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Workshop on Technology for Transparency: Digital Disruption to Corruption

APEC Anti-Corruption and Transparency Experts' Working Group

July 2022

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Executive Summary

Digital innovation and technologies have advanced rapidly, with the emergence of electronic tools, digital systems, devices and innovative resources. These have presented challenges to APEC and non-APEC economies in the anti-corruption context. Opportunities for exploiting technologies and loopholes for illicit gains and heightened risks related to corruption and bribery are created. At the same time however, digital innovation and technologies can also be an effective tool to tackle corruption and promote transparency when implemented in a responsible manner. To explore the two sides of digital innovation and technologies in relation to anti-corruption is the focus of Project ACT 01 2021 Workshop on Technology for Transparency: Digital Disruption to Corruption.

The project was proposed by Thailand for the APEC Host Year 2022 and funded by APEC Anti-Corruption and Transparency Experts' Working Group (ACTWG) forum. It aims to build the capacity law enforcement and anti-corruption practitioners of APEC economies on the use of digital innovation and technologies in their anti-corruption efforts. The objective is to address the current challenges faced by APEC economies in the age of digital transformation and explore actionable solutions as well as potential limitations in implementing them. On 14 – 15 February 2022 the Workshop on Technology for Transparency: Digital Disruption to Corruption was delivered virtually. It was attended by participants from 17 APEC economies.

Major risks of corruption posed by digital transformation include the misuse of technology in public procurement, the use of virtual or digital assets for transactions related to proceeds of crime and money laundering, and the lack of data analytics. This has been exacerbated by the COVID-19 pandemic which propels urgent need for public expenditure, circumventing regulatory oversight for proper public procurement and disrupting ethics and compliance programmes.

On the other hand, digitalisation and data analytics can help predict and deter risks of corruption, enhance openness and transparency in delivering public services and procurement, detect irregularities or collusion, identify potential conflict of interest or beneficial ownership, and encourage public participation. Nevertheless, key challenges include the lack of digital skills, disparity in digital infrastructure and the lack thereof, lack of data sharing between and among agencies, and the building of trust and confidence in the government's digital platforms through appropriate guidelines around their use. Economies also showcased their best practices in implementing digital tools and systems in their anti-corruption mandates.

Recommendations include building a controlling environment for digital solutions from the system approach, taking on initiatives to expand digital infrastructure and tackle the lack of digital skills, collaboration among all relevant sectors, technical assistance to address digital divide and continued sharing of best practices, success cases or case studies, and exchange experiences.

The project outcomes are expected to translate into concrete deliverables in driving the longer-term implementation of APEC' s vision on creating a favourable environment for sustainable and inclusive economic growth and prosperity in the Asia-Pacific region.

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1. Introduction

The Workshop on Technology for Transparency: Digital Disruption to Corruption is an APEC-funded project under the APEC Anti-Corruption and Transparency Experts' Working Group (ACTWG) forum. The project was proposed by Thailand as represented by the Office of the National Anti-Corruption Commission (NACC). It is supported by 10 co-sponsoring economies: Chile; China; Hong Kong, China; Indonesia; Republic of Korea; Malaysia; New Zealand; Singapore; Chinese Taipei; and the United States.

As the APEC Host Economy through 2022, Thailand aims to play a constructive role in advancing APEC' s anti-corruption priorities and building momentum in the fight against corruption. The project was developed with the objective to build the capacity of law enforcement and anti-corruption practitioners of APEC economies on how to better apply digital innovation and technologies to anti-corruption efforts in their home economies.

The Workshop was delivered virtually on 14 – 15 February 2022 on Zoom Meeting with the hosting venue at the Office of the NACC in Nonthaburi Province, Thailand. A total of 155 speakers/moderator and participants from 17 APEC economies, the Asian Development Bank and the United Nations Development Programme attended the Workshop, including participants from the APEC Digital Economy Steering Group (DESG).

This Workshop Summary Report is the main deliverables of this project. It is a compilation of shared experiences, information and best practices captured from the two-day Workshop presentations and discussions. This report is developed with the purpose to provide a reference for future formulation of policy and measures for APEC economies in order to address the issues of corruption and transparency using digital innovation and technologies.

2. Background

2.1 Relevance

APEC members and non-APEC economies have been going through digital transformation. Rising technologies, while facilitating corruption and bribery, can also be seen as a tool to fight corruption. In the anti-corruption context, the subject of digital innovation and technologies as an anti-corruption strategy and its level of effectiveness has recently been a popular topic for research papers and widely discussed in several platforms. The theme of innovation and the use of digital technologies has been a shared agenda and priority among APEC economies over the past recent years.

In order to provide concrete deliverables in terms of capacity building to APEC economies and discuss the timely topic of digital technologies in relation to anti-corruption during the APEC 2022 Thailand Host Year, Thailand proposed a project to host the Workshop on Technology for Transparency: Digital Disruption to Corruption. The project was endorsed by the APEC Anti-Corruption and Transparency Experts' Working Group (ACTWG) and funded from the General Project Account.

By hosting the workshop, the project hopes to benefit APEC economies by providing a platform for discussing the current challenges which APEC economies have faced in the age of digital transformation whereby the world has become more borderless and interconnected**.** While digital transformation has presented opportunities, it has also brought forward the risks of corruption, bribery as well as money laundering, the project intends to draw attention of APEC member economies to the significance of the dynamic between digital technologies and corruption. It also aims to show that digital technologies and anti-corruption measures in fact have mutually reinforcing powers by exploring possible solutions to tackling corruption and potential limitations in implementing them.

In the longer term, the project will contribute to the achievement of a favourable economic environment and sound development of APEC economies. The focus of the project on digital innovation and the use of digital technologies as a mechanism to tackle and prevent corruption and bribery by facilitating more transparent and efficient interaction between the public and the private sectors will lay a foundation for a more favourable economic and business environment. This, in turn, will contribute to the more inclusive and sustainable economic growth for APEC economies, which is an indispensable success factor for recovery from the aftermath of the COVID-19 pandemic and subsequent economic downturn.

2.2 Objectives

The key objective of this project is to build the capacity of law enforcement and anti-corruption practitioners of APEC member economies on the use of digital innovation and technologies to tackle corruption, promote transparency and establish a culture of accountability and integrity in government and public-sector administration through a workshop and discussions among speakers and participants on the successes and challenges the economies might face.

Target participants will be composed of ACTWG attendees i. e. anti-corruption and law enforcement practitioners of APEC member economies as well as participants of

Anti-Corruption Authorities and Law Enforcement Agencies Network (ACT-NET) and representatives from other relevant APEC fora.

The project also aims to develop an output and deliverables in the form of a workshop summary report which compiles shared experiences and best practices from the workshop. This workshop summary report is expected to provide a reference for APEC member economies to formulate and implement policy and measures using digital innovation and technologies in relation to anti-corruption in their home economies.

2.3 Scope of the project

The scope of the project includes the following:

- Risks of corruption and bribery posed by digital transformation in the present, globally interconnected world
- Current and developing trends for creating and using digital innovation and technologies to enhance transparency and establishing an open government
- Challenges and limitations for anti-corruption agencies in implementing digital tools to anti-corruption efforts
- Success cases and lessons learned from APEC member economies.

2.4 Work plan

Pre-Workshop Research Work (December 2021)
Questionnaire survey was circulated to collect information on topics of interest among prospective participants in order to develop a proper Workshop Agenda.

Preparation for the Workshop (December 2021 - January 2022)
Tentative Agenda with a list of speakers was drafted and circulated to APEC economies. Invitation was extended to co-sponsoring economies to nominate their presenters of the challenges or best practices on using digital technologies in anti-corruption efforts. Expert speakers and participants who were not members of the economy delegations were engaged upon endorsement from the ACTWG, as per the APEC Guidelines on Managing Cooperation with Non-Members. The General Information Circular, along with the Agenda and Nomination Form, was circulated to participants prior to the event.

Virtual Workshop (14 - 15 February 2022)
The Workshop on Technology for Transparency: Digital Disruption to Corruption was held virtually on Zoom Meeting on 14 and 15 February 2022, with the duration of three hours per day. The hosting venue was the Office of the NACC in Nonthaburi Province.

Post-Workshop activities
After the Workshop was delivered, ex-post evaluation survey was circulated and re-circulated to collect feedback from the participants on their satisfaction with the Workshop content and degree of increase in knowledge.

APEC Project Monitoring Report was composed and submitted to the Secretariat.

3. Pre-Workshop Research Work

3.1 Introduction

The Pre-Workshop Research Work was conducted via a questionnaire survey to collect data from prospective participants on topics of their interest as well as their background and current level of knowledge related to the subject matter of the project. The purpose of the Pre-Workshop Research Work was to ensure the depth and breadth of the information on which the appropriate development of the Workshop Agenda and List of Speakers would be based.

3.2 Scope

The questionnaire consisted of the following sections:

Section 1*:* Demographics
Section 2*:* Risks of bribery and corruption posed by digital transformation
Section 3*:* Current developments of digital innovation and technologies
Section 4*:* Challenges and limitations for implementing digital innovation and technologies
Section 5*:* Additional comments

3.3 Summary of results

A total of 30 responses from 9 APEC economies were received.

3.3.1 Demographics

Almost half of the respondents are female, while almost the other half are male and the rest preferred not to say. Almost half of the respondents are between 30-39 and 40-49 years old. 40% of the respondents have 2-9 years of experience working for their agencies, while about 35% have 10-20 years of work experience. Over half of the respondents have a mid-level position in their agencies.

3.3.2 Risks of bribery and corruption posed by digital transformation

Respondents were asked how they perceived the following forms of crimes enabled by digital tools or systems have changed over the past two years. Half of the respondents perceived that fraud and money launder had significantly increased, while bribery and embezzlement had slightly increased.

60% and 50% of the respondents found that digital public services and electronic government systems had significantly increased over the past two years, similarly with the increased use of distributed ledger technologies (DLT) , blockchain and cryptocurrencies. The use of crowdsourcing platforms for reporting corruption or bribery cases and whistleblowing tools however only slightly increased.
Regarding risk areas, 40% of the respondents found that digital technologies and tools have significantly facilitated interaction within or between criminal groups, while slightly increased the concealment of wrongdoing, enabling bribes or illicit payments and manipulation of

information or data for illicit gains. Nevertheless 60% found that the identification of official for paying bribe had not changed as a result of technologies.

Respondents were also asked, as per their experience in anti-corruption work, how corruption and bribery cases were facilitated by digital technologies. Most responses agree on the following:

- Concealment of wrongdoing and laundering of illicit gains by using digital assets or cryptocurrencies
- Easier to transfer proceeds of crime to other jurisdictions
- Sharing of information and dialogue with foreign partners has been expedited;
- Covert communication via encrypted apps or dark web has been enabled.

Therefore, the collection of evidence has consumed more time. It has become more difficult to investigate and work with other economies in order to recover stolen assets.

The types of digital technologies and tools which most respondents were least familiar with are blockchain, cryptocurrencies and DLT, and secondly artificial intelligence (AI).

