

# GLOBAL CITIES

**Joining Forces Against Corruption**

Columbia Law School • April 23-25, 2015

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**New York City**

**Department of Investigation**



**Commissioner Mark G. Peters**

# New York City

## Department of Investigation



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# Corruption and Crime Commission

## “Positioning for the Future”

Acting Commissioner Christopher Shanahan, SC

Dr Kristy Edmonds, Assistant Director Strategy and Governance

**Presentation to the Global Cities Conference  
New York, 24 April 2015**



# 1. Role of the Commission

- Australia - anti-corruption bodies in every State
- Different models: anti-corruption, anti-crime, police misconduct ...etc.
- Western Australia – Commission est. 2004
- Primary statutory objects:
  - (1) to improve continuously the integrity of, and to reduce the incidence of misconduct in, the public sector (including “reviewable police action”); and
  - (2) to combat and reduce the incidence of organised crime.

## 2. Investigative Agency

- (1) to improve continuously the integrity of, and to reduce the incidence of misconduct in, the public sector
  - Investigate, monitor/review agency investigations;
  - Recommendations to agencies 'designing out misconduct'
  - Prosecutions/recommending disciplinary action
  - Parliamentary or Ministerial Reports
  
- (2) to combat and reduce the incidence of organised crime
  - Gatekeeper the Commission confers exceptional powers on Police

