

Building a System of Comprehensive Accountability to Control Corruption

By Larry Diamond

Over the past decade, a revolution has been gathering force in politics, development, and international affairs. At every level of public life, people and organizations dedicated to the advancement of democracy, social justice, poverty alleviation, conflict prevention, and international cooperation for these ends are rebelling against political and bureaucratic corruption. A few decades ago, a great many scholars, aid officials, and international investors viewed corruption as a transitory and inevitable concomitant of the processes of economic and political development, or “nation building.” Some argued that corruption actually had positive effects, in lubricating the wheels of a turgid bureaucracy and in binding diverse individuals and groups to the nation’s government and politics through the distribution of “patronage.” Others recognized the net costs and inefficiencies of corruption, but wrote them off as the “cost of doing business” or rationalized them as a price of transition to a modern, better-educated society that would no longer tolerate them.

The era of excusing, rationalizing, and looking the other way is, fortunately, over. During the 1990s, it was buried by a confluence of compelling factors. The global wave of democratic development—with its attendant dramatic increases in press freedom and political pluralism and openness—has promoted greater scrutiny and higher expectations of government. The explosive growth and increasing penetration of all forms of the mass media—the print media, radio, television, and the Internet—have facilitated much more systematic exposure of corrupt practices, as well as forthright editorial commentary in denunciation of it. The diffusion of public opinion polling to the far reaches of the (so-called)

developing world has given a distinctive form of voice to mass publics. In country after country, attitudinal surveys have identified corruption as one of the leading national problems, broadly eroding public trust in political parties and governmental institutions and urgently requiring fundamental reform.¹ Internationally, theorists and practitioners of development—confronted with the hard realities of persistent poverty, declining per capita incomes, decaying institutions, frail polities, lawless societies, violent conflict, and even failed states—have had to face up to the causes of development failure and fragility. What began as a bold and contentious thesis—that endemic corruption and related deficiencies in the quality of governance constitute a preeminent obstacle to development—is now rapidly becoming the conventional wisdom. Driving this revolution in development thinking and aid policy has also been the rapid growth of civil society organizations and networks, both national and international, dedicated to controlling corruption and improving governance, with the formation of Transparency International in 1993 as a particularly crucial milestone.

These powerfully converging trends have moved concerns about the quality of governance to the top of the international development agenda. Increasingly, both multilateral development agencies, like the World Bank, and bilateral ones, like the U.S. Agency for International Development, recognize that development cannot proceed in a vigorous, just, and sustainable way unless public resources are used to advance the public good, rather than the welfare of a few powerful individuals and groups.² The core problem of development is bad governance. The indispensable condition for sustainable human development is good governance.³ And this requires hard and specific thinking about the kinds of political institutions that are necessary to control corruption and ensure that that public resources—both locally generated and internationally derived—are invested in the public interest.

Following some further explication of the links between development and good governance, this essay offers a skeletal blueprint for what I call a “comprehensive system of accountability” to generate good governance. Electoral democracy is one element of such a comprehensive system. But it is far from the only one. Many electoral democracies have gross problems of corruption and rotten governance. But few are the countries (really, only Singapore) that have controlled corruption effectively and continuously in the absence of democracy. When corruption develops momentum, it seeps into every aspect of political and social life. Cultural values and expectations become distorted, and the system of perverse incentives and behavior becomes very difficult to change. Only a comprehensive system of accountability can effectively reverse such an endemic and insidious problem. Only a relentless campaign from every angle of influence—from below, from within, and from outside—can produce the sweeping institutional reforms and innovations that would comprise such a comprehensive system of genuine accountability.

The Links Between Development and Good Governance

The deepest root cause of development failure is not a lack of resources or international isolation. Rather, it is a lack of good governance—the inability or unwillingness to apply public resources effectively to generate public goods. Public goods benefit the entire community. These include physical infrastructure—roads, bridges, ports, sanitation, potable water, electric power, telecommunications, public transport—and social, economic, and political infrastructure—schools, clinics, markets, courts, vaccination programs, improved agricultural techniques, a neutral and capable state bureaucracy. Private goods are consumed

only for the limited benefit of some individuals, families, or groups. Ultimately, development enables individuals to enjoy private goods, but it requires that public resources be used to advance the public welfare. To be sure, development requires appropriate government policies to foster savings and investment. But it also requires the public services and institutions that improve human capital, foster social trust, and thereby stimulate production and exchange. All of this is the product of good governance.

Good governance consists of several dimensions. One is the *capacity* of the state to function in the service of the public good. Effective functioning requires knowledge of the policies and rules that best serve the public good, and hence training of state officials in their various professional realms. It requires a professional civil service with a set of norms and structures that promote fidelity to public rules and duties, in part by rewarding those who perform well in their roles. This relates intimately to the second dimension of good governance, *commitment to the public good*. Where does this commitment come from? It may be generated by dedicated and charismatic leadership. Or it may derive from a cultural ethic that appreciates and a structure of institutional incentives that rewards disciplined service to the nation or the general community over the use of office for private benefit. In every modern society, however, it must (at a minimum) be reinforced by institutions that punish betrayals of the public trust.

A third dimension of good governance is *transparency*, the openness of state business and conduct to the scrutiny of other state actors and of the public. Transparency is intimately related to *accountability*. Governing agents are more likely to be responsible and “good” when they are answerable for their conduct to the society in general and to other specific institutions that monitor their behavior and can impose sanctions upon them. Effective oversight requires

open flows of information, and hence transparency, so that monitors can discover facts and mobilize evidence. This requires a system of government by which different institutions check and hold one another accountable, compelling them to justify their actions. Power is thus constrained, bound not only “by legal constraints but also by the logic of public reasoning.”⁴

Transparency and accountability are thus intimately bound up with a fourth dimension of good governance, the *rule of law*. Governance can only be good and effective when it is restrained by the law, when the law is applied equally to the mighty and the meek, and when there are professional independent authorities to enforce the law in a neutral, predictable fashion. Both effective government and well functioning markets require that there be clear rules about what constitutes acceptable conduct in all realms of economic, social and political life. All actors, public and private, must have confidence that those rules will be observed, and this requires fair, independent, and predictable means of adjudication and enforcement. Only under a rule of law can property rights be secure and contracts enforceable. Only through a rule of law can individuals be secure against arbitrary harm from the state or powerful private actors.

