

Professional Ethics and Corruption Prevention



Edwin WATT

**Senior Community Relations Officer
Independent Commission Against Corruption**



ICAC's Three-Pronged Strategy



The Commissioner



Operations

**Law
Enforcement**



**Corruption
Prevention**

Prevention



**Community
Relations**

**Community
Education**

Outline

- **Professional ethics**
- **Corruption in engineering**
- **Anti-bribery legislation**
- **How to handle ethical dilemma?**



Can an engineer ...

- accept Christmas gifts from clients?
- accept free hotel accommodations by overseas suppliers?
- accept lucky draw gifts donated by suppliers during festive dinners?
- award contract to a vendor owned by his/her family member?

Why Professional Ethics matters?

- **A hallmark of professionalism**
- **Basic qualifying requirement**
- **An edge in competition**
- **Guidance to good practice**
- **Ultimate benefit of the profession**

The Hong Kong Institution of Engineers - Rules of Conduct

- **Responsibility to the profession**

- shall order his conduct so as to uphold the dignity, standing and reputation of the profession.

- **Responsibility to colleagues**

- shall not maliciously or recklessly injure nor attempt to injure whether directly or indirectly the professional reputation of another engineer, and shall foster the mutual advancement of the profession.

The Hong Kong Institution of Engineers - Rules of Conduct

- **Responsibility to employers or clients**
 - shall discharge his duties to his employer or client with integrity and in accordance with the highest standards of business ethics.
- **Responsibility to the public**
 - shall at all times be governed by the overriding interest of the general public, in particular their environment, welfare, health and safety.

Corruption Prone Areas in Engineering

Contract management

- Contract letting
- Contract administration

Areas of concerns

- Acceptance of advantage and entertainment
- Handling of confidential information
- Handling of conflict of interest

Prevention of Bribery Ordinance

Section 9

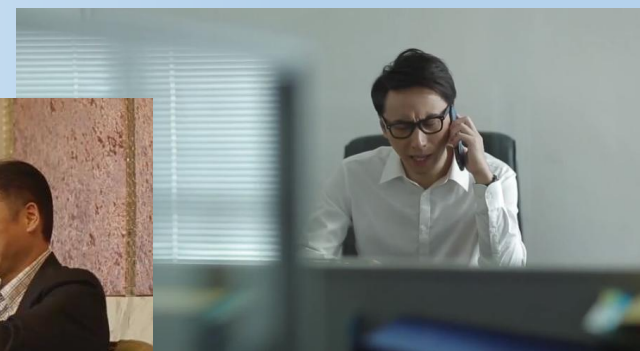
- Agent (employee)
- 任何代理人（僱員）
- Without principal's (employer's) approval
- 未得主事人（僱主）同意
- Solicits/accepts advantages
- 索取／收受利益
- An act in relation to the principal's business/ affairs
- 與主事人（僱主）業務有關

Both offeror & recipient of bribe are guilty
Maximum Penalty : Imprisonment of 7 years and \$500,000 fine



Business is business

- Cheung was one of the shareholders of the company. Could he give himself approval to receive a work-related advantage?
- Could we report suspected cross-boundary corruption cases to the ICAC?





It's not worth it

- Would Tim (the renovation contractor) commit an offence if he acceded to Johnny's (a project manager of the restaurant) request for an unreasonably low rate for renovating Johnny's new house?
- Tim offered a lai-see to Johnny on the first day of work. Was he offering a bribe?
- Did Tim break the law for treating Johnny to dinner?



Advantages

- Gift, loan, fee, reward or commission
- Employment or contract
- Payment, release or discharge of loan or liability
- Service or favor (except entertainment)
- Exercise of any rights or power

Entertainment



The provision of food or drink, for consumption on the occasion, and any entertainment provided at the same time.



Not 'advantage' but...

- sweetening process
- obligatory position
- conflict of interest

Prevention of Bribery Ordinance

Section 11

- In any proceedings for an offence, the following shall **NOT** be a defence:
 - *did not actually have such power or right to do so;*
 - *did not in fact do so; and*
 - *had no intention to do so*

Prevention of Bribery Ordinance

Section 19

- In any proceedings for an offence, it shall **NOT** be a defence to show that:
 - *such advantage is customary in any profession, trade, vocation or calling*



Separate business from the personal

- Did Alex (the Procurement Manager) violate the Prevention of Bribery Ordinance?
- What are possible consequences of handling 'conflict of interest' situations improperly?



Conflict of Interest

- It arises when the private interests of an individual compete or conflict with the interests of the employer, clients or the individual's official duties.
- It inhibits a person from making an impartial judgement, attract allegations of favouritism and, if not handled properly, may even result in criminal offences such as corruption and fraud.

Examples of Conflict of Interest

Contract letting:

- The engineer in the tender assessment panel has financial interest in a particular tenderer
- The engineer responsible for drawing up the specification of a tender is a relative of the sole supplier

Contract administration:

- The project engineer engages in part-time employment with a contractor
- The project engineer and the staff of the contractor are close relatives



Separate business from the personal

- Would you report Alex?





Separate business from the personal

- Report it to the management facing the risk of breaking the friendship?
- Leak the information to some suppliers and let them alert the company management?
- Say nothing?
- Start looking for a new job?
- Others?



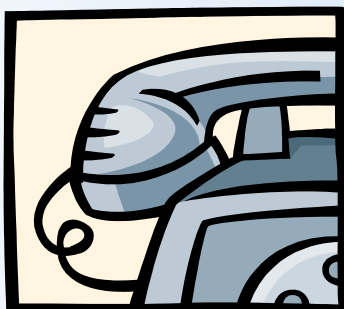
PLUS Standards – Factors to consider

- **P**rofessional / company code of conduct
- **L**egal requirements
- **U**ncompromising self values
- **S**unshine test

Report Corruption & Enquiries



ICAC Report Centre or
7 Regional Offices



2526 6366 (24 hrs)



HK GPO Box 1000

Thank You!

