.00		6,854,036.01	1,710,000.00		Pending
14	05/2017	Embezzlement of fund at BDBL, Thrimshing	12/13/18	7/31/19	Dungkhaig Court, Thrimshing	Sonam Jamtsho	1,964,769.00		0.00		0.00		0.00	1,964,769.00		Enforcement Ongoing
15	13/2014 (Part 3)	Bribery and tax evasion by Brumi enterprise	3/18/16	9/16/19	High Court	Tashi Pem	4,928,288.24		4,849,288.24		55,000.00		4,904,288.24	24,000.00		Enforcement Ongoing
16	13/2014 (Part 9)	Bribery and Tax Evasion by Rabten Pharmaceuticals	3/18/16	9/13/19	High Court	Yangki Tshering Bal Krishna Pandey	2,991,436.35	2,736,436.35			170,000.00		2,906,436.35	85,000.00		Enforcement Ongoing
17	13/2014 (Part 44)	Bribery and tax evasion by Tee Dee Enterprise, Yeshey Cement agent and Sonam Beer Agency	6/27/17	4/23/19	Dungkhaig Court, P/ling	Choyzang Tashi Tenzin Delkar Rajiv Bhansali	688,416.67		688,416.67		0.00		688,416.67	0.00		Completed
18	13/2014 (Part 12)	Druk Norlha enterprise, Druk Norlha Company and Norlha Beer Agent	3/18/16	5/30/19	High Court	Tandin Wangchuk Sonam Penjor	365,000.00	200,000.00	200,000.00	165,000.00		365,000.00	0.00			Completed
19	13/2014 (Part 4)	Bribery and Tax Evasion by Chotaylal Shah	3/18/16	7/25/19	High Court	Chulai Sha Chotaylal Sha	7,098,337.08		6,868,337.08		0.00		6,868,337.08	230,000.00		Enforcement Ongoing



SN	Case No.	Case title	Initial registration date	Judgment Date	Final Court of adjudication	Person to restate	Restitution ordered								Remarks		
							Total restitution ordered		Restituted between Jan 2020 to June 2021		Restituted between July 2021 to June 2022		Total Recovery	Restitution pending			
							Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset		Amount (Nu.)	Asset
20	13/2014 (Part 5)	Bribery and tax evasion by M/s Rabten Roadways	3/18/16	8/26/19	High Court	Sonam Wangmo	4,500,958.30		4,223,458.30		0.00		4,223,458.30	277,500.00		Enforcement Ongoing	
21	13/2014 (Part 2)	Bribery and tax evasion by M/s T Phuentsho Enterprise	3/18/16	8/26/19	High Court	Sonam Wangmo	1,952,217.32		1,817,217.32		135,000.00		1,952,217.32	0.00		Completed	
22	01/2017 (Part III)	Fraud and embezzlement of public fund during 5th & 10th batch De-Suung training involving Lt. Col. Rinzin Yeshey & Zepa		3/15/19	Supreme Court	Rinzin Yeshey	216,933.96		0.00		216,933.96		216,933.96	0.00		Completed	
23	01/2017 (Part IV)	Fraud and embezzlement of public fund during 6th batch De-Suung training involving Major Jurmi		3/15/19	Supreme Court	Jurmi	17,561.42		0.00		17,561.42		17,561.42	0.00		Completed	
24	01/2017 (Part V)	Fraud and embezzlement of public fund during 7th & 22nd batch De-Suung training involving Major Ugyen Nidup & Pelpon Sangay Drakpa		3/15/19	Supreme Court	Ugyen Nidup	659,145.00		0.00		659,145.00		659,145.00	0.00		Completed	
25	01/2017 (Part VI)	Fraud and embezzlement of public fund during 8th & 20th batch De-Suung training involving Major Ugyen Lhendup	8/1/17	1/8/19	Larger Bench, High Court	Ugyen Lhendup	396,368.24		0.00		396,368.24		396,368.24	0.00		Completed	



