

Financial Disclosure Systems:

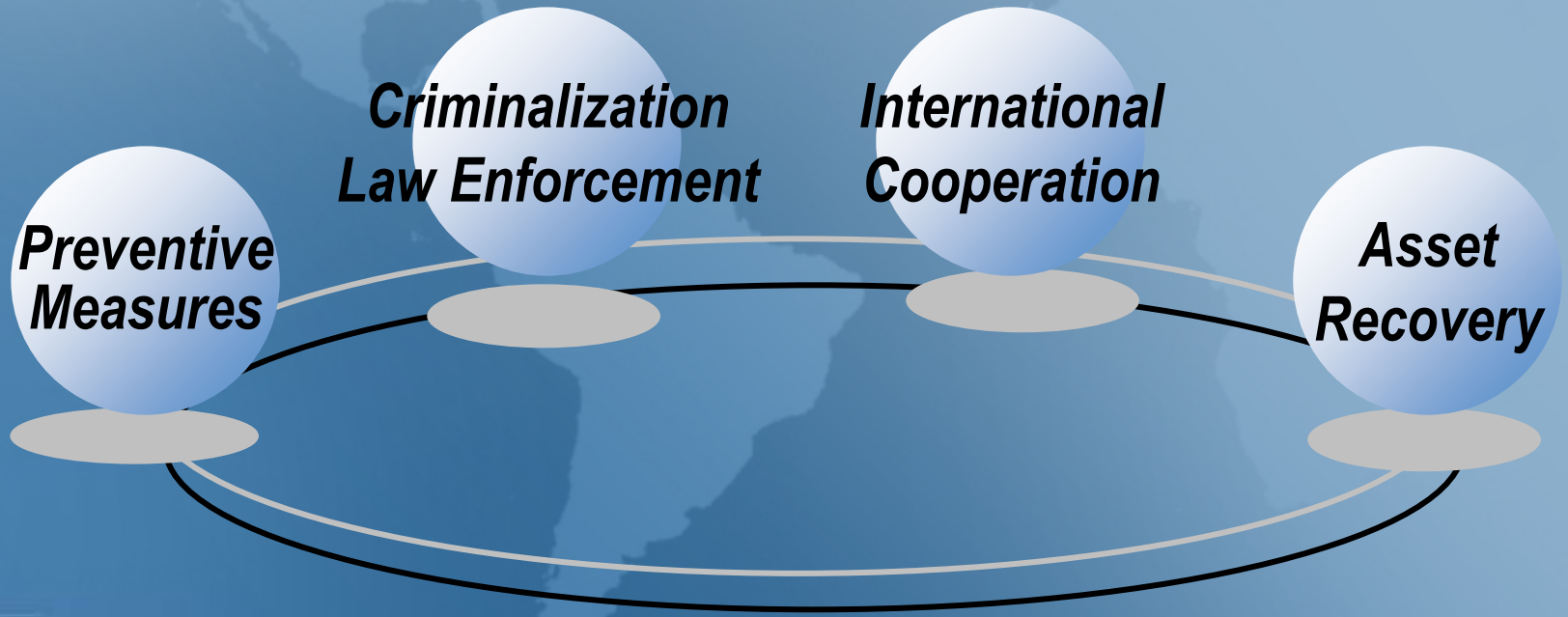
Managing Conflict of Interest, Controlling Corruption

Amman, Jordan
July 29-30

UNITED NATIONS
Office on Drugs and Crime

You can stop CORRUPTION

The Four Pillars of the UNCAC



Purpose: Integrity, Accountability and the Proper Management of Public Affairs and Property

