

# PACT

A PRACTICAL  
ANTI-CORRUPTION  
GUIDE FOR BUSINESSES  
IN SINGAPORE



CORRUPT PRACTICES INVESTIGATION BUREAU

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The Corrupt Practices  
Investigation Bureau  
constantly strives to keep  
Singapore corruption-free  
through swift and sure, firm  
but fair action.

# Director's Foreword

Each of us must continue to do our part and stamp out corruption. Only then can Singapore remain a conducive place for investments and businesses.



Singapore is recognised as one of the least corrupt countries in the world. Singaporeans and foreigners alike have benefited immensely from the incorruptible and clean system. Our people, public service and businesses are well-reputed to be efficient, honest and transparent.

The Corrupt Practices Investigation Bureau's (CPIB) constant vigilance has contributed to this good reputation, with many helping hands. We have worked with different stakeholders including the public and private sectors, the community and the students to keep corruption at bay. Each of us must continue to do our part and stamp out corruption. Only then can Singapore remain a conducive place for investments and businesses.

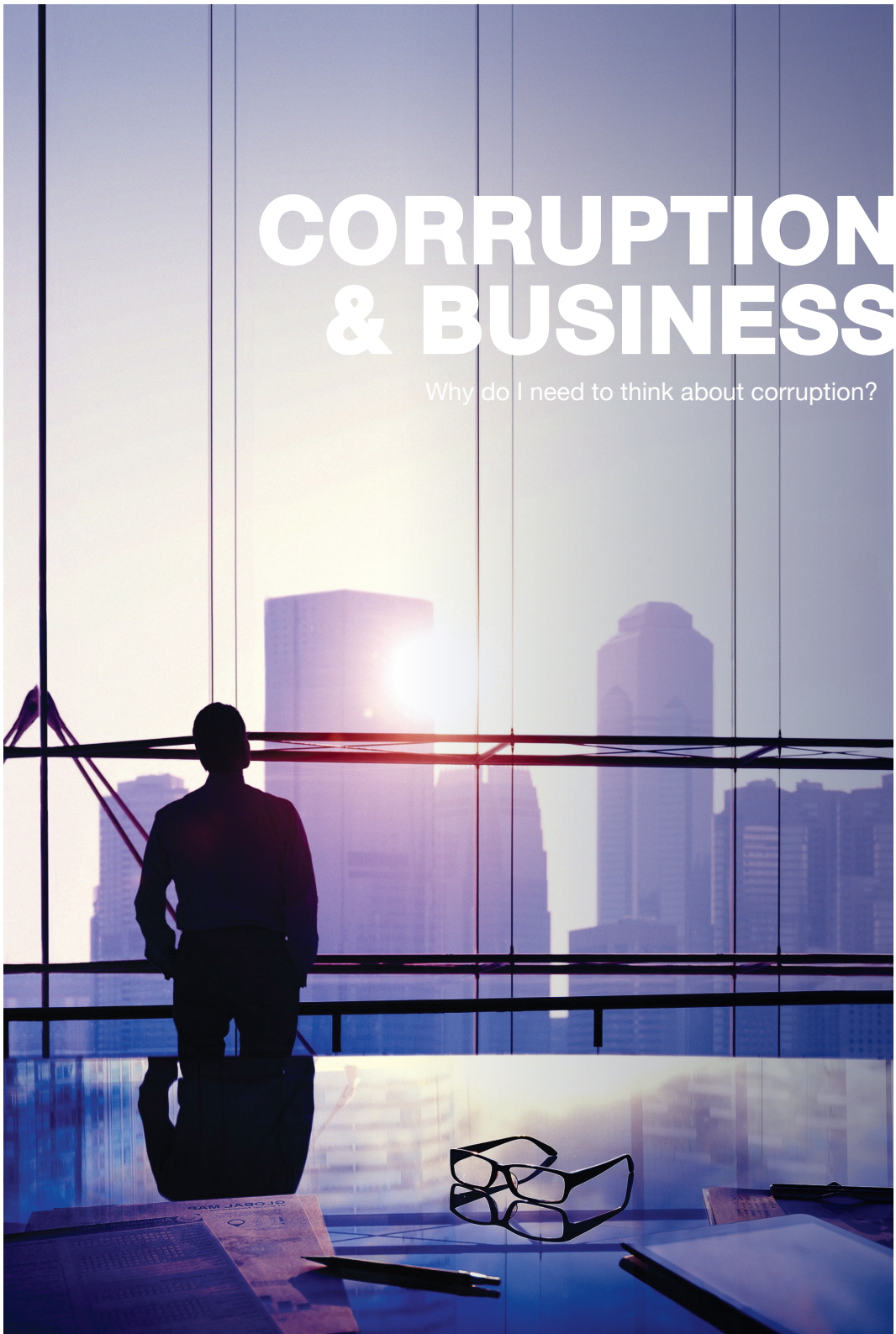
The CPIB remains resolute and committed to combating corruption relentlessly without fear or favour. Taking our commitment further, we have designed PACT: A Practical Anti-Corruption Guide for Businesses in Singapore, which sets out to guide business owners in developing and implementing an anti-corruption system in a clear and easy-to-understand manner.

We hope you will find PACT useful, as you journey with our nation in maintaining a zero tolerance towards corruption.

**Mr Wong Hong Kuan**  
**Director**  
**Corrupt Practices Investigation Bureau**

# CORRUPTION & BUSINESS

Why do I need to think about corruption?



## Corruption & Business >> Why do I need to think about corruption?

### Corruption has far reaching consequences

Corruption is a serious matter, and comes from weakness of human nature – greed, temptation, the desire to amass wealth or to obtain business through unfair means. Even with harsh penalties, corruption cannot be eradicated completely.

If allowed to take root in society, corruption can lead to a breakdown in social order, tarnish the reputation of an entire country and result in a loss in overseas investor confidence. Corruption can even affect lives by impeding people from accessing basic and essential services.

Although corruption in Singapore remains low, the clean system we have in place here should not be taken for granted.

### How does corruption affect my business

Corruption undermines healthy competition, raises the cost of business operations, destroys corporate and individual integrity and poses reputational risks for private businesses. It is illegal in Singapore and in most countries, and can have severe consequences for businesses.

In Singapore, individuals and companies found to be engaging in corrupt activities and violating the law could face severe legal ramifications or be blacklisted from doing business.

For companies which conduct operations abroad, falling afoul of international laws such as the United Kingdom Bribery Act or the United States Foreign Corrupt Practices Act (FCPA)

could mean having to pay significant amounts of money to reach a settlement, amongst other penalties.

### What are the benefits of a corruption-free business

A clean business protects your company and employees from being caught in thorny and compromising situations. It also boosts your company's reputation and staff morale, and makes doing business with your company more attractive for your partners and customers. Your business' competitive edge will be enhanced.