SN	Case No.	Case title	Initial registration date	Judgment Date	Final Court of adjudication	Person to restate	Restitution ordered								Remarks	
							Total restitution ordered		Restituted between Jan 2020 to June 2021		Restituted between July 2021 to June 2022		Total Recovery	Restitution pending		
							Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset		
26	01/2017 (Part VII)	Fraud and embezzlement of public fund during 9th batch De-Suung training involving Major Sigay Tshewang & Nima Gyeltshen	8/1/17	3/15/19	Supreme Court	Sigay Tshewang	37,156.00		0.00		37,156.00		37,156.00	0.00		Completed
27	01/2017 (Part VII)	Fraud and embezzlement of public fund during 9th batch De-Suung training involving Major Sigay Tshewang & Nima Gyeltshen	8/1/17	3/15/19	Supreme Court	Sigay Tshewang	37,156.00		0.00		37,156.00		37,156.00	0.00		Completed
28	01/2017 (Part X)	Fraud and embezzlement of public fund during 13th batch De-Suung training involving Major Sonam Lhagyel & Peljab Sonam Dorji	8/1/17	3/15/19	Supreme Court	Sonam Lhagyel	173,497.00		0.00		173,497.00		173,497.00	0.00		Completed
						Sonam Dorji	30,000.00		0.00		30,000.00		30,000.00	0.00		Completed
29	01/2017 (Part XI)	Fraud and embezzlement of public fund during 14th & 23rd batch De-Suung training involving Major Lingi Jamtsho	8/1/17	3/15/19	Supreme Court	Lingi Jamtsho	47,816.00		0.00		47,816.00		47,816.00	0.00		Completed
30	01/2017 (Part XIII)	Fraud and embezzlement of public fund during 16th batch De-Suung training involving Lt. Ugyen Dorji & Peljab Tashi Phuntsho	8/1/17	3/15/19	Supreme Court	Ugyen Dorji	230,429.77		0.00		230,429.77		230,429.77	0.00		Completed



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							Total restitution ordered		Restituted between Jan 2020 to June 2021		Restituted between July 2021 to June 2022		Total Recovery	Restitution pending			
							Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset		Amount (Nu.)	Asset
31	01/2017 (Part XIV)	Fraud and embezzlement of public fund during Pel Dechok Khorlo Wang and 18th batch De-Suang training involving Major Kuenga Norbu & Peljab Wangchuk	8/1/17	1/10/19	Larger Bench, High Court	Kuenga Norbu	76,974.26		0.00		76,974.26		76,974.26	0.00		Completed	
							76,974.26		0.00		76,974.26		76,974.26	0.00		Completed	
32	01/2017 (Part XV)	Fraud and embezzlement of public fund during 19th batch De-Suang training involving Lt. Col. Ugyen Norbu	3/15/19	1/10/19	Supreme Court	Ugyen Norbu	56,254.60		0.00		56,254.60		56,254.60	0.00		Completed	
33	21/2017	Embezzlement at BDBL Branch, Gelephu involving Asst. Branch Manager	10/30/18	7/4/19	Dungkhag Court, Gelephu	Phub Gyeltshen	293,881.02		0.00		0.00		0.00	293,881.02		Pending	
34	09/2015	Embezzlement of Funds at Bhutan Postal Corporation by Messenger	1/17/20	10/6/20	Larger Bench, High Court	Lhawang Tshering	5,096,209.00		0.00		0.00		0.00	5,096,209.00		Pending	
35	16/2018	Bribery & fraud involving traffic police in connection to obtaining of driving licence from RSTA.	3/12/20	10/1/20	District Court, Haa	Kelzang Phuntsho	15,000.00		0.00		15,000.00		15,000.00	0.00		Completed	
							7,000.00		0.00		7,000.00		7,000.00	0.00		Completed	
36	07/2015	Embezzlement of public funds in Paro RICBL Branch Office	13/09/2021	5/4/22	Supreme Court	Rinchen Wangdi	63,267,135.19		0.00		3,916,231.74		3,916,231.74	59,350,903.45		Enforcement Ongoing	
					Supreme Court	BNBL Company	25,000,000.00		0.00		25,000,000.00		25,000,000.00	0.00		Completed	
			1/3/20	3/26/21	High Court	Yezer Dema	35,171,314.33		0.00		0.00		0.00	35,171,314.33		Enforcement Ongoing	



