



UNODC

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Detecting and Investigating Corruption

University Module Series
Anti-Corruption

PAKISTAN

Global Integrity Education (GIE) project
University Module on

Detecting and Investigating Corruption*

Localized version of [Module 6](#) of the Education for Justice (E4J)
University Module Series on Anti-Corruption

This module was adapted to the Pakistani context under
the Global Integrity Education project.

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Introduction

How do we know when corruption takes place? What kind of environment will make it difficult to conceal corrupt behaviour? Once corruption is detected, how can states and organizations investigate it? These and related questions are addressed in this Module. The detection and investigation of corruption pose particular challenges as corruption is often well-hidden and may require an insider to expose it. Frequently, the direct parties to corruption all benefit in some way and are motivated to conceal it. [Module 4](#) and [Module 5](#) of the [E4J University Module Series on Anti-Corruption](#) address the prevention and fight against corruption in the public and private sectors, respectively. Expanding on those discussions, the present Module focuses on the most effective methods of detecting corruption: auditing and reporting. In this context, the Module stresses the importance of whistle-blowing systems and protection measures relating to the detection of corruption. This ties in with current discussions on the connection between whistle-blowing and anti-corruption enforcement in criminal and administrative proceedings – an area that is receiving increased attention from scholars and practitioners. The Module also considers the use of emerging technologies in detecting corruption, including blockchain, smartphone and internet-based technologies. It furthermore discusses the investigation that follows the detection of corruption, including the different phases and actors that are involved. The Module provides an overview of several core areas within the rapidly growing body of literature focusing on corruption detection and investigation.

Learning outcomes

- Describe multiple mechanisms for detecting corruption, and identify their strengths and weaknesses
- Critically discuss the use of modern technology in detecting corruption, including blockchain technology, smartphone applications and open data web platforms
- Discuss the importance of whistle-blowers for the detection of corruption and consider ways to protect them
- Analyse the nature and value of self-reporting requirements, and internal and external audit systems for detecting and deterring corruption, and promoting non-corrupt behaviour and environments
- Understand how investigations of corruption are conducted, and describe the difference between internal and external investigations



Key issues

Corruption is a complex phenomenon. An overview of the different forms and definitions of corruption, as well as its harmful effects across the globe, is available in [Module 1](#) of the E4J University Module Series on Anti-Corruption. For present purposes, it should be noted that the [United Nations Convention against Corruption \(UNCAC\)](#) refrains from providing one overarching definition of “corruption”. Rather, it defines and classifies various acts of corruption as criminal offences, such as bribery and embezzlement (in both the public and private sectors); abuse of functions (i.e. when those performing public functions misuse their power to obtain a benefit); trading in influence; illicit enrichment; and money-laundering. With 186 State parties (as of December 2019), UNCAC is approaching universal adherence, and the different acts of corruption as defined by the Convention can be considered internationally accepted. [Module 4](#) and [Module 5](#) of the E4J University Module Series on Anti-Corruption include more detailed discussions on the causes and consequences of corruption in the public and private sectors, respectively, as well as, the relevant anti-corruption responses and preventive measures.

Before we can respond to corruption offences, however, we must detect and investigate them. Detection and investigation of corruption ideally starts internally within organizations but can also involve external dimensions such as law enforcement approaches. For present purposes, detection refers to identifying, uncovering or exposing corruption. Detection can be attained through auditing and monitoring measures, but it can also be achieved when whistle-blowers, citizens, companies and journalists report about corruption. Investigation is understood in this Module as the gathering of evidence about the detected act of corruption, including its extent, nature, effects and parties, with the aim of deciding whether to take measures and which measures to take. Investigations can be carried out internally within the relevant organization or by law enforcement agencies and other external actors such as, anti-corruption agencies, police or prosecutors. The consequences of an investigation could include undertaking enforcement measures (e.g. sanctions, criminal charges, disciplinary processes) or remedial/preventive measures (e.g. compensation or reforms that aim to reduce the likelihood of future corruption). Such measures, however, are beyond the scope of this Module. Prevention and enforcement measures in the public and private sectors are discussed, respectively in [Module 4](#) and [Module 5](#) of the E4J University Module Series on Anti-Corruption. A comprehensive overview of different national approaches to preventing and fighting corruption is provided in Module 13 of the E4J University Module Series on Anti-Corruption.

In addition to focusing on methods such as auditing and reporting, any discussion on detecting corruption should address a key factor that facilitates detection: transparency. While not itself a detection method, transparency facilitates efforts by responsible authorities to detect corruption as they might use data released by transparency measures to establish the existence of corruption. Thus, the Module starts by discussing the importance of transparency and measures for promoting transparency. The Module next explores the methods and mechanisms of detecting and reporting on corruption, paying special attention to whistle-blower systems and protections. Finally, the Module outlines how detected corruption is investigated and describes the different phases of the investigation process and the actors involved.

➤ Transparency as a precondition

There is a general consensus that transparency – a situation in which information about a decision-making process is made publicly available and can easily be verified both in terms of the rules and the identities of the decision-makers – increases the probability of detection of corruption. Furthermore, transparency allows detection (and reduces the likelihood of corrupt behaviour) because it lowers the information barrier, allowing for scrutiny and monitoring. Transparency also deters corruption by increasing the chances of getting caught. According to the Asian Development Bank (ADB) and the Organisation for Economic Co-operation and Development (OECD) (2014), transparency is vital to cultivate public trust in government and to deter, prevent and detect corruption effectively. For example, transparency facilitates public involvement by increasing the opportunities for citizens to influence government spending, policies and decision-making. The promotion of transparency as one of the most important policy tools against corruption is echoed in Jeremy Bentham's classic affirmation of the power of the public eye:

The greater the number of temptations to which the exercise of political power is exposed, the more necessary is it to give those who possess it, the most powerful reasons for resisting them. But there is no reason more constant and more universal than the superintendence of the public (Bentham, 1816/1999, p. 29).

Transparency is thus associated with the right of the public to know about governmental processes and actions, a norm of both anti-corruption and human rights law. In this vein, UNCAC emphasizes transparency as key for fighting corruption. In particular, its article 10 provides:

Taking into account the need to combat corruption, each State Party shall, in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to enhance transparency in its public administration, including with regard to its organization, functioning and decision-making processes, where appropriate.

Article 10 goes on to list examples of transparency measures that governments can take, including: 1) establishing procedures by which citizens can obtain information about the public administration; 2) simplifying public access to the authorities; 3) publishing information, including on risks of corruption in the public administration. Some of these measures are discussed below.

➤ Transparency-promoting institutions in Pakistan

There are a few state institutions of Pakistan that have been established with the purpose of improving transparency in government procedures and ensuring accountability in case of misuse of authority. The National Accountability Bureau (NAB) is the apex body that deals with the cases of corruption. Any concerned citizen can lodge a complaint against a public office bearer, be it political representative or bureaucratic official, suspected of acting in excess of his authority or misusing powers entrusted to him to illegally benefit himself or someone else.

The Federal Investigation Agency (FIA) is another organization that has the authority to investigate cases that fall in the ambit of the [Prevention of Corruption Act, 1947](#).

Besides these institutions, the parliament also has wide-ranging accountability powers. The Public Accounts Committee is one of the standing committees of the parliament that has membership from both the government as well as the opposition and is typically chaired by the leader of the opposition to maintain an effective check on the government's exercise of fiscal powers. Similarly, the judicial branch has its own accountability mechanism with the Supreme Judicial Council investigating accusations of misconduct against judges.

The Election Commission of Pakistan also has the authority to investigate corruption allegations against elected representatives or candidates for election to the national or state legislatures or local bodies. The State Bank of Pakistan, the [Federal Board of Revenue \(FBR\)](#), the [Competition Commission of Pakistan \(CCP\)](#), and the [Securities and Exchange Commission of Pakistan \(SECP\)](#) are regulatory institutions set up to safeguard fair practices relating to economic governance.

The institution of the [Wafaqi Mohtasib](#) (Federal Ombudsperson) was also set up, under a presidential order in 1983, as an accountability mechanism to strengthen public trust in governance. The presidential order was later amended by the [Federal Ombudsman Institutional Reforms Act of 2013](#). There are autonomous ombudsman institutions at the federal and provincial levels, dealing with a variety of subjects, such as, workplace harassment, taxation, insurance etc. ombudspersons have been empowered to call forth information from any source, as well as, to enforce the implementation of their decisions through state machinery.

➤ Access to information requests

Article 13 (1) (b) of UNCAC requires State parties to promote the active participation of citizens and civil society organizations in the fight against corruption, including through measures that ensure the public access to information. Procedures that enable the public to obtain information about the public administration are considered a major transparency measure that facilitates the exposure of corruption. Such procedures are often regulated by access to information laws (often called freedom of information), which not only establish the process for accessing information but also grant citizens the right to request and receive information from their governments and other public entities. As such, access to information laws have been considered important for combating corruption (Costa, 2013). Banisar (2006, p. 6) argues that such laws allow “individuals and groups to protect their rights” and help guard “against abuses, mismanagement and corruption”. These laws keep citizens informed about the actions and decisions of their governments. In many contexts, access to information laws directly increase transparency and thereby improve accountability systems (Kelmor, 2016). Numerous countries around the world have adopted access to information laws. For a list of countries with access to information laws, see the 2006 [Freedom of Information around the World Report](#) produced by Privacy International (Banisar, 2006). For a further discussion on access to information laws, see [Module 10](#) of the E4J University Module Series on Anti-Corruption. In Pakistan, there is the ‘Right to Access to Information Act, 2017’ and Transparency and Right to Information Acts at the provincial level. Information Commissions, as per law, have to be set up at the federal and provincial levels so that applicants can appeal if the concerned government agency is not obliging their requests.

➤ E-government and open data

Proactive publishing of information by the government and simplifying administrative procedures are additional ways of promoting transparency that go beyond the traditional access to information practices. Measures in this regard are encouraged by regional policies such as the [European e-Government Action Plan 2016–2020](#) as well as intergovernmental initiatives, including the [Open Data Charter](#), [Open Government Partnership](#) and [Open Data for Development \(OD4D\)](#). These initiatives encourage governments to provide the public with open and accessible data on government and political processes. These approaches are often operationalized through e-government systems that use the internet to provide public services and information and simplifying and increasing public access to administrative procedures. They endorse the principle that citizens should have direct access to information such as public budgets and the way governments spend taxpayers’ money, public service provision and electoral competition and results, to name a few. When such information is public, citizens, journalists, academics and supervisory agencies can screen it for corrupt or suspicious behaviour. This, in turn, facilitates the detection of malfeasance and bureaucratic inefficiency, and deters illicit practices that might transpire in secret. An example of how OD4D is used by individual countries is the [Afla MD website \(n.d.\)](#), based in Moldova. The website outlines planned expenditures for all schools in Moldova, increasing transparency in public education spending and allowing citizens and non-governmental institutions (NGOs) to better understand and study the public spending in schools and educational resources by the Ministry of Education of Moldova. More information on education and corruption, can be found in [Module 9](#) of the E4J University Module Series on Anti-Corruption.