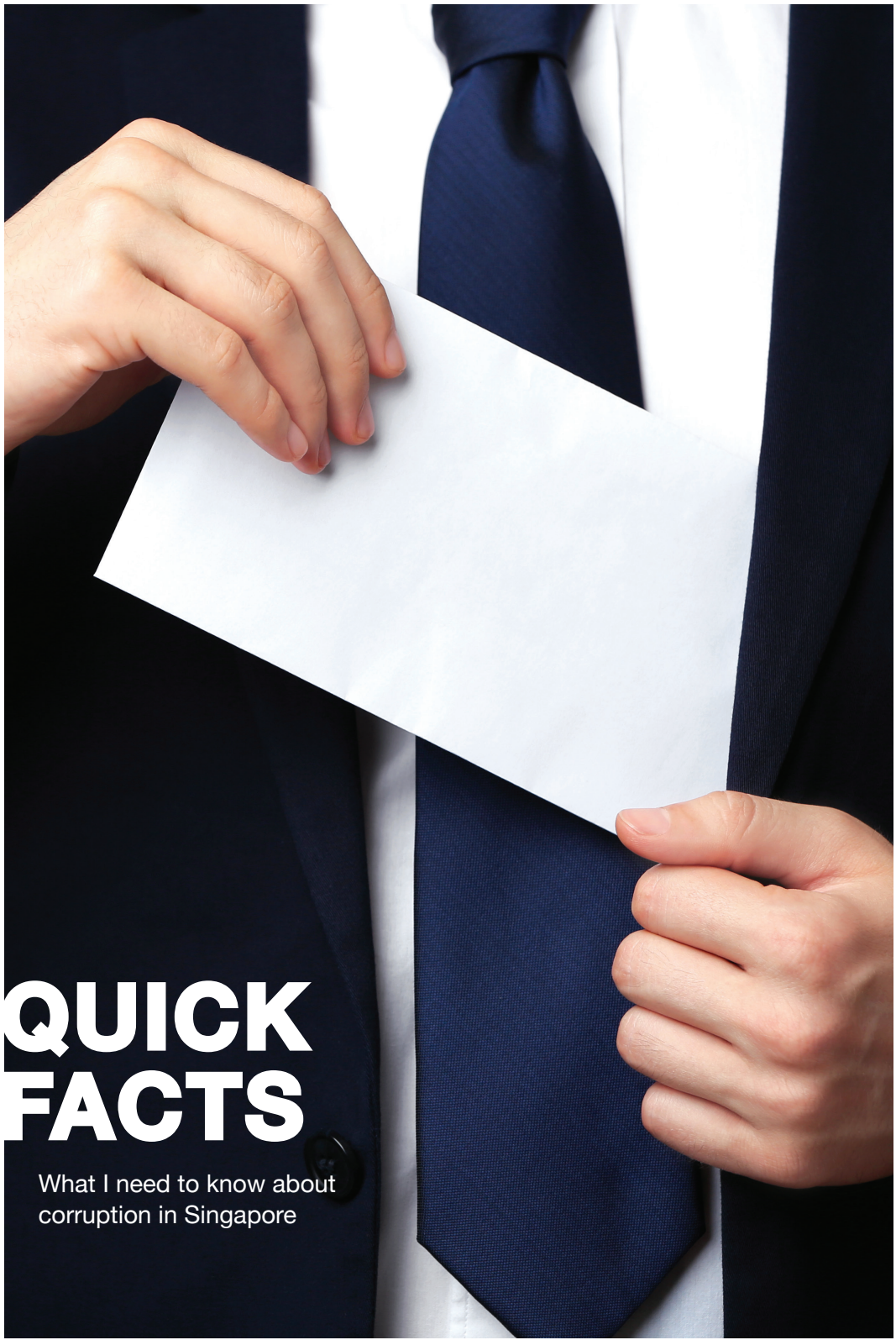
### How do I protect my company

Dealing with bribery may seem daunting for companies which lack sophisticated compliance systems and have limited resources. To help local companies combat corruption, PACT provides practical information and guidance, and an easy-to-implement anti-corruption framework.

For local companies which have overseas business ties, or which are interested in implementing a more comprehensive anti-bribery management and compliance system, they may consider ISO 37001: Anti-Bribery Management Standard certification.

For more information on ISO 37001 certification, please visit the Singapore Accreditation Council website. ISO 37001 and SS ISO 37001 are available for purchase at the SPRING Singapore Standards eShop:

[www.singaporestandardseshop.sg](http://www.singaporestandardseshop.sg)



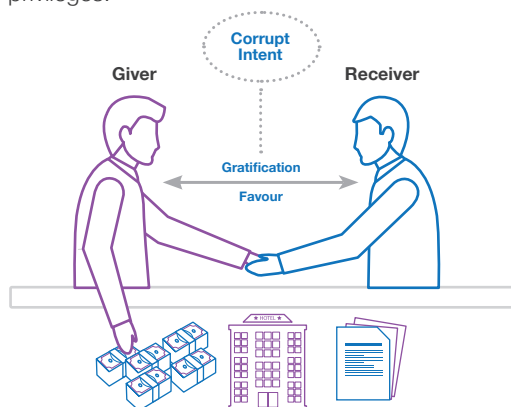
# QUICK FACTS

What I need to know about  
corruption in Singapore

## Quick Facts >> What I need to know about corruption in Singapore

### What is corruption

Corruption<sup>1</sup> is receiving, asking for or giving any gratification as an inducement for a person to do a favour with a corrupt intent. There are many kinds of gratification or bribes, including money, sexual acts, properties, promises and services. In return, a person may ask for favours which can include unfair business advantages, confidential information and other special privileges.



### The Prevention of Corruption Act

*The Prevention of Corruption Act (PCA)* is the primary anti-corruption legislation in Singapore. The PCA defines and governs corruption and their punishments, as well as empowers the CPIB, the main agency charged with investigating corruption in Singapore.

The PCA has extra-territorial powers over a Singapore citizen to deal with corrupt acts outside Singapore as though it were committed in Singapore. Non-citizens may also be investigated and prosecuted in Singapore if they abet the commission of a corruption offence related to Singapore.

More information on the PCA can be found on the Singapore Statutes website.

Link: [www.statutes.agc.gov.sg](http://www.statutes.agc.gov.sg)

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<sup>1</sup> Some jurisdictions follow the United Nations Convention Against Corruption (UNCAC) definition of corruption which besides bribery offences, includes embezzlement offences. In the Singapore context, corruption is tantamount to bribery offences which CPIB enforces while embezzlement offences are under Commercial Affairs Department's (CAD) purview.

### **Other anti-corruption laws**

The Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap 65A) (CDSA) works in tandem with the PCA by punishing the laundering of bribe money. The CDSA provides for the State to confiscate corrupt benefits.

The Penal Code (Sections 161 to 165) also states that it is a punishable offence for public officials to accept or attempt to accept bribes. Under the Criminal Procedure Code (Section 424), it is also the legal duty of any person who is aware of any public officials engaging in corruption activities to immediately report and give information to the Police. Bribery of witnesses to give false information is also illegal under the Penal Code (Section 204B).

### **Punishment and penalties**

Any person found guilty of corruption shall be liable on conviction to a fine not exceeding S\$100,000 or to imprisonment for a term not exceeding 5 years, or to both.

### **Enhanced punishment and penalties**

If it is proven that any matter or transaction is in relation to contract or a proposal for a contract with the Government, the punishment would be a fine of S\$100,000 or imprisonment not exceeding 7 years or both.

Refer to **Appendix A** for extracts of the PCA, Penal Code and Criminal Procedure Code.

#### **Case In Point - Cash For Information**

Richard Yow Wah was a Defence Contractor and managing director of Certified Aerospace Singapore. His job involved securing business contracts.

CPIB investigations revealed that between May to August 2008, Yow had provided loans amounting to S\$53,100 to Phua Poh Sim, a captain in the Singapore Armed Forces (SAF). In return for the loans, Yow obtained confidential information on SAF military projects from Phua, which Yow believed would help him secure business opportunities.

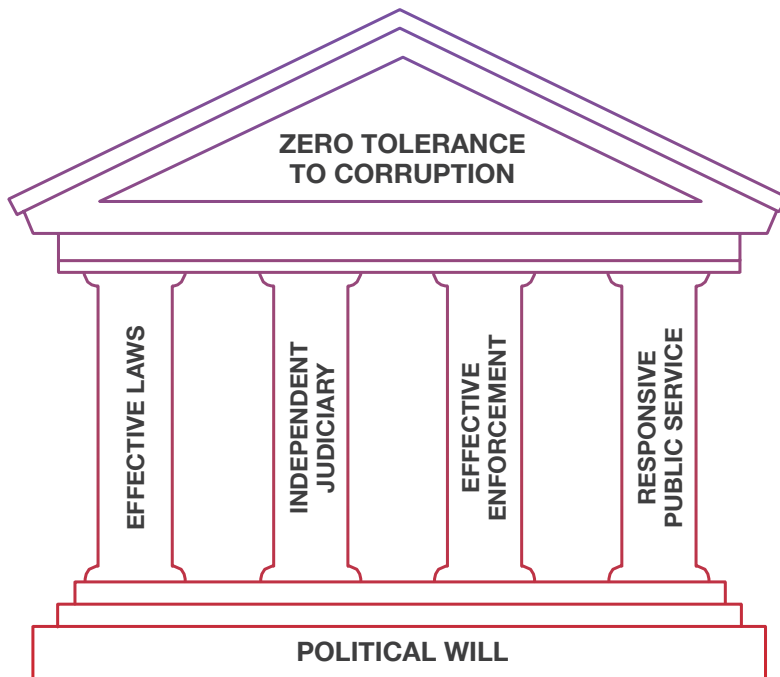
Yow was charged for corruptly giving gratifications in the form of loans of loans amounting to S\$53,100. In December 2011, Yow was sentenced to 8 weeks' imprisonment.

### The Corrupt Practices Investigation Bureau

The Corrupt Practices Investigation Bureau (CPIB) is an independent government agency responsible for investigating and preventing corruption in both the public and private sectors in Singapore. The CPIB is under the Prime Minister's Office and reports directly to the Prime Minister of Singapore.

The *Prevention of Corruption Act (PCA)* provides the CPIB with the powers to investigate corruption and other arrestable offences which are disclosed in the course of a corruption investigation.