A fifth dimension of good governance consists of mechanisms of *participation* and dialogue that enable the public to provide input to the policy process, to correct mistakes in policy design and implementation, and to promote social inclusion. Institutionalized participation also provides channels for settling (or at least narrowing) conflicts over interests and values and for making broadly legitimate policy choices. Policies will be more likely to be stable and sustainable when they enjoy popular understanding and support. This requires some means for distinct organized interests, and for historically marginalized groups such as women and minorities, to have input into governmental decisions and some means of protesting

policies and actions that do harm to their interests. Development is not only about choice at the individual level but also about making difficult choices at the collective level. Often there is no clear answer to the question of what is in the public interest. Only through a process of political participation and dialogue can conflicting interests be reconciled in a way that is deemed minimally fair by all (or most), and that generates broad commitment among the relevant constituencies or stakeholders in the policy arena.

Finally, when good governance functions in the above five ways, it also breeds *social capital*, in the form of networks and associations that draw people together in relations of trust, reciprocity, and voluntary cooperation for common ends. The deeper a country's reservoirs of social capital, and the more these are based on horizontal relations of equality, the more vigorous is coordination for and commitment to the public good. Social capital thus not only fosters the expansion of investment and commerce, embedded in relations of trust and predictability, it also breeds the civic spirit, participation, and respect for law that are crucial foundations of political development and good governance. In other words, it generates a political culture of responsible citizenship. All of this in turn breeds political legitimacy and stability—further deepening the society's appeal to investors who must risk capital in the effort to create new wealth. In many respects then, good governance constitutes a “virtuous cycle” in which the several elements reinforce one another in a dense interplay.⁵

Conceptualized in this way, good governance promotes development. By generating and defending broad commitment to the public welfare, it increases the likelihood that public resources will be used to generate public goods that stimulate investment and commerce and raise the quality of life. A manifest commitment to the public welfare on the part of government also breeds a civic spirit in society, including a willingness to pay taxes and obey

the law. Ordinary citizens will sacrifice immediate advantages for the longer-term common good only when they believe that their fellow citizens will as well. When government itself is transparent and disciplined in its commitment to the public good, it provides credible signals to the rest of society about what types of behaviors can be expected. More capable and knowledgeable government also generates the capacity to enforce the law, mediate disputes, keep order, collect taxes, promote trade, maintain fiscal stability, attract investment, and so foster economic growth. In defending human rights and property rights, in promoting equal access to opportunity based on talent and effort rather than power, and in providing a fair means for the resolution of disputes, the rule of law generates an enabling environment for economic growth. In incorporating groups that historically have been confined to the margins of society, good governance mitigates social conflict and harnesses the full range of talent and resources in the society. In fostering the accumulation of social capital, good governance cultivates trust (in individuals and in government), cooperation, compliance with the law, and confidence in the future. Social and political confidence also breeds economic confidence, and a willingness to invest for the long run.

Bad Governance: The Bane of Development

Countries that have failed to realize their development potential in the past half-century have invariably suffered yawning deficits of good governance. In these development laggards, bad governance constitutes a treacherous obstacle—perhaps the single most intractable obstacle—to vigorous and sustainable development. Launching development therefore requires a thorough transformation in the quality of governance.

Why is bad governance such a pervasive and profound obstacle to development? Just as good governance promotes the accumulation of financial, physical, social, and political capital, bad governance inhibits or drains away that accumulation.

Consider the archetypical badly governed country. Corruption is endemic throughout the system of government at every level. Everywhere, development promise is sapped by corruption. Public infrastructure decays or is never built because the resources from the relevant ministries are diverted to private ends. Decisions on public expenditures are tilted toward unproductive investments—sophisticated weapons, white-elephant construction projects—that can deliver large kickbacks to the civilian officials and military officers who award them. Bridges and buildings collapse because bribery circumvented building standards. Rivers are poisoned for a similar reason. Schools are not built or maintained, clinics are not stocked and staffed, roads are not paved and repaired because the funds for these essential dimensions of development are squandered and stolen. Businesses cannot get licenses to operate and small producers cannot get title to their land because it would take half a year and a small fortune to navigate through the shoals of a bloated, corrupt state bureaucracy. State bureaucracies remain littered with pointless and debilitating regulations, each one of them an opportunity for corrupt officials to collect rents. In the endemically corrupt country, every interaction with the state—to obtain a building permit, register a marriage or a death, report a crime, or receive a vaccination—exact its petty, unofficial price. At its most extreme, locally or nationally, the state is nothing more than a criminal racket, and the police and organized crime may be one and the same.

In a context of rotten governance, individuals seek governmental positions in order to collect rents and accumulate personal wealth—to convert public resources into private goods.

There is no commitment to the public good and no confidence in the future. Every actor is motivated by the desire to get what can be gotten now, by any possible means. Communities as well seek immediate government jobs and favors, in a zero-sum struggle over a stagnant and potentially fleeting stock of resources. Thus, there is no respect for law, and no rule of law. The judicial system is politicized and routinely suborned, or so demoralized and starved of resources that it cannot prosecute corrupt conduct in public and private life with any kind of energy and regularity. Governmental decisions and transactions are deliberately opaque in order to hide their corrupt nature and evade embarrassing disclosures. Information about how government works and how contracts are awarded is simply unavailable. Exposure of corrupt deeds typically brings little more than embarrassment because the rule of law does not function to constrain or punish the behavior of public officials. Power is heavily centralized and institutions of scrutiny and accountability function only on paper, or episodically, to punish the more marginal miscreants or the rivals of the truly powerful. Lacking a sense of public purpose, discipline, and esprit de corps, the civil service, police, customs, and other public institutions function poorly and corruptly. Salaries are meager because the country is poor, taxes are not collected, corruption is expected, and government payrolls are bloated with the ranks of political clients and fictitious workers. Corruption is rife at the bottom of the governance system because that is the climate that is set at the top, and because government workers cannot live on the salaries they are paid. In fact, institutions in such a society are a façade. The police do not enforce the law. Judges do not decide the law. Customs officials do not inspect the goods. Manufacturers do not produce, bankers do not invest, borrowers do not repay, and contracts do not get enforced. Any actor with discretionary power is a rent-seeker. Every transaction is twisted to immediate advantage.

Institutions of political participation may or may not exist in this venal environment, but if they do, the government is not responsive to them. Instead, political participation cleaves society vertically, typically along ethnic lines, into competing chains of patron-client relations that all mobilize for one purpose: to get control of public resources so that they can convert them into private goods. In such a society, violent conflict is also rife, or never far from the surface, because ordinary people are exploited and desperate, rights are routinely abused, and communities are mutually resentful of any perceived advantage of the other in a zero-sum game. Frustration mounts to volcanic levels with no effective means for political voice or resolution. In this context, it is not difficult for corrupt, opportunistic elites to mobilize this frustration into violence for their own political ends. From Nigeria to the Congo, from Colombia to Kosovo, Serbia to Sudan, ethnic violence, nationalist bloodletting, and civil war have flowed from this context of corrupt, cynical, exploitative governance.