Similarly, to access to information laws, proactive sharing of data by public institutions facilitates the detection of corruption. In Ukraine, for example, an online and open data system called [ProZorro](#) was launched in 2015 to ensure that documents and information related to public procurement would be easily accessible to civil society. In fact, numerous countries have put in place a legal requirement to publish open data on the tendering process in public procurement. Such efforts to provide open information platforms are critical to preventing opportunities for corruption.

Furthermore, many countries including Pakistan have laws that require public officials to declare their assets and interests. These declaration systems serve two roles. First, they promote transparency and pro-actively identify conflicts of interest. Second, they facilitate detection of corruption when followed by administrative investigation. For more information on how asset declarations can be used as an anti-corruption tool, see Kotlyar and Pop (2016).

Overall, making information easily available on topics such as tendering processes and public spending encourages journalists and researchers to scrutinize data in sectors that are often vulnerable to corruption such as the police, defence, education or healthcare sectors. It should be noted, however, that although transparency is critical for exposing and discouraging corruption, transparency alone is not enough to reduce corruption sustainably. To ensure that transparency alleviates corruption, information must not only reach and be received by the public, but the public must act upon obtaining the information to affect the behaviour of potentially corrupt agents. Such actions may include, for example, reporting to the relevant authorities, organizing protests or punishing corrupt politicians by not voting for them in the next elections. Therefore, “reforms focusing on increasing transparency should be accompanied by measures for strengthening people’s capacity to act upon the available information” (Lindstedt and Naurin, 2010).

> Detection mechanisms: auditing and reporting

Corruption can be detected through a variety of methods, the most common of which are audits (internal and external) and reports (by citizens, journalists, whistle-blowers and self-reporting). The strengths and weaknesses of these methods are discussed in the following paragraphs. Where relevant, consideration is given to the use of modern technology in detecting corruption, including blockchain technology, smartphone applications and open data web platforms. Given the importance of whistle-blowing, a subsequent segment is dedicated to approaches that encourage such reporting. There are other methods for detecting corruption, such as asset and interest declarations and sample surveys; however, given its introductory nature, this Module focuses on the core methods of auditing and reporting.

Audits: traditional and blockchain

An important method used to detect corruption, in both public and private sector organizations, is the auditing process. A simple definition of an audit, provided by the [Merriam-Webster dictionary](#), is “a formal investigation of an organization’s or individual’s accounts or financial situation”, as well as, “a methodical examination and review”. Audits can be internal, meaning that they are conducted by the organization itself, or external, which means they are conducted by another outside independent entity.

Internal and external audits have different purposes. Internal audits review items such as the effectiveness of an organization’s safeguards against fraud and corruption, whereas external audits often focus on an organization’s financial statements and whether that organization has followed all relevant laws and regulations. Internal audits offer the management of an organization a snapshot of how policies and procedures are functioning, while external audits give a broader view and are often public. Audits are an example of integrity management mechanisms, which are discussed in more detail in [Module 11](#) and [Module 13](#) of the E4J University Module Series on Integrity and Ethics in connection with the private and public sectors, respectively.

Both internal and external audits can play a substantial role in detecting corruption (Jeppesen, 2018). In South Africa, for example, auditors are legally required to report any suspicious activity (UNODC, 2015). In many countries, the role of an external auditor of public institutions is assigned to specialized governmental body such as supreme audit institution or national audit office. Such specialized bodies have an important role in controlling public expenditure and ensuring accountability in the public sector. Therefore, they should be granted independence to effectively perform their oversight functions. One of the oldest examples of such oversight bodies is the Spanish General Comptroller of the State Administration (IGAE), which was established in 1874. IGAE is responsible for conducting monitoring, financial control and audits of the Spanish public sector’s economic and financial activities. IGAE ensures that all public spending complies with the principles of legality, efficiency and effectiveness. It also guarantees the transparency of the public expenditures as it provides publicly available accounting information. In Brazil, for example, the Federal Government established the Controladoria Geral da União (CGU), or the Office of the Comptroller-General, in 2003. Not long after its creation, the CGU established a programme to address corruption in municipal governments through random audits. The municipalities to be audited are chosen at random through a public lottery.

The CGU gathers information on federal funds received by the selected municipality and then issues randomized audit orders for various projects where those funds have been used. A study by Avis, Ferraz and Finan (2018) found that corruption was eight per cent lower in those municipalities in Brazil that had been subject to an audit in the past.

The institution of the Auditor General of Pakistan has been established through the constitutional mandate enunciated in Article 168 of the Constitution of Pakistan. The Auditor General has a key role to play in ensuring accountability and transparency in all financial functions of the government. In an interview to the Accounting and Business magazine (international edition), ACCA Global, given in June 2019, the Auditor General of Pakistan, Mr. Javaid Jahangir described his organization's role in auditing 47,000 public entities, as follows:

"The auditor general of Pakistan has a vital role to play in the overall financial management of the country. Through his feedback to the legislature, {the auditor general} informs the public at large how their funds are being spent and whether government functionaries are delivering the right type of services and goods to the public. We have a risk-based approach to our work, so we audit the high-risk entities regularly. We try to complete our cycle of covering all entities over a period of five or six years."

SECP is the regulatory body for all public and private sector companies and under the Companies Act of 2017, all companies except private limited companies who's paid up capital does not exceed rupees one million must have their audits conducted annually and submit audit reports to the SECP. The latter are still required to submit their annual financial statements to the SECP. The auditing standards are issued by the Institute of Chartered Accountants of Pakistan (ICAP).

The detection of corruption through auditing has the potential to be even more effective with the development of new technologies. One such possibility is using blockchain technology. The blockchain is essentially a digital ledger made up of records called blocks. Each block has information regarding a transaction and has a time-stamp that cannot be modified. Currently, most companies and governments have their own systems of documenting transactions and they provide this information to auditors. However, with the blockchain, information is stored in a decentralized manner and auditors would not have to spend so much time externally confirming records. [This article](#) and [this PowerPoint presentation](#) explain the use of the blockchain. This technology is leading to new, online continuous auditing, which should also aid in corruption detection and enforcement. In 2018, the Switzerland based company Auditchain has produced a [White Paper](#) detailing how such a system can be implemented. While regular audits are "backward-looking", a blockchain protocol becomes a continuous audit in real time and with a reliability far exceeding a traditional audit.

It should be noted, however, that even well-written policies and audit systems can fail when faced with organization-wide corruption. The Siemens corruption scandal is one such example. In this case, Siemens appeared to do business according to the highest ethical and legal standards. The corporation had several anti-corruption norms and codes of conduct which had been in place since 1991 (Vernard, 2018). Yet, in 2006, after a police investigation, it was discovered that the Siemens corporation had used bribes and corruption for business gain.

In 2008, the Siemens corporation pleaded guilty to committing bribery and other corrupt practices in foreign business dealings and paid [1.6 billion](#) to American and European authorities as part of a settlement agreement (Lichblau and Dougherty, 2008). Significant reforms in Siemens followed this corruption case. An outsider, who was chosen as the new Chief Executive Officer of Siemens, restructured many aspects of the business, including its organizational structure and culture. More information about the lessons learned from the Siemens case is available in [this news report](#).

Self-reporting

Another mechanism of detecting corruption is self-reporting. Some States have laws and incentives that encourage individuals to report on corruption in which they played a role. This process, known as self-reporting, is often associated with private sector entities, but is applicable to corruption in any organization. Punishment for corruption can be severe, and therefore penalty mitigation is a common incentive to encourage self-reporting. It is noted in this regard that article 37 of UNCAC requires States to encourage corruption offenders to self-report, including by offering penalty mitigation and even immunity in certain cases. Article 39 encourages the private sector to report on corruption and to cooperate with the authorities on investigating corruption. Additional discussions about self-reporting in private sector can be found in UNODC's ["An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide"](#), as well as this [B20 paper](#) (chapter 5) and this [WEF report](#) (part 1).

One of the challenges of addressing corruption through self-reporting is finding the balance between the investigative benefits that arise from cooperation and the prosecution of persons committing corrupt acts. While there is no general legal duty to disclose corrupt activities in many countries, specific legislation in areas such as securities and corporate law may require self-reporting. The United States Foreign Corrupt Practice (FCPA) Act, penalizing companies, registered in the US, for their activities abroad, creates a violation for failure to self-report corrupt acts involving financial books and records. In fact, many countries have provisions for penalty mitigation as an incentive to self-report. In the United Kingdom, self-reporting may obviate criminal prosecution and limit penalties for civil fines. In the United States, prosecutors are regularly more lenient in their charging and sentencing recommendations if defendants have self-reported. In Australia, cooperation with law enforcement is also a factor in the imposition of a more lenient sentence. In China, there is an express provision "for reduction or exemption of the applicable sanction in the event that a person voluntarily discloses conduct that may constitute bribery" of a foreign public official, and more generally with domestic bribery (Turnill and others, 2012).

Citizen reporting

Members of the public are often the first ones to witness or experience corruption, particularly in the area of public services. To help expose corruption, members of the public can be instrumental in reporting on corruption through standard crime-reporting channels at the national or municipal level, such as the police. To encourage citizen reports on corruption, many governments have developed more direct ways for the public to report corruption. For example, specialized anti-corruption bodies can establish dedicated reporting channels for corruption offences. Governments are required by article 13 of UNCAC to inform the public about such anti-corruption bodies and how to report corrupt acts, including anonymously. Information about anti-corruption bodies around the world, organized by countries, is available on the [UNODC website](#).

In addition to specialized anti-corruption bodies, new technologies are increasingly playing an instrumental role in facilitating citizen reporting. For example, in many countries, websites and smartphone applications enable citizens to report incidents of corruption easily. Perhaps the most popular example is [I Paid A Bribe](#) in India, which has registered more than 187,000 single reports by citizens and over 15 million visitors as of August 2019. Its interactive map allows the website's visitors to monitor in which cities and sectors in India corruption occur the most as well as the amounts of bribes paid. A similar mobile phone scorecard programme was developed in the Quang Tri province in Vietnam. This allows citizens to score the performance of the administration of public services and to report on whether they had been asked to pay a bribe. New data are released each quarter and local media regularly discuss the results. Within a little over a year, reports of bribery had significantly decreased. For more information, see the case study [Vietnam: the M-Score](#). In Papua New Guinea, a programme called [Phones Against Corruption](#) was introduced in 2014 within the Finance Ministry. The programme allowed members of the public to report corruption anonymously via text messages. For a further discussion of citizen reporting, including through resorting to anti-corruption agencies and by using technology, see [Module 10](#) of the E4J University Module Series on Anti-Corruption. To learn more about anti-corruption agencies, see Module 13 of the E4J University Module Series on Anti-Corruption. The ways in which anti-corruption bodies, the police and private organizations should handle citizen reports of corruption are discussed below.

In Pakistan, '[Pakistan Citizen's Portal](#)' was recently introduced for citizen reporting. The portal is available to citizens in the form of a cell phone app. The portal can also be used to send complaints and suggestions to the Prime Minister Office directly; however, other means of communication may also be used for filing complaints, such as, telephone calls, letters or emails. The office will oversee the process of addressing the public complaints and implementation on recommendations. There is also the [FIA Cyber Crimes Complaint Cell](#) in which complaints may be lodged related to the internet and social media.