The CPIB takes a serious view of any corrupt practices, and will not hesitate to take action against any party involved in such acts. Underpinned by strong political will, the CPIB, together with effective laws, an independent judiciary, and a responsive Public Service, forms an effective corruption control framework that keeps Singapore clean.



Singapore's Corruption Control Framework

## Quick Facts >> What I need to know about corruption in Singapore

### Reporting corruption

The CPIB takes each corruption complaint seriously. Those with information on suspected corrupt activities are strongly encouraged to use the following reporting channels:



Visit us at the Corruption Reporting & Heritage Centre @ 247 Whitley Road, S297830 or CPIB Headquarters @ 2 Lengkok Bahru, S159047



Call the CPIB Duty Officer at 1800-376-0000



Lodge an e-Complaint at <http://www.cpiib.gov.sg/e-complaint>  
Or email us at [cpiib\\_website\\_email@cpiib.gov.sg](mailto:cpiib_website_email@cpiib.gov.sg)



Fax us at 6270 0320



Write to us at Corruption Reporting & Heritage Centre @ 247 Whitley Road, S297830 or CPIB Headquarters @ 2 Lengkok Bahru, S159047

### Public education talks

Besides rigorous enforcement, the CPIB continues to focus on public education and outreach to spread the anti-corruption message. The CPIB regularly conducts corruption prevention talks for government agencies and private companies where participants can expect to learn:

- Definition of corruption
- Singapore's success in keeping corruption under control
- Preventive measures
- Case studies

Submit a request online:

**[www.cpiib.gov.sg/public-education-talk](http://www.cpiib.gov.sg/public-education-talk)**

You will be informed if your booking is successful.

**P**LEDGE

**A**SSESS



**C**ONTROL & COMMUNICATE

**T**RACK

PACT is designed to  
be a simple and  
easy-to-use 4-step  
guide for companies  
looking for practical steps  
to prevent corruption

Note: This publication outlines typical corruption-related risk areas for companies and describes how corruption risks can be identified. Conformance with the guidance outlined in this publication cannot provide assurance that no bribery has occurred or will take place in relation to the organisation or company.



# PLEDGE

### **Tone from the top is key**

Preventing corruption in your company starts at the top. Senior management (such as owners, Chief Executive Officers and Board of Directors) must pledge and be committed towards zero-tolerance of corruption.

The tone from the top has a large impact on the values by which the company's employees and business partners operate.

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With strong and visible support by senior management against corruption, fundamental values such as integrity, meritocracy and transparency can be developed.

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### **Implement an anti-corruption policy**

The pledge and commitment from the top for zero-tolerance towards corruption needs to be translated into action. This can be articulated through the formulation of a clear and visible anti-corruption policy, which formalises the fair and honest practices for your company's employees and business partners through a prescribed set of rules and principles. Besides lowering the likelihood of corruption, implementing a strong anti-corruption policy would also advance your company's professional reputation.

An effective anti-corruption policy should be clear, visible and easy to understand. The policy should also be formally documented and communicated to all parties within and outside the company to enhance awareness and effective implementation. A strong anti-corruption policy would reinforce the deterrence of corruption amongst employees and business partners, and provide confidence to whistle-blowers on possible wrong-doing.

#### **Key features of an effective anti-corruption policy**



Declaration to abide by Singapore's anti-corruption laws



Denouncement of any form of corruption and bribery



Undertaking to set-up, maintain and regularly review corruption-susceptible operational processes



Supporting and protecting whistle-blowers



Compliance to regular monitoring and auditing

A sample Anti-Corruption Policy can be found in **Appendix B**.

## **Create a code of conduct**

The next course of action would be to create a company code of conduct. The business environment is complex. Not all business activities are clear-cut, and distinguishing between legal and corrupt practices is sometimes made more difficult due to differing traditional customs and common business practices.

A code of conduct serves as a comprehensive, unambiguous guide for all employees on a uniform standard of conduct and ethics in all areas of business activities where corrupt practices are likely to occur. It is an important document that all employees can refer to in order to safeguard themselves from falling foul of the law.

A well-defined code of conduct should include guidelines relating to the high-risk areas where corruption can occur. The code of conduct must also be clearly communicated to all employees. This can be done by displaying it prominently in common office areas, and incorporating the code of conduct into the staff manual, staff pass or letter of appointment.

The code of conduct should also be communicated widely to all external parties such as business partners to thwart any party from engaging or attempting to engage in corrupt activities.

### **Key areas to address in code of conduct**



Corrupt behaviour – what is and what is not tolerated



Conflict of interest

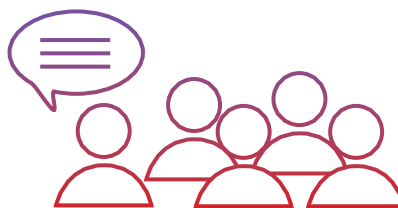


Gifts and entertainment



Obtaining personal loans from clients/customers

A sample Code of Conduct can be found in **Appendix C**.





**ASSESS**

## **Common corruption risk areas**

### **Gifts and entertainment**

One may think that giving gifts and providing entertainment are common business practices for relationship-building and expression of appreciation. However, lavish or frequent gifts and entertainment made with the deliberate intention of gaining or trying to gain an unfair business advantage can constitute an act of corruption. Meals, gift hampers and even red packets can constitute bribes.

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It is imperative to conduct periodical risk assessments to safeguard the integrity and interests of your business. A basic risk assessment focusing on vulnerable job functions and processes would greatly enhance your company's corruption prevention capability.

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The receiver of such gifts and entertainment is also liable for corruption, regardless of whether or not they are able to fulfil the request made by the giver. Due to their nature of work, employees involved in procurement and sales/marketing are particularly vulnerable to such corrupt practices.

There is no one-size-fits-all solution. Some companies may prefer a "No Gift/Entertainment" standard, while others may opt for giving or receiving and entertainment within clear and transparent boundaries. As a general rule, to protect your company, agree on when it is appropriate to give or receive gifts and entertainment and include this as part of your company's code of conduct. This way, the process is transparent and avoids ambiguity and unnecessary suspicion.

A sample Declaration Form for Gifts and Entertainment Received can be found in **Appendix D**.

**Conflict of interest**

Conflict of interest can happen in any company. A conflict of interest occurs when the individual's interest conflicts with the company's interest, and can result in dishonest actions and corrupt activities.

**Examples of conflict of interest**



Accepting gifts and entertainment disproportionate to normal practices



Purchasing services or approving quotes from companies managed by family members or friends



Favouring business deals with companies in which they have a financial investment

To safeguard your company's business interest, you should require all employees to declare any actual or perceived conflicts of interest. In addition, companies can also consider conducting due diligence to uncover conflict of interest amongst employees and business partners. These guidelines to reduce conflict of interest should also be worked into the company's code of conduct.

A sample Declaration Form for Conflict of Interest can be found in **Appendix E**.

**Contributions and sponsorships**

Contributions and sponsorships should not be related to a business deal, and must provide real or measurable benefits to the company, such as increased publicity or visible brand enhancement. Any contributions or sponsorships in monetary form should also always be only given to the organisation and not to an individual.

To further reduce the risk of corruption, the objective and amount of the contribution and/or sponsorship should be recorded down clearly in the company's accounts.

### **Identify your company's risks**

Companies face a variety of corruption risks. Your company's risk areas depend on many factors; such as industry, company size and business operations. Besides being familiar with Singapore's anti-corruption laws and the common corruption risk areas, there are a few other practical ways you can identify risks.

#### **Ways to identify corruption risks**



Conduct consultation sessions with your employees whose job functions are vulnerable to corruption



Network with business partners to share best practices and knowledge

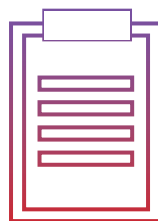


Hire external professional consultants

### **Conduct a risk assessment**

Having identified your company's risks, your next step would be to conduct a risk assessment. It is imperative to conduct periodical risk assessments to safeguard the integrity and interests of your business. A basic risk assessment focusing on vulnerable job functions and processes would greatly enhance your company's corruption prevention capability.

A sample Risk Assessment Checklist can be found in **Appendix F**.



# CONTROL & COMMUNICATE



**Good internal controls**

No company is immune from corruption. While a carefully-crafted anti-corruption policy and a code of conduct remains key to preventing corruption, it is not sufficient. A single rogue employee who fails to comply can cause significant damage to the company.

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**Strong internal controls are capable of exposing irregularities which could turn out to be corrupt practices.**

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Internal controls serve as a necessary check and balance to ensure that employees are compliant to the company's anti-corruption policy, code of conduct and prescribed business processes.

