



# WHAT MAKES PUBLIC OFFICIALS HONEST?

Professor Alan Doig  
Fraud Management Studies Unit  
Teesside Business School

# **UNCAC and PREVENTION**

**WHAT MAKES PUBLIC OFFICIALS DISHONEST?**

## PERSONAL

arrogance; full of self importance; autocratic, dominant and dictatorial; unofficial deals to get own way; manipulative; reluctance to delegate; prone to secrecy; driven; engenders blame or fear; intimidates or bullies; workaholic; interferes in low level operational matters.

[UK AUDIT]

## ORGANISATIONAL

workplace dissatisfaction or perceptions of unfairness; inadequate supervision or work review; organisational culture of the agency; inadequate knowledge, skills or experience; inadequate organisational policies, procedures or systems; failure to follow existing policies, procedures or systems; poorly managed contracting or commercial relationships; significant change imposed on the agency; inadequate agency resources; Inadequate legislative provisions; nature of the work or the agency; personal discretion, autonomy or influence; vulnerable client groups; failures of senior or corporate management.

[AUSTRALIAN NSW ICAC]

## OPERATIONAL

'corruption has three main components that are controllable and one that is not. The three controllable ones are opportunity, incentive, and risk: the uncontrollable one is.... Many public servants over a long period of time have had the freely available opportunity to be corrupt, a large incentive to do so, and little risk of being found out if they did, but...

**[US Institute of Law Enforcement and Criminal Justice 1978]**

COGNITIVE DISSONANCE: WHO  
ADMITS TO CORRUPT CONDUCT?

a progressive legitimization of behaviour  
that is more and more removed from the  
original boundaries of probity ...(where)  
once exceptional and questionable  
practices to become routine and  
unremarkable' .....

[CANADIAN ACADEMIC]

## SOME RESEARCH

- Reasons for offending include debt and greed, boredom, a lack of life structure, blackmail and temporary insanity
- Some interviewees claimed that a corrupt company / industry culture facilitated their offending. Some felt poorly treated by their employers, either through low pay or inadequate rewards but also they felt unsupported
- Committing offences was easy, there was little evidence of fraud prevention strategies and there were easy opportunities not least because of weak financial or regulatory systems
- Offenders abused the position of trust – which is not only associated with seniority – because it was that that gave them the autonomy and the lack of visibility to commit offences and enable them to feel they would not be detected

- Most offenders had acquired all the knowledge and skills they needed via their normal course of employment
- The audit function was rarely perceived as a threat, although it was responsible for identifying some frauds and contributed to the identification of some offenders
- Whatever their initial reasons for committing the offence, most continued because they enjoyed the benefits of having money
- Some interviewees described being caught as a relief, some were shocked
- Many were concerned at the level of initial accusations made against them which were far higher than the offences they knew they had committed . Some felt it difficult to cooperate with the police and found this scary



# WHAT MAKES PUBLIC OFFICIALS DISHONEST?

**PERSONAL/GENDER**

**PROFIT**

**RISK**

**PEOPLE**

**POWER/DISCRETION/INCENTIVE**

**PROMOTION/AMBITION**

**PERFORMANCE**

**POLITICS/PARTISAN**

**PUBLIC SERVICE AND A PIECE OF THE ACTION**

# WHAT TENDS TO BE THE RESPONSE?

- Codes of Conduct
- Procedures
- Risk assessments
- Election funding rules
- Conflict of interest requirements
- Gift, hospitality and asset disclosure
- Whistleblowing
- Transparency
- State or external audit: procedures and processes
- Electoral commission: registration and voting
- Ombudsman: citizen access, complaints and redress
- Police: breaches of the law
- Ministry of Finance: oversight of internal budget and accounting procedures
- Central purchasing Unit or Tender Boards: procurement guidance
- Parliamentary Committees: oversight on budget allocation and expenditure

TWO LESSONS,  
TWO CERTAINTIES  
and ONE QUESTION

'corruption has three main components that are controllable and one that is not. The three controllable ones are opportunity, incentive, and risk: the uncontrollable one is personal honesty. Many public servants over a long period of time have had the freely available opportunity to be corrupt, a large incentive to do so, and little risk of being found out if they did, but have refused because "*it wouldn't be honest*"

[US Institute of Law Enforcement and Criminal Justice 1978]

**SO, WHAT MAKES  
PUBLIC OFFICIALS  
HONEST?**



- Family?
- Faith?
- Education?
- Politics?
- Public Service?
- Career?
- Society?
- Culture?
- Pay?
- Terms and conditions of service and work?
- Internal reporting?
- Training?
- Public service?
- Promotion?
- Ownership?
- Recognition?
- Rewards?
- Involvement?
- Colleagues?
- Fear?
- Happiness?

HOW and WHY

# WHAT IS THE PURPOSE OF HONESTY

- ❑ Democratic Values: to serve the public interest.
- ❑ Professional Values: Serving with competence, excellence, efficiency, respect for the law, objectivity, transparency, confidentiality and impartiality.
- ❑ Ethical Values: Acting at all times in such a way as to uphold the public trust.
- ❑ People Values: Demonstrating respect, fairness and courtesy in their dealings with both citizens and fellow public officials



**THE END**