Every citizen is eligible to approach NAB with the complaint and evidence against corruption, default on payment of utility dues, etc. Under its Recovery and Reward Rules, NAB may also reward reporting citizens with a share of the amount recovered as a result of the information received (Dawn, 2013).

Journalism and media reporting

Journalism and the media play a key role in reporting, exposing and curbing corruption. Reporting on corruption is "making a valuable contribution to the betterment of society" and investigative journalism in particular "holds the potential to function as the eyes and ears of citizens" (UNODC, 2014, pp. 2, 6). Media reporting can be a means of corruption detection that prompts organizations and law enforcement agencies to conduct investigations (or further investigations) into allegations of corruption. Reports of corruption in the media can also be used to gather more information about and evaluate instances where corruption has been detected and requires further investigation. One highly publicised example is the [Mossack Fonseca Papers](#) case, which is commonly referred to as the Panama Papers (this case is further discussed in [Module 10](#) of the E4J University Module Series on Anti-Corruption).

The Mossack Fonseca Papers case, which was exposed in 2016, took the world by surprise and opened a new Pandora's box with far-reaching ramifications. The Panama Papers, as they came to be known in Pakistan, led to the dismissal of the then Prime Minister, Nawaz Sharif (Specia, 2017). Certainly, such unprecedented access to erstwhile classified information has opened a new avenue for combatting ubiquitous prevalence of corruption within this society. Pakistan has also seen the investigation or trial of other famous alleged corruption cases, such as those against the OMNI Group (Jawad & Dada, 2018) and Khanani & Kalia International (Siddiqui, 2013), Pakistan Forex scam, sugar scandal (Raza, 2020), wheat scandal (The Express Tribune, 2020), Ephedrine drugs scandal, IPPs scandal, Quaid-Azam Solar Park scandal, various loan write-off or defaults scandals etc. and also its dissemination on electronic media and social media. Circulation of corruption related cases on the social media is effectively disclosing financial wrongdoings, whether real or alleged, in the public and private sectors. However, unbiased and incontrovertible exposure of corruption and those responsible for it, is only possible through real investigative reporting by journalists.

For media reporting and journalism to play an effective role in corruption detection, the media have to be free, independent and responsible. Access to information laws are useful tools that journalists and the media can use to assist in detecting corruption. Moreover, there must be legislative frameworks in place to protect journalists and their sources from unfounded lawsuits, recrimination and victimization. On the extreme end of the scale, journalists have been killed for their role in exposing corruption (OECD, 2018; see also TI's [campaign to protect journalists](#)). Media reporting on corruption can only have an impact if the public trusts the media and the work it produces. Therefore, if the media is to play a role in exposing corruption and informing society, it should also take measures to ensure that the reports are done in accordance with high professional and ethical standards. Such measures may include establishing codes of conduct for journalists or creating independent self-regulatory body for the media sector. For a detailed discussion of safe and responsible reporting on corruption by the media see UNODC's 2014 publication [Reporting on Corruption: A Resource Tool for Governments and Journalists](#). These and related issues are also discussed in [Module 10](#) of the E4J University Module Series on Anti-Corruption and in [Module 10](#) of the E4J University Module Series on Integrity and Ethics.

Whistle-blowing

Given that corruption can benefit the individuals directly involved, and there is a variety of means to cover up corruption within organizations, some corruption cases can only be detected if someone on the inside reports it. This kind of reporting activity is frequently called "whistle-blowing", because the reporting person sends out an alert about the activity, in the hope that it will be halted by the authorities. Usually, the whistle-blower reports the act to an appropriate internal manager, executive or board member. Some entities have established protocols for reporting. If that proves unsuccessful, whistle-blowers might raise the issue with external regulatory or law enforcement agencies or may choose to expose the matter publicly by contacting the media.

To date, the most commonly used academic definition for whistle-blowing is from Near and Miceli (1985) who define whistle-blowing as the "disclosure by organisation members (former or current) of illegal, immoral or illegitimate practices under the control of their employers to persons or organisations who may effect action". At the same time, a review of relevant legislation from around the world ([see here](#) for a recent overview) reveals that whistle-blowing is defined differently across jurisdictions. Indeed, the term whistle-blowing is not easy to translate into other languages (a provisional list of terms in other languages can be [found here](#)).

For this reason, UNCAC uses the term “reporting persons” instead. It should be noted that whistle-blowing is not limited to reporting on corruption, but covers reporting on a variety of misconduct, illegal acts, harassment, wrongdoing, and risks to persons’ lives, health and environment. With ever more countries starting to adopt whistle-blower protection legislation, the international debate about good practices and standards is increasing. In this regard, in 2019, the G20 adopted [High-Level Principles for the Effective Protection of Whistleblowers](#). For a discussion of different approaches to protecting reporting persons see [Resource Guide on Good Practices in the Protection of Reporting Persons](#) (UNODC, 2015).

Whistle-blowing versus leaking

Besides the lack of an agreed-upon definition of whistle-blowers, there is also confusion about how to distinguish the notion of whistle-blower from other terms. In English, for example, there is confusion about what the distinction is between a whistle-blower and a “leaker” (Savage, 2018). While “leaker” is not a legal term, it has been widely used by the media. Notably, some well-known cases have been described both as leaking and whistle-blowing. Examples include: Chelsea Manning’s disclosure of documents to Wikileaks, Rui Pinto’s Football Leaks, and the Mossack Fonseca Papers. The best way to consider and discuss the difference is through the following continua:

- **Is there an identified harm to society?** Whistle-blowing is used in cases where the person making the report articulates a particular concern about harm to society and might provide some evidence, whereas leaking refers to cases in which people make unauthorized disclosures of documents without articulating a particular concern about harm.
- **Is the identity of the reporting person known to anyone?** What is referred to as a case of leaking can become whistle-blowing when the identity of the reporting person is known. For example, [Football Leaks](#) started to be discussed as whistle-blowing when it became public who was disclosing the documents.
- **Is the reporting authorized?** As more countries develop legislation on the protection of whistle-blowers, reporting to regulatory agencies or media becomes authorized under certain conditions. Reports that follow such authorized procedures are called whistle-blowing, whereas reporting that does not follow authorized procedures is called leaking. For example, in the United States, a whistle-blower is someone who has certain legal protections because he or she has reported to the appropriate federal or state authorities, whereas a leaker is someone who shares information with a person or organization not authorized to receive it. While some leakers may eventually benefit from legal protection, this is not guaranteed at the time of the report. Leakers can be prosecuted or sued in civil courts for violating a secrecy act or non-disclosure agreements, or for inflicting harm.

The following part continues the discussion on whistle-blowing, with an emphasis on a few significant areas of contemporary scholarly and practical debates, including the motivations and importance of whistle-blowing and whistle-blower protections.

> Whistle-blowing systems and protections

The need for effective whistle-blowing systems

The value of whistle-blowing cannot be overstated. A study from Australia showed that employee whistle-blowing was “the single most important way in which wrongdoing was brought to light in public sector organizations” (UNODC, 2015). There is accordingly no doubt that more needs to be done by legislators as well as public and private entities to encourage whistle-blowing and related reports of corruption; to handle reports of alleged corruption, wrongdoing and undue risks in a sound manner; and to provide appropriate levels of protection for whistle-blowers. Vanderkerckhove and others (2016, p. 4) suggest that whistle-blowing systems can be more successful if they provide a combination of reporting channels (e.g. directly to specific trusted persons, via a telephone hotline, or through an online channel); if the authorities make a point of communicating with whistle-blowers throughout the investigation process to maintain trust (a failure to be responsive may give rise to a perception that the wrongdoing is being covered up or that the investigation is not serious); and if information from reports is connected with information from other sources (such as surveys and audits).

Methods and channels for whistle-blowing

As insiders to an organization, whistle-blowers have specific knowledge, access and expertise which allow them to detect corruption or other matters of concern that might otherwise remain hidden. However, they are often in a difficult situation owing to their possible loyalty to colleagues and supervisors, contractual confidentiality obligations, and the risk of retaliation. A distinction can be made between open, confidential and anonymous forms of reporting (UNODC, 2015, p. 48):

- **Open reporting:** Where individuals openly report or disclose information, or state that they do not endeavour to ensure or require their identity to be kept secret.
- **Confidential reporting:** Where the name and identity of the individual who disclosed information is known by the recipient, but will not be disclosed without the individual’s consent, unless required by law.
- **Anonymous reporting:** Where a report or information is received, but no one knows the source.

In addition to these different forms of reporting, there are also different channels through which to report. The three main reporting channels are: 1) internal reporting; 2) external reporting to a regulator, law enforcement agency or other specific authority (see this Korean example); and 3) external reporting to the media or another public platform (such as in the [Mossack Fonseca Papers](#) case). Alternative reporting channels should, in principle, be available to any person working in a public or private organization, although there may be some sectors such as security forces that require specialized processes. Some countries have special provisions for reporting to a Minister or specially appointed legal advisor. Technology has also promoted web-based whistle-blowing channels. Some of these allow for two-way anonymous and encrypted communication between a whistle-blower and the recipient of the report.

Whistle-blower protection

Different jurisdictions define whistle-blowing differently. One clear distinction is the eligibility criteria for protection. For example, some countries, such as Argentina, Bosnia and Herzegovina and the United States, provide protection regardless of whether the reporting person is a public or private sector employee, while other countries have more limited scopes of protection. Some countries protect only formal employees while others also include contractors, consultants and volunteers.

Whistle-blower protection is crucial for the success of anti-corruption detection and enforcement and should be a key aspect of any whistle-blowing system. Owing to the substantial benefits to the parties involved in corruption, and the serious threat of criminal and other punishments to which these parties are exposed, persons who report these corrupt activities can put themselves, family members and colleagues at risk. Instead of admitting to corruption and mending their ways, persons implicated in corruption can choose to attack or retaliate.

A study of the experience of 72 external Korean whistle-blowers of workplace bullying, including a review of relevant literature, found frequent and significant bullying by supervisors and colleagues in the workplace and the creation of hostile work environments (Park, Bjørkelo and Blenkinsopp, 2018). The researchers drew two interesting conclusions from their study: first, “bullying by superiors had a close link to bullying by colleagues” and, second, “colleagues’ understanding of the whistle-blower’s reasons for acting had a significant effect on lowering the frequency of bullying by colleagues”. Female whistle-blowers might also suffer more retaliation than male whistle-blowers do. A 2008 study on a United States Air Force Base with 9,900 employees, of which 238 were identified as whistle-blowers, found that more women reported poor performance reviews, verbal harassment, intimidation, and tighter daily activity scrutiny after whistle-blowing than similarly situated male colleagues (Rehg and others, 2008). Even if women had obtained a level of power or authority, this did not protect them from retaliation. While this study was conducted in a very particular, male-dominated context, and the results have not been replicated in other sectors, it provides interesting food for thought regarding how gender might play a role in the treatment of whistle-blowers and retaliation. For a discussion on the corruption-gender nexus, see [Module 8](#) of the E4J University Module Series on Anti-Corruption and for a discussion on gender and ethics more generally, see [Module 9](#) of the E4J University Module Series on Integrity and Ethics.

