CORRUPTION AND CONTROL: A CORRUPTION REDUCTION APPROACH

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Abstract

Corruption is a significant financial crime which is estimated by the World Economic Forum to cost about 5% of global GDP or $2.6 trillion dollars. Explanations of corruption, like explanations of crime, tend to focus on the individuals who commit corruption and the wider conditions which give rise to corrupt behaviour. Approaches designed to reduce corruption usually propose stiffer sanctions, institutional reforms and the passing of new laws. This paper outlines a complementary perspective with which to consider corruption. Grounded in situational crime prevention and related criminological theory, it argues that opportunities in the immediate environment play a causal role in generating corruption. It proposes that corruption can be minimised by removing or reducing opportunities which are conducive to corrupt behaviour. Five cases are chosen as illustrative examples of how situational crime prevention might usefully be applied to corruption, focussing on the Type, Activities, Sectors and Places (TASP) that comprise corruption events. We finish by developing a framework for the empirical study of corruption in local settings.

Key Words: Corruption; Crime Prevention; Opportunity; Routine Activity Approach; Situational Crime Prevention

Introduction

Corruption undermines good governance and the rule of law, it negatively impacts service quality and efficiency, and poses threats to principles of democracy, justice and the economy. The harms associated with corruption are well documented in the research literature and will be familiar to many (for broad overviews see (Rose-Ackerman, 1997, Treisman, 2000);. It is also a significant financial crime estimated by the World Economic Forum to cost about $2.6 trillion dollars per year, about 5% of global GDP, with about $1 trillion is paid annually in bribes (World Economic Forum, 2009).

One could spend many pages exploring definitions of corruption and dissecting their characteristics. The lack of consensus has made very tricky any reliable estimates of the prevalence of corruption (Gorta, 2006). To avoid this we use the *Transparency International* definition, "the abuse of entrusted power for private gain". Furthermore in this brief paper we confine our analysis to the corruption of officials working in public institutions and, while likely applicable more widely, leave for others the analysis of corruption in the private sector.

Controlling corruption is a challenging task. The evidence base for interventions which have been effective and sustainable in reducing different types of corruption across different settings is limited (see a discussion by Svensson, 2005). Many routinely employed anti-corruption measures are grounded in a criminal justice model which assume that increasing the penalties associated with getting caught will act as a sufficient mechanism to deter individuals from acting corruptly. Typical examples include the introduction of stiffer sanctions, the establishment of new, firmer laws and initiating institutional reforms. Such measures tend to speak to the proposed 'distant' causes of corruption, and concentrate on the wider conditions which give rise to corrupt behaviour.

The aim of this paper is to explore how situational crime prevention (Clarke, 1995, Clarke, 2008) can usefully inform the analysis and prevention of corruption. Consensus has converged on how opportunities in the immediate environment are causal influences of crime events, and how focusing on crime opportunities as the unit of analysis (as opposed to say, offender motivation) can yield important analytical and preventive benefits. Applying the same focus for corruption has received less attention. We believe it deserves more. Our intention here is not to supplant but to supplement other anti-corruption strategies and to highlight how situational approaches are presently underexploited. It is hoped that our suggestions will serve two purposes. First, to broaden and usefully contribute to the debate on the causal conditions for corruption, thereby providing a fuller picture of intervention opportunities, and second, to motivate others to draw on the ideas and framework outlined here (as well as situational crime prevention more generally) to produce more detailed, fully worked examples of specific corruption problems.

The paper is structured as follows. We begin with a brief review of the putative drivers of corruption and by emphasizing that corruption events can usefully be categorized across four dimensions: Type, Activities, Sectors and Places (TASP). As will become clear as the paper proceeds, this model provides a useful starting point for a situational analysis. Second, we define what is meant by situational crime prevention and related opportunity theories. The third section makes a case that focussing on the causal role of opportunities can advance the analysis and control of corruption. Fourth, we describe our small convenience sample of public sector corruption cases. Fifth, we present the results in terms of relevant opportunity factors that might be amenable to situational interventions. Finally, we discuss the implications of our findings for situational corruption prevention and develop a preliminary framework for the empirical study of corruption in local settings.