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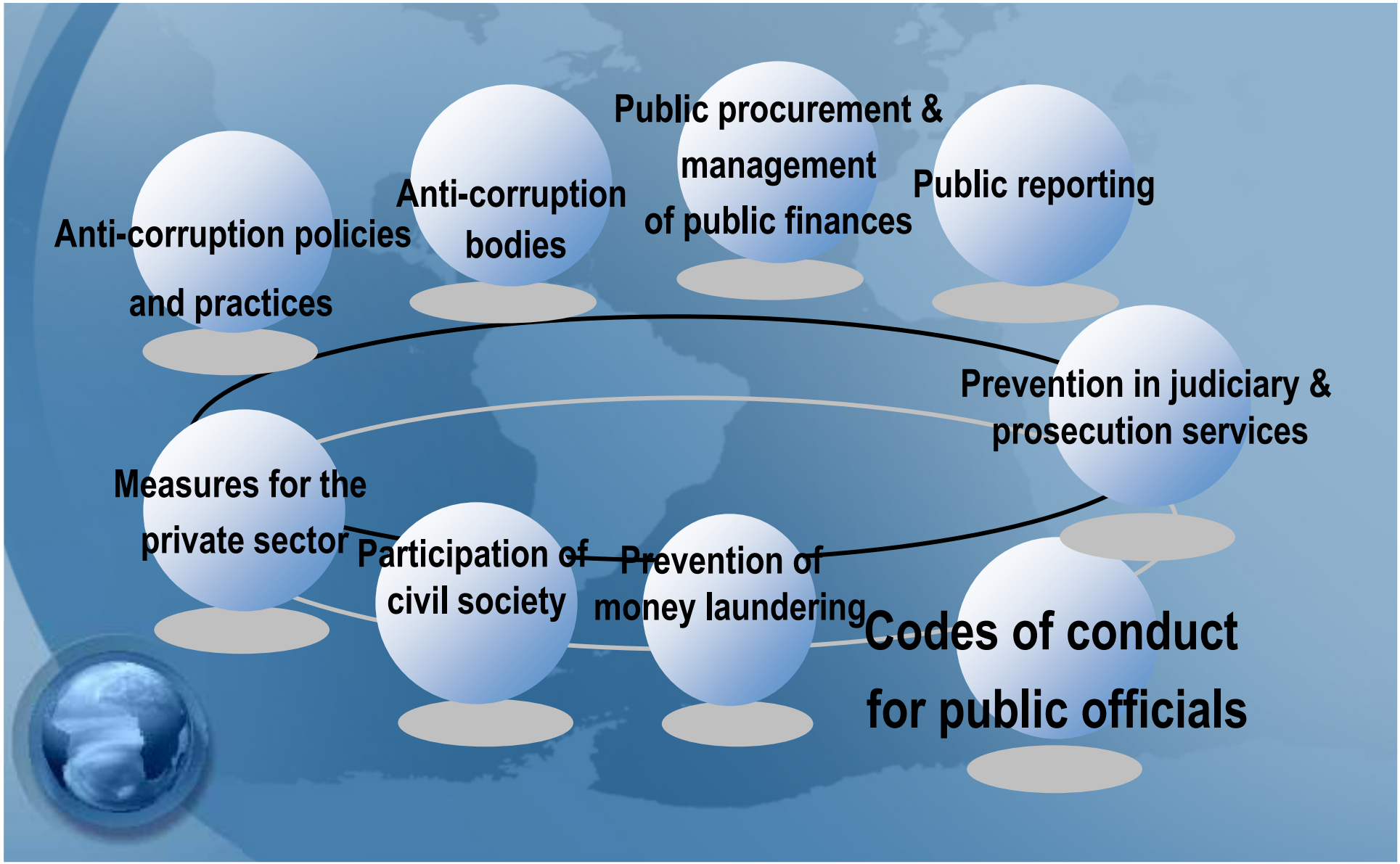
Preventive measures



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Asset Declarations and Financial Disclosures

- **Asset Declarations:**
  - Focus on current values and holdings
  - Primarily Used for Comparison between years
  - ISSUES: Over stating versus understating
- **Financial Disclosures**
  - Focus on current holdings impact on future decisions by official
  - Values relatively unimportant
  - ISSUES: Missing elements, evasiveness