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							Total restitution ordered		Restituted between Jan 2020 to June 2021		Restituted between July 2021 to June 2022		Total Recovery	Restitution pending		
							Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset		Amount (Nu.)		Asset
			16/12/2022	29/04/2022	Supreme Court	Dorji Wangdi	6,660,000.00		0.00		0.00		0.00	6,660,000.00		Enforcement Ongoing
			9/11/21	25/11/2021	Supreme Court	Tshering Wangdi	1,000,000.00		0.00		0.00		0.00	1,000,000.00		Enforcement ongoing
37	03/2019	Embezzlement of funds by Tellers at BDBL, Tsirang.	8/18/20	4/14/21	District Court, Tsirang	Santa Maya Gurung	8,547,807.85		0.00		0.00		0.00	8,547,807.85		Pending
						Dawa Zam	8,547,807.85		0.00		0.00		0.00	8,547,807.85		Pending
38	14/2012	Financial irregularities in the operation of Govt. Fund in Royal Bhutan Embassy, Thailand.	11/9/20	4/27/21	Supreme Court	Chenda Tobgay	17,416,646.44		6,525,511.70		0.00		6,525,511.70	10,891,134.74		Pending
39	03/2017 (Part II)	Fraud & corruption involving senior RICBL management in false insurance claim	5/4/21	5/19/21	Supreme Court	Dasho Sherab Gyeltshen	226,546.00		0.00		226,546.00		226,546.00	0.00		Completed
40	02/2016	Embezzlement of Funds by Teller at BNB, Paro.	2/4/17	28/06/2021	Larger Bench, High Court	Karma Tshering	1,799,806.96		0.00		0.00		0.00	1,799,806.96		Pending
41	22/2016	Embezzlement of funds by Assistant Engineer, Tashiyangtse Dzongkhag	29/09/2021	29/03/2022	Supreme Court	Tshering Phuntsho	60,255.20		0.00		60,255.20		60,255.20	0.00		Restitution Completed
42	01/2016	Embezzlement of funds by Public Servant at RICBL, Thimphu	11/5/20	6/8/21	Larger Bench, High Court	Yeshi Dorji	4,005,597.42		0.00		0.00		0.00	4,005,597.42		Enforcement ongoing
43	14/2018	Embezzlement of funds at Samdrupchoeling Dungkhag by Account Assistant	30/12/2021	13-12-2022	High Court	Wangchuk Dorji	2,920,983.99		0.00		0.00		0.00	2,920,983.99		Enforcement Pending



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							Total restitution ordered		Restituted between Jan 2020 to June 2021		Restituted between July 2021 to June 2022		Total Recovery	Restitution pending		
							Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset		
44	07/2017	Embezzlement of public funds at Immigration Office, Paro Airport	3/7/18	6/7/20	Paro Court	Sonam Dorji	6,280,855.00		0.00		0.00		0.00	6,280,855.00		Enforcement Ongoing
			3/8/20	24/02/2021	High Court	Thinley Jamtsho	63,100.00		0.00		0.00		0.00	63,100.00		With 24% penal interest
			29/06/2021	31/08/2021	High Court	Tandin Wangchuk	32,040.00		0.00		0.00		0.00	32,040.00		Enforcement Ongoing
			30/03/2020	14/04/2021	High Court	Sonam Dorji	20,400.00		0.00		0.00		0.00	20,400.00		Enforcement Ongoing
45	05/2014	Misuse of power & Government funds by Gelephu dungpa (Gangtok Fund Repatriation, Losel Cinema Maintenance, Tshachu Maintenance, Tokey Gecko, Losel Cinema Hall Rent )	6/8/21	28/04/2022	Supreme Court	Pema Wangdi	5,981,899.38		0.00		3,401,000.00		3,401,000.00	2,580,899.38		Enforcement Ongoing
						Sonam Norbu	1,018,099.34		0.00		0.00		0.00	1,018,099.34		Enforcement Ongoing
46	01/2014	Fraud and bribery in the illegal repatriation of Indian Rupee, DPNB, Thimphu	12/4/21	15/12/2021	Larger Bench, High Court	Kinley Penjor	517,982.00		0.00		0.00		0.00	517,982.00		Enforcement ongoing
47	11/2015	Fraudulent DSA claim in Royal Monetary Authority, Thimphu	15/05/2020	7/12/21	Larger Bench, High Court	Eden Dema	16,787.50		0.00		16,787.50		16,787.50	0.00		Restitution Completed
48	06/2015	Fraud and embezzlement related to commemoration of International Anti-Corruption Day 2014 (YMC)	12/8/19	13/09/2021	Larger Bench, High Court	Pema Dorji	439,271.44			0.00	0.00		0.00	439,271.44		Enforcement Ongoing