Corruption and Control: The what, where and why

The abuse of entrusted power for private gain covers a host of activities. Figure 1 outlines components of what are commonly accepted as corrupt behaviours. Giving them a context we lay a base for situational analysis. The essence of situational crime prevention is to focus on the crime event, as opposed to criminality, and as much as is possible break it into progressively smaller conceptual and operational units. Figure 1 identifies corrupt behaviours across four dimensions: Type, Activities, Sectors and Places (MASP), thus allowing us to better situate a corruption event for the purposes of analysis (for example, bribery, in procurement, in the energy sector, in a locality).

Table 1. Examples of Type, Activities, Sectors and Places (TASP) of Corruption

Type	Activities	Sectors	Places
• Bribery • Extortion • Misappropriation • Self-dealing • Patronage • Abuse of discretion • Creating or exploiting conflict of interest • Nepotism, clientelism and favouritism etc	• Appointing personnel • Buying things (Procurement) • Delivering programs or services • Making things (Construction / manufacturing) • Rebuilding things (after a disaster) • Controlling activities (Licensing / regulation/ issuing of permits) • Administering (justice for example) etc	• Construction • Health • Tax administration • Energy • Environment and water • Forestry • Customs and Immigration • Legal system • Disaster relief • Education etc	• Countries • Regions • Localities • Work places etc

Turning to the causes of corruption, Thomas and Meagher (2004) split the dominant theories into two broad categories. The first concentrates on 'structural' or 'societal' causes of corruption. These refer to the effect of political regimes, different institutional models, and various historical and cultural factors. Research in this tradition has typically examined the association between corruption and different political regimes, the influence of history (particularly colonialism) on corruption patterns and more broadly, the norms and narratives which different cultures attach to behaviours defined as corrupt. The latter – the cultural relativity of corruption - has proved a particularly popular area of research. Behaviours defined as corrupt in one place and time are not necessarily defined in the same way in different times and in different settings (Curra, 2000), and, understandably, discussions of corruption have long been dogged by problems of definition and measurement (Heinrich and Hodess, 2011, Sampford et al., 2006).

The second group of theories focus on the incentives that encourage individuals to participate in corrupt acts. In this perspective individuals are the unit of analysis and corruption is understood in terms of the decisions made on the part of individuals in an attempt to maximise utility. This is expressed in Klitgaard's (1988) widely referenced formula explaining corruption: Corruption equals monopoly plus discretion minus accountability.

This approach maintains that actors are more likely to behave corruptly under conditions in which they hold monopoly over a good or service, have discretion over how that good or service is to be allocated, and where insufficient accountability measures are in place to hold that individual liable. This approach has clear policy implications: corruption can be disrupted through reducing monopolies (through, say, increasing competition); reducing the discretion associated with allocating a good or service; and increasing the adequacy of accountability mechanisms of the individual's actions. Central to this approach is devising ways with which to alter the incentive structures which influence the decisions to act corruptly. Thomas and Meagher (2004) point to four areas where incentive structures can be altered: (1) opportunity (discretionary authority), (2) temptation (salaries), (3) monitoring and supervision and (4) sanctions (such as job loss or reputational damage).

Both theoretical approaches have received criticism. Criticisms of the first (structural/ societal) approach concern the practical implications.. A focus on grand, distant forces is not amenable to easy policy intervention. If corruption is an outgrowth of a dysfunctional society or regime, then changing that society or regime is necessary. Such lofty ideals do not easily translate into practical policy options, though events in North Africa in early 2011 showed popular hostility to corrupt governments and led to regime change. Criticisms of the second approach (individual/ incentives) argue that individual decision-making cannot be

fully understood unless it is situated in the broader context which gives rise to those incentives.