There are many other examples, including those of individuals who do not have the resources to survive without income or the ability to change jobs or careers. Retaliation against whistle-blowers is a serious threat to effective anti-corruption programmes, and it harms individuals and their livelihoods. In certain cases, such as when whistle-blowers are unjustifiably dismissed or discriminated against on the basis of gender or sexual orientation, retaliation can amount to a violation of human rights. Hence, a vital component of any plan to handle corruption reports is developing a protocol for maintaining confidentiality and protecting the people who report corruption. For more on the relationship of anti-corruption and human rights, see [Module 7](#) of the E4J University Module Series on Anti-Corruption. Consider also the related discussion in Module 10 on barriers to citizen participation in anti-corruption efforts.

Retaliation against whistle-blowers can happen regardless of the channels they use to report on corruption, and so the relevant organization should provide protection. However, there are certain cases where providing protection is controversial. For example, reporting to the media as the first resort does not give the organization a chance to correct the problem and can, therefore, be problematic for the organization concerned. Therefore, organizations may not wish to provide protection in such circumstances and this may encourage such external reporting. Furthermore, protection for reporting to the media is usually provided only when specific legal requirements are fulfilled. Such legal requirements differ in different countries, and could depend upon: the seriousness of the reported matter; reporting according to certain requirements; and having previously made an internal report or a report to a regulator (see, e.g., section 10 of the Protected Disclosure Act 2014 of Ireland; section 43 of the Public Interest Disclosure Act of the United Kingdom; article 19 of the Law on the Protection of Whistleblowers Act No. 128/2014 of Serbia). If the disclosure or subsequent retaliation are brought before a court, the court will have to assess the matter on a case-by-case basis and balance the rights and interests of the different parties. International human rights standards, such as those enshrined in article 19 of the Universal Declaration of Human Rights (UDHR) and article 10 of the European Convention on Human Rights (ECHR), as well as the public interest will play a role. For a discussion on the jurisprudence of the European Court on Human Rights regarding article 10 of the ECHR and whistle-blowing see Nad (2018).

In Pakistan, the [Khyber Pakhtunkhwa Whistleblower Protection and Vigilance Commission Act, 2016](#) provides protection to whistle blowers. A similar law, [Whistleblower Protection and Vigilance Commission Ordinance, 2019](#), has been approved by the National Assembly for enforcement at the federal level. Moreover, protection of witnesses is guaranteed under NAB Ordinance, section 31-E. The existence of the above whistleblower laws and the NAB Ordinance should promote whistleblowing, but due to prevailing workplace culture, and social constraints whistleblowing is rare in Pakistan.

Secondly, whistle-blowing in corruption cases sometimes results in severe negative repercussions and consequences for the whistle-blower. The whistle-blower may become persona non grata once he comes forward with information against his own organization and may find it difficult to find employment afterward. Such instances discourage people from speaking out against corruption. This is one reason why even well-written laws of accountability can become difficult to implement in reality.

In a recent example, a whistle-blower acting out of concern for proper utilization of government resources pointed out the discrepancy between existing laws and their practical implementation in the case of a government department which had a twofold leadership structure in contravention of the departmental rules of business. The writ petition filed before the Honourable Lahore High Court also mentioned misuse of funds on the part of concerned officials (2019 PLC {C.S.} 1). As claimed in the petitioner's statement before the court, he had to suffer both social, as well as, professional setbacks as a result of his act of whistle-blowing.

Financial incentives

Another contentious issue, which goes beyond whistle-blowers protection, is whether or not whistle-blowers should receive a financial reward. Financial incentives are used in the United States and South Korea, while many European countries refrain from such a practice. One example is [Bradley Birkenfeld](#), the first international banker to report illegal offshore accounts held in Switzerland by United States citizens. His disclosures resulted in recoveries of \$780 million in civil fines and penalties paid by UBS, and over \$5 billion in collections from United States taxpayers. The Swiss Government was also “forced to change its tax treaty with the United States in order to turn over the names of more than 4,900 American taxpayers who held illegal offshore accounts” (National Whistleblower Center, n.y.). Mr Birkenfeld received a reward of \$104 million. This financial incentive may have led to the revelation of widespread illegal activity, but this flurry of reports triggered questions about the propriety of paying for information. The pros and cons of financial incentives should be evaluated based on the circumstances of each jurisdiction. This provision of financial reward has also been included in section 33-A of the NAB Ordinance and section 13 of the Whistleblower Protection and Vigilance Commission Act, 2019.

The (ir)relevance of motivation

The motivations of whistle-blowers make for an interesting discussion. Whistle-blowers are often maligned and attacked as disgruntled employees, persons with a grudge against the company or opportunists seeking some personal monetary reward or fame. However, studies show that most whistle-blowers have motives such as integrity, altruism, care for public safety, justice and self-preservation (Kesselheim, Studdert and Mello, 2010). In any event, given the importance of whistle-blowing, should the motivation for reporting make a difference? Should it matter whether an employee who reports on a corrupt supervisor is content or disgruntled? Does it matter if the employee gets along with the supervisor or not? It seems that the focus should first and foremost be on the reported matter, and not on the nature or motives of the whistle-blower. Indeed, this approach has been adopted in several jurisdictions, with Ireland being the first country to recognize the irrelevance of the motivation for whistle-blowing in its law (section 5, subsection 7 of the Protected Disclosure Act, 2014, of Ireland). For more information on the importance as well as the motivations of whistle-blowers, consider the Ted Talk [How whistle-blowers shape history](#) by Kelly Richmond Pope and the documentary [Whistleblowers](#) by Brave New Films. See also [this survey](#) of the University of Greenwich.

> Investigation of corruption

Handling of reports as a precondition for successful investigations

Once a report on corruption is submitted (by whistle-blowers, citizens, companies or journalists), handling it properly is vital for the effective combating of corruption. This is true regardless of whether reported corruption ultimately leads to criminal sanctions or is addressed internally. How agencies handle incoming reports of corruption is crucial because it affects the immediate case, and establishes impressions about whether complaints are taken seriously, thereby determining if others will come forward in the future. When people make the decision to report on corruption, they want to be sure that their report will be taken seriously and that filing the report will not risk their safety or the safety of their families or colleagues. In particular, they want to be certain that action will be taken where warranted. For example, UNODC (2017, p. 17) found that in Nigeria, among incidents of bribery reported by citizens, more than one third were not followed up (33.7 per cent) and only 17.6 per cent of the reported cases led to the initiation of a formal procedure against the public official concerned. According to people who have been asked to pay bribes in the country, the main reason for not reporting to the authorities was the perception that the reports would remain unaddressed (UNODC, 2017).

As part of the larger agenda to combat corruption, it is important that the responsible authorities, both internal and external to organizations, develop clear and transparent systems to receive and handle reports of corruption. Without these systems, the process of investigating corruption will be haphazard at best. When assessing or creating such systems, there are several considerations.

First, any system for handling reports, whether in the public or private sector, should meet certain standards of quality and fairness. After all, organizations have a duty of care towards the people who engage with them.

Second, organizations and governments should provide information to the public on what can be reported, to whom, how it should be reported, and what happens with the reports afterwards. The correct entity to which cases of corruption may be reported will vary in different countries and contexts. Reports of corruption within an organization, for example, should usually first be made to a supervisor or company ethics officer, while reports of corruption within civil society might be addressed directly to the police or the appropriate anti-corruption commission. Guidance in this regard should be provided to employees as potential whistle-blowers and to organizations as potential recipients of reports of corruption. In Australia, for example, the Office of the Commonwealth Ombudsman's Agency produced the [Guide to the Public Interest Disclosure Act 2013](#), which explains how organizations should handle incoming concerns.

Third, there should be clear procedures about when reports can be handled internally by the organizations and when they must be investigated by an external body such as an anti-corruption agency or the police. For each reported incident of alleged corruption, an organization should be able to set out clear reasons why they did or did not decide to open an investigation. Limitations on resources, personnel and time mean that not all reports of corruption can be investigated, but without a protocol on how to determine which reports merit an investigation, organizations and States risk the arbitrary selection of cases to pursue or, worse, the selection of cases most advantageous to themselves. If an organization or government behaves arbitrarily or is self-serving in its investigation of corruption, both employees and the public will lose trust and the system will degrade.

Finally, organizations must find ways to prevent corruption in the handling of complaints regarding corruption. Corruption among those responsible for receiving reports can suppress important information, discourage detection mechanisms and damage anti-corruption efforts (Stapenhurst and Kpundeh, 1999, p. 8).

While there are different methods of handling reports of corruption, often dictated by internal regulations or national laws, a good standard is offered by the International Organization for Standardization (ISO). ISO 37001 (anti-bribery management system) specifies a series of measures to help organizations prevent, detect and address bribery, including establishing reporting and investigation procedures.

Investigation purpose and principles

Once allegations of corruption have been brought to the attention of the appropriate entity, it is crucial that a thorough and fair investigation is conducted. Depending on the act of corruption that is exposed, investigations can be handled either internally by an organization (disciplinary) or externally (through regulatory or criminal procedures). The purpose of the investigation is to decide whether to take responsive measures, and, if so, which measures to adopt. The United Nations [Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators](#) (2004, p. 45) identifies four key responses to corruption: 1) criminal or administrative prosecutions, leading to possible imprisonment, fines, restitution orders or other punishment; 2) disciplinary actions of an administrative nature, leading to possible employment-related measures such as dismissal or demotion; 3) bringing or encouraging civil proceedings in which those directly affected (or the State) seek to recover the proceeds of corruption or ask for civil damages; and 4) remedial actions, such as the retraining of individuals or restructuring of operations in ways that reduce or eliminate opportunities for corruption (but without necessarily seeking to discipline those involved).

For each of these four responses, evidence of corruption must be gathered and evaluated through an investigation. Owing to the unique nature of corruption, investigations often require significant expertise, knowledge, experience and organizational strength (Kiyono, 2013, p. 1). Such investigations can be internal (within the organization) or external (such as a criminal investigation). Regardless of whether an investigation is conducted internally or externally, all investigations should consider how to maintain protections for the parties involved, confidentiality, and impartiality. Investigators themselves should endeavour to consider all evidence, to reach reasonable evidentiary requirements, and to protect witnesses to the extent that this is possible (UNODC, 2004, 18–19). During the 2003 Conference of International Investigators, the following 10 guidelines were determined as crucial for any investigation activity (UNODC, 2004, p. 45):

1. Investigative activity should include the collection and analysis of documents and other material; the review of assets and premises of the organization; interviews of witnesses; observations of the investigators; and the opportunity for the subjects to respond to the complaints.
2. Investigative activity and critical decisions should be documented regularly with the managers of the investigating officer.
3. Investigative activity should require the examination of all evidence, both inculpatory and exculpatory.