**Accurate records**

Accurate records are essential. They are useful in detecting irregularities and weaknesses, and should be readily available for inspection when there is a need to explain a transaction. All transactions, assets and liabilities should be properly reflected in the company's records, and supported by original documentation. A meticulous and diligent record system will make it more difficult for rogue employees to try their luck.



**Examples of documents to be recorded**



Financial documents (including ledgers, payment vouchers and goods receipt notes)



Contractual documents (including tender invitations, contracts and evaluation papers)



Administrative documents (including meeting minutes, approval memos and appointment letters)

**Clear operating procedures**

Non-compliance to standard operating procedures can raise red flags and detect suspected corruption. Standard operating procedures need to be clearly-written, accessible and clearly-communicated to all employees. Standard operating procedures should be drawn up for vulnerable areas such as procurement and financial approval.

**Audit checks**

To minimise corruption loopholes, regular audit checks should be performed to ensure that company procedures are adhered to. Audit checks can be done periodically or at random. It may also be conducted internally or outsourced to an independent external third party who can then make recommendations for improvement.

### **Robust reporting system**

A robust reporting or whistle-blowing system is a key function to control bribery and corruption risks. Employees should be encouraged to make a report if they suspect something is amiss, without fear of reprisal or reprimand if done in good faith. Anonymous reporting provides the best protection for employees against identification, but there is also the possibility of abuse of the process through malicious or false reports.

Reporting mechanisms may include a designated company email address, phone number, address, or even a drop-box situated in a discreet area.

#### **Features of an effective reporting system**



Clear reporting chain such as a suitably appointed person/team to follow-up on suspected corruption



Conveniently accessible reporting mechanism (such as a designated phone number/ email address)



Diligent follow-up with the complainant (if known) on the outcome of the investigation

When violations of your company's anti-corruption policy and code of conduct are detected, it is crucial to address these violations to demonstrate your company's zero-tolerance towards corruption. When in doubt, contact the CPIB for assistance.

### **Communication across all levels**

Your company's anti-corruption policy, code of conduct, internal controls and reporting system should be open, transparent, and widely communicated on a regular basis to all employees, business partners and other stakeholders (where appropriate). Awareness and understanding of your company's anti-corruption policies and controls will equip stakeholders with the necessary information and skills to counter corruption-related situations.

Communication can be done at various employee career milestones or business touch-points, such as:

- Employee induction programme;
- Corporate training programmes, seminars, videos and in-house courses;
- Company intranet/website, emails, newsletter, posters and contractual obligations;
- Company town-halls and retreats; and
- Via middle-managers/supervisors, to reach out to employees who are off-site and do not have access to emails.

# TRACK



### Tracking and evaluation criteria

Timely tracking and evaluation of your company's anti-corruption system and policy are important to determine whether improvements or modifications are required. Measurement cycles can be planned in advance by senior management.

**Basic assessment criteria**

-  Efficacy of the existing system to prevent corruption
-  Efficiency in keeping operation costs low
-  Sustainability of the system to combat corruption in the long run

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Just as the business environment is always evolving, your anti-corruption system needs to stay robust and would require updates over time.

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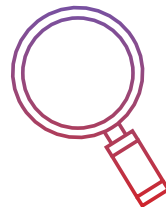
### Review and improve

Improvements/modifications to your company's anti-corruption system could be required in the following scenarios:

- Company reorganisation;
- Expansion of the company's operations resulting in new business processes;
- New legal requirements and/or international/national anti-bribery standards; and
- Shifts in the business operating environment.

Sources of information that can help in your evaluation include the rate of compliance to established internal controls (record-keeping, standard operating procedures and internal/external audits). Another source is feedback from employees and/or business partners, which can be gathered via surveys or focus groups. When reviewing, it is also useful to look out for new anti-corruption benchmarks (established by other companies) in the same industry.

When the evaluation has been completed, the results and subsequent modifications/improvements should be communicated to all employees to reiterate your company's commitment to keeping corruption at bay.





# CASE STUDIES

The following case studies are actual CPIB cases which illustrate the various forms of corrupt activities that have been committed by corporation and persons in the private sector and who were brought to task.

## Case Studies

### A corporation's corrupt commission

Federal Hardware Engineering Co Pte Ltd (Federal), a hardware engineering company based in Singapore, had supplied pipes and valves for a chemical plant project undertaken in 2000 by Japan-based company Toyo Engineering Corporation (Toyo) in Kuala Lumpur, Malaysia. Federal had dealings with one Nakamura Tomohiro, who was the project manager for the said project undertaken by Toyo.

Investigation by the CPIB revealed that on an occasion in early 2001, Nakamura asked for a commission of 20% to 30% from Federal,

in return for awarding more business from Toyo (in the form of sales orders) to Federal. Federal agreed to the request, and transferred a sum of US\$17,500 to Nakamura's bank account. The amount of US\$17,500 was Nakamura's commission for awarding Toyo sales orders worth a total of US\$247,088 to Federal between April 2001 to May 2001.

In 2004, the appointed representative of Federal pleaded guilty to corruptly giving a bribe and Federal was ordered to pay a penalty of S\$60,000.



## Case Studies

### Fine line between tradition and corruption

Tay Ee Tiong is the owner of Wealthy Seafood Product and Enterprise. During his course of work, he had personally approached each head chef and promised them commissions in return for showing favour to Wealthy Seafood. Many of these chefs were from well-known Chinese restaurants and hotels in Singapore. These chefs were prominent and established, and had the authority to make decisions on the choice of suppliers for their respective restaurants.

The CPIB's investigations found that from February 2006 and August 2009, Tay had given bribes to 19 chefs ranging from S\$200 and S\$24,000. Tay would approach these chefs

and promise them commissions, based on a percentage of the total value of the seafood products bought. The chefs would receive the cash from Tay once every two to three months. In return, they would continue to place their seafood orders from Tay's company.

Tay Ee Tiong was eventually charged with 223 counts of corruption and sentenced to 18 months' imprisonment in September 2011 for giving out nearly S\$1 million in bribes. The chefs involved were also convicted with corruptly accepting bribes from Tay and received their respective sentences, with exception of one who was acquitted.



## Case Studies

### A little coffee money “did no harm”

Sheith Yusof Bin Sheith Ibrahim was a trainer of Absolute Kinetics Consultancy Pte Ltd where he coached trainees attending the welding course on the theoretical and practical aspects of welding. In addition, his duties also included assisting the external welding testers during the welding test. Any trainee who passed the test would receive a welder pass which is recognized by the Ministry of Manpower.

Investigations by the CPIB revealed that from November 2012 to March 2013, he took advantage of his position as a trainer to

obtain bribes from course trainees on several occasions. These bribe amounts which ranged from S\$5 to S\$50 were given in return for showing leniency during the welding courses and tests.

Sheith Yusof Bin Sheith Ibrahim admitted that he had obtained money from his trainees during the two courses conducted in 2012. In January 2014, Yusof was fined S\$8,000 and a penalty of S\$199 for the corruption offences. The 11 foreign workers who gave the bribes were given conditional warnings.



## Case Studies

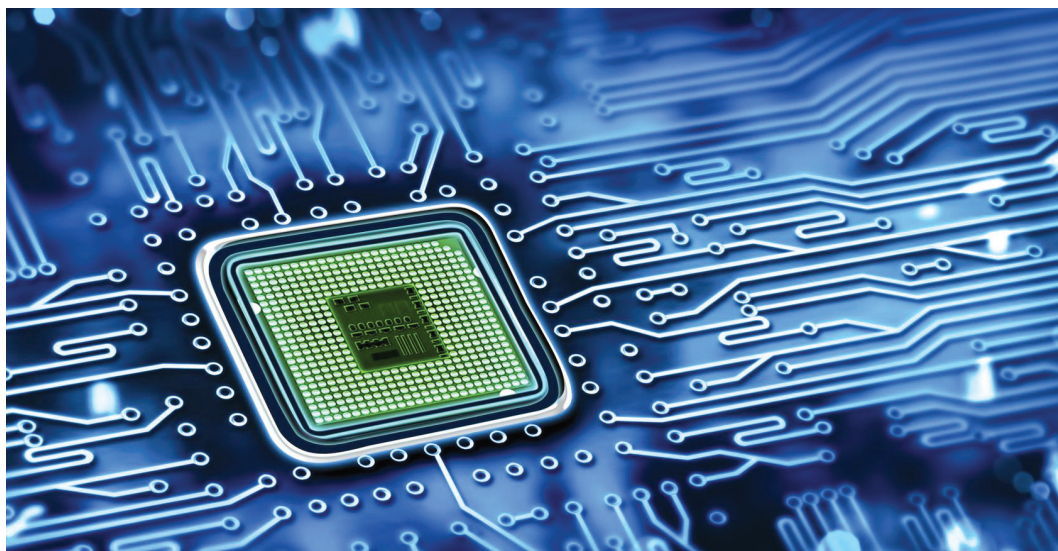
### Concealed act uncovered

Lo Keng Foo was the Director of the Failure Analysis and Reliability Engineering Section at Chartered Semiconductor Manufacturing Pte Ltd (CSM). His job scope involved studying and acquiring new technologically advanced test devices to measure the reliability of semiconductor products manufactured by CSM.