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							Total restitution ordered		Restituted between Jan 2020 to June 2021		Restituted between July 2021 to June 2022		Total Recovery	Restitution pending		
							Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset		
49	08/2018	Suspected embezzlement and forgery by former legal officer, DPNBL	14/09/2021	5/4/22	Supreme Court	Karna Lhuntsihi	2,184,414.00		0.00	0.00		0.00	2,184,414.00		Enforcement Ongoing	
50	28/2019	Embezzlement of funds by Account Asst. IV at Ministry of Health.	16/5/2020	31/05/2022	High Court	Namgyel Phuntsho	732,000/-		732,000/-	0.00		732,000/-	0.00		Restitution Completed	
51	13/2014 (Part 33)	Tax Evasion by JPLP	11/18/19	5/14/21	Supreme Court	Lal Chand Prasad	154,619,635.00		0.00		77,806,787.66		77,806,787.66	76,812,847.34	Enforcement Ongoing	
52	11/2009	Misuse of Government vehicle and manpower, false claim of TA/DA at CDCL	8/6/12	1/12/16	High Court	DN Sharma	-	28 decimal land at Chukha & Gphu	0.00				0.00		13 decimal land at G/ phu	Execution under process by NLCS.
53	01/2013 (Part 1)	Illegal registration and encroachment of 1.37 acres of govt. land at Tshalumaphey involving Gup Naku	3/10/17	1/31/20	District Court, Thimphu	Namgay		82 decimals	0.00				0.00		1.37 acres	Completed
						Kencho		20 decimals	0.00				0.00			
						Dechen Youden		26 decimals	0.00				0.00			
						Wangdi		9 decimals	0.00				0.00			
54	01/2013 Part 3	Fraudulent registration and encroachment of 132 decimal government land at Gangchey & Chang Debsi, Thimphu	31/03/2022	20/04/2022	Thimphu	Passang Dema		31 decimal		0.00			0.00		31 decimal land to be restituted from Passang Dema, Ting Ting Dema and Karma's thram.	Enforcement ongoing



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							Total restitution ordered		Restituted between Jan 2020 to June 2021		Restituted between July 2021 to June 2022		Total Recovery	Restitution pending		
							Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset		
55	01/2013 Part 4	Fraudulent registration and encroachment of 33 decimal government land at Lungtenphu, Thimphu	21/07/2020	30/11/2021	High Court	Naku (Late)	287,496.00	33 decimal land	0.00		0.00		0.00	287,496.00	33 decimal land	Enforcement ongoing
57	01/2013 (Part 6)	Illegal registration and encroachment of 106 decimals of govt. land at Serbithang in 2000 involving Gup Naku	7/12/17	10/25/19	District Court, Thimphu	Naku	662,362.80	106 decimal	0.00				0.00	662,362.80	106 decimal land at T/ phu	Execution under process at NLCS
56	01/2013 (Part 7)	Fraudulent registration and encroachment of 1.10 acres of Shokshing at Gyabjakha, Babesa involving Naku	3/1/20	30/11/2021	High Court	Naku (Late)		1.10 Acres 73 decimal from Late Naku (Thram 426), 27 decimal from Tshering Yangchen (Thram 612), 10 decimal from Thinley Wangchuk (Thram 395)							1.10 Acres 73 decimal from Late Naku (Thram 426), 27 decimal from Tshering Yangchen (Thram 612), 10 decimal from Thinley Wangchuk (Thram 395)	Enforcement ongoing
58	01/2013 (Part 8)	Encroachment of 0.46 acres of Government land at Gangbu	1/4/16	10/25/19	District Court, Thimphu	Naku		46 decimal	0.00				0.00	0.00	46 decimal land at T/ phu	Execution under process at NLCS
59	04/2015	Land Substitute fraud, Trongsa	28/12/2021	29/04/2022	Supreme Court	Karna Tshetim Dolma		2.77 acres & 1.933 acres		0.00			0.00		2.77 acres & 1.933 acres	Enforcement Ongoing
						Gyem	13,200.00		0.00	0.00			0.00	13,200.00		Enforcement Ongoing



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							Total restitution ordered		Restituted between Jan 2020 to June 2021		Restituted between July 2021 to June 2022		Total Recovery	
							Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset	Amount (Nu.)	Asset
60	05/2012	Bribery and illegal regularization of government land at Tshalumaphey, Thimphu	29/07/2021	5/11/21	Supreme Court	Pema Dorji		Thram rectification						Thram rectification
61	12/2016	Illegal transaction of Land at Chang Debsi by former LRO and Gup kanjur pertaining to CRN/2014/4/9	9/7/21	8/12/21	Supreme Court	Kanjur		19 plots						19 plots to the state
Total restitution ordered & restituted from Jan 2020 to Jun 2021							580,068,383.25		46,945,239.63		155,059,420.51		202,004,660.14	378,063,723.11

Restitution Ordered from 2006-June 2021	580,068,383.25
Restitution Ordered from July 2021 to Jun 2022	367,587,536.00
<b>Gross Restitution Ordered</b>	<b>947,655,919.25</b>

Restituted till June 2021	46,945,230.00
Restituted from July 2021 to Jun 2022	155,059,420.51
<b>Total Restituted</b>	<b>202,004,650.51</b>

Cases under appeal (restitution pending till June 2021)	533,123,153.25
Cases under appeal (restitution pending between July 2021 to June 2022)	212,528,115.49
<b>Total restitution for cases under appeal</b>	<b>745,651,268.74</b>





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**ACC**  
ANTI-CORRUPTION COMMISSION