In much of the global and economic literature the unit of analysis is the nation state, as we see in the Transparency International Corruption Perception Index. These aggregate-level statistics offer little in terms of explaining the noticeable variation in levels and patterns of corruption observed at smaller geographical units, both within and between sectors. In a situational analysis the unit is the corruption event, as demonstrated in the TASP table (Figure 1)

The Causal Role of Opportunity: Situational Crime Prevention and Routine Activity Approach

When thinking about the causes of crime and how best to control it, researchers often focus on offenders and try to explain criminality rather than crime itself. Understanding the nature of opportunity in the immediate environment in which crime occurs is an important parallel course. Situational Crime Prevention (SCP) is concerned with the situational determinants of specific crime events (Clarke, 1995, Clarke, 2008)). It holds that behavioural opportunities in the immediate environment exert a causal influence on crime. SCP seeks to identify practical ways to reduce crime (or the harms produced by crime) by removing or reducing opportunities which permit criminal behaviour. In this sense, SCP departs widely from many traditional approaches to crime (and corruption) reduction which look to ways to alter an individual's motivation to offend and the social forces – upbringing, deprivation, social ties etc – that shape that motivation. Put simply, SCP concentrates on the nearer, proximal causes of crime events as opposed to the distant causes of criminality.

SCP is rooted in a suite of crime-event theories. The first is the rational choice perspective (Cornish and Clarke, 1986). This contends that individuals choose to participate in crime when the expected benefits of doing so outweigh the perceived risks of apprehension or failure. This casts crime as the outcome of a series of choices, made in much the same manner as choices concerning non-criminal behaviours. This is not to say that offenders make the correct choices all of the time. Clarke and Felson (2010) also point out that choices are determined not only by immediate situational influences but also by an offender's deep-seated attitudes and prior experiences.

Crime Pattern Theory (CPT) (Brantingham and Brantingham, 2008) further contributes to the theoretical underpinnings of SCP. This is concerned with the geographic patterns of crime. Evidence consistently demonstrates that crime is spatially patterned. CPT suggest that this spatial distribution is determined by the everyday patterns of work, home and leisure activity which, together with the paths that link them, form an individual's awareness space. Offenders commit crime within their awareness space, exhibiting a

preference to offend in areas they are familiar with on recognising attractive crime opportunities.

The third theoretical contributor to SCP is the Routine Activity Approach (Cohen and Felson, 1979). This speaks to the essential ingredients required for crime to take place. It holds that crime is contingent on three elements converging in space and time: a likely offender (someone motivated to commit crime), a suitable victim or target (someone or something that the likely offender will be attracted to offend against) and a lack of capable guardians (someone who is able and empowered to protect the victim or target). The three elements of crime events provide a framework to chart how societal progress and changes in everyday life patterns interact with crime. Tilley (2009) notes that many of the observed post-war crime patterns can be explained by changes in the supply, demand and distribution of targets, offenders and guardians.

SCP has successfully been applied to a diverse array of crime problems. Whilst the majority of SCP studies have tended to focus on volume crimes such as burglary and vehicle theft, more recent examples have considered the application of SCP to terrorism (Clarke and Newman, 2006), sex offences against children (Wortley and Smallbone, 2006), and organised crimes (Bullock et al., 2010) . Various techniques of SCP have emerged, grouped under five mechanisms by which measures are intended to alter offender decision making: increasing the perceived effort (on the part of the offender); increasing the perceived risks; reducing the anticipated rewards; reducing the provocations; and removing the excuses.

There is a small literature on the application of situational approaches to corruption prevention. Gorta (1998) identifies six lessons from the crime prevention literature which have implications for better understanding and minimizing corruption, and she also focuses on events rather than on offender characteristics. Ede, Homel and Penzler (2002) make a similar argument for corruption committed by police officers. Analysing police complaint data made available by the Criminal Justice Commission, Queensland, Australia, they identify a series of persistent categories of offences - opportunistic thefts, driving under the influence of alcohol, assault (while off-duty), and theft from employer – and proceed to highlight the opportunity factors which appear conducive to such behaviours and situational techniques that could be implemented to reduce them. Sidebottom (2010) outlines a series of ways in which SCP techniques might usefully be applied to corruption in the health sector. Graycar and Felson (2010) examine SCP approaches to corruption in the global timber trade, while Graycar and Villa (2011) outline situational potential in dealing with municipal corruption in New York City.