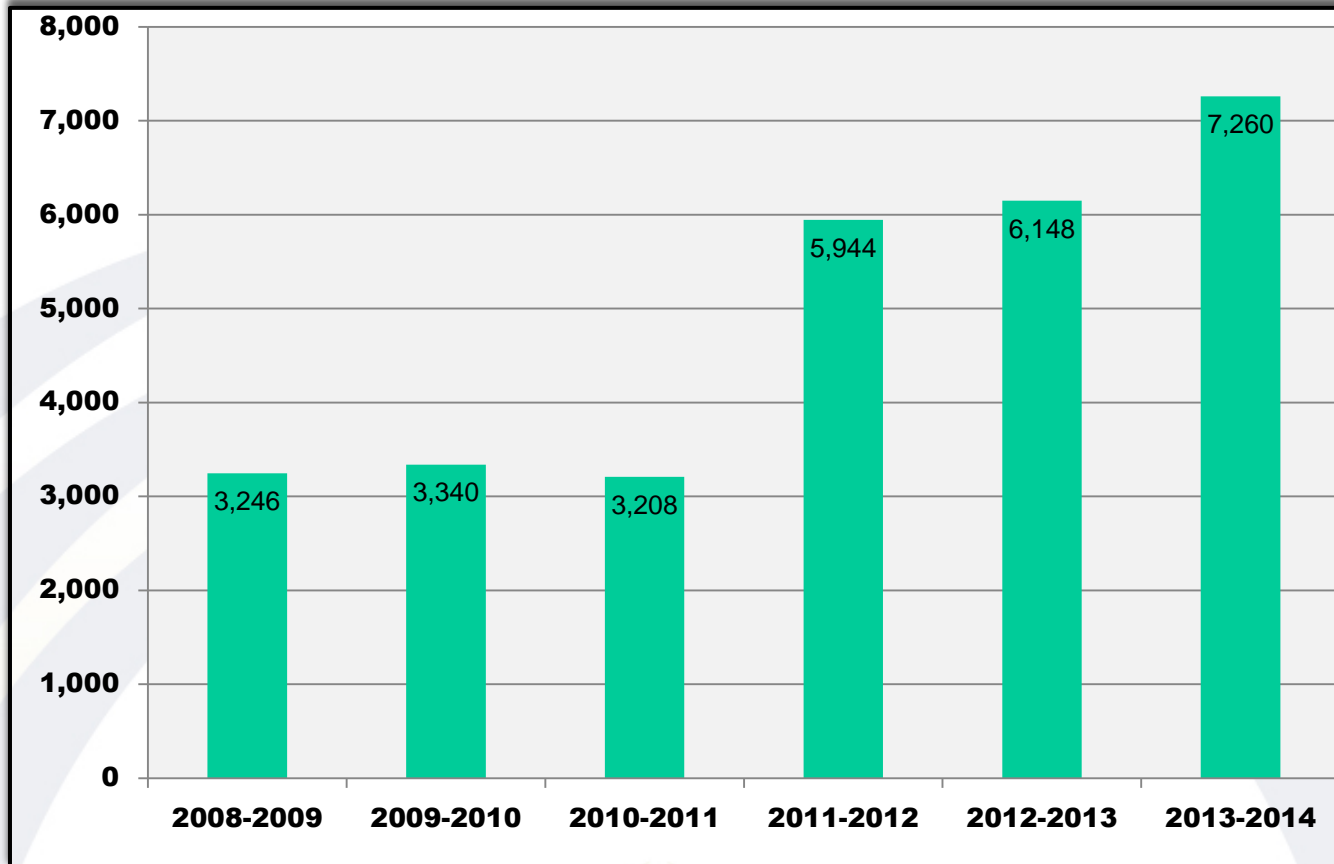
## 3. Strategic context

- 10 years since establishment
- Increase in size and complexity of jurisdiction
- Increase in number of allegations
- Legislative change
- New forms of service delivery
- Tightening fiscal climate
- Internal challenges
- Lee v The Queen – High Court





# Increasing allegations



## 4. Our response

### 1. Reposition the Commission

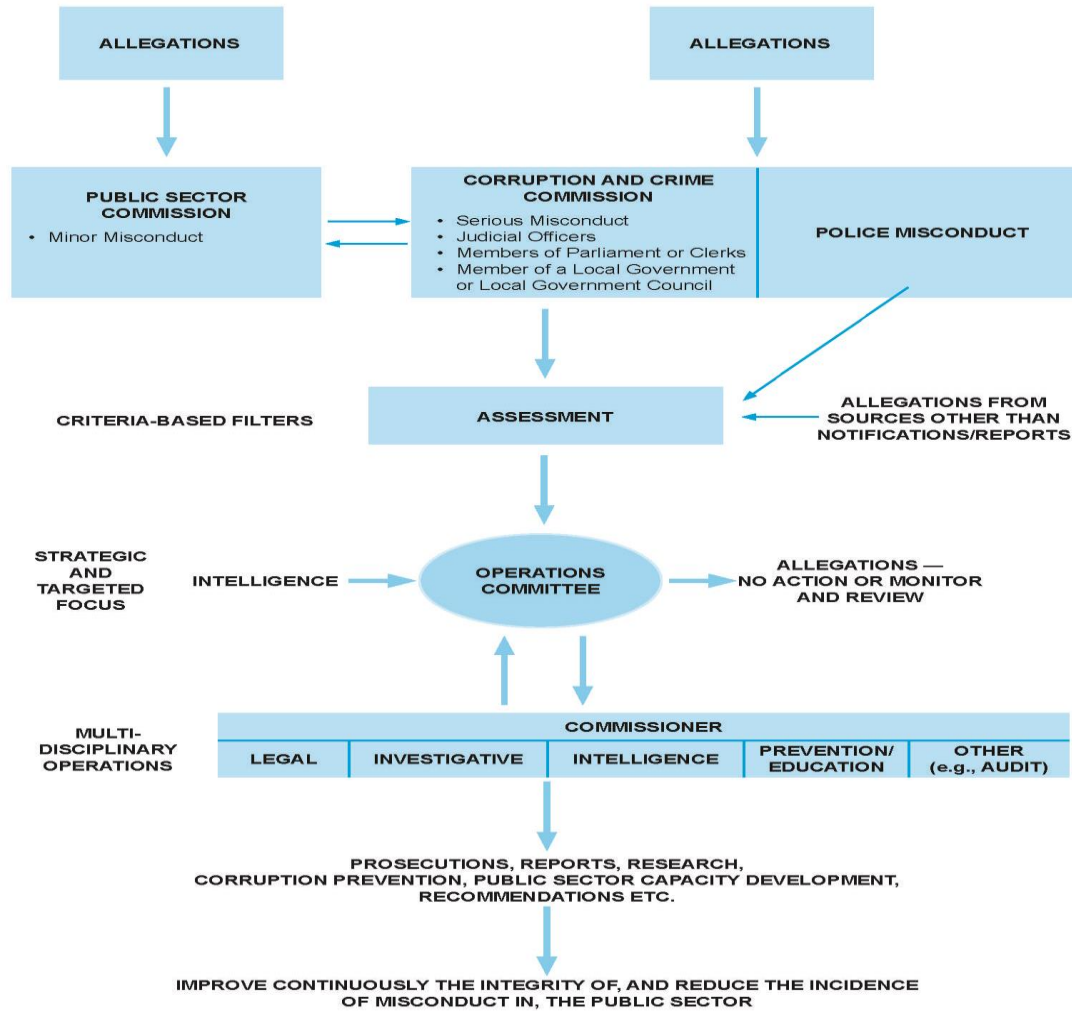
- Strategic, intelligence led approach
- Limited number of high value investigations
- Investigations must be targeted/product of intelligence gathering
- Operations Committee Model