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Asset Declarations I

- **Article 8 – CODE OF CONDUCT**
  - 5. Each State Party shall endeavour . . . to establish measures and systems requiring public officials to make declarations to appropriate authorities
  - regarding, inter alia, their outside activities, employment, investments, assets and
  - substantial gifts or benefits from which a conflict of interest may result with respect to their functions as public officials.
  -

SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved:
OMB No. 3209 - 0001

Date of Appointment, Candidacy, Election, or Nomination (Month, Day, Year)	Reporting Status (Check Appropriate Boxes)	Incumbent	Calendar Year Covered by Report	New Entrant, Nominee, or Candidate	Termination Filer	Termination Date (If Applicable) (Month, Day, Year)
		X	2004			

Reporting Individual's Name	Last Name: BUSH	First Name and Middle Initial: GEORGE W.
Position for Which Filing	Title of Position: PRESIDENT OF THE UNITED STATES	Department or Agency (If Applicable):
Location of Present Office (or forwarding address)	Address (Number, Street, City, State, and ZIP Code): 1600 PENNSYLVANIA AVE., NW WASHINGTON, DC 20500	Telephone No. (Include Area Code): 202-456-1414
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held:	
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination:	Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☐ No

Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual: [signature]	Date (Month, Day, Year): MAY 12, 2005
Other Review (If desired by agency)	Signature of Other Reviewer:	Date (Month, Day, Year):
Agency Ethics Official's Opinion On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below).	Signature of Designated Agency Ethics Official/Reviewing Official: Richard W. Painter	Date (Month, Day, Year): May 13, 2005
Office of Government Ethics Use Only	Signature: Marilyn L. Glynn	Date (Month, Day, Year): May 13, 2005

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

(Check box if filing extension granted & indicate number of days _____) ☐

(Check box if comments are continued on the reverse side) ☐

Fee for Late Filing

Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period, shall be subject to a $200 fee.

Reporting Periods

Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A - - The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

Schedule B - - Not applicable.

Schedule C, Part I (Liabilities) - - The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements) - - Show any agreements or arrangements as of the date of filing.

Schedule D - - The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Agency Use Only

OGE Use Only

MAY 13 2005

Supersedes Prior Editions, Which Cannot Be Used.

4W80FG 2.000

NSN 7540 01 070 8444

SF 278 (Rev. 3/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name	SCHEDULE A continued (Use only if needed)	Page Number
GEORGE W. BUSH		3 OF 13

	Assets and Income (BLOCK A)	Valuation of Assets at close of reporting period (BLOCK B)												Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. (BLOCK C)													
																Type				Amount											
		None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Dividends	Rent and Royalties	Interest	Capital Gains	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1 *	RAYMOND JAMES FINANCIAL SER IRA f/b/o LAURA BUSH		X											X					X			X									
2 *	RAYMOND JAMES FINANCIAL SER IRA f/b/o GEORGE W. BUSH				X									X			X		X				X								
3 *	STATE OF TEXAS 401(K) PLAN f/b/o GEORE W. BUSH					X								X											X						
4	GEORGE W. BUSH QUALIFIED DIVERSIFIED TRUST							X								X					X										
5	LEASE OF REAL ESTATE MCLENNAN CO. TEXAS			X														X			X										
6	UNDIVIDED MINERAL INTEREST REEVES CO. TEXAS		X															X					X								
7	1583.226 ACRE RANCH IN MCLENNAN CO. TEXAS									X								X			X										
8 *	GWB RANGERS CORP. 100% OWNER																														
9 *	HENRY G. FREEMAN, JR. TRUST																													12,000.00	

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot Be Used.

4W80FI 1.000

* SEE NOTE

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Asset Declarations II

- Article 9, 1 PUBLIC PROCUREMENT
  - (e) Where appropriate, measures to regulate matters regarding personnel responsible for procurement, such as **declaration of interest** in particular public procurements, screening procedures and training requirements.