The Opportunity Structure of Corruption

Opportunities for corruption exist when there is specialised access, and when motivation and the operationality of control (or lack of operationality) are evident. Seeing targets as

integral components of the chemistry of crime, Felson (2002) outlines the necessity of access to the target for every crime – including corruption. Corrupt officials make use of their personal ties and specialised work roles to benefit themselves, and this makes the analysis of opportunity structures an integral part of corruption analysis. This is consistent with Klitgaard's formula cited above which places discretion as a central component in understanding corruption.

Like other offenders, corrupters and corruptees can hide behind conventional roles to facilitate a crime with legal opportunities. Felson (2006) uses the term "tricky offender" to describe this syndrome. In discussing "crimes of specialized access", Felson (2002) notes that within white collar offences, there are certain occupations, professions and organisations that provide offenders practical routes to their targets. Regardless of the motivations, the legitimate characteristics of occupational roles give the individual the opportunity to be involved in criminal acts. Thus Felson (2002) defines the crime of specialised access as: *'A criminal act committed by abusing one's job or profession to gain specific access to a crime target'.*

Following the logic of the routine activity approach that the existence of "target", "offender" and absence of a "capable guardian" is required for a crime to occur, the absence of a "capable guardian" can turn out to be an opportunity creating phenomenon for corruption. For corruption the capable guardian is not necessarily a police officer or a security guard, but it can be the civil society or the results of capacity building activities, or often a person with integrity who might be a whistle blower, or the plethora of regulation and compliance measures which are culturally acceptable.

When analysing corruption, we contend that it is useful to consider opportunities in two ways: *systemic opportunities* and *localised opportunities* (see Figure 2). *Systemic* opportunities define the political and operational environment and reflect the institutionalization of low ethical and integrity standards and limited structural reform and capacity building. The *localised* opportunities bring offender and target together and reflect capacity and willingness of organisational leaders to intervene and to implement controls.

It can be hypothesized that localised opportunities are place and job specific, while systemic opportunities relate to the structures and policy and social environments within which these places and jobs exist. Fig 2 therefore is our first attempt to categorize these opportunities.

Analysis of systemic opportunities is the orthodoxy of corruption studies; analysis of localised opportunities less so. Our suggestion is that studying localised opportunity is part of a situational mode of analysis may bear fruit. The next section reports our first attempt to do so.

Note to Adam – text above says fig……..

Table 2. Systemic and Localised Opportunities for Corruption

Opportunities	
Systemic Opportunities	Localised Opportunities
• Lack of integrity among leaders (in both the public and private sectors) • Lack of culture of integrity • Ethical codes do not exist, or are not enforced, • Patronage and nepotism are accepted • Complexity of regulations/ complexity of systems • Where factionalism, regionalism or ethnic differences matter • Weak legal regimes • Weak financial controls • Weak institutions of governance • Very weak state (or very strong state)	• Supervision and oversight is not taken seriously • Specialised knowledge/ high discretion • Decisions affect costs and benefits of activities • Activity remote from supervision • No capable guardian • Low decision monitoring • Silencing of whistleblowers • Low salaries • Low risk of being caught • Conflict of interest disregarded • Demand exceeds supply

Contemporary Examples of Corruption Opportunities: Rationale and Method

To demonstrate the utility of applying situational approaches to the analysis and prevention of corruption we have taken a convenience sample of five recent cases of corruption in public institutions. One of the authors (Graycar) has developed and is continuing to develop a data base of several hundred corruption cases. These cases so far have come from agencies such as the Department of Investigation in New York City, The New South Wales Independent Commission Against Corruption , Transparency International, the FBI and the World Bank.

For the purposes of this article we have chosen just five cases from among many to illustrate how opportunities for and control of corruption can be analysed. We wish to stress that the cases are meant to be illustrative and not in any way definitive, nor should they be considered a representative group from which to make inferences about the incidence or prevalence of corruption in any setting. This research is an exploratory study which seeks to develop a framework for situational interventions on the local level, and which can later be applied more comprehensively.