3.3.3 Current developments of digital innovation and technologies

Almost all of the respondents indicated that their agencies had introduced digital public services and electronic government systems, while 70% of the respondents reported the introduction of whistleblowing tools and 40% crowdsourcing platforms for reporting corruption or bribery cases. About 60% of the respondents replied that their agencies had no DLT, blockchain, cryptocurrencies nor AI as digital tools and systems in relation to their work.

Examples of how agencies of APEC economies have introduced digital tools or systems in the administration, either internally or with other agencies**/** sectors, to mitigate corruption and bribery:

- China: WeChat reporting system to invite reporting of clues of corruption officials and activities
- Hong Kong, China: processing officers have to declare potential and actual conflict of interest in the transaction of procurement system
- Republic of Korea: Digital Anti-Corruption System (Clean Portal: Corruption Reporting System) - a reporting assistant service and automatic classification service for the convenience of the reporter
- Singapore: Digital Investigation Paper initiative to digitalise investigation process, including projects like the digital statement, electronic bail (e-Bail) system and one-stop service hubs set up so the public can apply for licence, make service payments or other kinds of public services online to reduce red tape and corruption risks
- Chinese Taipei: Government Procurement Website open to the public – ongoing and history info on the price, contract subject, the tendering procedures, the contracting period, relevant government agencies, the awarded contractors can be acquired through the website
- The United States: US online complaint centre before review, analyse and submit to investigative teams based on the allegations; use of email addresses and online platforms outside of US to address fraud and corruption which directly affects the economy; provision of funding for development of a platform (an open-source system)

powered by distributed ledger technology (DLT) that will increase transparency and accountability around the disposition of assets returned by one jurisdiction to another

In terms of organisational dimension, about half of the respondents strongly agreed that their agencies had capacity building or training programmes related to digital technologies and corruption, top-down policy and devotion of resources and budget to elevate digitisation of the agency's administration.

3.3.4 Challenges and limitations for implementing digital innovation and technologies to anti-corruption

About half of the respondents agreed that the lack of digital infrastructure, the lack of digital skills and literacy of anti-corruption practitioners as well as legislative obstacles posed significant challenges and limitations to effective anti-corruption efforts.

In this vein, 75% and 70% of the respondents, respectively, were of the view that the enhancement of digital skills and literacy of anti-corruption practitioners and the expansion of digital infrastructure would be the most viable solutions to overcome the limitations in implementing digital innovation and technologies to anti-corruption.

3.3.5 Additional comments

Several responses commented that it would be most helpful to learn from other economies' experience in implementing digital tools and technologies in their work.
In particular, several respondents would like information sharing about success as well as failure cases of digitalisation in the anti-corruption area in order to learn what technologies have been successfully applied in other economies, and which ones did not so as to not waste resources and time when negative results would be likely.
This may include:

- Use of AI and digital technologies to assist in preventing and investigating corruption, and money laundering
- Use of digital tools in cross-border corruption cases, e.g. how the corrupt persons transferred proceeds of corruption abroad.

Certain respondents would like to learn more about how to strengthen central and competent authorities as part of the implementation of digital technologies in order to enhance effectiveness in overall anti-corruption efforts. Some would like to learn specifically how economies can use new technologies to trace illicit gains and recover assets.

The summary of results was presented at the Workshop after the opening session.

4. Workshop

The Workshop was a 2-day event which provided a platform for virtual discussions among expert speakers and participants on the topics related to the subject matter of the project. The Workshop comprised 5 Items with expert speakers' presentations, presentations from APEC member economies and virtual questions & answers.

Dates and time

The Workshop on Technology for Transparency: Digital Disruption to Corruption was held virtually on 14 and 15 February 2022, with one three-hour session per day starting from 08:00 am to 11:00 am Bangkok local time.

Venue

The Workshop was delivered virtually via the online platform Zoom Meeting, with the hosting venue at the Office of the National Anti-Corruption Commission in Nonthaburi Province, Thailand.

Agenda Items

- Item 1: Presentation of Pre-Workshop Research Work
- Item 2: Developing a context of digitalisation in relation to anti-corruption.
  What are the risks of bribery and corruption posed by digital transformation?
- Item 3: Ongoing Developments & Ways Forward
- Item 4: What are the challenges and limitations for anti-corruption practitioners?
- Item 5: Develop best practices & actionable recommendations

The Workshop was opened by **Police General Watcharapol Prasarnrajkit, President of the National Anti-Corruption Commission of Thailand and ACTWG & ACT-NET Chair of 2022**, then the Workshop was moderated by the Project Overseer.

The Workshop Agenda can be found in Annex I.

Participants

The Workshop was attended by the total of 155 participants and speakers/moderator from 17 APEC member economies and non-members, including participants from two international organisations. The number of participating economies exceeded the project target of 70% (15 economies), and the number of participants exceeded the project target of 50-60 participants.

Gender balance

Speakers: The number of female speakers and moderator was 7 out of 15 total speakers, accounting for 46.67% while the project had the target of 50%.

Participants: The number of female participants was 79 out of 140 total participants, accounting for 56.43% which exceeded the project target of 40%.

4.1 Risks posed by Digital Transformation

Mr Thomas Stelzer, Dean and Executive Secretary of the International Anti-Corruption Academy (IACA), delivered a pre-recorded statement on three major risks posed by digital transformation. While digitalisation has brought many benefits, increasing transparency as information becomes more widely accessible, and disrupting corrupt systems enabled by the asymmetry in access to information, it also comes with a new set of problems and challenges.

The first challenge lies in the **absence of data analytics**. The lack of capacity to use the data may create new opportunities for corruption. Technologies can be misused for corruption and other criminal purposes, which can be blinded by the benefits from those technologies. The second challenge is the **misuse of procurement system** for corruption. The specification and implementation stages of the procurement process remains open to interference. Personal data protection is also a critical issue. Corruption can undermine the efforts of the institutions authorised to collect personal data to prevent hacking, but the digital security system can be circumvented by corruption within the organisation. The third challenge is the use of **virtual assets** for payments related to corruption and money laundering. Criminal and persons engaging in corruption make use of all the opportunities presented by the global financial system to evade the detection of transactions and assets gained from corruption. This includes virtual assets, also known as cryptocurrencies, and other new payment methods and platforms which can be used for the exchange of virtual assets. Ill-gotten gains can be moved without detection through this largely unregulated avenue. Successful investments in cryptocurrencies have also been used by corrupt officials to explain sudden significant monetary gain, which is almost impossible to disprove.

The most important step to counteract new avenues for corruption in the digital age is to establish a legal framework for the regulation of the use of artificial intelligence, virtual assets, and other new digital payment methods. Cryptocurrency trading platforms and issuers of virtual currencies should be integrated into the global anti-money laundering and counter terrorism financing system. The international community has started to pay a serious attention to the nexus between cryptocurrencies and corruption. In particular, the new United States anti-corruption strategy shows how serious the issue is being taken by the United States. The US Department of Justice has set up a new task force, the National Cryptocurrency Enforcement Team, to focus specifically on complex investigations and prosecutions for the criminal misuse of cryptocurrencies, particularly crimes committed by virtual currency exchanges. In many economies, supervisory and law enforcement authorities need technical assistance and training to deal with the new digital reality. It is also important to support the implementation of effective anti-corruption and anti-money laundering compliance programmes in financial institutions, including virtual service providers.

In this regard, the United Nations and other international organisations including IACA have an important role to play in supporting economies as they take on the challenges presented by digitalisation. These are cross-border, even global, challenges and therefore international cooperation is critical in tackling them successfully. Over the past 10 years IACA has been engaged in the fight against corruption through the provision of anti-corruption education and technical assistance to those who need it most in both the public and the private sectors. IACA

has developed and delivered new training programmes in corruption and emerging technologies. From the onset of the COVID-19 pandemic, IACA made use of the digital technology swiftly and effectively in changing the delivery of all the trainings into an online format. IACA's online capability has also been greatly enhanced and covered the topics of the Workshop, including fighting corruption in public procurement and leveraging technology for anti-corruption and compliance measures. Digitalisation is truly transformational and a challenge as there are two sides of the same coin, so it must be used in order to rise up to the challenges posed by the digital age.

Ms Lisa Kelaart-Courtney, Director of the Prevention and Compliance Division, Office of Anticorruption and Integrity, Asian Development Bank, shared the significance of data analytics in the context of financial crime compliance programmes. Bribery and corruption compliance and other financial crime compliance programmes need to be technology-driven disciplines with integrated processes and human behavioural insight.

There has been a rapid acceleration of digital transformation, with a major impetus in digital products and services, transactions and operations and a further stimulus to digital transformation and adoption has emanated from the ongoing pandemic, which has bolstered and fast tracked this existing data usage and insights and also required organisations in both the public and private sector – and the general community as a whole – to reassess either business processes or operating models, to leverage where possible a remote workforce and reshape strategy, focus and execution and also deal with multiple stakeholders using digital enablers remotely.

The rapid escalation in digital activities has brought disparity in existing thinking, approach and systems amidst **heightened financial crime risks** and associated financial crime compliance programmes lagging. During the pandemic, heightened integrity risk factors are prevalent as governments have to make extremely rapid policy-making decisions and incur huge public expenditure, thereby significant flows of funds, to fight the pandemic on many fronts from health to supporting domestic budgets. The urgent need for goods and services requires flexibility and speed, and significant flow and interjection of funds. Spending pressure has led to lower controls and higher risks from global competition, reversed bargaining power and volatile prices. Therefore, decisions have been fast-tracked. Risk of undue influence over policy responses and in lobbying circumvent traditional regulatory controls, in addition to the risks of falsification, supply shortages to inflate overall prices, and risks of collusion with suppliers and subcontractors involved in supply chain, such as logistics, freight, brokerage and other service providers.
In addition, the lack of lack of transparency are also risks and risk catalysts.

From the compliance and investigation perspective, the pandemic has significantly **disrupted traditional anti-bribery and corruption programmes**, programme initiatives, compliance and regulatory oversight. Economic pressures are exerted on organisations, which may lead to cuts in personnel and transformational initiatives and work within the tightened budgets. The outcome is potentially increased risks and upcoming issues as the world is pivoting to the new normal and recovery.

Data analytics has the power to transform compliance programmes, drive efficiency, and build better financial crime compliance programmes, risk management, and development of new products and services or even market segments such as the 'unbanked'. Data analytics and automation provide a significant opportunity for risk management related functions such as compliance, audit, and investigations to modernise and harness the use of data to identify compliance risk such as fraud and corruption, including anticipating risk areas through case and trend insights with unlimited opportunities to harness data insights in order to ultimately enable better compliance related decisions.

Ms Liu Xiaona, Acting Director of International Cooperation Division, China Anti-Money Laundering Monitoring and Analysis Center, presented the challenges of money laundering risks involving the use of virtual assets and China's experience in tackling them. Fighting money laundering, especially the laundering of proceeds of corruption, has become increasingly important in the global fight against corruption. The challenges of virtual assets to global anti-corruption and anti-money laundering efforts result from the rapid advance in new technologies in recent years whereby corrupt persons are taking advantage of digitalisation to launder, transfer and hide the stolen money.