Abysmally bad governance goes hand in hand with a vacuum of positive (horizontal) social capital. Instead of trust and cooperation for the common good, “[d]efection, distrust, shirking, exploitation, isolation, disorder, and stagnation intensify one another in a suffocating miasma of vicious circles.” In this context, “it is irrational for any individual to seek a more collaborative alternative,” because the social reality pervasively obstructs it. “Actors in this social equilibrium may well realize they are [all] worse off than they would be in a more cooperative equilibrium, but getting to that happier equilibrium is beyond the power of any individual.”⁶ That would require a fundamental transformation of governance, which prospect is not anywhere on the horizon. In this Hobbesian world, dependence substitutes for cooperation, exploitation for reciprocity, opportunism for trust, force for law.

All of this, Robert Putnam argues, cumulates into an alternative, inferior, but nevertheless stable equilibrium, what he calls the “*uncivic* community.” But the badly governed, “uncivic” country hardly enjoys the same stability as the successful, well-governed one. At the extreme, bad governance and its attendant social and cultural ills breed rising social frustration, political violence, development failure, and ultimately state collapse. As portrayed here, the very badly governed country may be an ideal type. But it closely approximates the reality in such failed, conflict-ridden states as Haiti, Liberia, the Congo (Zaire), Angola, Somalia, and Afghanistan, and in *failing* states such as Nigeria and Pakistan. To the extent that countries approach this model of atrocious governance, they are unable to develop and risk catastrophe. Even weak and porous—partially bad—governance can be dangerous, rendering a seemingly dynamic economy vulnerable to implosion (as in Indonesia in late 1997) when international conditions change or the accumulation of hidden deficits and financial crimes finally pushes the system over the edge.

The only way to generate truly sustainable development in this context is to bring about a fundamental transformation in the nature and quality of governance. Over the past decade, international development and aid institutions have increasingly come to recognize the destructive role that corruption and arbitrary, unaccountable, rent-seeking governance play in obstructing development and perpetuating poverty and conflict. But (at least until very recently) the tendency has remained to view this as one problem among several, something that can be contained and worked around. That approach has failed, because it has missed the fundamental character of the governance climate. Governance permeates the entire environment of development, merging with attitudes, values, and expectations to the point where it is hard to know where culture ends and institutions begin. If development is going to

happen in those large parts of the world that have remained stuck in conditions of stagnation and poverty, cultures will have to change. But the largest and quickest point of leverage does not lie in moral and educational efforts to change the way people think and behave. Those are needed, but they can only be effective if the social environment of incentives and expectations is transformed. That requires a shift toward dramatically better, more responsible, professional, open, and accountable governance. And that, in turn, entails the construction of a comprehensive system of accountability.

A Comprehensive System of Accountability

A comprehensive system of accountability institutions of accountability of three forms:

1. **Horizontal Accountability** is the means by which different agencies of government hold other governmental (and political) actors answerable to the law and the public interest. It requires “state agencies that are authorized and willing to oversee, control, redress, and/or sanction unlawful actions of other state agencies.”⁷ The primary agencies of horizontal accountability are the laws themselves, a neutral and independent judiciary, a counter-corruption commission or agency, a network of audit agencies, the office of the ombudsman, parliamentary oversight and investigative committees, independent economic regulatory agencies, and an independent electoral commission.
2. **Vertical Accountability** is the means by which citizens, from below, hold their government officials answerable for their conduct. The most important instrument of vertical accountability is democracy—regular, free, fair,

competitive, and meaningful elections for all the principal positions of government power, and at different levels of government. Meaningful, competitive elections necessarily imply the existence of at least one opposition party that provides a potential alternative to the ruling party (and can monitor and challenge its conduct in between elections, in parliament). But a vigorous and pluralistic civil society—consisting of independent associations, think tanks, and mass media—also constitutes a vital instrument for monitoring the conduct of government and enforcing standards of good governance not only during elections but also in between them.

3. **External Accountability** is the means by which international actors use their influence and leverage to make states answerable for the quality of their governance and to press or induce them to adopt institutional reforms (implementing or strengthening horizontal and vertical accountability) to improve governance.

The remainder of this essay will elaborate each of these three types of accountability, and the different institutions that comprise them. Prior to that, however, three points must be stressed. First, governance can only be truly and enduringly improved with a systemic approach. Chronically bad, corrupt governance is not the mere absence of “good governance.” It is not a vacuum into which new institutional formulas can be easily and even effortlessly poured. It constitutes a steeply hierarchical, exploitative system in which instruments of power are monopolized and abused to accumulate massive wealth, which in turn reproduces and aggrandizes power disparities. Such a system is self-reinforcing and perverse, because the very

actors who have the power to implement new institutions and mechanisms of accountability are the ones benefiting from the current system. Thus there is a lack of “political will” for reform. This is one reason why pressure from outside is so important, particularly in the worst cases.

Second, the structures of accountability are not the only antidotes to corruption. Vital as well is the broad framework of a market economy, in which it is possible to accumulate wealth through honest effort and initiative in the private sector, and the state has only a limited role in the economy (and not primarily a productive one). *Ceteris paribus*, the wider the scope of state ownership and control of the means of production, the wider the scope for rent seeking. Strong guarantees of property rights, including the ability of small holders and informal sector workers to get title to their land and business property, as well as other limitations on the overall power of the state, are important elements of a broader institutional landscape for controlling government corruption and preempting the abuse of power. Where state ownership is extensive, privatization is an important means of generating a more favorable economic context for governance.

Yet, third, the privatization process can (and in many cases has) itself become a major arena for corruption, which can emanate powerfully from the private sector and then seep more broadly into public life. This is why pure *laissez faire* is hardly a formula for good governance and a good society. The effective functioning of a market economy requires independent regulation and oversight of financial institutions, stock exchanges, and corporate governance for some of the same reasons that government itself must be regulated and monitored. Economic markets, like political markets in a democracy, accumulate a variety of distortions that arise from inequities in power and information. Some degree of regulation—insulated from partisan political control—is necessary to level these inequalities, attenuate market

failures, and ensure that private economic institutions operate within certain boundaries of fairness, responsibility, and transparency.