In the case studies analysed here there was no possibility of examining offender motivation. The cases were collected from public documents and not on the basis of interview. For our purposes this is considered advantageous: similar cases are publicly available and hence our suggestions can be applied elsewhere. Further studies using this framework might however seek interviews or more careful examinations of indictments or court transcripts. For each case the analysis proceeds as follows. First we give some context to the act. Next, we

examine the opportunity structure for each case. Finally, drawing on principles of situational crime prevention we propose some controls which follow from our findings and which may be applicable to similar corruption events in different settings. However, there is no "one size fits all", and their applicability will need to be considered alongside a detailed analysis of the presenting problem.

Crane Inspection

In June 2010 James Delayo, a New York City Assistant Chief Inspector of cranes, was sentenced to four years in prison for taking thousands of dollars in bribes over an 8 year period from a crane company for falsely reporting that the company's mobile cranes had been inspected, when in fact no such inspections had taken place (Eligon, 2010). He also certified that crane operators had taken and passed required practical examinations, when no such examinations were conducted. He also provided questions and answers in advance to some operators who did actually take the exam (Rashbaum, 2008). He used his official office for personal gain and severely compromised public safety.

This case is a clear example of individual level corruption where relatively speaking, a low level official abuses his discretionary power and is involved in bribery, kickbacks and favouritism. With reference to the opportunities listed in Figure 2, the localised opportunity categories are high discretion, activities remote from supervision, low decision monitoring, demand-supply imbalance and low salaries. The context here is New York City where city government is complex and where there are more than 300,000 civil servants, and where regular supervision and surveillance cannot reliably monitor all transactions taking place.

In this case the inspector has tremendous monopoly power and great discretion, and his decisions have large financial impact. There is great demand for crane licenses. He can bring to a halt huge construction projects, and is well placed to engage in corrupt behaviour. Working away from the office there is little daily supervision of the inspector.

Cleaning contracts in a public university

In 2010 the NSW Independent Commission Against Corruption Australia , conducted an investigation into the conduct of Deborah Yandell, Site Manager, Campus Infrastructure Services, University of Sydney concerning the alleged failure to disclose conflicts of interest arising out of allocation of cleaning contracts (ICAC NSW, 2010).

The Commission found that: Ms Yandell engaged in corrupt conduct and manipulated procurement processes in order to favour a private company, jointly owned by her and her husband. She had approved 267 payments totalling $355,843; and had concealed from the University her relationship with the private company and the financial benefits she derived from her personal interest in engaging this company to undertake cleaning services in

various University sites. Of the money paid to the cleaning contractor, nearly $154,000 was transferred to her private family bank accounts.

While it was found that she had knowingly breached the University's code of conduct by receiving significant financial benefits, there was no recommendation for prosecution for any criminal offences.

The opportunities for Ms Yandell were largely localised. She was able to make decisions that affect costs and benefits, her activity was remote from supervision, conflict of interest was disregarded and there was low risk of her being caught. Systemically, the ethical codes of the organisation may not have been enforced.

Jailing kids for cash

In February 2009 two judges in the American state of Pennsylvania, Judge Mark Ciavarella and Judge Michael T. Conahan were indicted for accepting $2.6 million in kickbacks over 5 years from the operators of two private prisons for juveniles.   They arranged the funding for two private detention centres to be built, they had the state funded centre closed down, then for a kickback, ensured the private centres had lots of clients. The judges would remand in custody, juveniles who had committed minor infractions, and mostly this would be against the recommendations of probation case officers. Sometimes the kids would be in custody for many months before their cases were heard and then, more often than not, dismissed. The more kids in the private facility, the more money it made, and the more money the judges made.

The crooked judges originally agreed to plead guilty in the United States District Court to "defrauding the citizens of Pennsylvania of the right to honest services" and entered a plea bargain in which they agreed to serve at least seven years in prison. The main thrust of their indictment was that they "used the wires" to move money across state borders, and they also evaded income tax (Urbina, 2009). The plea bargain was not accepted and the case went to trial and resulted in a prison sentence of 28 years for Ciavarella and 17.5 years for Conahan (New York Times, 2011).