GUVERNUL ROMÂNIEI

DECLARAȚIE DE AVERE

Subsemnatul Adrian Nastase, având funcția de Prim Ministru, la al Guvernului României, declar, pe propria răspundere, că împreună cu familia *) am următoarea avere:

I. Bunuri imobile, în țară ori în străinătate **):

1. Terenuri:

Categorii de terenuri:	Anul dobândirii	Suprafața	Valoarea impozitului	Statul în care este situat imobilul
- agricole	1991 - 2003	4,8 ha	400.000 lei/an	România
- forestiere	2001	2,75 ha	433.000 lei/an	România
- intravilane	2000	0,07 ha	2.332.951	România
- luciu de apă				

2. Clădiri:

2.1. Spații cu destinația de locuință:	Nr.	Anul dobândirii	Suprafața construită	Valoarea de impozitare	Statul în care este situat imobilul
- apartament	1	2004	378,89 m²	4.119.742.000	România
- casă de locuit					
- casă de vacanță					

2.2. Spații comerciale sau de producție

II. Bunuri mobile:

1. Autovehicule/ autoturisme, tractoare, mașini agricole, șalupe, iahturi și alte mijloace de transport care sunt supuse înmatriculării, potrivit legii:

Denumirea	Marca	Buc.	Anul de fabricație	Anul dobândirii	Modalitatea de dobândire
autoturism	Mitsubishi	1	2001	2002	contract vânzare - cumpărare
plata pretului s-a facut in rate					

Declarația de avere este anexă la Legea nr. 115/1996 astfel cum a fost modificată prin Legea nr. 161/2003 și Ordonanța de Urgență a Guvernului nr. 24/2004.

*) Prin *familie*, în sensul prezentei declarații, se înțelege soțul, soția și copiii aflați în întreținere.

**) Dacă se află în indiviziune, se va arăta cota-parte.

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Financial Disclosures

- Chapter 52 – ASSET RECOVERY
  - 5. Each State Party shall consider establishing, effective financial disclosure systems for appropriate public officials and shall provide for appropriate sanctions for non-compliance.
  - 6. . . .public officials having an interest in or signature or other authority over a financial account in a foreign country to report that relationship to appropriate authorities and to maintain appropriate records related to such accounts. Such measures shall also provide for appropriate sanctions for non-compliance.

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УКРАЇНСЬКА ПРАВДА
http://www.pravda.com.ua

Декларація про доходи Ющенка: за минулий рік він заробив у п'ять разів більше

www.ПРАВДА.com.ua, 14.04.2006, 18:40

Віктор Ющенко з року в рік покращує свій матеріальний і майновий стан. Якщо у 2004 він збагатів на 300 квадратних метрів житлової площі, то у 2005 президент заробив майже в п'ять разів більше, ніж у попередній рік. Щоправда, ні він, ні родина глави держави досі не має власних транспортних засобів.

У п'ятницю секретаріат президента оприлюднив його декларація за 2005 рік.

Відомості
про доходи, цінні папери, нерухоме та цінне рухоме майно і вклади у банках Президента України та членів його родини[1]

Розділ I. Загальні відомості
1. Прізвище, ім'я, по батькові **Ющенко Віктор Андрійович**
2. Займана посада: **Президент України**
3. Члени сім'ї[2]: **Катерина Ющенко – дружина,** **Софія Ющенко – донька,** **Христина Ющенко – донька** **Тарас Ющенко – син**

Розділ II. Доходи, одержані (нараховані) з джерел в Україні та за її межами за 2005 рік

№	Перелік доходів	Розмір доходу (грн.)	
		Президента України	Членів його сім'ї
1	2	3	4
1.	Загальна сума сукупного доходу, в т.ч.	288020,40	384975,80
1.1	Дивіденди, проценти, роялті	14960,12	44495,55
1.2	Матеріальна допомога	-	-
1.3	Страхове відшкодування	-	-
1.4	Доход від наукової, викладацької, творчої діяльності, авторська винагорода (гонорар)	-	-
1.5	Доход від підприємницької і незалежної професійної діяльності	-	323790,00
1.6	Доход від відчуження цінних паперів та корпоративних прав	-	16690,25
1.7	Заробітна плата	273060,28	-