Institutions of Horizontal Accountability

Horizontal accountability is most effective when it is comprehensive, that is, when the agencies that comprise it interlock and partially overlap in a systemic fashion. Overlapping authority ensures that if one institutional actor fails to perform its duty to expose, question, and punish (and thus ultimately, deter) corrupt behavior, another institution may initiate the accountability process. Interlocking authority means that the different institutions relate to one another in a way that is complementary and reinforcing, so that, for example, an audit agency can uncover fraud, a counter-corruption commission can impose civil penalties for it, and the judicial process can function on its own to press for criminal penalties, while an ombudsman may stand by to investigate and report if other institutions do not work, or to assist and stimulate them in working. As Guillermo O'Donnell (who is in some ways the intellectual founder of the term and the field) argues, "Effective horizontal accountability is not the product of isolated agencies but of networks of agencies that include at their top—because that is where a constitutional legal system 'closes' by means of ultimate decisions—courts (including the highest ones) committed to such accountability."⁸

The crucial elements of horizontal accountability are the following:

The Law: The most basic institution is the law, which must prohibit all forms of bribery, nepotism, conflict of interest, and misuse of public funds. Although comprehensive

anticorruption legislation is necessary, it is not sufficient. Improper enrichment of public officials cannot be detected unless their own personal and family finances are transparent. Effective corruption control requires that higher-level elected officials, political appointees, civil servants, military officers, and police officers declare their assets upon taking office, every year thereafter, and whenever their assets change in some significant, defined way (as through a major sale or stock transaction). These declarations should be filed with the counter-corruption commission. To ensure public confidence in the process—and facilitate the overlapping arena of vertical accountability—the declarations of assets must be publicly available for inspection by individuals, organizations, and the mass media. Ideally, the assets declarations (or least reporting of significant assets) of all top officeholders should be freely available for inspection on the Internet. This enables any knowledgeable party to report undisclosed wealth that might constitute evidence of corrupt conduct.

Beyond the narrow sector of laws against bribery, fraud, embezzlement, and other violations of the public trust, an effective rule of law requires a comprehensive and coherent legal code that is well documented and accessible to the public. Modernization of legal codes takes two forms. Substantively, it revises, extends, prunes, and rationalizes the laws themselves, balancing the control of corruption and crime with the protection of civil liberties and property rights. Technically, it widens knowledge of the law and facilitates research on it by computerizing case administration procedures and legal codes and precedents.

Freedom of Information: One type of law that is particularly important regards freedom of information. Malfeasance thrives in secrecy and obscurity. The more that government transactions and operations are transparent and visible, open to scrutiny, the more

feasible it is to expose, deter, and contain corruption. For this reason, citizens must have the legal right to request and receive information on all functions and decisions of government that are not a matter of national security or that do not infringe on individual rights of privacy. In the fight against corruption, the public availability of information on government finance, procurement, and contracting is particularly important. Ideally, such information should be posted on the Internet. In particular, all government procurement above a certain (modest) level should be done through competitive bidding that is advertised on government websites.

Anti-Corruption Bodies: Control of corruption requires a specific body, such as a counter-corruption commission, charged with scrutinizing the conduct of public officials and monitoring their assets declarations to look for signs of malfeasance. This body must be charged not only with receiving but also monitoring and verifying the assets declarations of the president or prime minister, national-level ministers, members of parliament, state or provincial governors, high-level bureaucrats, major military and police officers, and other elected and appointed public officials above a certain level. (A truly comprehensive effort in a large country will also provide for the commission to have branch offices at the provincial level to monitor provincial and local government officials and legislators). The commission must then have the staff to investigate annually on a random basis some significant percentage of these assets declarations, and systematically, the declarations of the country's highest officials.

Scrutiny must be comprehensive if it is to be effective, and if the threat of detection is to be credible. This requires a lot of resources: accountants, investigators, and lawyers trained in the ways that wealth is moved, accumulated, and hidden, along with computer specialists and other support staff to back them up. Not only does a counter-corruption commission need a lot

of well-trained staff, it needs to pay them enough to deter temptation and establish a high esprit de corps. There is no way to control corruption without spending money to build institutions.

Scrutiny, however, is not enough. If credible evidence of wrongdoing emerges, there must be the institutional means to try the suspected offender and impose punishment on the guilty. The single most common and crippling flaw in systems of corruption control is an inability to enforce this function free from interference by the highest levels of government. The counter-corruption commission should have the ability to prosecute officials who have allegedly violated ethics laws independently. One of the most important changes introduced by Thailand's democratic constitution of 1997 was to grant the National Counter Corruption Commission independent prosecutorial authority, even if it means overruling the attorney general.⁹ Critics may argue that trying public officials outside the normal judicial process undermines the rule of law. And, of course, in a democracy the power to deny someone his freedom, through imprisonment, should only be exercised through a judicial process. But it makes sense to enable a counter-corruption institution to impose punishing civil penalties, including forfeiture of office and assets, through due process, even if the judicial system would be able to do this as well, and more.

Ombudsman's Office: The Ombudsman's office (which may go under many names, including, in South Africa, the office of public protector) receives and investigates public complaints of abuse of office. Members of the public or the press should have a right to—indeed be encouraged to—bring evidence to the counter-corruption commission if they believe a public official has misrepresented his or her assets or abused their office. But there needs to be a supplementary channel of public access to remedial government authority if power is

being abused and the counter-corruption commission does not seem to be doing its job or judges some abuse of power to lie outside its scope of authority. Even if the system is working well, the ombudsman may occasionally come upon evidence that the counter-corruption commission does not have, or that reinforces investigations the commission has already opened. Ideally, these offices would cooperate. But in a context of systemic corruption, mutual suspicion may be a functional, if not ideal, substitute for cooperation. Members of the counter-corruption commission should know that they themselves could be exposed to public outcry if they fail to move aggressively on evidence of corruption. And the Ombudsman's office should know that it has to meet the same standards of honest public conduct as all other officials, or it will itself be held accountable.

The powers and functions of the office of the Ombudsman vary widely across countries. In some countries, it is simply a mechanism to receive and investigate citizen complaints. The Philippine Constitution, however, gives the Ombudsman an explicit mandate to fight corruption through public assistance, prevention, investigation, and prosecution of suspect public officials, and administrative direction and adjudication. It can order “any government official or employee remiss in his duties to do his job, or stop, prevent and remedy improper and abusive acts.” In the Philippines, this office need not wait for citizens to come forward, and it can also act on anonymous complaints. Moreover, it may not only refer charges (against lower-ranking officials) to the regular courts, it may also prosecute (and enter into plea-bargaining agreements) directly, through an office of Special Prosecutor that falls under the immediate authority of the Ombudsman.¹⁰ Thus the office combines the more limited functions of an ombudsman with many of those of a counter-corruption and even supreme audit agency.