While there was an unconscionable personal lack of integrity, the opportunities here were not at all systemic, but rather localised. The opportunity arose because the lack of supervision was combined with the specialised knowledge of the judges. The judicial system embraces values of integrity, avoids conflict of interest, and has systemic controls in place. Personal factors created the best conditions for these two judges. Although this is an example of corruption in the judicial branch it represents a close resemblance to our first case. Like the crane inspector, these two judges also engaged in bribery and favouritism and made use of their discretionary power. But despite this resemblance, this case is clearly different from the other executive or legislative examples as here the principle of independence of judiciary and the elected status of these judges turned into an opportunity

for Ciavarella and Conahan to behave corruptly while receiving support from the community because they were "tough on crime". (This case is arguably less amenable to SCP than the others listed here.)

Manipulating the state

New Jersey State Senator Wayne Bryant was the Chair of the Senate Budget Committee, and while occupying this post was appointed to a part time position at the University of Medicine and Dentistry New Jersey (UMDNJ). This position paid an annual salary of $38,200, but there were virtually no duties, and he rarely showed up. He lobbied to get the University more money, and on one occasion as Chair of the Senate Budget Committee inserted a $2.7 million budget line item for the school. In his financial disclosures, Senator Bryant did not mention his UMDNJ job (Ingle and McClure, 2008). Overall, he lobbied to get the University $10.5 million in state grants (Livio, 2008).

In addition to his legislative salary of $49,000 in the State Senate and his position at UMDNJ for $38,200, and another $35,000 University position at Rutgers University, he also served as the municipal attorney earning $74,373, in the city of Lawnside (where his brother Mark was Mayor). He spent much of his time, however, running a private law practice which did work for municipal governments and for the state, and for which he charged professional fees. While holding various state government jobs concurrently, he accumulated and claimed multiple state government pensions. His activities were characterized by significant conflict of interest from which he gained financially.

As a property developer, Senator Bryant built an office block, and participated in numerous property deals and it was alleged that space in his building was being leased to the state at considerably more than market rent (despite a prohibition on lawmakers leasing property to the State). It was also alleged he arranged the transfer of state office workers to the new building from a town some distance away (where rents were much lower). Senator Bryant was convicted 12 counts of bribery and pension fraud (NJ.com, 2008), and on July 24, 2009 he was sentenced to four years in federal prison (Hester, 2009).

The main opportunities here are systemic. Most of the systemic opportunities in Figure 2 apply. This scandal demonstrates a comprehensiveness of corrupt activities such as abuse of discretion, theft and fraud, conflict of interest, self-dealing, patronage and political corruption. Looking at the background information the multiple conflicting roles of the former state senator, including being the chair of the Budget Committee, clearly form the basis of this corrupt behaviour. Despite the individual nature of this scandal, the systemic opportunities such as the multiple conflicting roles of the Senator, the preponderance of manipulative individuals and the weak system of checks and balances exemplify a wide range of systemic opportunities listed in Figure 2 such as conflict of interest, lack of a culture of integrity in both public and private sectors, weak financial controls, weak institutions of

governance, lack of integrity and lack of ethical codes. Furthermore with the low risk of being caught this case clearly falls under localised opportunities, as well.

NSW RailCorp

In 2008 the NSW ICAC released eight reports documenting endemic and enduring corruption in RailCorp (the state rail service) which involved employees and managers at many levels of the organisation. (ICAC NSW, 2008)

The Commission investigated allegations of fraud, bribery, improper allocation of contracts, unauthorised secondary employment, failure to declare conflicts of interest, falsification of time sheets, and the cover-up of a safety breach. In financial terms RailCorp employees were found to have improperly allocated contracts totalling almost $19 million to companies owned by themselves, their friends or their families, in return for corrupt payments totalling over $2.5 million.

The ICAC made 96 findings of corrupt conduct against 31 people in relation to this investigation, and recommended that the Director of Public Prosecutions consider prosecution of 33 individuals for a total of 663 criminal offences. The investigation exposed an extraordinary extent of public sector corruption. Corrupt employees appeared to be confident that they would not be caught, or if they were that not much would happen to them.