Among various forms of digital assets, virtual assets are most appealing to corrupt persons and other criminals to launder and transfer illicit assets. The first challenge is the **difficulty to identify the subjects** of virtual asset transactions. Virtual asset transaction can be made via anonymous means using distributed ledger technology, therefore it is difficult to identify the actual beneficiary. Secondly, virtual asset transactions are made across platforms, regions and financial institutions, therefore the transactions can be easily cut off the chain of fund movement to evade supervision, hence the **difficulty in traceability**. Thirdly, money laundering using virtual assets is **increasingly professional** with an improved industrial chain. Professional intermediaries for virtual asset exchanges developed tools and technologies which can be used by criminals to make profit and it is difficult to trace. Fourthly**, supervision policies of virtual assets are different** across jurisdictions around the world. Some jurisdictions, China included, prohibit financial activities involving virtual assets while others subject activities related to virtual assets to anti-money laundering policies, the capability of which may be different.

From China's experience, enhancing the capability of obliged institutions in identifying the transactions of virtual assets is essential. Banks and financial institutions are the main channel of payment for virtual asset transactions involving the fiat currency. They keep transaction records, establish models to identify virtual assets transactions and verify whether the transactions are involved in virtual assets. Secondly, the fiat currency involved in virtual assets transactions is another key to monitoring and analysing money laundering activities. The convergence of virtual assets into fiat currency through banks and financial institutions makes the virtual asset transactions traceable.

Prospects of international cooperation include imposing a licensing and registration system for virtual asset service providers, subjecting virtual asset service providers to anti-money laundering regulation and supervision including customers' due diligence and reporting STRs, specifying and imposing anti-money laundering regulatory measures, and strengthening international cooperation in the field of virtual assets. Financial intelligence units and anti-corruption departments should enhance their information exchange capability on suspicious

transactions involving virtual assets. Information sharing may take place in the form of workshops, joint research and case cooperation to step up the effectiveness in monitoring and tackling of the use of virtual asset for cross-border transfer of proceeds of corruption.

Ms Nopnuanparn Pavasant, Director of FinTech Department, the Office of the Securities and Exchange Commission (SEC) of Thailand, delivered a presentation on the risks of bribery and corruption posed by digital assets.

Activities in the digital asset space include the use of cryptocurrency and stable coins as medium of exchange, fundraising through the Initial Coin Offering (ICO) process, trading through intermediaries, decentralised finance (DeFi) through lending and trading platforms using peer-to-peer transaction, and non-fungible tokens)NFTs(which transform music, art or collectible item into a token that can be transferred through blockchain. The SEC Thailand is the regulator under the Emergency Decree on Digital Asset Businesses 2018, which specifically regulates ICO and business activities related to cryptocurrencies and digital tokens. Other basic laws related to digital asset activities include the contract law governing relationship between the issuer and the token holders, the intellectual property law governing the NFTs and its transactions, and the anti-money laundering law combating illicit activities and financial crime. The SEC Thailand therefore works with other relevant agencies in regulating digital asset transactions, including the Bank of Thailand and the Anti-Money Laundering Office.

Digital assets must be stored in the wallet and transferred through the network or the blockchain. The wallet can be divided into the following:
(1) Custodian wallet or hosted wallet - controlled by a third party such as an exchange or a digital asset intermediary. The intermediary controls the customer's private key and potentially knows who the owner of the asset is.
(2) Non-custodian or self-hosted wallet - controlled by the owner of the asset without engaging intermediary, so the transactions are pseudonymous. Transactions can be traced on the blockchain, but the owner of the account or the wallet remains unknown.

By comparing peer-to-peer transaction using traditional asset versus digital asset, the transfer of physical assets such as cash is not recorded and thus difficult to trace, except for some assets such as land, which requires registration. On the other hand, digital assets are traceable because information is recorded on the blockchain. Recorded information includes the amount of transfer, the sender's address, the receiver's address and the date of the transfer.

In the context of corruption risks, both cash and digital assets can be traceable if the transaction is made through regulated intermediaries, such as banks for the case of traditional asset and digital asset exchange for digital asset. Nevertheless, in case a bribe is paid to a public official then a peer-to-peer transaction is made for the transfer to another individual, it is still difficult to trace or identify the subjects. For digital asset transactions, the bribe can be detected if the information on the bribe receiver's wallet is disclosed. In Thailand, SEC regulates digital asset intermediaries. These intermediaries are subject to the Know-Your-Customer (KYC) requirements as well as anti-money laundering/combating the financing of terrorism (AML/CFT) regulations. SEC Thailand could provide relevant information to anti-corruption and law enforcement agencies. Bribery could be detected and the account frozen if the transaction

is made through regulated intermediaries. In some economies however, digital asset intermediaries may not be subject to KYC requirements.

The SEC Thailand regulates five digital asset activities: digital assets exchange, digital asset broker, digital asset dealer, digital asset advisory service, and digital asset fund manager. The SEC Thailand is considering the regulation of the digital asset custodial wallet provider for more transparency. The digital asset law states that the intermediaries are regarded as financial institutions under the AML law and hence must comply with the requirements under the AML law, which follows the Financial Action Task Force (FATF) guidance on virtual assets.

With respect to measures to reduce corruption risks for digital assets, the AML/CFT regulations as well as the KYC requirements must be applied to all digital asset intermediaries. In addition, senior public officials must be required to disclose their wallet address. The transaction in public blockchain is accessible to everyone, so anti-corruption agency could track digital asset transactions made by the public official. Moreover, data analysis tools can be used to facilitate corruption investigation process.

Discussions and Q&A

Question: Please share details on AML regulation in Thailand in relation to peer-to-peer transactions, blockchain and cryptocurrency. What is the way forward?
Answer (Ms Pavasant): The Emergency Decree 2018 aims to increase investor protection and prevent unfair and illicit transactions in digital asset space. Intermediaries must comply with the AML Actfor transactions made through them, for example, KYC requirements, monitoring suspicious transactions and reporting to relevant authorities. Peer-to-peer transaction is challenging for regulators. Although transactions through blockchain are traceable, the real owner of that account or wallet is unknown.

What the SEC will do next is regulating digital asset custodial wallet providers as another license where KYC requirements will also be enforced. The SEC is now cooperating with other law enforcement entities such as Department of Special Investigation and Anti-Money Laundering Office to device efficient regulation in the future.

Question: What kind of specific assistance the government can provide to business in terms of using data to improve internal compliance?
Answer (Ms Kelaart-Courtney): There have been a number of initiatives in certain economies or within an economy where financial institutions and regulators got together to have one KYC platform, for example, that is up to international standards and in line with the FATF standards. This can be also utilised for prevention of other financial crime. There may be certain jurisdictions where information can be shared more easily because it's already mandated by law and it can be shared with the confidentiality within a particular technology system.

Question: Article 12 of the United Nations Convention against Corruption (UNCAC) does not specify what kind of preventive measures a company should take against bribery. What should be the core factors for consideration?
Answer (Ms Kelaart-Courtney): The international standard sets forth that entities should have an anti-bribery and corruption programme in place, but does not describe what it looks like. The programme has to be built according to the nature, scale, and size of the operations.

Different industries will have different risks and modalities, there are a plethora of section risks, jurisdictional risks and product risks etc. For enhancement of anti-bribery and corruption programmes, organisations can adapt and adopt various international standards as they would share common pillars, starting with the building of a controlling environment to facilitate internal compliance. Some elements to be considered for shaping compliance programmes include effective policies procedures for monitoring, and internal and external investigative elements.

Question: How can blockchain based systems be used for public procurement in the future? Is it possible to regulate the system to prevent corruption?
Answer: There were some experiments in Columbia and in the Republic of Korea on using blockchain, not cryptocurrency, in public procurement in the evaluation system, where transactions will be carried out automatically and transparently.
Answer (Ms Pavasant): With blockchain, all transactions are recorded and cannot be tampered with, thereforethere is more transparency. In the future, if we have Central Bank Digital Currency)CBDC(as the legal tender and link it with the blockchain in relation to procurement transactions, corruption can potentially be reduced.

4.2 Current developments & ways forward

Mr Francesco Checchi, Regional Anti-Corruption Adviser, United Nations Office on Drugs and Crime (UNODC) Regional Office for Southeast Asia and the Pacific, shared the role of data analytics in preventing corruption and fraud in Southeast Asia. According to the data revolution, since 2010 the volume of data created worldwide has increased exponentially and has been utilized in both the public and the private sector. The volume is expected to reach 149 zettabytes in 2024.

In the context of anti-corruption, digitalisation is an opportunity. Utilisation of digital data can aid with increasing transparency of public services, giving insights into procurement corruption or procurement ineffectiveness and irregularities, identifying potential conflict of interest or political connection between businesses and politicians, financial investigations, and controlling public spending. Several economies are introducing electronic systems of e-government and e-procurement, which allow for the collection of data which are already in digital format from the source. Financial disclosure is another potential area for addressing corruption, whereby politicians are required to submit asset declaration.

Nevertheless, there are at the same time challenges and limitations to data utilisation. The progress of establishing e-government and e-procurement is still going slowly and several economies in Southeast Asia have not yet put in place the tracking system of public expenditures. Data are not collected electronically and not available to the public. Therefore the region is still facing the lack of transparency and access to information regarding digital data. Another challenge is the lack of beneficial ownership registration, where digital data can in fact offer a great opportunity to prevent conflict of interest or issues such as money laundering of proceeds of crime.

Best practices in utilising data to prevent corruption were highlighted:

1) EU DATACROS Project: Recently launched project between European agencies for investigating firms' ownership structures through utilisation of electronic datasets, artificial intelligence and identification of red flag anomalies which may link ownership structures with high-risk economies, opaque corporate vehicles, politically exposed persons or entities struck by sanctions at the international level.

2) Quebec SEAO: Using open data on procurement to prevent and detect corruption and collusion in procurement projects in Quebec. The database also consists of indicators that help predict the risks of corruption, such as the number of contracts awarded to a single business, or the value of contract awarded to a business and partners related to the type of procurement procedures used to win the bid. Upon data analysis, the database can automatically generate red flags for potential fraud and corruption.

3) Project in Georgia: Enhancing online asset declaration monitoring systems for public officials to ensure completeness and accuracy, and encouraging the public and interested groups to closely monitor the income and expenditures of public officials.

The structured datasets for analytics on corruption and fraud in Southeast Asia were presented. Indonesia and Malaysia, and Thailand partially, utilised electronic datasets to identify fraud and corruption in payroll, procurement, tax records, asset/income declaration and financial allocations/budgets. In terms of methodology, Indonesia, Malaysia and Thailand, and the Philippines partially use a wide range of methods for data analytics, including artificial intelligence and machine learning, geographic data mapping, text mining, social network analysis, modelling data visualisation and automated red flags. By activity types, Malaysia and Indonesia conduct analysis over licensing, local level and state level financial management, contracting and procurement. By risk typologies looked at when applying data analytics, Indonesia and Malaysia conduct data analysis to detect bribery, embezzlement, conflict of interest and money laundering.

The first governmental challenge identified in Southeast Asia is the lack of cooperation between organisations that collect data as well as the lack of skills of staff in data analytics. Other challenges are relevant datasets not in electronic form and unstructured on in different, non-compatible format, deficient software and infrastructure, and inaccessibility of datasets to the public.