Public Audits: Independent, systematic audits of public accounts constitute a highly specialized field of public administration. Clearly, it is not enough simply to monitor the personal accounts of public officials. A dense, overlapping system of accountability requires that all major government bureaus, agencies, and ministries have their accounts regularly audited, and that they be open to inspection and evaluation of their performance more generally. To conduct these checks, each major government agency or bureau should have its own auditing office and inspector-general. But periodic external audits are also essential. The government should have an office of the auditor-general with the authority to conduct external audits on a periodic or random basis, and audit any agency at any time when there is evidence of wrongdoing. One model is the General Accounting Office (GAO) of the United States, which is the investigative arm of, and is responsible to, the U.S. Congress (thus giving it substantial autonomy from executive-branch agencies). On its website, the GAO describes its purpose in the following terms:

GAO examines the use of public funds, evaluates federal programs and activities, and provides analyses, options, recommendations, and other assistance to help the Congress make effective oversight, policy, and funding decisions. In this context, GAO works to continuously improve the economy, efficiency, and effectiveness of the federal government through financial audits, program reviews and evaluations, analyses, legal opinions, investigations, and other services. GAO's activities are designed to ensure the executive branch's accountability to the Congress under the Constitution and the government's accountability to the American people. GAO is dedicated to good

government through its commitment to the core values of accountability, integrity, and reliability.¹¹

In addition to its responsibility to the Congress rather than the executive branch, the GAO's autonomy is also affirmed by the relatively lengthy tenure of its head, the Comptroller General of the United States, who serves a fixed 15-year term.¹²

Parliamentary Oversight Committees: Particularly in a separation-of-powers, presidential system, the national parliament or congress constitutes a general check upon executive power, and thus represents a diffuse source of horizontal accountability. In the effort to combat corruption and secure good governance, however, oversight is more effectively performed by parliamentary committees that monitor and legislate on particular areas of government policy, such as health, public works, or defense. In many democracies, any parliamentary committee can investigate suspicions of waste, fraud, and abuse within the executive agencies under its jurisdiction. Some national legislatures go further; they have standing committees to monitor the overall efficiency and integrity of government and to investigate allegations of wrongdoing. The United States Senate Committee on Governmental Affairs has among its responsibilities broad authority to investigate government scandals and abuses, in relation to its mandate to receive and examine the reports of the Comptroller General, and to examine “the efficiency, economy, and effectiveness of all agencies and departments of the Government.”¹³ It has a permanent subcommittee on investigations, which investigates not only government corruption and impropriety but also organized crime and big business and financial fraud. Since its creation in 1948, it has investigated fraud in a number of

military and civilian agencies and programs, and during 2002 it held hearings on the Enron corporate scandal and the role of financial institutions in Enron's collapse.¹⁴ The Philippine Senate has a standing Blue Ribbon Committee (also known as the Committee on Accountability of Public Officers and Investigations), which has broad authority to investigate corruption and other criminal behavior by government officials. During its 50 years of operation, the committee has probed into many scandals, including the vast web of corrupt practices and ties that ultimately forced President Joseph Estrada out of office in January 2001. However, the committee can do no more than recommend prosecution, and it suffers from a common deficiency among anti-corruption bodies. "The lack of staff prevents the committee from following through and keeping track of cases once they have been reported out."¹⁵

The Judicial System: Like the other agencies of horizontal accountability, the judiciary must have significant capacity and independence if it is to be effective in controlling corruption. There is much more to judicial capacity than modern court buildings with adequate means for communication, recording, and research. An effective judicial system requires well-trained, competent judges, clerks, prosecutors, investigators, and defense attorneys, and enough of them to keep case loads to a level that is consistent with vigorous justice and due process. The courts need to streamline their administrative management and their capacity to track and process cases, both criminal and civil. All legal practitioners need the support of law libraries, computerized information systems, law schools, judicial training institutes, and professional bar associations. When they are independent and elicit broad participation from the legal community, bar associations can become powerful advocates for rule-of-

law reforms, while working among legal practitioners to elevate professional norms and monitor the conduct of the legal community. A genuine rule of law also requires an extended network of legal assistance that can provide advice and counsel free of charge to those who need legal representation and cannot afford to pay for it.

Economic Regulatory Institutions: When corruption is endemic, it inevitably involves the banking system, and usually the stock market and other areas of the private economy as well. Both for restrained, non-inflationary macroeconomic management—a key foundation of good governance—and as a check upon corrupt practices in the banking sector, countries need central banks that are constitutionally and procedurally independent of political control. This reduces the possibility of reckless expansion of the money supply in order to cover large fiscal deficits (which are often the result of corruption). It also tends to produce better monitoring and regulation of private banks. Independent regulation of the stock market (through a securities and exchange commission) and of commerce can also help to preempt corrupt links between government power and business.

The Electoral Commission: If horizontal accountability depends in part on vertical accountability, then it requires competitive elections that are fairly and neutrally administered, and that take place at the times prescribed by the law and the constitution. Electoral administration consists of a daunting range of tasks, any of which may be compromised by fraud or ineptitude. These include registering voters; publishing and distributing voter lists; registering and qualifying parties and candidates; establishing

and enforcing rules on campaigning and campaign finance; ensuring the security of campaigners, voters, and the polling stations; administering the polls during voting; counting the ballots; reporting, collating, and “announcing the results; investigating and adjudicating complaints; and certifying the results.”¹⁶ The range of tasks, many of them ongoing, requires a significant, professional, and permanent administration, which is able to administer competently and regulate impartially all of these aspects of political competition and electoral participation. The overriding imperative is that electoral administration not be subject to direction or manipulation by the incumbent officials or ruling party.

Ensuring Autonomy

If these horizontal institutions are the nerves and muscles of corruption control, preventing the abuse of power, why would politicians let them function effectively? What will ensure their operational autonomy? This is crucial in designing institutions to control corruption, and it begins with the power to appoint. If a country cannot get high quality, professionals in these positions, all is lost from the start. It should be underscored that this seemingly modest problem—who will appoint, if not guard, the guardians—is absolutely fundamental, and there would be much value to facilitating an exchange of ideas among developing democracies. Thailand offers an example of fresh constitutional thinking on this issue. Thailand's constitution provides for a nonpartisan upper chamber of parliament, the Senate, whose members are elected for six-year terms (forbidding immediate succession) and are expressly forbidden to have any party membership or political appointment (including in a state enterprise). This arrangement is intriguing because it is the nonpartisan Senate which has

responsibility for appointing members of independent agencies mandated by the Constitution to promote transparency and accountability, such as the Constitutional Court, the National Counter Corruption Commission (NCCC), the Election Commission, Ombudsmen, the National Human Rights Commission, and the State Audit Commission. The model foundered in 2001, when the Constitutional Court, in a controversial and tortuous 8-7 ruling, cleared the (fabulously wealthy) new Prime Minister of a finding by the NCCC that he had falsely declared his assets, which could have led to his dismissal from office and his being barred from holding public office for five years.¹⁷ The ruling, which was widely suspected of having itself been obtained through corrupt means, was a huge blow to accountability in Thailand. Nevertheless, the Thai model is an example of constitutional innovation that addresses the crucial goal of insulation. Ways must be found of appointing, funding, and supervising the officials of horizontal accountability agencies so that they cannot be subverted, suborned, or intimidated from doing their jobs.