This case is different to those described above in that a culture of corruption was pervasive throughout the organisation. Many people conspired to exploit both systemic and localised opportunities. If we go to Figure 1 we can see bribery, misappropriation, self-dealing, patronage and abuse of discretion as the methods. The activity is procurement, and it occurs in the transport sector, in one (very large) organisation.

The opportunities were largely systemic. There was a lack of a culture of integrity, ethical codes were not enforced, and there were weak financial controls. Localised opportunities were built around supervision and oversight not being taken seriously as well as low decision monitoring, and low risk of being caught. Specialised knowledge combined with high discretion created opportunities.

Despite being a small, convenience sample, the various scenarios described here are not atypical. They are part of the fabric of public life. The questions that immediately come to mind are: Why did they happen? Could they have been prevented? Could they happen again? While the individuals were investigated and (mostly) prosecuted, was it too late? Can general controls be put in place to prevent similar occurrences like this in the future?

Situational Responses

Following the principles of SCP, our task is to break down the described corrupt activities (to use the TASP terminology) to their component parts in order to better identify ways to: increase the effort to behave corruptly; increase the risks of corrupt behaviour; reduce the rewards of corrupt behaviour; remove excuses for acting corruptly and, arguably to a lesser extent, reduce relevant provocations.

Responding to the opportunity structure in Figure 2, controls across all cases can be seen in as both *systemic controls* and *localised controls* (see Figure 3)

Table 3. Systemic and Localised Controls for Corruption

Controls	
Systemic Controls	Localised Controls
- Increasing the moral cost of corruption - Creating a culture of integrity - Vigilant media - Civil society oversight - Criminalization and penalties - Modification of conflicts of interest guidelines - External auditing for party finances and campaigns - Changing the burden of proof for demonstrating the legality of officials' wealth - Simplifying regulatory framework	- Appropriate oversight of discretionary decision making - Establishing effective internal and external reporting procedures - Whistleblower protection - Setting and enforcement of procurement guidelines - Penalties for procurement breaches - Decision making process transparent and available for regular and random audits - Random integrity testing - Rotating agents - Creating a code of ethics - Workplace performance indicators - CCTV or other surveillance where appropriate

These controls and the situational contexts that might apply to our specific examples above are summarized in Figure 4. Had other examples been chosen, with different opportunity structures underlying them, different controls might well become relevant and applicable.

Table 4. Situational anti-corruption measures and controls

Example	Examples of Controls (SCP mechanism/s in parenthesis)	
	Systemic	*Localised*
Crane inspector	• Creating a culture of integrity • Criminalization and penalties	• Appropriate oversight of discretionary decision making (increase risk) • Establishing effective internal and external reporting procedures (increase risk) • Decision making process transparent and available for regular and random audits (increase risk; increase effort) • Random integrity testing (increase risk) • Rotating agents (increase risk; increase effort)
Cleaning services	• Enforce culture of integrity • Modification of conflicts of interest guidelines	• Appropriate oversight of discretionary decision making (increase risk) • Setting and enforcement of procurement guidelines (increase effort; remove excuses) • Penalties for procurement breaches (reduce reward)
Jailing kids for cash	• Increasing the moral cost of corruption • Creating a culture of integrity • Vigilant media • Civil society oversight • Changing the burden of proof for demonstrating the legality of officials' wealth	• Appropriate oversight of discretionary decision making (increase risk) • Whistleblower protection (increase risk) • Rotating agents (increase risk; increase effort)
Manipulating the state	• Increasing the moral cost of corruption • Creating a culture of integrity • Vigilant media • Civil society oversight • Modification of conflicts of interest guidelines	• Whistleblower protection (increase risk) • Decision making process transparent and available for regular and random audits (increase risk) • Creating a code of ethics (increase risk; remove excuses)
RailCorp	• Increasing the moral cost of corruption • Creating a culture of integrity • Modification of conflicts of interest guidelines • Changing the burden of proof for demonstrating the legality of officials' wealth	• Appropriate oversight of discretionary decision making (increase risk) • Establishing effective internal and external reporting procedures (increase risk) • Random integrity testing (increase risk) • Penalties for procurement breaches (reduce reward) • Whistleblower protection (increase risk) • Rotating agents (increase risk; increase effort) • Setting and enforcement of procurement guidelines (increase risk, remove excuses)

Towards an opportunity framework for the analysis and prevention of corruption

From analysis of our cases and continuing the application of SCP principles, we propose the following hypotheses, adapted from the seminal report entitled *Opportunity Makes the Thief* in which Felson and Clarke(1998) examine the principles and processes of crime opportunity theory. While our study is unable to speak to each point directly, further research specifically designed to do so would be informative.

