

KEYNOTE ADDRESS

BY

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ON THE OCCASION OF THE CGFS INC. PROGRAM: "GATEWAY TO  
ECONOMIC CRIME INVESTIGATION & PREVENTION

ROYAL HOTEL, SINKOR

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Bishop Winker,  
Mr. Joseph and other members of the CCFS,  
Officials of Government,  
Ladies and Gentlemen:

Thank you for inviting me to participate in the launching of this important institution; which we expect to make a major contribution to our fight against corruption, to enhancing our effort to improve transparency and accountability in our society.

Corruption and poverty are deeply intertwined. Corruption is a major obstacle to sustained economic growth, poverty reduction, and social development. It distorts the rule of law, weakens the social fabric of society, and undermines the institutional foundation on which economic growth depends.

At the same time, underdevelopment itself makes fighting corruption all the more difficult. Poverty makes corruption more of a temptation for underpaid officials, and weakens a society's ability to build the institutions, checks, and balances necessary to combat corruption. This is not to say that poverty is a problem only in poor countries, as is sometime supposed. Newspaper headlines make it abundantly clear that even in the richest countries of the world, corruption remains a problem. But there is no doubt that poverty and corruption feed off of each other, and this negative reinforcing cycle makes the fight against poverty both more difficult and all the more important at the same time.

Corruption has widespread and insidious effects, economically, politically, and socially.

- Economically, corruption is not just a transfer of funds, it actually depletes national wealth. It funnels scarce public resources to high-profile projects with well-connected people that often do not make economic sense, at the expense of less spectacular but more necessary schools, hospitals, water, and roads. It hinders the development of fair markets and distorts competition, thereby deterring investment. It is particularly harmful to the poor, who are hardest hit by economic decline, are most reliant on of public

services, and are least capable of paying the costs of bribery, fraud, and the misappropriation of public resources.

- Politically, offices and institutions lose their legitimacy when they are misused for private advantage. Accountable political leadership can not develop in a corrupt climate. Corruption undermines people's trust in the political system, its institutions and its leadership.
- Socially, corruption generates frustration and general apathy, leads to disillusion among the general public, and weakens civil society. Demanding and paying bribes become the norm, forcing everyday people into compromising and degrading situations. Those unwilling to comply often emigrate, leaving the country drained of its most able and honest citizens.

At its core, corruption is the misuse of power for private gain. Transparency International, one of the global leaders in the fight against corruption, points out that corruption thrives where *temptation* coexists with *permissiveness*. Where institutional checks on power are missing, where decision making remains obscure, where civil society is thin on the ground, where great inequalities in the distribution of wealth condemn people to live in poverty, that is where corrupt practices flourish.

Therefore, fighting corruption requires a multi-prong approach. Accountability and transparency are the key. At the broadest level, fighting corruption starts with political accountability, through strong democratic systems, open political dialogue and debate, and appropriate checks and balances on the three branches of government.

Strong institutions are central to restrain the power of the state, provide oversight, and diminish opportunities for the abuse of power and penalize abuses if they occur. Civil servants that are well paid must be professionals, and appointments and promotions must be based on merit, not on personal connections or favors.

Strong economic policy can help fight corruption by reducing monopoly power, removing unnecessary regulations that create opportunities for bribes, and encouraging competition and productivity gains as a way to make profit, not bribery. Importantly, revenue collections and expenditures must be well-documented, transparent, and subject to strong and capable oversight.

But governments alone cannot fight corruption. A strong civil society is vital to accountability and transparency. Citizen groups, NGOs, trade

unions, business associations, think tanks, academia, religious organizations and last but not least the media, all have an important role to play in constraining corruption. But they themselves must be responsible, competent, and accountable in playing their public role. When they are honest and competent, they can play a central role in encouraging transparency, shedding light on abuses, holding officials accountable for their actions, and ensuring that public resources are used for public, rather than private gain.

Corruption in Liberia is real and engrained at all levels in society – Government, Civil Society, Churches, Schools, the media, business entities, even at domestic levels.

Let me record a few examples that truly leave me confounded:

- In Government, Civil Society involved in financial transactions make deals with business entities to process payments for bogus transactions to inflate the prices of goods and services with the intent of sharing the proceeds.
- Officials with inspection or enforcement authority receive bribes to undervalue or to forego their responsibilities.

- Officials involved in tendering processes take kickbacks to influence selection.
- Foreign Ministry officials sell passport and honorary representation. Some even make deals with our diplomatic missions for kickbacks of inflated allowances.
- Students and Teachers were involved in the peddling of WAEC results.
- Magistrates and courts make questionable judicial counter to the interest of the state.
- Junior officials require lunch and paper and ink to carry out their functions.
- Drivers, workers, and domestic help pilfer items under their care and make deals with suppliers and sellers to get few bucks.
- The good news is that Liberia is still free and people talk a lot – even those who provide and benefit from such practices. The bad news is that we can prosecute or apply due process early if there is

evidence to do so and we are sometimes prohibited from talking about such cases so that we do not prejudice the right of the accused.

So what has Government done or can do about corruption?

- We required the declaration of assets by all public officials but have not pressed this because this was voluntary with no signed affidavit to the declarer. We hope to correct this with the passage of the Code of Conduct Law now under consideration by the Legislature.
- An Anti Corruption Act is also being considered by the Legislature and the General Auditing Commission is being strengthened and has commenced audit of several Government Institutions. Audits by other Private auditing firms are also being conducted.
- We have joined the Executive Industry Transparency Initiative, reactivated the Cash Management Committee, promulgated the New Procurement & Concessions Act, curtailed fraud at the Ports, and supported the GEMAP financial management program.

- We have dismissed several officials for which the evidence is clear and we have several cases of past and current officials before the courts.

As a result, while recognizing that corruption still exists, the World Bank Institution in its current survey showed that Liberia registered the second largest improvement of any country in the world last year in control of corruption.

This is why we say to the Auditor General that if he had said that inherited corruption in the country is three times more than we all had anticipated, we would have readily agreed with him.

What else can be done?

We need better systems of accountability and transparency. We need better incentives and compensation for Civil Servants and public officials. We need better qualified financial managers and procurement officers. We need a watchdog media that is effective but responsible and truthful. We need more sensitization in the effects and costs of corruption, more promotion of ethical behavior and we need "changing minds and changing attitudes" as regards those who violate the public trust.

I welcome you from Corporate Governance & Forensic solutions to this arena. We need a private sector entity such as yours, free from any government influence. We welcome those who have come home with professional skills to join those here with similar skills so together you can help us to promote, detect and prosecute fraud in Government and the private sector.

Please know that this Government stands behind you and will support your endeavor in every way.