The problem of neutrality has particularly vexed and challenged designs for electoral administration, one of the most sensitive of all regulatory functions. As Pastor notes, where there is an established tradition of civil service independence, electoral administration can function effectively as a normal civil service body. But in political systems with a tradition of corruption and abuse of power, where democratic norms are not deeply rooted, the electoral administration needs constitutional autonomy. There are a number of possible models for this. In Costa Rica, the Supreme Electoral Tribunal is virtually a fourth branch of government, whose members are elected to staggered six-year terms by a two-thirds vote of the Supreme Court. In India, the electoral commission's independence is protected by explicit constitutional mandate, and by a powerful chairman, who is appointed by the non-partisan president. In some

other countries, independence is attained through supervision by a judicial body or by being made accountable to the parliament rather than the executive branch.¹⁸

Institutions of Vertical Accountability

Horizontal accountability needs to be stimulated and reinforced by pressure and scrutiny from below and from outside. And in a situation of systemic corruption, these additional sources of pressure and scrutiny must be massive and sustained or horizontal accountability will be gutted and left to rot.

Electoral Accountability: One vital, though imperfect, means for controlling corruption is a competitive and transparent electoral process. Of course, one of the most common motives for political corruption is to amass the campaign war chests necessary for reelection. No problem more pervasively vexes democracies, new and old, than limiting the corrupt influence of money in politics (which, in itself, requires institutional innovation and vigilance). But the ability of ordinary voters periodically to throw out rotten or poorly performing officials is also an indispensable mechanism for containing corruption.

More generally, electoral democracy provides diffuse incentives for good governance. When elections are free and fair, because they are neutrally and effectively administered, publics have the opportunity to punish bad governance and to correct policy mistakes. Political leaders must produce some visible and broadly distributed improvements in public welfare if they want to be reelected. Leaders have the incentive not only to govern responsibly and transparently, but to explain and justify their decisions, and to consult a broad range of

constituencies before making decisions. Both the fact of electoral competition, with its need to mobilize and recruit votes, and the incentive in an electoral democracy to consult public input into the governance process, stimulate political participation. Over time, this emphasis on public dialogue, engagement, and participation also is more likely to foster the accumulation of social capital. Electoral democracy thus helps to promote commitment and responsiveness to wider societal interests.

Another reason why democracy is so important for good governance has to do with civil and political freedom. To be sure, there are many illiberal democracies in the world. But in order to have free and fair elections, there must be some scope for independent organization and freedom of the press. The process of regular electoral competition tends to press out the boundaries of liberty, in part because most people want protection for their rights to dignity, privacy, information, and due process, and for freedom of expression, organization, movement, belief, and faith. Once people have the right to change their leaders in free and fair elections, they are more likely to reward leaders who will protect and extend these rights, and to punish leaders who abuse them. This is why all of the truly free societies in the world are democracies, even though some democracies do a poor job of protecting freedom. When a country does have high levels of freedom, it is much more likely to have transparency, accountability, and participation. Free citizens will use their freedom to participate and voice their opinions and interests. When individuals are free to participate and express themselves, when organizations are free to mobilize and protest, and when media are free to investigate and expose, government is more likely to be accountable, lawful, and mindful of the public good.

An Independent Mass Media: Free and pluralistic mass media, then, constitute a crucial dimension of vertical accountability. Transparency, virtually by definition, requires free and open flows of information. Without a free and pluralistic press, transparency is not possible. Pluralism entails not only diversity but also competition. Market competition and the emergence of more professional journalistic norms and standards are key factors that drive the growth of press freedom, vigor, and autonomy, which in turn may advance or accelerate democratization (as in Mexico).¹⁹ Controlling corruption requires a press that is free from intimidation and restraint; a press that has the resources to investigate rumors and evidence of corruption; and a press that has the maturity, restraint, and professionalism to eschew loose and sensationalist charges based on any whisper of malfeasance. This latter point needs emphasis, because if the press is constantly accusing without credible evidence, it will discredit itself and the whole quest for accountability. For much of the developing and post-communist world, it will take many years to develop the needed levels of press pluralism, capacity, and responsibility, even if a climate of freedom exists.

Investigative reporting requires training and a lot of resources that few newspapers and magazines can afford. Yet it is increasingly becoming a field in itself, with an accumulation of lessons, tools, guides, clues, and standards, and a growing international network of information and cooperating organizations. The Philippine Center for Investigative Journalism trains journalists for just this purpose, and has published a comprehensive manual on “Investigating Corruption.” It distills a wealth of lessons for investigating corrupt acts and corrupt officials: interviewing victims and eyewitnesses; catching wrongdoers in the act; looking for procedural gaps and irregularities; mapping the structure of power and influence; tracing the flows of money; determining who benefits in society; investigating the assets,

lifestyles, conflicts of interest, and public behavior of public officials; and investigating their friends, relatives, and cronies.²⁰ The growing public disgust with corruption generates a strong market demand for such reporting. The mass media need to develop the skills and tools.

Non-governmental Organizations: Vertical accountability also requires non-governmental organizations in civil society building new practices of good governance and prompting public agencies to pursue accountability. A variety of civic associations (bar associations, women's organizations, student groups, religious bodies, election monitoring and human rights groups, and other citizens' watchdog groups) may form coalitions to lobby for constitutional changes to improve governance, while also working to monitor the conduct of public officials. Transparency International (TI) has demonstrated the vital and creative role that international civil society can play in forming coalitions with domestic constituencies for good governance and accountability. TI now has national chapters in more than 90 countries. While not all of them are equally dedicated and effective, in many countries they represent the most focused civil society effort ever to monitor the conduct of government agencies and officials, to press for legal and institutional reforms to promote transparency and control corruption, and to raise public consciousness about the problems and costs of corruption. Each national chapter pursues its own agenda, but they are all guided by a common operational philosophy, which includes focusing on long-term systemic issues of prevention and control, avoiding the investigation of specific cases of corruption or the naming of corrupt officials, and seeking participation and cooperation from across the social and political spectrum in a strictly non-partisan manner. Internationally, "TI raises awareness about the damaging effects of corruption, advocates policy reform, works towards the implementation of multilateral

conventions and subsequently monitors compliance by governments, corporations and banks.”²¹ Both the international organization and national chapters have drawn extensive support from bilateral and multilateral aid donors, including the World Bank. Internationally, TI has also been a moving force behind the adoption of the OECD Anti-Bribery Convention (see below).