To promote the use of data-driven anti-corruption approaches, the UNODC held activities across Southeast Asia on digitalisation and data analytic responses to corruption and fraud for anti-corruption agencies. A number of trainings were delivered to build capacity of those agencies on enhancing the use of big data for risk analysis using data analytics. The UNODC also provided technical assistance by assisting authorities in the region with the development of software for fraud and corruption detection and enhance capacity to collect and analyse data on public procurement.

Colonel Natee Sukonrat (PhD), Vice-Chairman, National Broadcasting and Telecommunications Commission (NBTC) of Thailand, delivered a presentation on the use of new media as a tool to fight corruption which evolved from traditional media as a result of the creation of the Internet. The Internet of Things has facilitated data flow and enabled data

analytics, shifting from interpersonal communication to mass communication between peoples using telecommunication infrastructure and social media platforms.

The new media has offered an alternative source of independent information, free flow of information, borderless communication as well as faster, easier and more convenient way of communication. Ways forward for fighting corruption by using the new media require digital transformation. Regulators must align the organisation's goal with digital transformation, create digital working process, and use digital platforms to effectively communicate with the public. Digital platforms should be used for reporting complaints, ensure the accessibility of all stakeholders, and educate and raise awareness of people about negative consequences of corruption.

Ms Monsinee Nakapanant, Co-President, Ascend Money Co., Ltd., shared how the company has been using new technologies to promote corporate transparency. Ascend Money is a regional financial technology company offering financial services for online and offline payment, lending, investment and insurance though digital channel with 15 million monthly active users and 200 million monthly active transactions.

To prevent criminals from using the company's digital channel, Ascend Money set up a proper governance structure, defined a clear governance measure and invested heavily in organisational culture and regulation technology (RegTech). To build Anti-Bribery & Corruption (ABC) culture, Ascend Money implemented the tone-from-the-top approach to communicate policy across the organisation. The direction is operationalised with defined actionable and concise guidelines. Trainings and other preventive measures are delivered, while whistleblowing is also simplified to raise awareness. The company also ensure consequences of fraud or corruption will lead to termination of employment and legal action, and lastly surveillance programme has been developed to track, monitor and bring closure to incidents.

Technology is key enablement to preventing financial crime. Ascend Money's RegTech platform must be capable of handling large-scale and growing user base and transaction, achieving accuracy in delivering services, monitoring with end-to-end traceability and minimising customer disruption while ensuring security and ease of use. Key components of RegTech include, biometric face recognition for e-KYC and authentication, intelligence technology for anti-money laundering, and risk engine for fraud management. These are built upon cloud technology, big data, real-time analytics, machine learning and security technology. The components are used for verifying identity and transaction, analysing and identifying fraud patterns, detecting suspicious behaviours and potential fraudster groups, and preempting fraud-related activities in a real-time manner.

Partnership between the private and the public sectors is a critical success factor for active and effective prevention of financial crime. Ascend Money cooperated with the Office of the NACC Thailand to launch Anti-Corruption Game contest and Coding4Integrity with the theme of investigation to raise youths' awareness about corruption. The company has cooperated with law enforcement entities in knowledge sharing to enhance understanding of service in wallet application, KYC, fraud and anti-money laundering, as well as cooperation in investigation by providing data and corporate social responsibility (CSR) activities to raise public awareness and prevent fraud.

Discussions and Q&A

Question: Please elaborate on historical behavioral comparison or any case Ascend Money could share? What is the retention period of your data records?
Answer (Ms Nakapanant): An example of behavioural pattern the company looks into is a payment transaction is made in Bangkok and 15 minutes later, the wallet is used in Chiang Mai which is 700 kilometres away. The second transaction is highly impossible. The second user and potential fraudster will be challenged with face identification verification to ensure security and authentication. Ascend Money also observes the usual transaction time. If a user makes a transaction outside of their normal hours, he or she will have to undergo a risk challenge. Meanwhile, records are kept as long as the account is still valid and not deleted from the system.

Question: How can the public sector, the private sector, and civil society adopt digital technology to eradicate the discretion gap and corruption risks?
Answer (Mr Checchi): A lot can be done by the public sector especially anti-corruption agency with the civil society in terms of utilising technology for the fight against corruption. Civil society has access to data and datasets, even non-profit organisations like the NGOs, can use data to identify corruption risks. However, to some extent the Southeast Asian region is still lacking standardised datasets and access to information. There are examples of collaboration between the public sector, particularly anti-corruption agencies, and the NGOs in the identification of conflict of interest where datasets are released electronically. There are platforms which create software and analyse data between asset declarations and beneficial ownership of companies. These datasets can be utilised by the public sector as well. In general, having access to data allows the public sector to have more information on what is going on and if there is mismanagement or suspicion of fraud.
Answer (Ms Nakapanant): The beauty of digital technology is traceability and potential identification of the person making transaction. However, the collaboration in terms of digital data sharing is still quite limited, in contrast to the data sharing between companies, especially those within the same group. Combining and sharing data is helpful in detecting suspicious behaviour. Sharing digital identity among agencies is a good start and the scope of data sharing can be expanded to prevent crime. Nevertheless, personal privacy needs to be respected so the users can still have trust and confidence in the system.

Question: Please elaborate on the Quebec SEAO project. Secondly, should public hearing be mandatory for Terms of Reference drafting?
Answer (Mr Checchi): Public procurement system is when you have most applications of technology. The interesting element in utilising data in public procurement is that analysis and comparison can be done with the right data. With specific algorithms, comparison of procured items with market values can be made. Outlier transactions can be spotted. Beneficial ownership can be identified from data on firms' structures. Such analysis not only helps prevent corruption and collusion but increases efficiency.

In tender participation, software can help provide information on tender participants in relation with the owner, conflict of interest, undue influence, for instance. Therefore, datasets

are crucial. Data need to be structured and comparable. Digitised data can help with cross-checking the beneficial ownership of a company.

On public hearing, there is no mandatory public hearing for all types of procurement because it would be cumbersome to public administration. But of course public hearing is important.

Question: How does Ascend Money protect personal data when collaborating with the government on possible fraud and corruption investigations?
Answer (Ms Nakapanant): Normally the company comply with the Personal Data Protection Act (PDPA law), which started since last year. From risk perspective, users are categorised into groups of medium and high risk users. Ascend Money's policy is to support law enforcement agencies and does not resist to comply with the request relating to suspicious transactions of high risk users. For low risk users, consent and sought, and approval is required from the two Co-Presidents before the data can be shared. In most cases, the requested information is related to high risk users.

Question: Is there example of using data analytics in tackling conflict of interest and illegal gratuity?
Answer (Mr Checchi): There are quite a few examples, one of which is the flagship project in the region called Sinar Project in Malaysia. The project was developed by an NGO. They utilise data on asset declaration, company registry, procurement and beneficial ownership to identify potential conflict of interest. Many studies suggest that one of the major issues in the region is that there are interests of politically exposed persons which conflict with the public work. There are several similar platforms. It is good that NGOs take up the work, but anti-corruption agencies need to develop their capacity to do so as well.

4.3 Challenges and limitations

Mr Renaud Meyer, Resident Representative, United Nations Development Programme (UNDP) in Thailand, shared recommendations for overcoming limitations of Thailand's digital transformation in the Thai government. It is the UNDP's mandate to support the capacity of member states to achieve Sustainable Development Goals (SDGs) and apply SDG lenses to corruption. Anti-corruption and transparency are significant to the achievement of SDGs, as sustainable development and issues of corruption and lack of transparency are embedded and interlinked. Corruption and lack of transparency pose negative impacts on the cohesion of the society and performance of economies, including the efficiency of the government's delivery of public services. Corruption corrodes the rule of law and destroys public trusts in governments.

In digital context, due to the COVID-19 pandemic the public relies on public services even more than before. Lives have shifted from physical to virtual reality. Digital solutions have become not only important but even vital as responses to COVID-19 in addition to the realisation of SDGs. All kinds of applications have been developed, such as e-commerce systems, e-learning platforms and e-governance systems.

The limits and prerequisites for digital solutions however must be taken into account to ensure the effectiveness. To overcome the limits, the UNDP proposed four key recommendations from a study on Digital Transformation in the Thai government in 2021:

- **Data sharing** to promote transparency
- **Digital skills** must be enhanced within and between economies. While specific digital skills are required, there are still inequalities between economies.
- **Governance and cooperation on digital transformation**
- **Digital procurement systems** to provide accessibility to small and medium-sized entreprises (SMEs) and individual entrepreneurs which represent 80-85% of the Thai economy

These recommendations are aligned with this year's APEC theme:

- **Open** – Transparency and openness from data sharing
- **Connect** – Connect people with digital skills and connect people together around governance systems
- **Balance** – Balance between efficiency and openness on the one hand, and respecting rights, privacy and ownership on the other

On 15 February 2022 the UNDP globally launched UNDP's Digital Strategy 2022-2025. Guiding principles include the importance attached to human rights, inclusivity and gender sensitivity, protection of people's rights, strong advocacy for open standards and open data, strengthening local digital ecosystems and strategic partnerships to catalyse inclusive approaches to digital development. It is important to demonstrate trust and transparency between organisations and individuals, and stress the importance of the balance between digital development and protection of fundamental rights.

Mr Vichien Phongsathorn, Chairman of Anti-Corruption Organization of Thailand (ACT), shared the current status on corruption in Thailand which is still deep-rooted in Thai culture. There has been no significant change nor breakthrough in the corruption status. There is insufficient collaboration among practitioners, and there is a need for public participation and collective action.

There has been an increase in the number of initiatives and activities by anti-corruption practitioners both by state-sponsored units such as the National Anti-Corruption Commission (NACC) and Office of the Public Sector Anti-Corruption Commission (PACC), and non-government units, and social purpose organisations. ACT Thailand, investigative journalists, academia with keen interest and focus on anti-corruption, whistleblowing and watchdog platforms constitute the latter.

The need to engage all sectors and ensure that the public play a part as active citizens on anti-corruption who eventually disrupt corruption is crucial. Digital innovation and technology can be used as empowering tools to enhance efficiency in combating corruption. Big data platforms allow for more transparency, intelligence gathering, monitoring, corruption risk assessment and alert, and production of analytics and correlation. Digital applications generate accessibility and ease of use for users.

An example of private-sector initiatives using digital technology is ACT Ai - a big data platform and search engine for monitoring government procurement projects. The data base has detailed information on projects, such as procurement data, local government budget as well

as relationship with politicians. The platform has provided over 20 million public procurement data in the past five years. Users can search for a project by location, project owner, contractors, budget amount, bidding process, award winners, and project progress.

A limitation is that big data can be overwhelming and sometimes not practical for certain users. The general public need user-friendly tools, a derivative extension of big data. An example isACTKathon competition, an anti-corruption virtual hackathon, organised last year where over 100 projects were proposed. Applications were developed by the young generation to allow the general public to utilise data depending on area of interests, for instance corruption risk alert application, local budget monitoring, whistleblowing system and monitoring of encroachment on reserved forest area.