Розділ III. Зобов'язання фінансового характеру, у тому числі за кордоном за 2005 рік

№	Перелік зобов'язань щодо сплати внесків (платежів)	Президента України		Членів його сім'ї	
		Всього сплачено (грн.)	У т.ч. за кордоном	Всього сплачено (грн.)	У т.ч. за кордоном
1	2	3	4	5	6
1.	За договорами добровільного страхування	-	-	-	-
2.	За договорами на додаткове пенсійне забезпечення	-	-	-	-
3.	За договорами позики		-	-	-
4.	За договорами найму (оренди)	-	-	-	-
5.	На утримання майна, зазначеного в розділах IV, V	29046,00	-	121997,55	89622,35

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Conflict of Interest Regulations

- **FINANCIAL DISCLOSURE**
  - distinguish private from public interest;
  - provide mechanisms for their disclosure;
  - identify which private interests are incompatible with decision-making in the public interest;
  - establish procedures for excluding these interests from the decision-making process (e.g., divest, recusal, waiver, trust);
  - create process for resolving accusations of conflict of interest.

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Disclosure Required (102)

	Public (32)		Nonpublic (70)		Disclosure not Required (46)	
East Asia	Indonesia Marshall Is Mongolia	Philippines Thailand Vietnam	Malaysia Palau	PNG Solomon Is. Vanuatu	Cambodia China Fiji Kiribati Lao PDR	Micronesia Myanmar Samoa Timor Leste Tonga
Eastern Europe/ Central Asia	Albania Bulgaria Croatia Georgia Kyrgyz R Latvia	Lithuania Montenegro Moldova Romania Russia Ukraine	Armenia Azerbaijan Belarus Bosnia/Herz Kazakhstan	Macedonia Poland Serbia Slovak R Turkey	Estonia Tajikistan	Turkmenistan Uzbekistan
Latin America	Argentina Belize Bolivia Brazil	Chile Jamaica Nicaragua Paraguay	Antigua/ Barb Colombia Costa Rica Dominica Dominican Rep Ecuador El Salvador Grenada Guyana Guatemala	Haiti Honduras Mexico Panama Peru St Kitts/Nevis St Lucia Trinidad/Tob Uruguay Venezuela	Barbados	Suriname St. Vincent/ G
Middle East/ North Africa	Iraq		Algeria Egypt Iran Lebanon	Morocco Tunisia West Bank/Gaza	Djibouti Jordan	Libya Syria Yemen
South Asia			India Nepal	Pakistan Sri Lanka	Afghanistan Bhutan	Maldives Bangladesh
Africa	Cape Verde Central Africa R Liberia	Sao Tome/Pr South Africa	Benin Burkina Faso Burundi Cameroon Chad Dem Rep Congo Equatorial Guinea Gambia Ghana Kenya Madagascar	Malawi Mali Mozambique Namibia Niger Nigeria Rwanda Rep of Congo Tanzania Uganda Zambia	Angola Botswana Comoros Cote d'ivoire Eritrea Ethiopia Gabon Guinea Guinea Bissau Lesotho	Mauritius Mauritania Senegal Seychelles Sierra Leone Somalia Sudan Swaziland Togo Zimbabwe

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Enforcement: Romania

. . . In a huge criminal-justice shake-up, Romania is replacing most of its judges and prosecutors. Last year 1,200, nearly a third of the total, quit. The old lot cannot be sacked; the judiciary is independent. **But a new law makes staying unattractive, by requiring officials and their families to publish their assets and incomes on the internet.** Villas, cars and other toys are no longer perks of corruption, but an embarrassment. There has been much ridicule of the excuses made by former untouchables. Mr Nastase said his wealth came from his wife's elderly aunt, who had applied previously hidden talents to the property market. (The Economist Feb 2006)