A Vigilant Citizenry: The last line of vertical defense is a vigilant, politically aware and informed citizenry, concerned with public affairs and ready to utilize one or more of the overlapping mechanisms of horizontal accountability, as well as the mass media, political parties, and civil society organizations, to report corruption and challenge the abuse of power. Citizen reporting (including “whistle-blowing” by lower-level government and corporate officials) can be powerfully facilitated by laws that offer protection (from dismissal and other retaliation) and even incentives to report wrongdoing. In addition, particularly in the age of the Internet, government can do much to facilitate citizen reporting of corrupt conduct by providing ready and confidential channels. The GAO of the U.S. Congress, for example, operates a “FraudNET to facilitate reporting of allegations of fraud, waste, abuse, or mismanagement of federal funds.” Anyone may report evidence of wrongdoing over the Internet, or by email, fax, or postal mail.²²

External Accountability

Three significant gaps remain in the system outlined above. One is generating the incentives to put these national institutions into place. This involves scrutiny, and the setting of

standards for international development assistance. A second is restraining corrupt business and financial practices that cross national borders and thus easily evade conventional national restraints. The third challenge lies in mobilizing the resources to enable all of these institutions to function effectively. For most developing countries where corruption has been widespread, if not endemic, these problems require extensive international scrutiny and support.

Scrutiny: International donors and even corporate actors need to monitor systematically the conduct of governments and public officials with whom they do business. Effective monitoring requires coordination and information sharing. Businesses and donor organizations should have a central international agency to which they can report demands for bribes and other improper conduct by public officials in any particular country. Because bribery is an exchange that requires a giver as well as taker, an honest public official should equally have an international place to which he can report an offer of a bribe from an international firm (and vice versa). An institution that is universally respected ought at least to gather this information, if not investigate it. Now that the OECD has adopted a convention banning bribery in international business transactions, the time is ripe to establish a transnational reporting and investigation bureau to combat bribery in international government-business transactions.

Standards: The aid conditionality of the 1990s—offering assistance in exchange for promised reforms—has largely failed. Too often, this approach has involved a cat-and-mouse game in which deeply corrupt governments, like Daniel Arap Moi’s in Kenya, have promised reform, begun to gesture at it, received aid, failed to deliver reform, continued looting the national treasury, and then negotiated for new aid with a promise to get really serious the next

time around.²³ The announcement by the Bush Administration in 2002 of the creation of a new Millennium Challenge Account (MCA) represents a new departure in development assistance thinking. The account is slated to rise by 2006 to \$5 billion per year, representing about a 50 percent increase in U.S. official development assistance—and roughly a ten percent increase in the entire global flow of bilateral development assistance. It will be distributed to a select number of low- and lower-middle-income countries strictly on the basis of demonstrated performance in governing justly and accountably, investing in human welfare, and pursuing sensible economic policies.

A more radical and comprehensive approach is needed. Both bilateral and multilateral development assistance donors need to move in this broad direction of linking levels of aid to a country's performance in development, and to concrete demonstrations of political will for reform and good governance. Good performers must be tangibly rewarded with increased aid, as well as generous debt relief and trade liberalization. Governments that do not manifest a real commitment to good governance—by institutionalizing and making work the kinds of structures of horizontal and vertical accountability outlined above—should not be bailed out of their larceny and bad governance by continued indiscriminate flows of official aid. In “grading on a curve”—that is, making only relative judgments about countries that qualify—even the MCA begins with a certain conceptual flaw. There must be certain absolute standards for development assistance if states are to be expected to make sustained, effective use of it. Recipient states must allow a free press and civil society. They must establish a serious and autonomous counter-corruption apparatus of some kind, with a strong code of conduct for public officials. And they must grant the judiciary independence. No country that denies these most fundamental, irreducible principles of good governance should qualify for official debt

relief, much less a huge new bonus in development assistance. And even when countries do qualify for special aid and relief, they must continue to meet these standards. Thus, rather than forgive debts in one fell swoop, debt relief should proceed incrementally, suspending all debt service payments but retiring the debt at a periodic rate, say 10 percent a year, so as to generate incentives for sustained good governance over a protracted period of time.²⁴

Restraint and Enforcement: Given that business, and the business of government, increasingly takes place across borders, so must the law and its enforcement reach across borders and become truly international. One milestone was achieved in 1997 when the 30 (largely advanced industrial) members of the OECD (Organization for Economic Cooperation and Development), plus four other states, adopted an Anti-Bribery Convention. With provisions similar to the U.S. Foreign Corrupt Practices Act, the Convention makes it a crime (which each member country is supposed to enforce in its own courts) for citizens of each signatory country to bribe a foreign public official in order to do business in that official's country.²⁵ This is an important step forward against a major element of corruption: bribery in international business transactions with governments. The problem is that while virtually all the member countries have adopted implementing legislation, there is so far little visible evidence of enforcement. Unless governments start punishing their own businesspersons for corrupt conduct abroad, the Convention will merely be a lofty ideal.

In an era of globalization, the war against corruption must be global. New international conventions and actions are needed to combat more effectively international money laundering and the transfer and concealment abroad of corruptly accumulated assets. Reform of the international banking system is needed so that states victimized by corruption can recover the

assets that have been stolen from the public and transferred to bank accounts and other holdings of wealth abroad. Banks and banking systems that refuse to honor new international standards for exposing and controlling corrupt flows of wealth should be prevented from doing business with the rest of the international banking system.

Support: International donors should reassess their level of involvement in states that do not show a serious interest in addressing corruption. However, for those states that do appear serious about implementing a comprehensive institutional agenda to control corruption, there will be huge resource needs. They will have to staff, equip, train, and remunerate counter-corruption commissioners and investigators, auditors, judges, public prosecutors, electoral commissioners, ombudsmen, parliamentary staff, and a vast array of other specialized legal and state personnel. Private newspapers and civil society organizations seriously interested in holding these structures accountable and helping to make them work will also have acute needs for resources. International development donors must devote significantly greater resources to these challenges of political and legal institution-building for good governance, while also rewarding with significantly increased aid, liberalized trade, and debt relief, those countries that demonstrate through their institutional designs and functioning a serious and sustained commitment to good governance.