Data Platform for Integrity Pact was raised as an example of how digital technology can be applied with large public procurement projects. Key element is the participation of independent observers who are professional volunteers in monitoring and evaluating projects. The platform helps them to efficiently and collectively utilise and access the data and ensure that the procurement is done in a transparent and efficient manner and can achieve higher savings.

More actions, however, are required. The use of digital technology for transparency must be continued and enhanced to ensure accessibility to data from state agencies. Disclosure and transparency must be the rule and not an exception. Efficient digital tools are needed to engage all sectors and ensure that the general public will become active citizens and play a part in turning around the corruption situation in Thailand. Machine readability is needed for digitalised data. On the other hand, collaboration among practitioners must be strengthened. Strategic partnership is an important element in building an ecosystem for anti-corruption. Cross-sector and public engagement and also enforcement are important. Lastly, hope and belief in must be maintained in order to create real impact on the corruption situation in Thailand.

Ms Linda Otani McKinney, Deputy Associate Director, Incoming Mutual Legal Assistance (MLA) Team, Office of International Affairs (OIA), United States Department of Justice (DOJ), Criminal Division, shared the experience of the United States in incorporating technology in the U.S. MLA practice. OIA is the designated central authority for the United States in criminal matters and, in this capacity, receives and executes all mutual legal assistance requests sent to the United States from all around the globe, including from APEC economies. Over the course of at least the past 20 years, OIA has increasingly incorporated the use of technology which has significantly improved OIA's ability to more effectively and efficiently execute requests for assistance in anti-corruption as well as a wide range of cases involving other offences.

OIA has been using an electronic case management and tracking system for over 20 years. For many years, the electronic case management system was used in tandem with physical files and the official record was the physical file. Over time, with the advancements in technology, large portions of our case files transitioned from paper files to electronic form. This was the result of:

- sending and receiving MLA requests electronically to and from more foreign partners via e-mail;

- communicating with foreign partners about MLA requests via e-mail;
- filing pleadings with U.S. courts in execution of MLA requests electronically;
- sending referrals to U.S. prosecutors and law enforcement authorities in execution of mutual legal assistance requests electronically;
- financial institutions and businesses maintaining records electronically and, therefore, sending materials responsive to MLA requests in electronic form; and
- forwarding responsive materials, received from financial institutions and businesses in, to requesting foreign partners in the same electronic format in which they were received.

OIA transitioned to opening and maintaining electronic files, and now the electronic files are, under U.S. regulation, the official files.

With the electronic case management system, OIA manages cases digitally to the extent possible and only relies on paper when needed. An inbox was created for the electronic submission of MLA requests and foreign partners are encouraged to submit requests electronically.

The benefits of incorporating technology into the MLA practice are:

- seamless transition to teleworking;
- lower printing and mailing costs, therefore, more environmentally friendly;
- ability to address urgent matters more quickly;
- overcoming the problem of mail which is misdelivered or lost; and
- foreign partners receiving the best evidence possible in the same format in which it was created and maintained, as nearly all banks and businesses now maintain records electronically.

However, certain foreign partners may have domestic requirements which necessitate the sending of paper MLA requests. In those instances, the United States works closely with those partners to ensure that their legal requirements are met. Certain other foreign partners may not have the capacity to operate digitally to the extent the United States does. As a result, the United States also works closely with those foreign partners to better understand their capacity to operate within those parameters.

OIA has not encountered many obstacles and none has been insurmountable, such as:

- having to deal with paper when only an electronic file for that MLA request has been opened; and
- having to mail electronic files that are too large to send via e-mail, even when divided into multiple e-mails, so the materials are sent on compact disks or on a portable hard drive.

Most challenging obstacle for the United States is finding a common ground with foreign partners reluctant to stray from former MLA practices involving paper and wet ink signatures for fear that the evidence in electronic format will be rejected by their courts, even though their domestic laws do not have such requirements. This issue has been resolved through consultations with certain economies in a variety of ways. Certain economies that recognise

receipt of electronic evidence as the best evidence have agreed to print the electronic records themselves if paper is demanded by their courts.

The key to being able to communicate with foreign partners about their domestic legal requirements and having a strong central authority with which such issues can be discussed and resolved. A strong central authority provides a point of contact for consultations and allows for collaboration to establish uniformed procedures. In order to strengthen central authorities, it is critical to ensure that those authorities are properly staffed with experts in MLA who have sufficient authority to make decisions regarding the appropriate procedures for the handling of their cases. This has been particularly critical as economies are quickly advancing into the digital world, and law enforcement authorities are struggling to keep up.

Overall, the benefits of incorporating digital technology into the MLA practice of the United States have far outweighed the obstacles. These improvements have increased efficiency and enabled the United States to better keep up with the quickly advancing digital world.

Discussions and Q&A

Question: What are the advantages and disadvantages of using digital systems such as blockchain in public procurement?
Answer (Mr Meyer): One advantage of blockchain is the transparency of information, and secondly it empowers individuals to own the information. In the case of Thailand, the UNDP has been cooperating with the Comptroller General's Department within the Ministry of Finance as part of the work to support the reform of public procurement process. Digital solutions including blockchain are being integrated and introduced.

While one must admit that one solution is not the miracle solution, Blockchain, in terms of traceability, definitely adds values to the process. However, there is also a need to ensure that such digital solutions are accessible to all suppliers, of big and smaller sizes. What needs to be avoided is unequal access of invitation to bid and bias towards companies that can master digital solutions, whereas others are left out because they are not able to master. Issues of accessibility, digital divide and digital skills remain extremely important in the context of introducing solutions such as blockchain in public procurement. Overall, in agreement with the last speaker, the advantages of digital solutions outweigh the disadvantages or the difficulties. The question is to adapt the correct pace and take a look at the situation from the system approach to make sure that all dimensions are being taken addressed.

Question: How can confidentiality be secured if requests are sent and replied by email?
Answer (Ms McKinney): We protect confidentiality by not sharing the request with anybody other than those who are assisting with the execution of the request. When we file our pleadings with the court, they are filed under seal and we seek non-disclosure orders from our court, if a request for confidentiality is invoked. In our view, sending it by e-mail is no different from sending it by regular mail. We ensure that individuals to whom we are sending the results responsive to their requests are the appropriate individuals with whom we are in contact regarding the request.

We have actually found that using e-mail has been more secure. In particularly sensitive cases, arrangements can be made through legal attachés, with the FBI, who are embedded within U.S. embassies, or with other economies' attachés or homeland security investigations. The appropriate law enforcement authority to assist would depend on the case.

Question: Do the United States civil and criminal courts use a paperless system?
Answer (Ms McKinney): Yes. We are now filing with our courts through an electronic filing system. Attorneys have a link to the court and have to complete forms to be appropriately registered with the court in order to file through the court's electronic filing system.

Question: How does the security system to keep confidential information work?
Answer (Ms McKinney): While not all requests invoke confidentiality, most do. For the case where confidentiality is not invoked, the United States will ask the foreign partner whether they want the case to be filed under seal or invoke confidentiality. If the foreign partner confirms that the matter is not confidential because it is public on their end, it will be filed publicly. Most of our requests invoke confidentiality, so we file our requests with the court under seal and we seek a non-disclosure order. Therefore, when a subpoena is issued to a financial institution, we can request that the financial institution not disclose the subpoena to the account holder.

Question: What are the successful types of cooperation between the public sector, the private sector, and civil society in fighting corruption by implementing technologies and digital innovation? What could be possible successful factors?
Answer (Mr Phongsathorn): Strategic partnership is important because digital technology alone cannot work without cooperation from information holders. The ACT Ai application on government procurement is a project implemented in partnership with the Comptroller General's Department.

Input from participant: The Ministry of Finance of Thailand focuses on transparency and openness. The Ministry started e-Auction in 2003. Under this system, information relating to the Terms of Reference (TOR), median price and the award winners is disclosed. Platforms are arranged for buyers and sellers to meet. Payments are processed directly through financial institutions. Auction envelopes can be bought at financial institutions. Bidder will receive a code for completing registration on the digital system. Bidders will remain anonymous to ensure competitive bidding.

The problem is the lack of data sharing among organisations or state agencies, resulting in the delay in specification verification. Inter-agency data sharing and the current public procurement system require further improvements. In this regard, digital technology can definitely be an asset in enhancing efficiency.

Question: How important is the tone at the top in terms of supporting an anti-corruption system in a digital infrastructure? Should the government be focusing on the enabling environment first before venturing into disruptive technology to ensure good return on investment?

Answer (Mr Meyer): "Trust" was one of the key messages. The previous input about the digital system of the Ministry of Finance highlighted the importance of integrated solutions in the

public procurement process. In many economies, digital solutions are being put in place individually and not in a system approach. This complicates the ecosystem, resulting in the lack of data sharing, redundancy and even contradiction in the way the systems operate. A full understanding of the entire governance system from a system approach allows the level of comfort which will lead to trust. The system approach extends to anti-corruption agencies and all the sectors. In the case of Thailand, the NACC has to be tooled and equipped with a full understanding of the new practices and have in place the whistleblowing and investigative capacity to apply its mandate in the field of digital solutions. Institutions and individuals need to be empowered in order to be able to embrace and leverage the potential of digital solutions.
Answer)Mr Phongsathorn(: On tone from the top, what needs to be emphasised is that substance must always supersede forms.

4.4 Sharing best practices

New Zealand: Mr Clive Hudson, Principal Forensic Accountant and Electronic Investigator, New Zealand Serious Fraud Office, shared the case study and best practice from the largest public corruption case at Auckland Transport. Code of conduct and corruption policies were all ignored. Auckland Transport is a public body that provides roading and transport. A Senior Roading Manager awarded contracts worth over 33 million dollars over a 7 year period to a Managing Director of an Engineering Consultancy business. Bribes consisted of 1.1 million dollars in cash and transfers, and other benefits worth 55,000 dollars including travel, hotels, wine, phones and other rewards. The former's staff were rewarded with travel and entertainment such as wine and sport tickets to keep quiet. Both were found guilty and jailed after a 10 week trial. They were subject to asset forfeiture of over 3.5 million dollars.

During the investigation of the Serious Fraud Office, banking information was obtained; simultaneous search warrants were conducted, approximately 30 boxes of hard copy records along with 60 electronic devices were seized, including phones, laptops, PCs, servers, and portable storage.

The challenges included the volume of data from multiple locations, a wide variety of file types, password protection, and duplication of data. Handwritten documents were found and dozens of boxes of paper needed to be split to identify individual documents. Key documents were accounting records in paper and electronic format, including invoices several of which were hand-written and transaction coding and reports. The investigation went through work and personal email accounts, as well as folders of contracts, correspondence and reports.

The solutions and lessons from the case:

- Vital to use a **specialist tool** with the ability to
    - Ingest electronic and paper, and uniquely label them
    - Deal with wide variety of
        - File types and not only Microsoft Office files
        - Data sources, including Cloud data and mobile phone extractions
    - Optical character recognition (OCR) screenshots, scans or photos
    - De-duplicate
- The **tool's limitations** must be recognised, such as the limitation to handwriting.