The CPIB acted on information received and investigated the case. In 1994, Lo got to know Lim Cheng Hock, Chairman of Zen Voce Manufacturing Pte Ltd, after he became a supplier of CSM for Test Solution Products. Sometime in 1997, Lo had a discussion with Lim Cheng Hock. Lo said he could help Zen Voce secure sales orders from CSM in return for a

cut of their profits. From March 1998 to August 2002, Lo obtained S\$1,017,343 from Lim as a reward for helping Zen Voce. Subsequently from August 1997 to July 2000, Lo obtained S\$211,400 from Chng Peng Hion, Managing Director of ESA Electronics Pte Ltd (ESA), as a reward for helping ESA secure contracts with CSM. To camouflage the accounts of Zen Voce and ESA and cover these illicit payments, Lo created fictitious invoices to mislead Zen Voce and ESA.

On 24 January 2006, Lo Keng Foo was sentenced to 4 years' imprisonment and ordered to pay a penalty of S\$1,228,743 for corruption offences.



## Case Studies

### Brothers in cahoots

Goh Peng Choy was a Senior Procurement Executive with Advanced Material Engineering Pte Ltd (AME), a wholly owned subsidiary of ST Kinetics Ltd. He had abused his position to obtain bribes from several contractors of AME in return for divulging AME's internal price list which is confidential information or showing favour to the contractors. All the bribe monies were given in cash to Goh Peng Choy.

Goh Peng Choy had concealed the bribe monies with the assistance of his brother, Goh Peng Kee. The latter had hidden the cash in his residence. Goh Peng Choy had also instructed

his brother and sister-in-law to open bank accounts to deposit part of bribe monies. S\$385,000 was found in Goh Peng Kee's safe. A further S\$100,767.03 was recovered from the bank accounts.

Goh Peng Choy was subsequently charged for both corruption and money laundering offences. On 17 February 2014, he pleaded guilty to 4 corruption charges and one money laundering offence and was sentenced to 22 months' jail. The Judge also ordered him to pay a penalty of S\$372,923 while S\$12,077 was forfeited to the State. A total of S\$485,767.03 was recovered.



## Case Studies

### An unlawful helping hand

Chew Gay Kian was the Purchasing Superintendent of ST Microelectronics Pte Ltd (STM). His job scope included creating vendor accounts, issuing purchase orders to vendors and updating the information in the computer system.

Investigations by the CPIB revealed that Chew first met John Ee, a Director at Iconium Technologies Pte Ltd, in March 2005 during a meeting where Ee was seeking for Iconium Technologies to be appointed as a vendor to supply products to STM. During the time when Chew was preparing to create a vendor account for Iconium Technologies, he approached Ee for a loan of S\$6,000. Ee agreed to give the loan to

Chew as he needed Chew's help in qualifying Iconium Technologies as a vendor for STM. After Iconium Technologies was approved as a vendor for STM and started business dealings with them, Ee became aware of Chew's financial difficulties. Although Ee refused to loan Chew any money, he helped to pay for expenses incurred by Chew for dining, entertainment and repair bills. Ee also gave a red packet to Chew's daughter as a birthday gift.

Chew Gay Kian was charged for corruptly obtaining gratification in the form of loan and gifts amounting to S\$8,650. In July 2010, he was fined S\$29,000 and ordered by the Court to pay a penalty of S\$8,650.



## Case Studies

### Too late to turn back time

Singleton Marc Alexander was the former Managing Director of Performance Motors Ltd. As Managing Director, part of his responsibilities was to review the yearly renewal of authorised dealership granted to local companies for the distribution and sales for BMW cars in Singapore. He also had the authority to approve or terminate dealerships.



Investigations by the CPIB revealed that on 17 December 1999, Alexander received two Rolex watches from Teo Kian Hong, a Director of Teo Tian Seng Motor Credit Pte Ltd (TTS), as a Christmas present. In return, Teo had hoped that Alexander would continue to appoint TTS as one of the dealers for distributing BMW cars. Subsequently, Alexander had approached Teo with requests to buy more branded watches. On some occasions, Alexander would make a payment to Teo for the branded watches at a discounted price. But most of the time, Alexander would not pay back Teo for the branded watches. Teo did not seek payment from Alexander as she wanted TTS to continue to be an authorized dealer for BMW cars. The branded watches had a total worth of more than S\$100,000. Alexander also obtained from Teo, 3 Nokia handphones and a sum of S\$78,000.

Besides Alexander, Teo had also given bribes to Patrick Pow, the Director of Sales and Marketing at Performance Motors Limited. In his position, Pow could recommend for renewal or termination of dealer agreements. Teo had given Pow a Hermes watch as a Christmas gift. Despite Pow knowing it was against company

policy, he accepted the gift. From December 2000 to December 2002, Pow obtained from Teo branded watches with a total worth of S\$4,165, a Nokia handphone worth S\$1,388 and a loan of S\$60,000.

Further investigations revealed that Pow also obtained bribes from Kheh Thiam Hoo, Director of Skyway Credit & Leasing Pte Ltd (Performance Motor Ltd's appointed sole finance agent), in return for the maintenance of a good business relationship with Skyway. Pow had received from Kheh, a Frank Muller watch worth S\$13,390 for his birthday and loans amounting to S\$82,000.

Marc Alexander was charged with corruptly obtaining gratification from Teo as an inducement to continue Teo's dealership. He was fined S\$185,000 and ordered to pay a penalty of S\$112,142 on 27 October 2005. Patrick Pow was charged with corruptly obtaining gratification from Teo Kian Hong and Kheh Thiam Hoo as an inducement to re-appoint their companies as dealers of Performance Motors Ltd. On 18 April 2005, he was fined S\$120,000 and ordered to pay a penalty of S\$142,000.

## Case Studies

### Bribes in return for food supply contracts

Leng Kah Poh was the IKEA Food Service Manager for Ikano Pte Ltd (IKEA Singapore). Being the top man in charge of IKEA Food Service, he had a free hand in making most of the decisions related to the restaurant operations including approving food suppliers to IKEA Singapore.

Investigations by the CPIB revealed that sometime in 2002, Leng got acquainted with Lim Kim Seng, the sole proprietor of Buildcare Services who performed cleaning works for IKEA Singapore's restaurants. The latter approached Leng with a business proposal to replace IKEA Singapore's existing food supplier. He introduced Tee Fook Boon, the sole proprietor of AT35 to Leng. Subsequently, AT35 managed to take over the supply of raw food ingredients from IKEA Singapore's existing supplier with the assistance and recommendation of Leng. Part of the company (AT35)'s profits went to Leng even though he did not contribute to the initial capital investment to finance their business scheme. Later, Lim set up Food Royale Trading (FRT) to supply chilled and dry food products to IKEA Singapore. AT35 and FRT then became

the exclusive suppliers of frozen, chilled and dried food ingredients and products to IKEA Singapore. Leng continued to exercise his influence and favour the two companies. He would give insider information on how to make AT35's and FRT's products attractive to IKEA Singapore.

Over a period of about 7 years, through AT35 and FRT, Lim Kim Seng, Tee Fook Boon and Leng Kah Poh amassed for themselves S\$6.9 million out of the company profits from the food supply contracts with IKEA Singapore. Leng took a one-third share for his pivotal role in their business scheme, in the amount of about S\$2.3 million.

All 3 persons were charged and convicted for corruption offences. Leng Kah Poh was convicted by a District Court in July 2013 but was later acquitted in September 2013 by the High Court. The High Court decision was then overturned by the Court of Appeal in November 2014, which restored Leng's original sentence of 98 weeks imprisonment and S\$2,341,508 penalty\* on the corrupt proceeds he received. Lim Kim Seng

was convicted and sentenced to 70 weeks imprisonment in 2013. Tee Fook Boon was originally convicted by a District Court to 16 weeks imprisonment and fine of S\$180,000. Subsequently, Tee's imprisonment was enhanced to 40 weeks with the fine amount remaining unchanged on 22 August 2011.