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What to Disclose

- Assets
- Sources of income/positions in profit or nonprofit firms
- Debts
- Gifts
- Payments for travel, advances, reimbursements
- Spouse, children's finances

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Public vs. Confidential Disclosure

- **Public:**
  - Makes filer more diligent
  - Use the media or NGOs to review accuracy
  - Gives greater confidence to the public
- **Confidential:**
  - Protects privacy, and in some cases security
  - Allows administrative oversight
  - Problems can be resolved within government

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Penalties

- **Criminal:**
  - Lying on the form can result in criminal prosecution
  - Illicit Enrichment
- **Civil**
  - Fines for misleading or inaccurate statements
- **Administrative**
  - Administrative sanctions up to and including separation from government

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Enforcement: Philippines



Mansion with pool owned by tax collector with annual salary of P250,000 ($3050).



"BIR House"

Enforcement: Philippines II

"BIR [IRS] Officials Amass Unexplained Wealth"

By Tess Bacalla, Philippine Center for Investigative Journalism

Owner: Regional Director in the Bureau of Internal Revenue; forced to resign; currently facing corruption charges; other officials suspended, also facing charges



CAR MODEL	BENEFICIAL OWNER	REGISTERED OWNER
Nissan Patrol	Edwin Abella BIR Reg'l Director, Quezon City	Sulpicio S. Bulanon Jr. 1817 Jordan Plains Subd., Quezon City (listed address of Abella in his SALs)
Suzuki Grand Vitara	Ditto	Merrick Abella (son of Abella) 24 Xavierville, Loyola Heights, Q uezon City
Nissan Cefiro	Ditto	Elizabeth S. Buendia 152 Road 8, Proj. 6, Quezon City
BMW	Lucien E. Sayuno BIR Reg'l Director, Makati City	Limtra Dev. Corp. Zone 4, Dasmariñas, Cavite
BMW	Ditto	Marie Rachel D. Sene c/o Metrocor and Holdings, G&F, Makati City
Honda Accord	Danilo A. Duncano BIR Reg'l Director, Quezon City	Daniel Anthony P. Duncano 2618 JP Rizal, New Capital Estate, Quezon City
Mitsubishi L200	Corazon P. Pangcog Asst Reg'l Director, Valenzuela City	Alberto P. Pangcog (husband) B2 L23 Lagro Subd., Quezon City
Honda VCR	Ditto	Alberto P. Pangcog 9 Ricardo St., Carmel 1 Subd., Quezon City

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Decisions to be made

- Purpose: counseling or prosecution?
- Who has to file?
- How often to file?
- What level of detail?
- Level of detail to vary by position
- Do you review when filed, or when investigated?
- What staff are necessary to these functions?
- How long are the forms kept?
- Who can see them?
- Are there sanctions for non-compliance?

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Dos and Don'ts

- Stress positive benefit
- Provide Help Desk/Training
- Make disclosures public
- Introduce gradually
- Split administration from policing
- Stiff sanctions for falsification

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How to make declaration systems fail

- Require everyone to file
- Have 2 staff members receive 500,000 forms
- Have no way to compel filing or accuracy
- Have no review procedure, even for completeness
- Have a form too complex for most to understand
- Have overlapping or contradictory categories on the form
- Create bureaucratic systems to make them unusable – multiple levels of permission

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- **Integrity without knowledge is weak and useless, and knowledge without integrity is dangerous and dreadful.**

  — Samuel Johnson (1709 - 1784)

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With CORRUPTION everyone pays.

For further information:

The Global Programme Against Corruption
United Nations Office on Drugs and Crime
P.O.Box 500 Vienna
A-1400 Austria
By Fax: +43 (1) 26060-5898
By Phone: +43(1) 26060-4372
E-mail: stuart.gilman@unodc.org

http://www.unodc.org/unodc/en/corruption.html