- **Searching**:
    - A strategy is needed for conduct a search
    - Use appropriate filers: words, dates, file types
    - Do not rely on keywords – as a lot of codes and abbreviations were used, there were colloquial, slangs and misspelling
    - The searches need to be documented
    - Divide work between people, but co-ordinate and report back in looping
- **Sequencing**:
    - Put items into context and not in isolation: for instance starting with phone call, then internet search, document creation and then email
    - Metadata is important: the timing of document creation, what else was happening at the time, authorship
    - Need to prove who was sitting at a particular PC and what happened at a particular period of time
- **Paper** is still important
    - Sometimes handwriting on paper can be attributed to people
    - Can highlight what should be there, but was not
- **Old devices** are vital
    - May have critical data on them from the pertinent time
    - Data is out of sight, so unlikely to have been deleted
    - In this case, an old PC was no longer used and put on shelf. The data and hard drive were not deleted. Key emails between the Senior Roading Manager and the Managing Director were found on that device, which were not found from any other location.

Chile: Ms Claudia Ortega, Senior Legal Advisor, Anticorruption Specialised Unit, Public Prosecutor's Office, agreed to the circulation of the presentation on Chilean Digital Government.

Chilean Government's Digital Transformation Strategy 2019 – 2022 has the objectives:

- Build a modern economy
- Better opportunities and safety to citizens
- Promotion of human talent to deliver better services
- Sustainable and efficient government, saving unnecessary costs and progressively dispenses with the use of paper

Guidelines to move towards a Digital Government:

- State Digital Transformation Act published in November 2019 and coming into force during 2021
- Presidential Instruction regarding State Digital Transformation
    - Defines deadlines for central administration institutions to implement measures in four priority axes to move towards full Digital Government: Digital ID, Zero lines, Zero paper, and Coordination and Monitoring

Digital ID

- **The Unique Password** (ClaveÚnica) – unified password to digitally authenticate the identity of a person for access to services virtually granted by the government

- **ChileAtiende** – the multiservice and multichannel network for bringing services of public institutions closer to the people and a one-stop-hub where information and access to government services can be obtained

Available digital tools

- **Info Lobby**: a lobby platform where all meetings with lobbyists must be registered and managed
- **Info Probidad**: interests declaration form – updated once a year and mandatory for all authorities and public servants with administrative roles
- **Portal Transparencia**: a platform for citizens and state agencies for requesting information regarding wages, contracts, public arts registry, for instance.
- **Tax Agency – SII**: provides online information about incomes and assets. Full information disclosure for investigations, and partial for general public
- **Electoral Service – SERVEL**: provides online information about political affiliation, candidates, electoral results and accountability regarding campaign funding
- **Mercado Público:** procurement platform

Benefits of Digital Government:

- Less bureaucracy
- More efficiency
- Easy access to public services
- Easy access to public information
- Better accountability and transparency
- Effective tools for anti-corruption investigations

Hong Kong, China: Mr Ricky Lai, Principal Corruption Prevention Officer, Independent Commission Against Corruption (ICAC), shared the experience of Hong Kong, China on the use of digitalisation in corruption prevention in construction.

Construction is one of the most important industries in Hong Kong, China and also one of the top three industries attracting most corruption complaints in the private sector in 2021.

- Corruption-prone areas: control of materials, works supervision, and administration of maintenance works
- Integrity risks and root causes:
    - Unauthorised swapping of test samples and manipulation of test results
    - Risk of tampering and loss of paper records
    - Loopholes of concealing substandard materials
    - Issuance of unnecessary works orders to favour a colluded contractor

In preventing these issues via digitalisation, the ICAC

- Advocates government and public bodies to digitialise and automate the process
- Provides corruption prevention advice to the development of digital systems for government departments and public organisations through detailed assignment studies and quick consultations to ensure adequate corruption risks control
- Conducts capacity building training to raise awareness and promote the application of digitalisation and innovative technology for preventing corruption

Showcases of practising digitalisation in construction:

Material Testing:

- Application of the **Internet of Things** for installation of sensor in concrete as non-destructive testing method for concrete maturity
    - ✓ Potentially minimise the need for concrete cube tests and corruption risks associated with swapping of samples and manipulation of test reports

Digital Works Supervision System)DWSS(:

- *Web-based portal* to support efficient and timely information flow and facilitate digital processing of works inspection forms and records with one centralised database system.
    - ✓ Enhance accountability with traceability of data input including identity of person and modification of entry
- *Development and Construction Site Mobile System (DCSMS)* – mobile apps where people can raise inspection requests and record inspection findings and integrate with other applications and facilitate data exchange with BIM software for predictive progress of works
    - ✓ Enable recording of contemporaneous records
- *Building Information Modelling (BIM*) for large construction projects in Hong Kong, China – Use building modelling software to generate 3D, digital representation in planning, design and construction stage
    - ✓ Enable project team to share data on the same platform and store information systematically

Digitalisation in Maintenance at Hong Kong, China International Airport:

- *Digital twin* – Use of 3D replica of physical infrastructure and system; Internet of Things sensors to collect real-time data and visualize potential construction, operation and maintenance problems for better decisions
    - ✓ Justify repair needs to prevent false works orders
- *Smart maintenance* – Automated storeroom for spare parts; mobile apps to raise request and robotic system to deliver spare parts, and facial recognition system to validate staff's identity
    - ✓ Enhance traceability and control of spare parts for maintenance

Challenges in digitalisation:

- **Mindset**: reluctance to use digital devices and work
- **IT infrastructure**: slow network speed not conducive to efficient transfer of data
- **Financial consideration:** costs for changing IT equipment
- **Capability**: lack of digital knowledge and capability of practitioners

Means to overcome challenges:

- **Changing mindsets**: progressive digitalisation led by the government
- **Build Infrastructure**: installation of 5G base stations, making Hong Kong, China ranked 1st in the world in terms of 5G coverage; subsidy scheme for 5G deployment
- **Provide financial support**: Construction Innovation and Technology Fund (CITF) to encourage wider adoption of innovative construction methods and technology and build up the capacity of industry practitioners to foster the mindset and espouse new technology for continuous improvement of industry

- **Nurture talents**: CITF to provide training for construction practitioners: over 7,900 subsidised BIM training places**;** accreditation to BIM courses to ensure training quality; recognition to BIM practitioners for their expertise

Ways forward for the prevention of corruption:

- **Expand digitalisation** to overall project management, such as payment processes
- Leverage **Artificial Intelligence** and **Internet of Things** to prevent corruption
    - Collection of data for analytics
    - Identification of integrity risk indicators and red flags
- **Other technologies** can also be equally important to corruption prevention
    - New construction materials such as self-compacting backfilling materials can enhance efficiency and reduce corruption and integrity risks of material testing

Singapore: Mr Desmond Lim, Chief Digital Transformation Office, Corrupt Practices Investigation Bureau (CPIB), shared the digital transformation at CPIB, showcasing the e-Bail project and Digital Investigation Papers (Digital IP) initiative.

CPIB was established in 1952 as the sole anti-corruption agency in Singapore. CPIB is functionally independent and responsible for investigation of the Prevention of Corruption Act (PCA) offences in both the public and the private sectors, and other offences under written law surfaced duringn the course of investigation. CPIB also has the function of corruption prevention, leveraging public education and community outreach to spread anti-corruption messages.

CPIB launched their digital transformation journey in 2019 with the strategic priorities in

- **Reinforcing enforcement** with the focus on new way of working, making decisions and shifting policies
- **Empowering its people** with the focus on the growth and development of CPIB's personnel
- **Promoting prevention** to create an ecosystem for anti-corruption and shared vision with the society

Electronic Bail (e-Bail) project was one of CPIB's digital transformation initiatives. The e-Bail workflow was elaborated in comparison with the traditional bail. Digital technology was incorporated in the form of the e-bail platform for the subject's and surety's consent, bail renewal, bail extension and facial verification at a self-service bail kiosk. With the incorporation of digital solution, the e-Bail project helps to:

- Reduce inconveniences for both bailees and bailors;
- Reduce man hours for CPIB;
- Allow for a better allocation of resources;
- Reduce the risk of COVID infection for bailors and bailees as travelling is not required.

The challenge for implementing e-Bail was to ensure that there was no potential legal implication with the transition to the e-Bail system. This was mitigated by consulting with the Attorney-General's Chambers to ensure no adverse impact from the implementation.

Another initiative is **Digital Investigation Papers (IP)**. In traditional IP workflow, original copies of the signed statements along with case submissions and supporting documents are filed into the physical IP. Each document is hand marked and stamped. Multiple files and boxes are required for voluminous IPs. These traditional IPs are not allowed to be brought out of office by officers. With Digital IP, all submissions are uploaded in soft copy into a case management system (CMS) for management's approval. Registry officer can download the entire IP extraction into a zip floder and upload the zip file into a secured online workspace and transmits the IP to the Attorney-General's Chambers digitally. Future CMS will integrate with the CMS of the Attorney-General's Chambers for seamless transmission of digital IPs. With digital statements and submissions, text extraction can be applied for analytics purposes.

Digital IP helps:

- Reduce wear and tear of physical documents and risk of misplaced documents;
- Allow investigation officers, their supervisors, and prosecutors to have centralised access from various locations as documents are digitised;
- Allow for future analytics and provide a better audit trail;
- Save time and cost of delivering physical IPs to the prosecutors; and reduce carbon footprint.

The challenge for Digital IP was system integration which involved multiple departments and required cross-agency collaboration. CPIB addressed this by providing timely updates and facilitating communication between agencies and its Information Technology department to ensure smooth integration between various agencies' systems.

CPIB concluded that each project had its own pros and cons. However, it is ultimately about how the projects can come together, contribute and complement each other in order to serve the transformation goals of the organisation.

Republic of Korea: Mr Oh, Jeong Taek, Director for Inspection Planning Division, Anti-Corruption and Civil Rights Commission (ACRC), shared the ROK's Digital Anti-Corruption System called the Clean Portal. This corruption reporting system was introduced because of the expanded report targets and duties to anti-corruption; the need for a smooth connectivity in the reporting process; and administrative inefficiency caused by multiple overlapping reports.

The Clean Portal was established in three phases, starting in June 2018 and finishing in February 2021. The Clean Portal for online public corruption and interest report to public organisations started to fully operate in March 2021. Webpages are both PC and mobile phones responsive to make the reporting easier and more convenient. For reporters, the Clean Portal:

- **Enhanced accessibility**: Connected service is provided on other organisations' websites with connectivity to Clean Portal for reporting, so reporters can report not only to ACRC but also to 349 other public organisations, as well as check other organisations' report and rewards systems.
- **Improved convenience**: Guidelines available which will automatically analyse the contents and recommend appropriate report type and have a search function where

reporters can see similar report cases, or classification by work area, characteristic or keyword.
- **Real-time check** of report status on the report page, and change in major step will be notified to the reporter by SMS

For public organisations, the Clean Portal helps increase efficiency through connected services and seamless connectivity, lower costs and workforce burdens, and share related information, such as anti-corruption guidelines, information of corrupt or dismissed officials, integrity assessment and activities and report examples. The Clean Portal allows ACRC to devise comprehensive anti-corruption plans, guidelines, and policies based on data. It allows ACRC to find corruption prone areas, conduct in-depth analysis of corruption causes, publicise analysis reports, and provide feedback and improvements for organisations.