## Case Studies

### Illegal commissions for facilitating loans

Wong Teck Long was former Senior Vice-President (Private Banking) of Bayerische Landesbank Girozentrale (BLG). Part of his duties at BLG was to source for private individuals in the Asia Pacific region who wished to borrow money for investments.

Investigations by the CPIB revealed that Wong was introduced to Kong Kok Keong who was then Executive Director of Innosabah Sdn Bhd (Innosabah), a share broking company located in Sabah, Malaysia. Kong had intended to obtain credit facility from BLG to purchase shares. Subsequently, in April 1997, Wong put up a Credit Approval to the management of BLG recommending to grant Kong a Revolving Short-Term Multi-Currency Loan of RM14.5 million. The management approved the loan application.

Kong, besides obtaining the loan from BLG for himself, also got his nominees from Malaysia to apply for the loans. Nine Malaysians managed to obtain Revolving Short-Term Multi-Currency Loan of RM14.5 million each from BLG through Wong.

For expediting the approval and drawdown of the loans, Wong demanded a substantial commission from Kong. The commission was given to Wong in the form of shares traded in Wong's nominee share account with Innosabah. Wong would purchase the shares but the shares would be paid by Kong. In total, Wong had received from Kong about RM 300,000 to RM 400,000 which were the proceeds from the sales of shares.



In February 2005, Wong Teck Long was sentenced to 4 months imprisonment and ordered to pay a penalty of S\$150,000 for corruption offences. In June 2005, Wong appealed against the sentence without success. Instead, his sentence was increased from 4 months to 15 months imprisonment. The penalty sum remained at S\$150,000.

## Case Studies

### A slice of apple pie gone bad

Chua Kim Guan was a Managing Director of Jin Li Mould Manufacturing Pte Ltd and was in charge of the operations in the company. Ang Kok Kiat was the Sales Director of the same company. The company is in the business of producing moulds and has had business dealings with Apple Inc since 2001.

Investigations by the CPIB that between November 2006 to June 2009, the duo had worked together to give bribes to one Paul Shin Devine, a Global Supply Manager under the employment of Apple Inc. In return, Devine would provide information on Apple Inc's upcoming projects such as product forecasts and pricing targets so that Jin Li Mould Manufacturing Pte Ltd could secure the contracts.



Chua had allegedly given a total of US\$387,600 to Devine over a course of 2 years in Singapore, Macau, People's Republic of China (PRC) and the United States of America (USA) to advance Jin Li Mould Manufacturing Pte Ltd's business interests. Ang had abetted these transactions as well as those involving two other Singaporean companies, Fastening Technology Pte Ltd and Lateral Solutions Pte Ltd. Moreover, he had also received payments from the shareholders of the two companies, for aiding them to secure business contracts from Apple Inc through Devine. He also received from Paul Devine for his assistance in the transactions with Jin Li Mould Manufacturing Pte Ltd, Fastening Technology Pte Ltd and Lateral Solutions Pte Ltd.

In December 2013, Chua Kim Guan was jailed for 9 months for giving bribes to Paul Shin Devine to advance his company's business interests with Apple Inc. Ang Kok Kiat was sentenced to imprisonment of 12 months and ordered to pay a penalty of S\$281,985.51. Paul Shin Devine had pleaded guilty in US Federal Court in February 2011 to wire fraud, conspiracy and money laundering.



# **FURTHER RESOURCES & APPENDICES**

## Publications

| Published by   | Weblink   |
|--|---|
| <b>Transparency International</b><br>Business Principles for Countering Bribery,<br>Small and Medium Enterprise (SME) Edition  | <a href="https://www.transparency.org/whatwedo/tools/business_principles_for_countering_bribery_sme_edition/1/">https://www.transparency.org/whatwedo/tools/business_principles_for_countering_bribery_sme_edition/1/</a> |
| <b>United Nations Office on Drugs and Crime</b><br>An Anti-Corruption Ethics and Compliance<br>Programme for Business: A Practical Guide   | <a href="http://www.unodc.org/unodc/en/corruption/publications.html">http://www.unodc.org/unodc/en/corruption/publications.html</a>   |
| <b>G20</b><br>Anti-corruption Toolkit for Small and Medium<br>Sized Companies  | <a href="http://www.iblfglobal.org/resources">http://www.iblfglobal.org/resources</a>   |
| <b>Independent Commission Against<br/>                     Corruption, Hong Kong</b><br>‘Business Success: Integrity & Legal<br>Compliance’, Corruption Prevention Guide for<br>SMEs in Guangdong, Hong Kong and Macao | <a href="http://www.icac.org.hk/en/acr/p/bs/smes/">http://www.icac.org.hk/en/acr/p/bs/smes/</a>   |

## Educational Media

| Published by  | Weblink  |
|---|--|
| <b>Corrupt Practices Investigation Bureau</b> <ul style="list-style-type: none"> <li>• Videos</li> <li>• Brochure/Posters</li> <li>• Online Quiz/Game</li> <li>• The Graftbusters’ Trail Mobile Application</li> <li>• Virtual Tour of CPIB Exhibition</li> </ul> | <a href="https://www.cpiib.gov.sg/prevention-education/educational-resources">https://www.cpiib.gov.sg/prevention-education/educational-resources</a><br><br><a href="https://www.youtube.com/user/CPIBSingapore">https://www.youtube.com/user/CPIBSingapore</a> |
| <b>Independent Commission Against<br/>                     Corruption, Hong Kong</b> <ul style="list-style-type: none"> <li>• Videos</li> <li>• Posters</li> <li>• Handbooks</li> </ul>   | <a href="http://www.icac.org.hk/en/acr/avp/index.html">http://www.icac.org.hk/en/acr/avp/index.html</a><br><br><a href="https://www.youtube.com/user/ICACChannel/videos">https://www.youtube.com/user/ICACChannel/videos</a>                                     |

## Websites

| Published by   | Weblink   |
|--|---|
| <b>Corrupt Practices Investigation Bureau</b> <ul style="list-style-type: none"> <li>• Annual reports and statistics</li> <li>• Case studies</li> <li>• E-services                             <ul style="list-style-type: none"> <li>– Complaint for corrupt conduct</li> <li>– Booking for Public Education Talk and Learning Journey</li> </ul> </li> </ul> | <a href="https://www.cpi.gov.sg/">https://www.cpi.gov.sg/</a>   |
| <b>Transparency International</b> <ul style="list-style-type: none"> <li>• Corruption Perceptions Index</li> <li>• Anti-corruption news and developments</li> </ul>  | <a href="http://www.transparency.org/">http://www.transparency.org/</a>   |
| <b>Organisation for Economic Co-operation and Development (OECD) - Bribery and Corruption</b> <ul style="list-style-type: none"> <li>• Country monitoring</li> <li>• Books</li> <li>• Anti-corruption news</li> </ul>  | <a href="http://www.oecd.org/corruption/">http://www.oecd.org/corruption/</a>   |
| <b>The World Bank – Governance &amp; Anti-Corruption Blog</b> <ul style="list-style-type: none"> <li>• Anti-corruption news</li> <li>• Audio-visual resources</li> </ul>   | <a href="http://www.worldbank.org/en/topic/governance/brief/anti-corruption">http://www.worldbank.org/en/topic/governance/brief/anti-corruption</a> |
| <b>United Nations Office of Drugs and Crime – Corruption and Economic Crime</b> <ul style="list-style-type: none"> <li>• Publications and toolkits</li> </ul>  | <a href="http://www.unodc.org/unodc/en/corruption/index.html?ref=menuaside">http://www.unodc.org/unodc/en/corruption/index.html?ref=menuaside</a>   |
| <b>Global Anticorruption Blog</b> <ul style="list-style-type: none"> <li>• Analysis and discussion on corruption</li> </ul>  | <a href="https://globalanticorruptionblog.com/">https://globalanticorruptionblog.com/</a>   |

## Academia

| Experts   | Weblink   |
|---|---|
| <b>Professor Jon S.T. Quah</b> <ul style="list-style-type: none"> <li>• Expert and author in corruption and governance in Singapore and Asian countries</li> </ul>            | <a href="http://www.jonstquah.com/index.htm">http://www.jonstquah.com/index.htm</a>   |
| <b>Associate Professor Eugene Tan Kheng Boon</b> <ul style="list-style-type: none"> <li>• Areas of specialisation include corruption, governance and public ethics</li> </ul> | <a href="http://law.smu.edu.sg/faculty/profile/9597/Eugene-TAN-Kheng-Boon">http://law.smu.edu.sg/faculty/profile/9597/Eugene-TAN-Kheng-Boon</a> |

## Extracts from The Prevention of Corruption Act (PCA), Penal Code and Criminal Procedure Code

### Punishment for corruption

#### Prevention of Corruption Act- Section 5

Any person who shall by himself or by or in conjunction with any other person —

- (a) corruptly solicit or receive, or agree to receive for himself, or for any other person; or
- (b) corruptly give, promise or offer to any person whether for the benefit of that person or of another person,
  - (i) any person doing or forbearing to do anything in respect of any matter or transaction whatsoever, actual or proposed; or
  - (ii) any member, officer or servant of a public body doing or forbearing to do anything in respect of any matter or transaction whatsoever, actual or proposed, in which such public body is concerned, any gratification as an inducement to or reward for, or otherwise on account of — shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 5 years or to both.