### 2. Misconduct Intelligence Assessment (MIA)



# Enhanced Business Model

## PUBLIC SECTOR OPERATING ENVIRONMENT



RRUPTION  
D CRIME  
MISSION

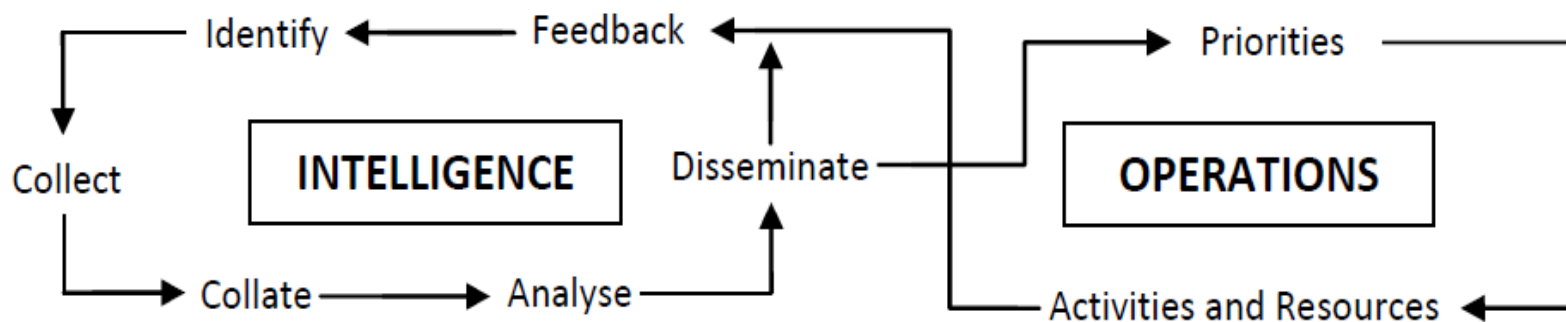
## 5. Misconduct Intelligence Assessment

1. Assesses inherent public sector corruption risks
2. Purposes:
  - to be used by the Commission to target and inform its operational activities
  - to assist public sector agencies with their corruption control strategies