Cloud network allows for access to data anytime anywhere. It allows for flexibility in including more organisations into the system and expand or downsize the system, security for systemised management of confidential information, and economical feasibility in reducing maintenance cost.

The lessons learned from the Clean Portal project are that developers are designers, not technicians. They should understand related laws and regulations to reduce possible errors in the development procedure. The online process should be an advanced version of the offline process. Finally, the best system for users are those which can be used without any difficulty. Feedback from the public should be collected for improvement and the system should be consistently updated.

Chinese Taipei: Ms Chang Hao-Chun, Agent, Agency Against Corruption, Ministry of Justice, shared Chinese Taipei's use of digital technology in police duties to ensure transparency and prevent corruption in handling public complaints and reports, issuing traffic citations, and the chain of custody.
Police Units of Chinese Taipei received Integrity Awards in the aspect of effectiveness of information and administrative transparency using digital technology to innovatively elevate transparency. The two pillars of police duties are, firstly, ensuring safety of the society and, secondly, maintaining road traffic order.

In handling public complaints and reports, in the past it was time consuming for the police to fill out forms by hand, and there were occurrences of errors and omissions when information was entered manually, information and statistics inconsistency as well as public doubt as to whether the case was being ignored. The **"Case Management System"** was established to directly produce forms and link reporting information with other databases. **"E-Consolidating Reporting Forms"** consolidated previous eight types of forms into one and the public can check case progress online. This helps:
- **Ensure accuracy and improve efficiency** by simplifying police's procedures for receiving reports;
- **Monitor and control case handling** by preventing cases from being ignored or closed without proper procedures;
- **Ensure transparency and efficiency** by pushing the police to actively work on cases because the progress of case can be checked online.

On traffic citations, there used to be issues with handwritten citations, wrong legal references, untimely availability of information, time and manpower consuming, and improper case closing. The issues were addressed by digitalisation of the citation process: the **" M-Police"** - a mobile carrier for the police, **"Traffic Citation app"**, and using Blutooth printers to print citations on the spot. This has **improved administrative efficiency**:

- Save citation time by 50% compared with producing citation by hand;
- Reduce citation errors regarding factual accounts and violated regulations from 1.2% to 0.13%;
- Provide real-time and on-the-spot information: M-Police mobile carrier is linked to police database which has information on vehicle registration and driver's license of the offenders or stolen vehicles;
- Save manpower, time consumption and reduce risk of malpractice as the case is directly established via the internet once the citation is issued;
- Keep track of case establishment, eliminate risk of improper case closing and other wrongdoings.

Chinese Taipei police also applied digital technology to the maintenance of the **chain of custody**, which is the first step and basis for investigation prosecution and trial. The purpose of maintaining the chain of custody is to prevent the evidence from being lost, damaged, contaminated, deteriorated, forged, altered and replaced. Therefore the scope is to ensure **proper and traceable handling of evidence** in every stage: preservation, collection, transportation, management and evidence identification.
The **"Forensic Electronic Operation Platform"** was established into which evidence is entered. The system produces specific case number and a bar code. Relevant information of the evidence, such as content, quantity or unit is established digitally. The **Radio Frequency Identification (RFID)** is used with DNA samples to monitor the location of specimen, strengthening the supervision mechanism. RFID has two main components: the tag and the reader, which enables controlling of evidence through radio waves. RFID tags with specific case numbers and evidence numbers are attached to DNA sample packaging for storage. RFID sensing antennas installed on storage room doors will trigger alert if the sample is taken out without proper cause and undergoing standard procedures. This also helps with enhancing efficiency and transparency in evidence monitoring and management.

Discussions and Q&A

Question: Does ACRC have another digital platform where it looks at information currently available to it, for example, public procurement and initiates investigation on its own? If so, does the information feed into ACRC's anti-corruption portal?
Answer (Mr Oh): ACRC has 3 main digital systems. First is' the Clean Portal'. Second is 'E-People System' for issues and complaints about public administration. And the third system is 'administrative appeal'. Although information for the other two platforms is not directly fed to the Clean Portal, the information is provided indirectly through ' the Civil complaint Trend Analysis' conducted by the ACRC.

Questions:

1. Are there any legal barriers or prohibitions in conducting online inquiry?

2. If online inquiry is permitted, how can authorities identify the identity of a witness and person presenting himself/herself before the screen?
3. How can we ensure that the inquiry be confidential?

Answer (Mr Oh): Republic of Korea has legal barriers on the corruption issue. If a reporting person has proof regarding the issue, he/she should identify real name as the investigator would reach out to find out the facts. Confidentiality of the reporting person is very important and whistleblowers should be protected. Investigators can connect with whistleblowers via digital devices such as mobile phones to protect their identity. Our current reporting system connects with 349 public organisations. These organisations receive information online via the Clean Portal. However several are not yet connected. In these instances, public papers would be sent by mail, fax or other channel. The document is processed with public document verification.

Questions:

1. How was information technology applied in Hong Kong, China for reporting corruption complaints?
2. What is the people' s attitude towards the shift to digital process in preventing corruption?
3. Does the court accept evidence in digital format?
4. During the pandemic, is it possible to use video conference for the court?

Answer (Mr Lai): Hong Kong, China makes use of a web-based system to handle general inquiries seeking our corruption prevention advice, but not to report corruption complaints.

During the COVID-19 pandemic, people more accustomed to adopting technology for normal businesses and activities. Generally, people of Hong Kong, China are quite receptive to the use of technology.

Pursuant to relevant legislation, courts in Hong Kong, China accept evidence given by witnesses via live television link.

Answer (**Mr Hudson):** I was in New Zealand when I testified as a witness via live television link for an ICAC case at the High Court in Hong Kong, China last year.

Question: Does Hong Kong, China adopt common law system? In corruption case, who bears the burden of proof beyond reasonable doubt?

Answer (**Mr Lai):** Hong Kong, China adopts the common law system. The burden of proof rests on the prosecution to prove beyond reasonable doubt of the offence.

5. Ex-post Evaluation Survey

5.1 Introduction

The purpose of ex-post evaluation survey was to collect feedback from the Workshop participants on the rate of satisfaction with the organisation of the Workshop, content and degree of increase in participants' knowledge. The ex-post evaluation survey was conducted via an online questionnaire survey. It was circulated once the Workshop was delivered and re-circulated to collect more responses.

5.2 Summary of results

A total of 55 responses were received.

5.2.1 General

Workshop participants were invited to share the level of satisfaction with how the Workshop was organised regarding the use of Zoom Meeting, relevance of the agenda items and topics, speakers and their content, time allocation.

Vast majority (over 90 %) of respondents either strongly agreed or agreed that

- Zoom Meeting was an appropriate platform for virtual event (98%);
- The Agenda items and topics were relevant (98%);
- The content was well organised and easy to follow (96%); and
- The time allotted was sufficient (89%).

100% of respondents either strongly agreed or agreed that the speakers were well prepared and knowledgeable about the topic.

From this Workshop, the respondents gained:

- More knowledge on current developments of digital technologies in anti-corruption (75%)
- Better understanding of the risks of corruption and bribery posed by digital transformation (65 %); and
- More realisation on the limitations and obstacles in implementing digital tools in anti-corruption in their home economy (56%)

Develop best practices & actionable recommendations was the most preferred agenda item.

5.2.2 Workshop content

<u>Risks of corruption and bribery:</u>
About one-third of the respondents rated that their understanding or knowledge about the following has improved *very much*:

- Types of digital tools and technologies that facilitate corruption and bribery e.g. cryptocurrencies, DLT, AI etc.
- Risks areas for digital tools and technologies e.g. conceal wrongdoing, identify official to bribe, facilitate cross-border transactions etc.

Ongoing developments:
Over 40% of the respondents rated that their understanding and information about digital public services and electronic government systems has improved *very much*.

Limitations and challenges:
About one-third of the respondents rated that their understanding or knowledge about the following has improved *very much*:

- Lack of digital skills and literacy of anti-corruption practitioners
- Lack of digital infrastructure
- Public participation

Two-thirds of the respondents were *highly satisfied* with the overall Workshop content, while the rest were *satisfied*. There was only one response that found the Workshop was good but could have been improved.

50% of the respondents rated their overall level of knowledge of and skills in the topic prior to participating in the Workshop as medium, while about 10% rated very high level and about 20% rated high level of current knowledge and skills.

After participation, over half of the respondents rated their overall level of knowledge and skills as *high* (50-70% increase in knowledge) and about 20% of the respondents rated *very high* (over 70% increase in knowledge) overall level of knowledge and skills.

Positive comments:

- Good information and sharing knowledge; Very interesting Workshop;
- Informative to learn on the trends of digital transformation and the best practices done by the respective speakers in their economies. It gave an idea to how we can adapt to the ever moving digital technologies and a better overview if any agencies would want to follow
- Q&A sessions were fruitful, which greatly contributed to anti-corruption digital disruption to corruption development
- The content is excellent and well organised; Excellent programme content; Excellent choice of speakers
- I have learned different strategies on how to maximise the digital innovations and technologies in developing tools or projects to fight against corruption.
- Now I know the way economies fight corruption, tools and good practices.
- Learned new workflows on digitalising government processes and anti-corruption practices through the case studies.
- Help me understand the risk of corruption and bribery in digital transformation
- My knowledge and skills on the topics have improved and provided me with the insightful ideas to explore and research more on these topics.
- This workshop has improved my knowledge.

5.2.3 Project effectiveness

25 out of total 55 respondents (45.5%) strongly agreed while the other 30 respondents (54.5%) agreed that the project achieved its intended objectives. There was no negative feedback on this question.

Almost all the respondents agreed that the project's results/achievements were its **effectiveness on knowledge sharing and exchange of information**. Some of the comments are as follows:

- We gain a lot of new information on good practices and challenges regarding the implementation of digitalisation to support anti-corruption effort.
- Majority of the topics were discussed and tackled despite some technical glitches. Also, I was able to learn best practices from other economies.
- Share knowledge and best practices about digital tools in (preventing) fraud and corruption.
- Sharing know-hows of each economy's anti-corruption policies and experiences
- Better understanding of the risks of corruption and bribery posed by digital transformation and more knowledge on the current developments of digital technologies in anti-corruption.
- Standardised information, knowledge and skills among regional economies
- Sharing best practices among participants and encouraging anti-corruption agencies to develop digital transformation in their economies
- Knowing how economies fight corruption and the strategies that succeed
- Increased awareness on the latest IT-enabled anti-corruption initiatives and the innovation of new Tech and Crypto
- Economies shared their wide perspectives and a variety of approaches on digital application to fight corruption.
- Realising the current risks of corruption and bribery resulting from digital transformation that we are able to encounter in our career path in order to research and share how to handle with these problems.
- Provides the basic knowledge to facilitate development of work plan or strategies.

<u>Relevance:</u>
25 out of the 55 respondents (45.5%) found that the project was mostly relevant to them and their economy. The other 24 respondents (43.7%) found it very relevant. Only a few respondents found it a little or not much relevant.