At the same time, donors must recognize that the campaign for good governance can only be durable and successful if it is home grown. One major lesson of political assistance efforts to strengthen the rule of law and control corruption is that they do not succeed without vigorous engagement by civil society to demand new institutions and then to make use of them. Among other things, civil society generates, reinforces, or recruits the political will for reform

from within the government. This is why the construction of a system of comprehensive accountability must necessarily involve broad coalitions of actors from below (in civil society), from within (the government), and from outside (in the international donor community).

Corruption can only be effectively controlled through the construction of a comprehensive system of accountability. This entails an extensive apparatus of laws and institutions that is costly in human and financial resources. Particularly in conditions of endemic corruption where the necessary institutions are largely compromised or absent, it cannot be constructed overnight. The institutions of horizontal and vertical accountability, along with a professional, capable state bureaucracy in general, constitute the real, indispensable infrastructure for development. Funding socioeconomic development in the absence of these macro-political institutions of accountability and good governance is like building a dirt road into the rainforest. Sooner or later, it will just wash away.

The overriding lesson of the past few decades is that truly sustainable and broad-based development requires good governance. That requires every type of accountability—horizontal, vertical, and external—working to constrain those in positions of public power to govern for the public good. It is a formidable challenge. Yet, never in history has so much energy, understanding, attention, and organization been mobilized in the battle against corruption and bad government. This is a propitious moment for reform.

¹ For an overview of some recent surveys, see Transparency International, *Global Corruption Report 2001* (Berlin: Transparency International, 2001): 306-314; also available online at <http://www.globalcorruptionreport.org/>.

² See the report of the U.S. Agency for International Development, *Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity* (Washington, D.C.: U.S. Agency for International Development, 2002).

³ This has been a rising and recurrent theme in the publications, and especially the annual reports, of international development agencies, particularly the World Bank and the United Nations Development Program. See, for example, World Bank, *World Development Report 2002: Building Institutions for Markets*, and *World Development Report 2003: Sustainable Development in a Dynamic World: Transforming Institutions, Growth, and the Quality of Life* (New York: Oxford University Press, 2002 and 2003); and UNDP, *Human Development Report 2000: Human Rights and Human Development*; *Human Development Report 2002: Deepening Democracy in a Fragmented World*; and *Arab Human Development Report 2002: Creating Opportunities for Future Generations* (New York: Oxford University Press, 2002 and 2002).

⁴ Andreas Schedler, "Conceptualizing Accountability," in Andreas Schedler, Larry Diamond, and Marc F. Plattner, *The Self-Restraining State: Power and Accountability in New Democracies* (Boulder: Lynne Rienner, 1999), p. 15.

⁵ Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: Princeton University Press, 1993), pp 167-176.

⁶ *Ibid.*, p. 177.

⁷ Guillermo O'Donnell, "Horizontal Accountability in New Democracies," in Schedler, et al., *The Self-Restraining State*, p. 39.

⁸ *Ibid.*

⁹ James R. Klein, "The Constitution of the Kingdom of Thailand, 1997: A Blueprint for Participatory Democracy," Working Paper #8, The Asia Foundation Working Paper Series, March 1998, p. 29.

¹⁰ Sheila S. Coronel and Lorna Kalaw-Tirol, eds., *Investigating Corruption: A Do-It-Yourself Guide* (Manila: Philippine Center for Investigative Journalism, 2002), pp. 257-264, quoted from 259.

¹¹ <http://www.gao.gov/>

¹² One indication of the stability and autonomy of the office, and of its separation from partisan politics, is that since the agency was created in 1921, there have only been seven Comptrollers General.

¹³ http://www.senate.gov/~gov_affairs/jurisdic.htm

¹⁴ The sorry history of this committee in the early 1950s also demonstrates, however, the potential for agencies of horizontal accountability to become themselves some of the worst perpetrators of abuse. It was from his position on this sub-committee, and then his chairmanship of it in 1953-54, that Senator Joseph McCarthy launched his infamous witch hunt against suspected "communists," which promulgated some of the worst violations of American civil liberties during the twentieth century.

¹⁵ Coronel and Kalaw-Tirol, *Investigating Corruption*, p. 279.

¹⁶ Robert A. Pastor, "A Brief History of Electoral Commissions," in Schedler, et al., *the Self-Restraining State*, pp. 77-78.

¹⁷ Duncan McCargo, "Democracy under Stress in Thaksin's Thailand," *Journal of Democracy* 13 (October 2002): 112-126.

¹⁸ *Ibid.*, 78-79.

¹⁹ Chappell H. Lawson, *Building the Fourth Estate: Democratization and the Rise of a Free Press in Mexico* (Berkeley: University of California Press, 2002).

²⁰ Sheila S. Coronel and Lorna Kalaw-Tirol, eds., *Investigating Corruption: A Do-It-Yourself Guide* (Manila: Philippine Center for Investigative Journalism, 2002).

²¹ http://www.transparency.org/about_ti/index.html.

²² The GAO website, <http://www.gao.gov>, requires reporting individuals to identify themselves, and offers the following as examples of the types of information that can be provided:

- Type of federal funds or programs involved and any specific restrictions, rules, or regulations that relate to them.
- What the individual(s) did. Include anything the individual may have done to avoid detection.
- Names, positions, organizations involved in the activity, as well as the names of individuals involved. Include the name, address, and telephone numbers, if possible.
- Date(s) of the misconduct or wrongdoing.

When providing information concerning contractor and/or grantee fraud, it is helpful to provide the:

1. name and address of the sub- and primary contractors;
2. nature of the wrongdoing (e.g., intentional misuse of funds for other purposes, cost mischarging, defective pricing, or conflict of interest);
3. type of contract (e.g., fixed-fee or cost-plus);
4. bid, contract, or grant numbers;
5. date of the contract or grant award;
6. name of the agency official responsible for the contract or grant; and
7. cost and terms of the contract.

If the misconduct has been reported to another federal office, provide as much information as possible on when it was reported and who received the report.

Enter allegations you wish to send to the GAO FraudNET. Please also provide us with any special instructions about contacting you during the day.

²³ See Box 1.1, “Doing the Donor Dance in Kenya,” USAID, *Foreign Aid in the National Interest*, p. 49.

²⁴ For more comprehensive recommendations along these lines, see USAID, *Foreign Aid in the National Interest*, pp. 50-51.

²⁵ Enery Quinones, “Implementing the Anti-Bribery Convention: an update from the OECD,” in Transparency International, *Global Corruption Report 2001* (Berlin: Transparency International, 2001): 197-200; also available online at <http://www.globalcorruptionreport.org/>.