### Punishment For Corrupt Transactions With Agents

#### Prevention of Corruption Act - Section 6

If —

- (a) any agent corruptly accepts or obtains, or agrees to accept or attempts to obtain, from any person, for himself or for any other person, any gratification as an inducement or reward for doing or for bearing to do, or for having done or forborne to do, any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business;
- (b) any person corruptly gives or agrees to give or offers any gratification to any agent as an inducement or reward for doing or forbearing to do, or for having done or forborne to do any act in relation to his principal's affairs or business, or

For showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business; or

- (c) any person knowingly gives to an agent, or if an agent knowingly uses with intent to deceive his principal, any receipt, account or other document in respect of which the principal is interested, and which contains any statement which is false or erroneous or defective in any material particular, and which

to his knowledge is intended to mislead the principal, he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 5 years or to both.

### **Presumption of corruption in certain cases**

Any proceedings against a person for an offence under section 5 or 6, it is proved that any gratification has been paid or given to or received by a person in the employment of the government or any other department of a public body by or from a person or agent of a person who has or seeks to have any dealing with the government or any other department of any public body, that gratification shall be deemed to have been paid or given or received as an inducement or reward as mentioned in section 8 of the PCA, unless proven otherwise.

### **Penalty for corruption**

#### **Prevention of Corruption Act - Section 13**

- 1) Where a court convicts any person of an offence committed by the acceptance of any gratification in contravention of any provision of this Act, then, if that gratification is a sum of money or if the value of that gratification can be assessed, the court shall, in addition to imposing on that person any other punishment, order him to pay as a penalty, within such time as may be specified in the

order, a sum which is equal to the amount of that gratification or is, in the opinion of the court, the value of that gratification, and any such penalty shall be recoverable as a fine.

- 2) Where a person charged with two or more offences for the acceptance of gratification in contravention of this Act is convicted of one or some of those offences, and the other outstanding offences are taken into consideration by the court under section 178 of the Criminal Procedure Code [Cap. 68] for the purpose of passing sentence, the court may increase the penalty mentioned in subsection (1) by an amount not exceeding the total amount or value of the gratification specified in the charges for the offences so taken into consideration.

### **Liability of citizens of Singapore for offences committed outside Singapore**

#### **Prevention of Corruption Act - Section 37**

- 1) The provisions of this Act have effect, in relation to citizens of Singapore, outside as well as within Singapore; and where an offence under this Act is committed by a citizen of Singapore in any place outside Singapore, he may be dealt with in respect of that offence as if it had been committed within Singapore.

- 2) Any proceedings against any person under this section which would be a bar to subsequent proceedings against that person for the same offence, if the offence had been committed in Singapore, shall be a bar to further proceedings against him, under any written law for the time being in force relating to the extradition of persons, in respect of the same offence outside Singapore.

### **Bribery of domestic public officials**

#### **Penal Code - Sections 161 to 165**

Aside from the PCA, Sections 161 to 165 of the Penal Code are provisions that deal with the bribery of domestic public officials. The scenarios as laid out through these sections are as such:

- a public servant taking a gratification, other than legal remuneration, in respect of an official act
- a person taking a gratification, by corrupt or illegal means, in order to influence a public servant
- a person taking a gratification for exercising personal influence over a public servant
- abetment by a public servant of the above offences
- a public servant obtaining anything of value, without consideration or with consideration the public servant knows to be inadequate, from a person concerned in any proceedings or business conducted by such public servant.

### **Duty to give information**

#### **Criminal Procedure Code - Section 424**

Section 424 of the Criminal Procedure Code states that it is the legal duty of any person who is aware of any public officials engaging in corruption activities to immediately report and give information to the Police:

Every person aware of the commission of or the intention of any other person to commit any arrestable offence punishable under Chapters VI, VII, VIII, XII and XVI of the Penal Code (Cap. 224) or under any of the following sections of the Penal Code:

Sections 161, 162, 163, 164, 170, 171, 211, 212, 216, 216A, 226, 270, 281, 285, 286, 382, 384, 385, 386, 387, 388, 389, 392, 393, 394, 395, 396, 397, 399, 400, 401, 402, 430A, 435, 436, 437, 438, 440, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 489A, 489B, 489C, 489D and 506,

shall, in the absence of reasonable excuse, the burden of proving which shall lie upon the person so aware, immediately give information to the officer in charge of the nearest police station or to a police officer of the commission or intention.

## Sample of Anti-Corruption Policy

1. Our Company is committed to running our business operations on a foundation of Integrity, Transparency and Honesty. Our Company will devise and improve our processes continuously to prevent direct or indirect bribery, in order to safeguard and uphold our values.
2. Our Company adopts a zero-tolerance policy towards any forms of corruption and bribery in our business. Our Company and employees have to observe the anti-bribery and anti-corruption legislations and regulations in the countries where we have business activities in and undertake ourselves to not engage in any corrupt or improper practices.
3. Our Company does not allow our employees to solicit or accept any benefits such as commissions, gifts in cash or kind, gifts that are more than nominal value, or any other service, favour or advantage of any description whatsoever, from any organisation, firm or individual with whom they deal with in the course of the employment.
4. Our Company does not allow our employees to promise or offer to give any benefits such as commissions, gifts in cash or kind, gifts that are more than nominal value, or any other service, favour or advantage of any description whatsoever, to any individual of external parties with whom they deal with in the course of the employment.
5. Our Company has clear guidelines with regard to the declaration of conflict of interest and the receipt of corporate gifts and any other benefits from our business partners which our employees are obliged to adhere to.
6. Our Company has an internal reporting structure, procedures and channels that are secure and accessible for our employees to raise concerns and report violations or suspicious activity.
7. If our employees are established to have been involved in prohibited practices, they may be subjected to disciplinary actions, including immediate dismissal of employment and/or referral to relevant law enforcement authorities.
8. Our Company will also strive to ensure that our business partners share our zero-tolerance policy against corruption and bribery. Our Company will avoid engaging in business dealings with those known or reasonably suspected to be engaging in corruption and bribery.

## Sample of Code of Conduct

A conflict of interest occurs when there is a clash between the employee's self-interest and professional interest. As a result, the impartiality and objectivity of an employee's professional judgement or actions will be undermined. Such conflict of interest situations must be declared.

1. As an employee of the Company, you are required to avoid circumstances that entail, or appear to entail, a conflict of interest between personal and professional relationships. You have a continuing duty to disclose an actual or potential conflict of interest.
2. You are not allowed to engage directly or indirectly in any other employment or business, of any kind, without the prior consent from the Company.
3. In the event that you, or your family member, or someone with whom you have a close personal relationship with, have a considerable financial interest in a competitor, or business partner, of the Company, you must declare such relationship and financial interest to the Company.
4. You are not allowed to solicit or accept any benefits such as commissions, gifts in cash or kind, gifts that are more than nominal value, or any other service, favour or advantage from any organisation, firm or individual with whom you deal with in the course of the employment.
5. You are not allowed to promise or offer to give any benefits such as commissions, gifts in cash or kind, gifts that are more than nominal value, or any other service, favour or advantage, to any individual of external parties with whom you deal with in the course of the employment.
6. You are also prohibited from obtaining loans from anyone with whom you deal with in the course of the employment. However, you are allowed to obtain loans from banks or financial institutions which the Company maintains business relationships with, on the same terms as those received by others that are not from the Company.
7. You are not allowed to give entertainment or hospitality that is extravagant or out of the norm, nor receive the same from external parties. Where possible, declaration to the Company should be made in advance. Where that is not possible, you must declare to the Company at the earliest possible opportunity.