<u>Capacity building:</u>
Workshop participants were asked with open-ended questions on how their capacity was built by the project and what new skills and knowledge they gained in particular. Most respondents shared their capacity was built by learning about best practices and experience from other economies which they could apply to their efforts in preventing corruption. Several felt that they gained more and deeper understanding on different current technological tools which could work as a model or example for further development in their home economy. Specifically some of the respondents cited the application of digital technology to police duties and public procurement.

Some other respondents shared that the project had raised their awareness on the current limitations and challenges for anti-corruption practitioners.

Sustainability:
About two-thirds of the respondents will develop new work plans/strategies to:

- Promote awareness on the risks of corruption and bribery posed by digital transformation;
- Promote transparency and tackle corruption and bribery in government and public-sector administration by using digital innovation and technologies; and
- Build capacity in your home economy to solve problems in implementing digital innovation and technologies to counter corruption and bribery.

About half of the respondents will use the skills and knowledge gained from the project to develop new procedures or tools, and new policy initiatives.

Explanations were made that new procedures or tools and also trainings could be developed on the basis of the new works plans or strategies. From another perspective, the development of new policy and the drafting of regulations could be initiated after the development of tools or procedures including capacity building of users or implementers.

5.2.4 Comments on how the project could have been improved

Time allocation:
Some commented that the time allotted was too short for the speakers to share knowledge. More activities and group exercise added to the Workshop would have made it more interesting and impactful. Others felt that more time was needed for comments and Q&A.

Content:
Some presentations were not much related to forms of crime nor proceeds of corruption, but mostly on the digital transformation happening in each economy. Some wanted to learn best practices developed using blockchain technology.

Technicality:
Certain comments were made about technical disturbances from unstable internet connection and audio system.

5.2.5 Participant information (optional)

Certain respondents provided detail on which economy or organisation they are from.

Information on gender is collected. Out of 53 responses, 25 are male and 28 are female.

5.3 Assessment of ex-post evaluation survey

Despite the low percentage of the ex-post evaluation survey responses, the overall positive feedbacks collected indicates that the project has contributed to APEC's capacity building goals, objectives and operational principles.

The project has contributed to the building of capacity and increasing knowledge of participants on the use of digital innovation and technologies in relation to anti-corruption. Through the presentations and discussions, participants learned about the misuse of technologies to facilitate corruption and hamper anti-money laundering efforts, current efforts in using modern technologies to counter corruption and promote transparency, as well as what challenges might lie ahead. Topics of discussion at the Workshop in line with the targeted scope of the project have been tackled.

Essentially, from the pre-Workshop research work, prospective participants would like to learn best practices on using digital tools and system to assist in anti-corruption efforts. The results of the ex-post evaluation survey showed that the project had proved effective in providing a platform for learning knowledge and best practices from the speakers and presenting economies.

Project participants can apply what they gained from this two-day Workshop to future development of new works plans or strategies, new procedures or tools, as well as new policy initiatives and capacity training in their respective economy.

6. Recommendations

In order to ensure effective use of digital innovation and technologies in anti-corruption, the following recommendations were derived from the presentations and discussions.

6.1 Build controlling environment for digital solutions from the system approach

It is essential to create an environment or ecosystem where digital development can flourish. Different digital platforms operated by the government and public agencies must be integrated to avoid redundancy and facilitate users' accessibility and ease of use. To attain this goal, it is necessary to consider digital solutions from a system perspective where digital tools and systems are regarded not individually but as components of a bigger, wider digital governance system.

This also includes the building of trust and confidence in government digital system and in the government and public agencies in general. It is also necessary to take into account the need to balance between ensuring efficient digital development on the one hand, and the protection of fundamental rights such as privacy on the other.

6.2 Initiatives to expand digital infrastructure and tackle the lack of digital skills

Most challenging limitations of implementing digital solutions to anti-corruption are the lack in digital infrastructure and capacity, and the disparity thereof between economies. To promote data-driven and IT-enabled anti-corruption approaches, digital infrastructure and anti-corruption practitioners' digital skills need to be enhanced.

In this respect, it is necessary for law enforcement and anti-corruption practitioners to realise the actual current challenges and limitations in their respective economy, as well as the limitations of each specific digital tool or system.

6.3 Collaboration among all relevant sectors is significant

Strategic partnership among all sectors is important. The government can take the lead in expanding necessary digital infrastructure, but collaboration with other sectors are also essential especially in the aspects of capacity building and enlisting participation. The private sector can be the key to enabling relevant personnel to understand more about emergent digital innovation and technologies. People and the civil society, meanwhile, need to be empowered and driven by digital development.

In the domestic context, this also include inter-agency collaboration to maximise data sharing and digital data collection for analytics. In the context of cross-border cooperation, the strengthening of central authority where a clear focal point is designated is needed for proper consultations and effective issues resolution.

6.4 Technical assistance to address digital divide

There is a need to ensure that digital solutions are introduced on a level playing field, where one player is not favoured over another. In order to effectively address the problem of digital divide, technical assistance is needed. In this regard, international organisations have an important role to play in supporting economies to assist them in understanding and overcoming the existing challenges posed by digitalisation.

6.5 Continued sharing of best practices, success cases or case studies, and exchange experiences

There is a general consensus among workshop participants that their capacity has been built by learning about best practices from the presenting economies. These best practices have provided a solid platform or model for their future application and development to their anti-corruption efforts in their home economy.

Annex I

AGENDA

Workshop on Technology for Transparency: Digital Disruption to Corruption

Session 1

Monday 14 February 2022 (08:00 – 11:00 Thailand Time)

Virtual Meeting via Zoom

With hosting venue at Office of the National Anti-Corruption Commission of Thailand

TIME	SESSION 1
07:00	**Virtual platform opens**
08:00 – 08:10	**Opening Session 1** • Opening Remarks by **Police General Watcharapol Prasarnrajkit**, NACC President and ACTWG & ACT-NET Chair 2022 • Outline of the Workshop session by Project Overseer • Virtual Group photo
08:10 – 08:20	**Item 1: Presentation of Pre-Workshop Research Work** • Project Overseer presents summary of data from pre-workshop survey
08:20 – 09:30	**Item 2: Developing a context of digitalisation in relation to anti-corruption.** **What are the risks of bribery and corruption posed by digital transformation?** This item will provide background on the risks of bribery and corruption posed by digital transformation from various perspectives: • Forms of crimes enabled or facilitated by digital tools or systems • Types of digital technologies and digital tools • Risks areas for committing and concealing corruption and bribery by using digital tools and technologies. **Speakers** ➢ **Mr Thomas Stelzer**, Dean and Executive Secretary, International Anti-Corruption Academy (IACA) (pre-recorded) ➢ **Ms Lisa Kelaart-Courtney**, Director of the Prevention and Compliance Division, Office of Anticorruption and Integrity, Asian Development Bank ➢ **China - Ms LIU Xiaona**, Acting Director of International Cooperation Division, China Anti-Money Laundering Monitoring and Analysis Center ➢ **Ms Nopnuanparn Pavasant**, Director, FinTech Department, Office of the Securities and Exchange Commission of Thailand **Discussions and Q&A**
09:30 – 09:45	***Virtual Coffee Break***

TIME	SESSION 1
09:45 – 10:55	**Item 3: Ongoing Developments & Ways Forward** This item will discuss ongoing efforts and ways forward to make the most of digital innovation and technologies in anti-corruption work, including: • Tools and practices of digitalisation and data analysis in relation to corruption in the Asia-Pacific region • Potentials for applying digital tools and systems, for example, AI, blockchain or cryptocurrency to anti-corruption efforts • Perspectives from Thailand's regulators and the private sector **Speakers** ➢ **Mr Francesco Checchi**, Regional Anti-Corruption Adviser, United Nations Office on Drugs and Crime (UNODC) Regional Office for Southeast Asia and the Pacific ➢ **Colonel Natee Sukonrat** (**PhD**), Vice-chairman, National Broadcasting and Telecommunications Commission of Thailand ➢ **Ms Monsinee Nakapanant**, Co-President, Ascend Money Co.,Ltd. **Discussions and Q&A**
10:55 – 11:00	**Session 1 Summary**

Session 2

Tuesday 15 February 2022 (08:00 – 11:00 Thailand Time)

Virtual Meeting via Zoom

With hosting venue at Office of the National Anti-Corruption Commission of Thailand

TIME	SESSION 2
07:00	**Virtual platform opens**
08:00 – 08:10	**Opening Session 2** • Outline of the Workshop session by Project Overseer • Virtual Group photo
08:10 – 09:00	**Item 4: What are the challenges and limitations for anti-corruption practitioners?** This item will discuss practical challenges and limitations for anti-corruption and law enforcement agencies to implement digital innovation and technologies to ensure more transparency and deter corruption and bribery in both domestic and cross-border corruption cases. Speakers will present experience and case studies from their respective agencies or from other sectors' perspectives. **Speakers** ➢ **Mr Renaud Meyer**, Resident Representative, United Nations Development Programme in Thailand (UNDP) ➢ **Mr Vichien Phongsathorn**, Chairman Anti-Corruption Organization of Thailand (ACT) **APEC Economies' presentation** ➢ **United States – Ms Linda Otani McKinney**, Deputy Associate Director, Incoming Mutual Legal Assistance Team, Office of International Affairs, US Department of Justice, Criminal Division **Discussions and Q&A**
09:00 – 09:30	**Item 5: Develop best practices & actionable recommendations** Participants will present success cases of their ongoing efforts at home economies in practising digitalisation in the anti-corruption domain, or best practices and recommendations in order to overcome the challenges and limitations they are facing in their home economies, including in the fight against cross-border corruption. **APEC Economies' presentations (15 minutes per economy)** ➢ **New Zealand – Mr Clive Hudson**, Principal Forensic Accountant and Electronic Investigator, New Zealand Serious Fraud Office ➢ **Chile – Ms Claudia Ortega Forner**, Senior Legal Advisor, Anticorruption Specialised Unit, Public Prosecutor's Office
09:30 – 09:40	***Virtual Coffee Break***

09:40 – 10:50	**Item 5: Develop best practices & actionable recommendations (continued)** • Participants will present success cases of their ongoing efforts at home economies in practising digitalisation in the anti-corruption domain, or best practices and recommendations in order to overcome the challenges and limitations they are facing in their home economies, including in the fight against cross-border corruption. **APEC Economies' presentations (15 minutes per economy)** ➢ **Hong Kong, China – Mr Ricky LAI**, Principal Corruption Prevention Officer, Independent Commission Against Corruption ➢ **Singapore – Mr Desmond Lim**, Chief Digital Transformation Office, Corrupt Practices Investigation Bureau ➢ **Republic of Korea – Mr OH, Jeong Taek**, Director for Inspection Planning Division, Anti-Corruption & Civil Rights Commission ➢ **Chinese Taipei – Ms Chang Hao-Chun**, Agent, Agency Against Corruption, Ministry of Justice, Chinese Taipei **Discussions and Q&A**
10:50 – 11:00	**Session 2 Summary and closing remarks**