4. Evidence, including corroborative testimonial, and forensic and documentary evidence, should be subject to validation. To the extent possible, interviews should be conducted by two investigators.
5. Documentary evidence should be identified and filed, with the designation of origin of the document, location and date, and name of the filing investigator.
6. Evidence likely to be used for judicial or administrative hearings should be secured and custody maintained.
7. Investigative activities by the investigator should not be inconsistent with the rules and regulations of the organization, and with due consideration of the applicable laws of the State where such activities occur.
8. The investigator may utilize informants and other sources of information and may assume responsibility for reasonable expenses incurred by such informants or sources.
9. Interviews should be conducted in the language of the person being interviewed, using independent interpreters, unless otherwise agreed.
10. The investigator may seek advice on the legal, cultural and ethical norms in connection with an investigation.

These ten guidelines provide insights into the complexities of corruption investigations and the many considerations that investigators must take into account. Further, these guidelines give an indication of how long and expensive investigations can be. This is a crucial consideration in many countries where resources to fight corruption may be limited. For a more detailed discussion on the investigations process, see UNODC's [Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators](#) (UNODC, 2004, p. 45).

Internal versus external investigations

Cases of corruption in organizations and government bodies are often first discovered internally. Those working inside organizations will usually have the best access to information and knowledge that is critical for identifying cases of corruption. Thus, employees are often best suited to identify mistakes or patterns that have been overlooked and to inform supervisors. Consider the case of how the City of Dixon Comptroller Rita Crundwell was discovered stealing from the city by a co-worker (see the case as described below).

Organizations often have a desire to address internal corruption and to assist in investigations. Many organizations even have designated ethics officers to assist employees with conflict of interest or corruption cases. A useful discussion on how businesses conduct investigations is available in the UNODC publication [An Anti-Corruption Ethics and Compliance Programme for Business: Practical Guide](#) (2013, p. 41). There is, however, a large range in the ability of different organizations to conduct internal investigations of corruption. Larger organizations, for example, may have an internal department or unit whose function is investigation, but this process can be trickier in smaller organizations where everyone knows each other. In that case, it may be helpful to call in neutral outside parties to assist in the investigation process.

When an internal investigation is conducted within an organization, there is a range of sanctions that are possible – from firing or demoting someone, docking pay, or enforcing mandatory training or reporting. If there is evidence of a criminal offence, however, the organization will have to decide as to whether it will self-report the corrupt incident (see the discussion above on self-reporting). If the organization does not self-report, it can be very difficult to uncover and expose corruption, unless a whistle-blower or journalist reports on the matter, or an audit detects the problem. In principle, there could also be cases of proactive investigation by law enforcement agencies or anti-corruption bodies. The most common form of external investigation is a criminal investigation.

Criminal investigations

Criminal proceedings can only be used to fight corruption when specific corrupt acts have already been criminalized under the laws of a country. Most legal systems require a higher degree burden of evidence in criminal cases than is expected in civil cases (Abdel Salam, 2017). For example, in many legal systems, in order to convict a person of a crime, each part of the offence must be proven beyond a reasonable doubt. Thus, even if a person was ordered to pay damages following a civil case, this does not mean that enough evidence exists for that person to be criminally convicted. Criminal cases, particularly large-scale corruption cases, are very difficult to gather evidence for and often require lengthy investigations. Depending on the country and context, criminal investigations may be conducted by a range of agencies, including but not limited to: the police, specialized anti-crime commissions, royal commissions, and regulatory bodies.

In many jurisdictions, police agencies and specialized anti-crime agencies play a central role in investigating and preventing corruption. Once these agencies receive a complaint of criminal corruption, they must evaluate whether they can build a case that matches the evidentiary threshold required. If they do undertake an investigation, they must gather evidence of the offence from witnesses, records and many other sources. The police and anti-corruption commissions have considerable powers of investigation at their disposal, including seizing articles and documents, questioning witnesses, recording testimonies, etc. Throughout the investigation process, it is of the utmost importance that these agencies adhere to policies of confidentiality and any required legal procedures so that the investigation will not be compromised.

Further, in many corruption investigations, it is critical that members of the investigation team have specialized knowledge to assist in the investigation and analyse information as it is discovered. In some countries, specially trained units have been established whose focus is solely to investigate corruption offences. In other countries, specialized anti-corruption commissions exist to navigate the complex lengthy and specialized investigation process necessary for cases of corruption.

Differentiating between internal and external forms of investigations offers a useful analytical framework, but it is important to recognize that, when an individual is suspected of corruption within an organization, both internal and external processes can be, and often are, initiated simultaneously. An example of a case, with elements of both internal and criminal investigations on corruption, is the United States case of Rita Crundwell, Comptroller of Dixon, Illinois (see Carozza, 2018; and McDermott, 2012). In 2011, while Crundwell was on unpaid leave from her job as Comptroller for the City of Dixon, a fellow employee, Swanson, discovered that Crundwell had been depositing large sums of the city's money into a non-official account (Carozza, 2018).

Following a review of the accounts, Swanson took steps internally within the City of Dixon to inform her superior, the Mayor of Dixon. The Mayor in turn reviewed the evidence of corruption and decided to call the Federal Bureau of Investigations (FBI) (Carozza, 2018). At this point a criminal investigation was initiated.

The FBI subpoenaed bank records and discovered millions of dollars of illegal transactions. According to NPR Illinois, during the 20 years Crundwell worked for the city, she managed to steal roughly a third of the city's budget each year, absconding with a total of more than \$53 million (McDermott, 2012). After a lengthy investigation, the FBI compiled a criminal and civil case against Crundwell and she was sentenced to 19 years and seven months in prison (McDermott, 2012). During the federal investigation, the City of Dixon conducted its own internal process and decided to fire Crundwell (Carozza, 2018). This case is an example of how numerous internal and external processes can be set in motion during corruption investigations. As a result of this case the City of Dixon recovered \$40 million. For more on this case, see the documentary [All the Queen's Horses](#).

> Conclusion

This Module has discussed in detail the various tools and mechanisms for detecting, reporting and investigating acts of corruption. It particularly emphasized the importance of enhancing transparency through access to information laws and e-government or open data portals for the fight against corruption. Through engaging with the different examples and class exercises, students taking the Module will develop a sense of responsibility to actively fight corruption and acquire knowledge on how to detect and report on corruption in their surrounding environment.

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United Nations Office on Drugs and Crimes (UNODC) (2017). [Corruption in Nigeria – Bribery: Public Experience and Response](#). Vienna.

Vanderkerckhove, W., and others (2016). [Effective speak-up arrangements for whistle-blowers](#). The Association of Chartered Certified Accountants.

Vernard, Bertand (2018). [Lessons from the massive Siemens corruption scandal one decade later](#). The Conversation, 13 December.



Exercises

This section contains suggestions for in-class and pre-class educational exercises, while a post-class assignment for assessing student understanding of the Module is suggested in a separate section.

The exercises in this section are most appropriate for classes of up to 50 students, where students can be easily organized into small groups in which they discuss cases or conduct activities, before group representatives provide feedback to the entire class. Although it is possible to have the same small group structure in large classes comprising a few hundred students, it is more challenging, and the lecturer might wish to adapt facilitation techniques to ensure sufficient time for group discussions as well as providing feedback to the entire class. The easiest way to deal with the requirement for small group discussions in a large class is to ask students to discuss the issues with the four or five students sitting close to them. Given time limitations, not all groups will be able to provide feedback in each exercise. It is recommended that the lecturer makes random selections and tries to ensure that all groups get the opportunity to provide feedback at least once during the session. If time permits, the lecturer could facilitate a discussion in plenary after each group has provided feedback.

All exercises in this section are appropriate for both graduate and undergraduate students. However, as students' prior knowledge and exposure to these issues vary widely, decisions about appropriateness of exercises should be based on their educational and social context. The lecturer is encouraged to relate and connect each exercise to the [Key issues](#) section of the Module.

It is recommended that lecturers begin building a conducive and friendly environment at the start of class and before conducting the very first exercise. This can be done by breaking the ice in a supportive way, by respectfully examining students' starting orientations to corruption, and by demonstrating genuine interest in their perspectives. Once students come to see the lecturer as respectful, genuinely interested in their orientation to the material, and consistent in policing any snide or unsupportive comments by class members, that safe space will enable effective learning and development.

➤ Exercise 1: Class opening - “Minute Paper”

At the start of class, ask the students to write down their responses to three simple questions:

- a) Identify all the possible ways they know (internal, law enforcement/regulator and outside) that are used to detect corruption in Pakistan or internationally?
- b) Which one is the most difficult?
- c) Which one is most effective?

Ask students to briefly present and explain their answers. For a variation of this exercise, if students are having difficulty answering questions (a), the lecturer can brainstorm with students on question (a), and then ask students to write their answers to questions (b) and (c).

Lecturer guidelines

This opening exercise is designed to sensitize students to their own perceptions of corruption and their current knowledge regarding how it is detected, opening the door for class teachings to challenge student preconceptions. If time permits, the lecturer can identify students with different views on one question and have students discuss their reasoning.

➤ Exercise 2: How to report on corruption

Identify one or more instances of local corruption, and have students debate which mechanism, e.g. whistle-blower, media, internal audit, external oversight or police investigation, is possible or effective in their community for reporting corruption in those instances.

Lecturer guidelines

Have students engage in open discussion of methods of reporting corruption. Lecturers can support student discussions by noting a possible drawback, concern or complexity regarding a reporting method that students did not think of. The lecturer should encourage students to think about what challenges there might be to reporting, and how they might be overcome by systemic change. Use each example to promote further student thinking and insight by having students weigh each method's effectiveness and risk.

➤ Exercise 3: Anti-corruption blockchain brainstorm

Watch the TED [Talk Blockchain Beyond Bitcoin](#) by Valerie Hetherington (14 minutes).

Lecturer guidelines

Assign students to watch the video before or during class. Then direct students to build an anti-corruption plan, using the blockchain. For optimal engagement, impose a short period timed exercise, for example five minutes, and a shout-out methodology, to encourage fast thinking, class collaboration, and excitement.

> Exercise 4: How to uncover community corruption

Before or during class, assign students to read The Guardian's article [Nine Ways to Use Technology to Reduce Corruption](#) and watch France 24's video [Tech24: Meet Rosie, the A.I. Bot helping to detect corruption in Brazil](#). Then put students into small groups to create a new use of technology to combat corruption in their community.

Lecturer guidelines

Lecturers may wish to assign similar videos and articles from local media that might be more relevant and interesting to the students.

Students can be very creative, especially with new technologies and social media, and it is likely that they will see uses for new technology and systems that lecturers may not. Technology access will vary by region and country, but students all use text messaging, apps on smart phones, and Facebook, Instagram, YouTube, LinkedIn, TikTok or their equivalent. Use this exercise to foster the students' creativity and connect the issues of corruption to their online world. What some students will create may be surprising and interesting; lecturers choose whether to share all or some of the examples with the class.

> Exercise 5: Why is whistle-blowing so hard and yet so important?

Watch the Ted Talk [How whistle-blowers shape history](#) by Kelly Richmond Pope, (12 minutes).

Lecturer guidelines

Have students discuss any whistle-blowers they have read about or heard of, and what changes if any that resulted from the whistle-blowing. This video and discussion are a good way to instil in students the important function that whistle-blowers fulfil, and stress how important it is to provide them with legal and social protection.