## Sample of Declaration Form for Gifts and Entertainment

### Section A – To Be Completed By Employee Making The Declaration

#### I) Employee's Particulars

Name: \_\_\_\_\_ Designation / Department: \_\_\_\_\_

#### II) Declaration Description

| S/N | Sender's Name & Organisation | Description of Gift / Benefit | Qty | Est. Value (S\$) | Preference of Employee (Retain / Don't Retain) |
|-----|------------------------------|-------------------------------|-----|------------------|--|
|     |                              |                               |     |                  |  |
|     |                              |                               |     |                  |  |

Reason of receiving gift / benefit:

Date: \_\_\_\_\_ Signature of Employee: \_\_\_\_\_

### Section B – To Be Completed By HR Department (If applicable)

#### Valuation of Gift(s) and Recommendation

| Gift S/N | Valuation Price (S\$) | Source of Valuation | Recommended Mode of Allocation / Disposal |
|----------|-----------------------|---------------------|---|
|          |                       |                     |   |
|          |                       |                     |   |

Date: \_\_\_\_\_ Name & Signature of Head of HR Department: \_\_\_\_\_

### Section C – Approval

The recommended method of allocation/disposal is \*approved/ not approved.

Remarks:

Date: \_\_\_\_\_ Name & Signature of {Insert Designation of Approving Authority}: \_\_\_\_\_

\*Delete as appropriate

## Sample of Declaration Form for Conflict of Interest

**Section A – To Be Completed By Employee Making The Declaration**

**I) Employee's Particulars**

Name: \_\_\_\_\_ Designation / Department: \_\_\_\_\_

**II) Declaration Description**

| S/N | Persons/Companies with whom/which I have official dealings and/or private interest | Personal Relationship (e.g relative, secondary school classmate, etc) | Official Relationship (e.g vendor, client, etc) | Brief description of my official duties involving the Persons/Companies (e.g certifying work done, tender evaluation, etc) |
|-----|--|---|---|--|
|     |  |   |   |  |
|     |  |   |   |  |
|     |  |   |   |  |
|     |  |   |   |  |
|     |  |   |   |  |
|     |  |   |   |  |

Date: \_\_\_\_\_ Signature of Employee: \_\_\_\_\_

**Section B – To Be Completed By {Insert Designation of Approving Authority}**

The conflict of interest situation(s) mentioned in Section A \*is/are noted and the following measure is recommended:

- You must stop performing any official duties relating to the persons/companies that \*is/are stated in Section A.
- You may continue performing your official duties relating to the persons/companies that \*is/are stated in Section A, on condition that you must maintain your impartiality and professionalism without being undermined by your personal interest.

Remarks:

Date: \_\_\_\_\_ Name & Signature of {Insert Designation of Approving Authority}: \_\_\_\_\_

\*Delete as appropriate

## Sample of Risk Assessment Checklist

| Human Resource |  |     |    |     |
|----------------|--|-----|----|-----|
| S/N            | Question   | Yes | No | N.A |
| 1              | Did we set a clear code of conduct for employees to follow, including guidelines on declaration of conflict of interest and rules on receiving of entertainment, gifts and benefits? |     |    |     |
| 2              | Did we ensure that the code of conduct had been conveyed to all employees when they first join the company?  |     |    |     |
| 3              | Is it mandatory for our employees to declare conflict of interest as and when it arises?   |     |    |     |
| 4              | Did we maintain a proper record of employee's attendance and overtime work and conduct routine audits in order to prevent employees from falsifying attendance or overtime records?  |     |    |     |
| 5              | Did we tally the salaries paid against the attendance record to ensure that we did not overpay our employees?  |     |    |     |
| 6              | Did we set a clear protocol for employees to voice their grievances about the company?   |     |    |     |
| 7              | Did we set a clear protocol for employees to whistle-blow when they detect anything suspicious about their co-workers?   |     |    |     |
| Procurement    |  |     |    |     |
| S/N            | Question   | Yes | No | N.A |
| 8              | Did we set clear procurement guidelines and procedures and educate our employees on the guidelines and procedures?   |     |    |     |
| 9              | Did we segregate important duties such as putting up requests for goods/services, sourcing quotations, approving purchases, verifying of goods/services after delivery/work done?    |     |    |     |
| 10             | Did we keep a list of preferred vendors/contractors to make sure that we only engaged reliable vendors/contractors?  |     |    |     |
| 11             | Did we conduct background checks (e.g ACRA screenings) on our regular vendors/contractors to detect possible conflict of interest with our employees?                                |     |    |     |
| 12             | Did we conduct site visits to the office/factory/warehouse, etc of our regular vendors/contractors to ensure that they are not shell companies or fake entities?                     |     |    |     |
| 13             | Did we keep a proper record of the quotations that we had sourced from our vendors/contractors?  |     |    |     |

## Further Resources & Appendices >> Appendix F

| 14                          | Did we conduct regular audit checks on quotations sourced to detect fictitious quotations that were meant to aid a particular vendor/contractor in getting the contract from us?  |     |    |     |
|-----------------------------|---|-----|----|-----|
| 15                          | Did we inspect and verify that the goods delivered or services rendered by vendors/contractors are as according to the purchase orders and the delivery invoices before we acknowledge receipts and make payments to the vendors/contractors? |     |    |     |
| <b>Business Development</b> |   |     |    |     |
| S/N                         | Question  | Yes | No | N.A |
| 16                          | Did we set any clear guidelines on anti-bribery and educate our sales employees that our company does not condone the act of giving bribes to secure sales and business?  |     |    |     |
| 17                          | Did we set any clear guidelines and educate our employees on the list of discounts/rebates that we grant to our customers and the prerequisite that our customers need to fulfil for us to grant the discounts/rebates to them?               |     |    |     |
| 18                          | Did we notify our customers on the list of discounts/rebates and the prerequisite that they need to fulfil for us to grant the discounts/rebates to them?   |     |    |     |
| 19                          | Did we segregate important duties such as purchasing of supplies, sales and marketing, approving of discounts/rebates and cash collection?  |     |    |     |
| 20                          | Are we able to pinpoint the person accountable for every part of a sales transaction right from the start of liaising with suppliers to the collection of payment from customers based on our records?  |     |    |     |
| 21                          | Did we tally the cash sales receipts against the cash register record at the end of every day?  |     |    |     |
| 22                          | Did we ensure that all the sales related documents are sent to the accounts department without delay?   |     |    |     |
| 23                          | Did we keep a proper record of our sales documents (including uncommon entries like deposit forfeiture and cash refund)?  |     |    |     |
| 24                          | Did we monitor and verify our revenue diligently and ensure that cash and cheques received are banked in without delay?   |     |    |     |
| 25                          | Did we keep track and monitor the revenue that is deposited into the company bank account?  |     |    |     |

## Further Resources & Appendices >> Appendix F

| <b>Accounts</b>             |   |     |    |     |
|-----------------------------|---|-----|----|-----|
| S/N                         | Question  | Yes | No | N.A |
| 26                          | Did we set clear guidelines on the process and mode of payment for different scenarios (including uncommon payments such as salary advance and refund)? |     |    |     |
| 27                          | Did we maintain a systematic record of all accounting documents?  |     |    |     |
| 28                          | Did we keep our company's blank cheque books and petty cash in a secured manner?  |     |    |     |
| 29                          | Are the signatures of our company's authorised signatories difficult to forge?  |     |    |     |
| 30                          | Did we make sure that we tally the company's bank statements with our accounts at least once a month?   |     |    |     |
| 31                          | Did we set clear guidelines on the usage and topping up of petty cash?  |     |    |     |
| 32                          | Did we keep a proper record of the usage of petty cash?   |     |    |     |
| 33                          | Did we conduct routine inspection on the amount of petty cash remaining?  |     |    |     |
| 34                          | Did we ensure that every reimbursement claim is substantiated by a procurement approval, invoice and delivery/works order?                              |     |    |     |
| <b>Inventory Monitoring</b> |   |     |    |     |
| S/N                         | Question  | Yes | No | N.A |
| 35                          | Did we include information on the date and amount of goods procured and sold, their validity period and their storage location in our inventory record? |     |    |     |
| 36                          | Did we ensure that our employees maintain and update our inventory record promptly?   |     |    |     |
| 37                          | Did we conduct audits to check on the accuracy of our inventory records regularly?  |     |    |     |
| 38                          | Did we set clear guidelines and procedures for the disposal of inventory?   |     |    |     |
| 39                          | Did we conduct any checks to verify that inventory is disposed of according to the guidelines and procedures that we had set?                           |     |    |     |

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G20: Anti-corruption Toolkit for Small and Medium Sized Companies

Independent Commission Against Corruption, Hong Kong: 'Business Success: Integrity & Legal Compliance', Corruption Prevention Guide for SMEs in Guangdong, Hong Kong and Macau



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