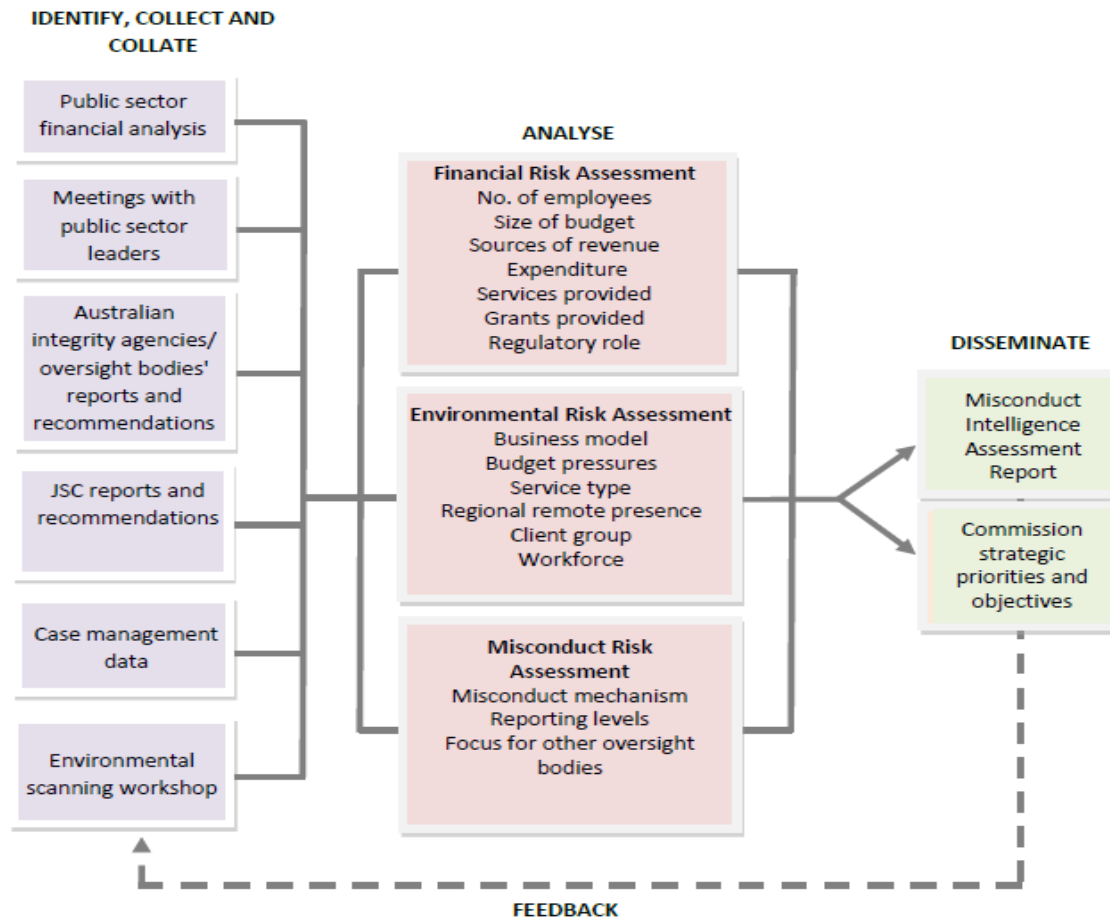
## 5.1 Stages of the MIA

Figure 1: Stages of the Intelligence Cycle and Commission Operations.



# 5.2 Methodology

Figure 2: Intelligence Cycle for the 2014 Misconduct Intelligence Assessment.



## 5.3 Outputs and Engagement

1. Outputs
  1. “Report on the Misconduct Intelligence Assessment of the Western Australian Public Sector” tabled in parliament on 26 March 2015
    1. It includes:
      - High risk areas
      - Medium-high risk areas
      - Areas of potential and emerging risk
    2. Chief Executive Officers Forum in May 2015

## 6. The Future

- Mapping and identifying public sector corruption hot spots (MIA)
- Using integrated intelligence combining auditing, data matching annual reporting ..etc
- More cooperative arrangements with other integrity agencies – harnessing the intelligence resources of the whole sector
- Fewer more sophisticated investigations
- Investigations targeted by intelligence using multi-disciplinary teams with Executive leadership and oversight.
- Front loading intellectual capital in the critical design and management of investigations.