Teaching option: A teacher could use this exercise in a longer format, and possibly reduce the use of other exercises. Expand discussion to the issues raised in Exercise 5 by trying to distinguish between a whistle-blower and a leaker. Begin with the question, when does an individual reporting corruption become a whistle-blower? Only once he/she is subject to retaliation? If there is a positive outcome from the report of corruption, one that never reaches the media or widespread public attention because the whistle-blower reported, the matter was properly addressed, and the person was NOT retaliated against, is this whistle-blowing or not? Is making a protected disclosure something different from whistle-blowing? What is the ultimate aim of the relevant laws and measures? This will lead to lengthy discussions and debate within the class and possible lead to academic research.

See for instance, Open Society Foundations (2018) [Whistleblowers for Change](#) 14-15.

➤ Exercise 6: Case Study: Infinity Financial Services (Pvt) Ltd scam

Mujeeb Ullah Khan graduated from Peshawar University and after a few months of applying to dozens of organizations, he was finally selected as a management trainee officer (MTO) in FATA Bank Ltd. After the initial training, he was inducted into the credit department and due to his extrovert nature and social skills, he became friends with most of the senior bank staff. He quickly rose the ladder of progression and within 3 years became the Branch Manager of the Khyber Agency Branch. Mujeeb became popular in the area due to his accommodating nature and expeditious processing of loan applications. He also took care of his special clients by throwing parties and therefore, developed friendships with the rich and powerful. He became hubristic and began facilitating friends, disregarding the State Bank of Pakistan's guidelines and procedures ensuring due diligence. Resultantly, many of his processed loans turned into bank defaults and the FATA Bank initiated an enquiry against him. The enquiry commission held Mujeeb Ullah Khan responsible for the unscrupulous transactions, recommended employment termination with confiscation of all benefits, and imposed a fine of rupees one million.

Mujeeb Ullah Khan was discharged unceremoniously but he carried this inclination to use unlawful means to make money and live a luxurious life. He would boast in his circle of friends that he would become a billionaire and set up his own bank. His flamboyant lifestyle, seemingly lucrative bank career, penchant for designer suits, articulation and mannerism, impressed many around him. He convinced 6 of his friends to join hands and register a financial services company which would circulate cash investments and solicit high-end clients. They got together and registered Infinity Financial Services XYZ (Pvt) Ltd with SECP. They rented a whole floor in the upmarket Zargoona Plaza, engaged an interior designer and furnished a lavish office. They hired uniformed armed guards, English-speaking university graduates and a cook from Pearl Continental, Peshawar. Mujeeb purchased a new non-custom-paid, fully loaded Land Cruiser through his contacts in Khyber and the other directors had their own luxury vehicles. His outer circle of friends got extremely impressed with the optics of his business and kept on requesting Mujeeb to take their money as an investment. Resultantly, Infinity Financial Services XYZ (Pvt) Ltd introduced 3 financial products:

- (A) Portfolio/Managed Accounts: where the client deposited their amount on the basis of 3 to 4 percent fix profit margin per month.
- (B) Trading Accounts: where the investment was made on profit and loss basis, with a loss of up to 10% per month.
- (C) Trading Account on Profit and Loss Basis: where profit and loss was completely borne by the client and Infinity Financial Services (Pvt) Ltd. would charge processing fees.

Mujeeb Ullah, developed a strategy with his company directors that each of them would, by hook or crook, collect 150 million rupees each by enticing investors to the 3 main financial products of the company. He also offered high commission rates to his company employees to get clients and investments. IFS began throwing a series of parties in a lavish rented house in the poshest area of Peshawar. The visuals of IFS enticed and entrapped many individuals and the money started pouring into the company. For the first two years it seemed as if all the dreams of Mujeeb were materializing. Investors were getting their high percentage returns and IFS had opened up two more branches in Abbottabad and Mardan. Plans were being made to start IFS Bank. But then, suddenly, things began to change, when one of their largest clients pulled out his investment. A few jittery employees also advised their clients to pull out of the company and a run on the accounts ensued. Mujeeb Ullah Khan tried to control the situation by giving assurances. In a few months the whole set-up collapsed, and all the IFS directors went into hiding. Many of the IFS affectees approached the National Accountability Bureau. A case was instituted and investigations initiated. The IFS directors were on the run, their families devastated, homeless and with many investors giving death threats. Mujeeb Ullah was finally arrested from Karachi and arrest warrants were issued for the IFS directors and the top employees of the company. What seemed like a fairy tale rise to success, crumbled to the abyss of oblivion and disaster.

Questions for discussion for the students, with the lecturer moderating:

- Identify the mistakes of Mujeeb Ullah Khan and what would you have done differently?
- Comment on the three financial products of IFS XYZ limited. What was wrong with the products and how can they be recalibrated?
- What lessons can we derive from this case study? Elaborate.
- What would be the anticipated conclusion of this NAB investigation and case?
- Study the NAB law and identify the clauses which relate to the private sector. Which sections of the NAB Ordinance would be applicable on this case and what would be the best way forward for the NAB prosecution?

Lecturer guidelines

After giving the students 20 minutes to read the short case and prepare individual answers, have them discuss their answers in small groups and elect a spokesperson to provide feedback to the plenary group. Ask the groups' spokespersons to provide feedback. Summarize by explaining the dilemma and highlighting how the application of different ethical theories might lead to different actions. The lecturer may give an overview of the NAB Ordinance and elaborate on the clauses applicable on the private sector. He/She may also highlight the legal violations committed by Mujeeb Ullah and IFS. Reference to State Bank of Pakistan prudential regulations and the FIA Act would supplement the discussion. The role of SECP can also be dovetailed into the discussion.

> Exercise 7: Whistle-blower's dilemma

A project director engaged to oversee one of the social development projects initiated by the Government of the Punjab, became aware of certain irregularities in the parent department and blew the whistle against his supervisor and the head of the department that had engaged him. The whistle-blower filed applications before NAB and other forums for redress. Consequentially, the officials belonging to the concerned department closed ranks, and facilitated each other in defeating the whistle-blower's claims by doctoring documents and fabricating reports. The officials in question abused public resources and manpower to cast aspersions on the whistle-blower, maligning his character, and making it difficult for him to find occupation elsewhere. The case was argued before the High Court, but because of fabricated evidence, only partial relief in favour of the whistle-blower was attained. Resultantly, one of the senior officials against whom the whistle was blown got away with returning a paltry amount to the government. Other potential recoveries failed to materialize. The main accused left the service and resettled in Canada with her family. Meanwhile, the whistle-blower had to suffer professionally, career-wise, domestically, socially and financially. Laws exist in Pakistan, but the real issue is of implementation which is obstructed by those in power.

Questions for students' discussion with the lecturer moderating:

1. After becoming familiar with this story, if you are faced with a similar situation where you find superior officers engaged in corruption, would you act to stop the corrupt activities from continuing?
2. What can individuals do to bring about needed changes in the workplace culture to promote accountability and transparency?

> Exercise 8: The consequences of corruption in Pakistan:

Watch the video on "[Dhani Baksh](#)", a NAB Pakistan production [22:24 mins].

Lecturer guidelines

Assign students to watch the video and reply to the following questions before class:

1. Does the "Log Kiya Khein Gaay" [what will people say] syndrome lead to corruption in Pakistan? Give your general comments and share an example of someone you know who succumbed to the pressures of society and became corrupt.
2. Do you believe that institutional arrangements enable corruption in Pakistan?
3. Do you believe that the great emphasis on religious teachings and morality in Pakistan has reduced the incidence of corruption in the country? Why or why not?
4. What are the consequences of corruption? What lessons do we learn from the short film?
5. Is the NAB Ordinance applicable to the private sector? How?

For optimal engagement give the questions exercise as a home task. Let the students do relevant research. Ask them to go through the [NAB Ordinance](#) and extricate the clauses which are applicable to private sector and every citizen of Pakistan. When the students come back the next week, ask them to make presentations [Stage-B] as a team, separately, one question to each team. In the end, wind up with the collective assertion brainstormed from the class and lessons learnt from the video.

➤ Exercise 9: Procurement & Contract Management (Case study)

You are currently working as Director, Legal in International Transparency Watchdog and have received a report from an enlightened citizen / whistle-blower about the procurement process carried out by a public sector organization. Chairman of the International Transparency Watchdog has asked you to give your comments on the procurement process mentioned in the said report in the light of the Public Procurement Regulatory Authority (PPRA) Rules 2004, for assessing the sanctity of the process. The Chairman would then forward the said report along with your comments to PPRA, Islamabad with the request to take cognizance of the same. The report describes the procurement process as under:

“The State Rice Corporation (SRC) was intimated through a letter on 1st January, 2020, from the Ministry of Finance for purchase of quality Basmati rice from farmers all across the country under Federal PPRA Rules, 2004. SRC initiated the process of procurement of rice based upon the said letter from Ministry of Finance from farmers across the country in February, 2020. The Lahore SRC office published an Invitation for Bid (IFB) on 16th February, 2020 in monthly Urdu Digest and in Daily Ittefaq newspaper for procurement of rice, under International Competitive Bidding (ICB) through two-stage, two-envelope contracting methodology, under cost reimbursable contract type to get competitive prices. In the pre-bid meeting, dated 20th February 2020, one of the bidders pointed out to Mr. Shuja-Uddin, Director Purchasing, SRC Lahore, that qualification threshold had been set to favour a particular firm. According to the bidding documents previous execution of contracts worth Rs. 50 million was an essential condition for eligibility. The said Purchasing Director took the bidder's comments as an insult, lost his temper and got into a heated argument with him on the issue, during the meeting. The bidder politely tried to again apprise Mr. Shuja Uddin that instead of arguing, he should thoroughly look into the issue and amend the qualification threshold accordingly, before the bid submission, as the said specifications were difficult and discriminatory.

However, Mr Shuja Uddin stopped listening to the bidder and in front of all the other participants, threatened to blacklist him under Rule 19 of the PPRA Rules 2004 for this blame game. Two bidders suggested that the delivery schedule was just 15 days, which was too short and that it may be extended to 30 days. Director SRC agreed to the suggestion and intimated all the bidders present in the pre-bid meeting to extend the delivery period for another 15 days. The bid submission deadline was 1st March 2020, at 11 am, and the venue was the Conference Room of SRC Lahore Office, in Gulberg-II. On 1st March 2020, four bidders submitted their bids in the Lahore office as indicated in the IFB at the prescribed time i.e., 11 am.

Mr. Shuja-Uddin, the Purchasing Director who was responsible for receiving the bids at the Lahore office, was suddenly contacted telephonically by Mr Rahman Ahmad, Director General, SRC Islamabad Office, at around 11:10 am, the same day with the instruction that all the four sealed bids should be immediately sent unopened to the SRC Office, Islamabad so that these could be opened in front of the State Minister for Agriculture to ensure transparency and fair play at the highest level. Mr. Shuja-Uddin immediately informed all the four bidders about the official instructions and sent all the bids, in the sealed condition, through TCS to the SRC Islamabad office. These reached the Islamabad office the next day. The sealed bids were publicly opened on 2nd March 2020, at 11:30 am in the presence of the State Minister and other SRC Islamabad office bearers.

On the same day, suddenly, one of the bidders exercised the option to withdraw his bid, leaving three bids only. At the time, it seemed very strange as the withdrawn bid was lower in cost. Upon asking, the bidder stated that due to a clerical error the price quoted had been wrongly determined, therefore, they had to withdraw. While opening the bids it was also found that one of the bidders had submitted a demand draft showing of value less than 2% of the bid price, while another bidder had submitted a post-dated cheque. The State Minister instructed that despite any irregularities all three bidders should be considered for evaluation. During evaluation, the committee members observed that the technical evaluation criteria, in the Standard Bidding Documents, were too vague to determine the bidder's eligibility. The Committee, therefore, suggested that the evaluation criteria may be changed to make it more meaningful during bid evaluation. The head of the committee allowed the said request of the committee members. Minutes of meeting of the bid opening event were prepared and were signed by all the persons present in the bid opening meeting for transparency's sake. Upon subsequent qualification, only one bidder emerged as technically qualified and the other two bidders could not meet the criteria. As there was only one bidder who had passed the technical qualification threshold of 70%, the SRC Director General, Mr. Rahman Ahmad, awarded the contract to that bidder.

The agency had to funnel more funds than originally allocated to the project due to withdrawal of the lowest bidder, and the fact that the financial proposal of the winning bidder was higher than the estimated cost determined through market research. This additional allocation led to an investigation to determine the fairness of the proceedings. Upon investigation it was found out the lowest bidder had withdrawn because they had made a deal with the second lowest bidder to split the profit. As it turned out, the second lowest vendor's quoted price was more than 70% higher than the lowest price quoted. The committee did not stop their investigation there, later on determined that one of the other participants of the bid was a fake company. The only reason for their participation in the bidding process was to meet the minimum three bid requirement, failing which would have rendered the whole procurement process void.

The students may be asked to answer the following questions:

- Identify the points of non-compliance of the PPRA Ordinance, 2004 stipulations in the procurement process mentioned in the case study.
- What were the additional unethical practices adopted by SRC and the evaluation committee?
- What were the anomalies in the advertisement of the tender?
- What decision should Director General, SRC have taken when only one bidder apparently passed the technical qualification threshold?
- How can we discourage the practice of "contract pooling"?
- With reference to this particular case study, develop an appropriate step by step procurement framework for SRC.

Lecturer guidelines

This is an advance level exercise and this case study involves a somewhat more complex ethical conflict and legal implications. Give the students an understanding of PPRA Rules, 2004 along with comprehension of procurement procedures related to large tenders. After giving the students about 15 - 20 minutes to read the short case and prepare individual answers, have them discuss their answers in small groups and elect a spokesperson to provide feedback to the plenary group. Ask the groups' spokespersons to provide feedback. Summarize by explaining the real-life situation and highlighting the application of different laws and rules amalgamated with ethical considerations.

> **Exercise 10: Class wrap-up - “Minute Paper”**

A few minutes before the end of class, ask the students to write down their responses to three simple questions:

- a) What was the most important thing you learned today?
- b) Identify 3 of the most common forms of corruption experienced by themselves or people close to them in Pakistan? Write the 3 forms on three different cards so that the assertions can be segregated and tallied for a representative score.
- c) What question(s) remain(s) in your mind?

To conclude the session, ask students to briefly present their answers.

Lecturer guidelines

If time limitations do not allow for such a discussion, lecturers can ask the students to hand in their responses on their way out of class, anonymously or with their name on top of the page.

Possible class structure

This section contains recommendations for a teaching sequence and timing intended to achieve learning outcomes through six hours of contact sessions (classes, workshops, etc.). The lecturer may wish to disregard or shorten some of the segments below in order to give more time to other elements, including introduction, icebreakers, conclusion or short breaks. The structure could also be adapted for shorter or longer classes, given that the class durations vary across countries.

Introduction (15 mins)

- Conduct [Exercise 1](#)
- Briefly note that whistle-blowing and anti-corruption enforcement are vast topics with extensive study and legal development, and that the Module addresses methods ranging from detecting and reporting corruption to rectifying it, focusing on the grass roots level and the importance of whistle-blowers.

The Role of Transparency (15 Mins)

- Discuss how transparency can facilitate the detection of corruption.
- Describe the different measures enhancing transparency in the institutions such as access to information laws, e-government and open data tools, etc.

How is Corruption Detected? (45 Mins)

- Present the various mechanisms for detecting corruption and discuss their strengths and weaknesses.
- Describe the differences between internal and external audits as well as the different methods of auditing. If time allows, conduct Exercise 2 and/or 3 to launch discussions of blockchains and the proposed “auditchain” live auditing process.
- Discuss the various means of reporting, including self-reporting and citizen reporting, as well as, the role of the media and the new technologies to facilitate public reporting. Briefly discuss articles 37 and 39 of UNCAC.
- Conduct [Exercise 4](#).

Whistle-blowing (60 Mins)

- Conduct [Exercise 5](#) and [7](#)
- Follow up with an overview of whistle-blowing systems and protection. Facilitate a class discussion on whether financial incentives could be helpful to stimulate whistle-blowing in their country.

What Happens after Corruption is Detected? Handling Reports and The Investigation Process (75 Mins)

- Facilitate a student discussion and reflective thinking about the investigations’ purposes and principles. Discuss the different components of the investigation processes, especially the handling of reports and the subsequent procedures.
- Describe the differences between internal and external investigations.
- Conduct [Exercise 6](#).

Video: The consequences of Corruption in Pakistan (stage A 30 mins and stage B 45 mins)

- Conduct [Exercise 8](#) and activities as given in the lecturer notes.

Case study: Procurement & Contract Management (60 mins)

- Conduct [Exercise 9](#) and activities as given in the lecturer notes.

Conclusion (15 mins)

- Conduct [Exercise 10](#) and wrap up the class.



Core reading

This section provides a list of (mostly) open access materials that the lecturer could ask the students to read before taking a class based on this Module.

Albrecht, Chad O., and others (2018). [The Significance of Whistleblowing as an Anti-Fraud Measure](#). Journal of Forensic and Investigative Accounting, vol. 10, no.1 (January).

Anstey, Caroline, and Leonard McCarthy (2012) [Technology is Helping the Fight against Corruption](#). The Huffington Post, 12 November.

Baker, Noel (2018). [Confidential Garda Phone Line Set Up for Reporting. The Irish Examiner Corruption](#), The Irish Examiner, 29 September.

Banning, Rachel (2016). 9 Ways to Use Technology to Reduce Corruption. The Guardian, 26 May.

Bashir, M., & Hassan, S. (2019). The need for ethical leadership in combating corruption. International Review of Administrative Sciences, <https://doi.org/10.1177/0020852318825386>.

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Daniyal, S., Shahid, H., Shahzad, C.T. (2014) Pakistan's Struggle Against Corruption. Technical Note No: 16-300-2014-2, Case Research Unit, Lahore University of Management Sciences. <https://crc.lums.edu.pk/crcsearch/16-300-2014-2/details>

Garside, Juliette (2013). [Hundreds of Properties Could be Seized in UK Corruption Crackdown](#). The Guardian, 13 October.

Gaskell, Adi (2018). [Using the Crowd and AI to Stamp Out Corruption](#). The Huffington Post, 1 May.

James Deane (2016). [The Role of Independent Media in Curbing Corruption in Fragile Settings](#). BBC Media Action Policy Briefing #16 (September). London: BBC.

Organisation for Economic Co-operation and Development (OECD) (2018). Committing to Effective Whistleblower Protections. Paris.

Quaintance Zack (2017). [Data Can Help Local Governments Fight Corruption, Study Says](#). Government Technology, 22 March.

Sajid, S. M. (2019). [Legal flaws in Pakistan citizens portal and its aftermath](#). Daily Times, 7 February.

SA News (2018). [The 10 Biggest Complaints on South Africa's Anti-Corruption Hotline](#). Business Tech, 9 August.

The Engine Room (2013). [New Technologies against Petty Corruption: Tactics and Lessons from the 2012 International Anti-corruption Conference](#). United States.

UNCAC Coalition (2019). [Whistle-blowing and the UNCAC: Protecting people who report corruption](#). Vienna.

United Nations Office on Drugs and Crime (UNODC) (2015). [Resource Guide on Good Practices in the Protection of Reporting Persons](#). Vienna.

University of Greenwich (2013). [Whistleblowing: The Inside Story, A Study of the Experiences of 1,000 Whistleblowers](#). United Kingdom.



Advanced reading

The following readings are recommended for students interested in exploring the topics of this Module in more detail, and for lecturers teaching the Module:

Ahmar Ahmad, Syahrul, and others (2014). Whistleblowing Behaviour: The Influence of Ethical Climates Theory. *Procedia - Social and Behavioral Sciences*, vol.164 (December), pp. 445-450.

Ali, Z. (2018). Anti-corruption Institutions and Governmental Change in Pakistan. *South Asia Multidisciplinary Academic Journal*.

Bamberger Nowell D., Grace Kurland and Brian Giunta (2018). [China's New Anti-Corruption Authority And Related Developments](#). *Clery Enforcement Watch*, 4 April.

Banisar, David, Whistleblowing: International Standards and Developments (February 1, 2011). *Corruption and Transparency: Debating the Frontiers between State, Market and Society*, I. Sandoval, ed., World Bank-Institute for Social Research, UNAM, Washington, D.C., 2011. Available at SSRN: <https://ssrn.com/abstract=1753180>.

Bertram I. Spector (2011). *Detecting Corruption in Developing Countries: Identifying Causes/Strategies for Action*. Kumarian Press.

Center for the Advancement of Public Integrity (2017). [Taking a Byte out of Corruption: A Data Analytic Framework for Cities to Fight Fraud, Cut Costs, and Promote Integrity](#). Colombia Law School. United States.

Corruption Watch (2015). [The Whistleblower's Handbook](#). South Africa.

Costa, S. (2013). Do Freedom of Information Laws Decrease Corruption? *Journal of Law, Economics, & Organization*, 29(6), 1317-1343. Retrieved June 28, 2020, from www.jstor.org/stable/43774629.

Javaid, U. (2010). Corruption and Its Deep Impact on Good Governance in Pakistan. *Pakistan Economic and Social Review*, 48(1), 123-134. Retrieved June 28, 2020, from www.jstor.org/stable/41762417.

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Jon S.T. Quah (2013). *Different Paths to Curbing Corruption: Lessons from Denmark, Finland, Hong Kong, New Zealand and Singapore*. Research in Public Policy Analysis and Management, vol 23. Emerald Group.

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Kassem, Rasha, and Andrew W. Higson (2016). External Auditors and Corporate Corruption: Implications for External Audit Regulators. *Current Issues in Auditing*, vol. 10, no. 1 (June), pp. P1-P10.

Kathy, Richards (2006). [What works and why in community-based anti-corruption programs](#). Transparency International.

Lewis, David B., and Wim Vandekerckhove (2015). [Developments in whistleblowing research 2015](#). London: International Whistleblowing Research Network.