# The Challenge

To design out corruption by changing public sector management, or to make it so difficult to avoid detection that the incidence of corruption is significantly reduced.



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# The Shifting Landscape of Urban Corruption: New Challenges, New Approaches

**BY**  
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**NAIROBI**  
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4/27/2015

# Urban corruption

- Urban population in 2014 accounted for 54% of the total global population compared to 34% in 1960.
- Nairobi, the capital city of Kenya, according to the 2009 population census had a population of 3,138,369. Approximately 8.1% of the country's population lives in Nairobi.
- Current rates of urbanization pose a great challenge but also present great opportunities as cities have always been engines of growth and incubators for innovation.
- Urban areas also serve as job providers, build sustainability and present equal opportunities for citizenry.
- Corrupt cities to the contrary have a negative effect on investment, perpetuate inequalities by facilitating transfer resources from the public to the elites, and generally from the poor to the rich thus worsening urban inequity.

# Urban corruption

Corruption in most cities takes place when political leaders:

- Cross ethical lines or compromise their integrity to access power that gives them access to public resources
- Justify the use of power and resources entrusted to leadership for achievement of urban development without respecting accountability or decision-making processes.

Once this happens, good governance, integrity, transparency and accountability at the local level cannot function, as public trust on those bestowed with authority diminishes.

# Shifting Landscapes

## Government contracts

- Land acquisition – Nairobi cemetery land scam where 120 acres with real value of Kshs 24 million was acquired at Kshs 283 million, also many instances of collusion with the suppliers sometimes inflate prices of items they supplied.
- Solid Waste Disposal – Contracts awarded to cronies, payments made for trips that were never made and to non-existent trucks
- Disposal of County Assets – Residential estate owned by the county worth Kshs 1.9 billion illegally disposed at a value of Kshs 1.4 billion

# Shifting Landscapes

## Campaign financing

- Increased velocity of tender awards towards election time, tender contracts awarded to political cronies,
- Business community financing both sides of the political divide
- Creation of emergencies, “kick backs” by Members of County Assemblies who use their bargaining power and discretion over contractors
- Rapid disposal of county assets towards election time

# Shifting Landscapes

## Transnational entities

Some transnational entities are noticeable in Nairobi City County the following approaches:

- Private public partnerships
- Unsolicited Lease financing

Such initiatives have failed to take off owing to lack of capacity of the county government to fully execute such ventures with transnationals and the overbearing presence of national authorities that need to sanction or guarantee such.



# New Challenges

- Perceptions that lead to apathy amongst the populace to report on corruption matters in county government
- Legislation providing for procedure for suspension/removal of State Officers does not include if one is charged with a corruption offence
- Capacity of the EACC to deal with corruption in devolved units
- Complexity of transactions that now require enhanced forensic investigations tools and skills
- Sectarian/Partisan Politics in the County Government where persons protect their own

# New Approaches - response to the challenges

- Participatory preventive approach: the process involves internal and external stakeholders, who diagnose analytically with the support of skilled anti-corruption practitioners, the city's vulnerability to corruption. The focus here is on corrupt systems and not (only) on corrupt individuals.
- Public Education aimed at civil society, women, youth and marginalized groups on the need to demand more opportunities and take an active role in local and urban governance. This is aimed at ensuring local representatives act transparently and empower such groups to make informed choices and to hold urban leaders accountable.

# New Approaches - response to the challenges

- National reform initiatives (such as the governance, justice, law and order sector reforms – GJLOS) and open government reinforced at local level to make anti-corruption efforts more effective. For a long time previously, anti-corruption strategies at national level and local levels sometimes seemed to work at cross purposes.
- Aggressive investigation (such as launch of proactive probes, disruption of corruption networks, asset tracing and recovery of proceeds of crime), prompt prosecution and protection of whistleblowers. Use of financial crime investigation techniques to follow the money trail.

**THANK YOU**

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