Lopez-Iturriaga, Felix Javier, and Iván Pastor-Sanz (2017). [Predicting Public Corruption with Neural Networks: An Analysis of Spanish Provinces](#). *Social Indicators Research* (forthcoming).

National Whistleblower Center (2018). [Foreign Corrupt Practices Act: How the Whistleblower Reward Provisions Have Worked](#).

Neu, Dean, Jeff Everett and Abu Shiraz Rahaman (2013). [Internal Auditing and Corruption within Government: The Case of the Canadian Sponsorship Program](#). *Contemporary Accounting Research*, vol. 30 (September), pp. 1223-1250.

Niaz, I. (2014). Corruption and the Bureaucratic Elite in Pakistan: The 1960s and 1970s Revisited. *Journal of the Royal Asiatic Society*, 24(1), third series, 97-113. Retrieved June 28, 2020, from www.jstor.org/stable/43307283.

Onuegbulam, Chigozie (2017). [Whistle blowing policy and the fight against corruption in Nigeria: implications for criminal justice and the due process](#). *African Journals Online (AJOL)*. vol. 8, no. 2.

Organisation for Economic Co-operation and Development (OECD) (2017). [The Detection of Foreign Bribery, Chapter 2. The Role of Whistleblowers and Whistleblower Protection](#). Paris.

Park, Heungsik, Brita Bjørkelo, and John Blenkinsopp (2018). [External Whistleblowers' Experiences of Workplace Bullying by Superiors and Colleagues](#). *Journal of Business Ethics* (June), pp. 1-11.

Rehg, Michael, and others (2008). [Antecedents and Outcomes of Retaliation Against Whistleblowers: Gender Differences and Power Relationships](#). *Organization Science*, vol.19, no. 2 (April).

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Student assessment

This section provides suggestions for a post-class assignment for the purpose of assessing student understanding of the Module. Suggestions for pre-class or in-class assignments are provided in the Exercises section.

To assess the students' understanding of the Module, the following post-class assignment is proposed:

1. Write an essay on ways/approaches for detecting corruption. If started in class, ask students to select the detection approach they like the best, and expand it into a report (3 - 5 pages). The written report should describe the approach in detail including its advantages and disadvantages. This assessment can be made more challenging by inserting a research component, where students research other approaches and distinguish between them. For an even greater challenge, the lecturer can forward all or some of the essays to an anti-corruption NGO or government office for discussion and feedback, which can then be shared with the class as appropriate.
2. Evaluation of Corruption Reporting Mechanisms. Give students detailed information concerning a complaint about corruption that someone wants to report. Let students identify the appropriate method of reporting and explain why they chose that method (3 - 5 pages). This assessment should include a means of evaluating the reporting method, which can be generated by the lecturer, or even better developed together with the students, e.g., ease of use, simplicity, links to additional information.
3. Interviewing and Reporting. Put students into teams and have each team identify reporters of corruption or whistle-blowers, either in their home country or internationally. Under the lecturer's guidance, and depending on available logistics and resources, assign teams the task of interviewing identified persons face to face, over Skype, or over email. Have teams write up the interview data with an analysis (5 pages). This assessment can also be made more challenging by inserting a research component, where students research the background of the incident and provide that as part of their written analysis. A research component can also be inserted after the individual has been identified and before the interview, followed up by incorporation of the research into the written report (7 - 10 pages).
4. Journaling a Whistle-Blower's Experience. Assign students the task of identifying a whistle-blower who has experienced retaliation. Ask students to then assume the identity of the whistle-blower and write up his or her experience in a journal or diary, as if they were the one who experienced it (5 - 10 pages). Include an additional 1 - 2 pages for students' reflections on their experience in writing the journal, and whether it affected their perceptions of corruption or retaliation.



Additional teaching tools

This section includes links to relevant teaching aides such as PowerPoint slides and video material, which could help the lecturer teach the issues covered by the Module. Lecturers can adapt the slides and other resources to their needs.

> PowerPoint presentation

- Module 6 Presentation on Detecting and Investigation Corruption (from the E4J module, forthcoming)

> Video material

- [Inside Story - Corruption and Politics in Pakistan \(2019\)](#). Al Jazeera English (24 min). In Pakistan, an amnesty protecting politicians including ex-President Perves Musharraf and the late Benazir Bhutto from prosecution has been lifted. As over 250 cases are reopened we ask: Is the country plunging into further legal and political turmoil? And is this the signal of another standoff between the judiciary and the government?
- [Corruption Prevention Videos \(2019\)](#). Australian Commission for Law Enforcement Integrity (8 min). ACLEI has developed this series of short videos (each video is approximately 90 seconds in duration) to promote awareness and improve understanding of the corruption vulnerabilities we observe in the course of our investigations.
- [The Tech That Powers Bitcoin Could Tackle Corruption \(2017\)](#). Vice News; HBO (3 min). This video discusses how the blockchain technology could be used as an anti-corruption tool.
- [Blockchain Beyond Bitcoin \(2018\)](#). Valerie Hetherington, TEDxDeerfield (14 min). In this TED Talk, Valerie Hetherington explains how the blockchain technology works and explores its possible applications, including as a tool to increase transparency and prevent corruption.
- [Detecting Fraud with Data Mining \(2015\)](#). Jeremy Clopton, Audimiation Services (53 min). This webinar discusses how companies can use data mining to detect fraud. It presents case studies on how organizations can apply data analytics methods.
- [Meet Rosie, the A.I. Bot helping to detect corruption in Brazil \(2017\)](#). France 24 (2 min). This video presents how artificial intelligence software is used to detect corruption in Sao Paolo, Brazil.
- [How whistle-blowers shape history \(2018\)](#). Kelly Richmond Pope, TEDxDePaulUniversity (12 min). In this TED Talk, Kelly Richmond Pope shares the stories of some of the most high-profile whistle-blowers in history.
- [War on Whistleblowers \(2017\)](#). Brave New Films (1h 8 min). This movie presents the stories of four whistle-blowers, including Edward Snowden and David Carr, who have exposed government wrongdoing and abuse to the media. It discusses the challenges that whistle-blowers face in many countries.

- [The Importance of Whistleblowing \(2016\)](#). Robert G. Vaughn, The Real News Network (18 min). Prof. Robert G. Vaughn from American University Washington College of Law talks about the importance of whistle-blower protection laws from different perspectives.

> Case studies, news reports and blogs

- Ali, A., Khan, M., & Khalid, S. (2016). Theory and Practice of Understanding Corruption in Pakistan: Case Study of National Accountability Bureau, KPK. The Pakistan Development Review, 361-377. Retrieved June 28, 2020, from www.jstor.org/stable/44986493.
- Dalby Douglas, and Amy W. Chapman (2019). [Panama Papers Helps Recover More Than \\$1.2 Billion Around The World](#). International Consortium of Investigative Journalists, 3 April.
- Guevara, Marina W. (2016). [Coming Soon: ICIJ To Release Panama Papers Offshore Companies Data](#). International Consortium of Investigative Journalists, 26 April.
- KickBack: The Global Anti-Corruption Podcast: This podcast features regular interviews with leading experts in the anti-corruption field, from academia, politics, activism, journalism, etc. The podcast aims to enhance serious debate and discussion about important issues in the field from a variety of different perspectives. Given the length of each episode (average: 45 min), the lecturer may use it as a pre-class assignment.
- Observatory of Public Sector Innovation: A mapping by OECD of notable open government initiatives around the world, where users can screen for 'Open Government Tags' such as "accountability", "anti-corruption", "open data", "integrity", etc.
- Strom, Stephanie (2012). [Web Sites Shine Light on Petty Bribery Worldwide](#). New York Times, 6 March.
- The International Consortium of Investigative Journalists (2012). [Guide to international Freedom of Information laws](#), 16 March.
- Vaccaro, Antonio (2018). [Serious About Fighting Corruption? How To Encourage Whistleblowing In Your Business](#). Forbes, 6 December.
- Wilson, Amy, Chapman Antonio Cucho and Will Fitzgibbon (2019). [What happened after the Panama Papers?](#). International Consortium of Investigative Journalists, 3 April.

> Relevant Pakistani Laws Available at:

- https://punjabcode.punjab.gov.pk/en/get_laws
- <http://nasirlawsite.com/laws.htm>
- Article 62 of the Constitution of Pakistan
- Amendments No 8, 14, 14, 17 and 18 to the Constitution of Pakistan
- National Accountability Bureau Ordinance, Pakistan 1999
- Federal Investigation Agency Act, Pakistan 1974
- West Pakistan Anticorruption Ordinance, Pakistan 1961
- Prevention of Corruption Act, Pakistan 1947
- Criminal Law Amendment Ordinance, Pakistan 1944
- Criminal Law Amendment Act, Pakistan 1958
- Punjab Anticorruption Establishment Rules 2014
- The Companies Act, 2017
- Foreign Exchange Regulation Act 1947
- SBP Anti-Money Laundering and Combat Financing of Terrorism Regulations and Guidelines
- Payment Systems and Electronic Fund Transfer Act 2007
- Negotiable Instruments Act 1881
- Anti- Money Laundering Act 2010
- The Futures Market Act 2016
- PPRA Procurement Code, 4th Edition
- SECP Guidebook on Corporate Governance 2020
- Pakistan Penal Code
- Copyright Ordinance 1962 and related IPR Laws
- FIA Advisory for Social Media Users



Guidelines to develop a stand-alone course

This Module provides an outline for a three-hour class, but there is potential to develop its topics further into a stand-alone course. The scope and structure of such a course will be determined by the specific needs of each context, and a theoretical and practical part should be included within each course. A possible structure is presented here as a suggestion:

Session	Topic	Brief description
1	Detecting and Investigation Corruption: Introduction	An introduction to Module topics, and discussion of what students are interested and what they would like to learn and why. Pakistan's struggle against corruption
2	Detecting Corruption: Overview	Why corruption can be difficult to detect Overview of the different (proactive and reactive) methods of detecting corruption. Why it is necessary to have more than one method of detection difference between actual prevalence of corruption and perceptions of corruption
3	Conditions of Detection: Audits	Different kinds of audits, including their advantages, disadvantages, and optimal applications
4	Conditions of Detection: Open Data Charter	The concept of Open Data Charters, including goals, objections to them, and current levels of adoption
5	Detection: Self-Reporting	Why self-reporting is needed Difficulties and challenges
6	Detection: Public Surveys	Parameters of public surveys Examples Advantages and limitations
7	Detection: Journalism and the Media	Definition and examples Case study on the Mossack Fonseca Papers
8	Detection: Self-reporting and whistle-blower incentives	The controversial subject of incentives, including arguments for and against incentives, examples, and current levels of adoption worldwide

Session	Topic	Brief description
9	Handling Reports of Corruption and Investigations	<p>Challenges faced by organizations</p> <p>Guidelines regarding good practices, including procedures for handling reports of corruption and subsequent investigations.</p> <p>Examples of actual procedures of different quality</p> <p>Evaluation of Pakistani anti-corruption laws</p>
10	Final Class & Wrap-up	<p>Presentation of student projects or research</p> <p>Guest speaker with students as moderators</p> <p>Final discussion: key points of the course, and what students accomplished based on learning</p>



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