1.   *Opportunities play a role in causing all corruption.* Opportunities form the basis of all crime including corruption, and opportunities were clearly available in all five of our cases.

2.   *Corruption opportunities are highly specific.* Like any property crime such as theft of cars for different reasons (e.g. parts chopping, commuting, joyriding etc.) corruption cases have different patterns in different contexts as listed in Figure 1. The crane inspector for example had exclusive jurisdiction, as did the judges. The cleaning contractor dominated the location, while Wayne Bryant could manipulate the state from his position and had opportunities for specific access.

3.   *Corruption opportunities are concentrated in time and space.* Here the routine activity and crime pattern theory can be utilised to understand the time and space convergence of corruption cases. This applies most to the crane inspector, but also to a lesser degree in the other cases. For the judges time was not constrained as they had long tenure and probably thought they could get away with their activities for a long time, and did not need to seize the moment. The same applied in RailCorp.

4.   *One corrupt act produces opportunities for another.* Especially in corruption, the offenders' involvement in one corrupt act may precede future involvement in similar or different corrupt activities between same agents, or the observance of corrupt behaviour in an organisation may encourage the other likely offenders to engage in similar corrupt behaviour. This applies in all five cases.

5.   *Social and technological changes produce new corruption opportunities.* Specifically the changes in an organisation or the functions of the organisation may produce new opportunities for corruption. The periodic evaluation of these changes is crucial as with every change, new opportunities may arise within the system. These five cases were not really dependent on social and technological changes. They were more old fashioned in their execution, but social and technological change should be considered as a factor in other corrupt opportunities. On the obverse, social and technological change can be harnessed for better corruption control.

6.   *Corruption can be prevented by reducing opportunities.* As in any other crime increasing the perceived effort of crime, increasing the perceived risks, reducing the anticipated rewards and removing excuses for crime the opportunities for corruption may

be eliminated or reduced. This key feature requires careful analysis. For each of the five cases opportunity reduction could have been crafted. However, sometimes this is not obvious until after the event. Opportunity reduction for the crane inspector and the cleaning supervisor would have involved a formal oversight provision; and for the behaviour of the State senator, stronger adherence to conflict of interest situations, and strict observance by state employers of not awarding no-show jobs. The NSW ICAC made 40 recommendations for corruption prevention as it relates to RailCorp. These ranged from regular password expiry to restructuring the business model so as to bring in-house activities which are currently outsourced, such as maintenance services. For the judges, this category is problematic. Crooked judges have every opportunity, and little can be done to temper this.

These six principles, adapted from core situational crime prevention theory can be tested more generally for their applicability to corruption control.

Conclusion

Formulating effective and sustainable measures to reduce corruption has proved elusive. Situational crime prevention might usefully be applied to the problem of corruption, yielding important analytical and preventive benefits. The first analytic steps are to identify opportunity and control structures. Such an approach is applicable to other forms of corruption in different settings, and analysis of further case study material will yield many other examples which can be subjected to rigorous analysis in order to devise preventive mechanisms and deterrence of corruption.

While these will allow us to develop and understand coherent and consistent patterns of opportunity and also to understand the controls that could be put in place to limit these acts of corruption, it is also important to understand that new means of evasion will inevitably occur. It is natural, as happens in crime prevention (see Ekblom, 1999), that when controls are implemented offenders find ways around them. The same applies in understanding corruption.

In addition to focussing on localised opportunities and controls it is also important to understand the larger context and determine if the society is corrupt; the organisation is corrupt; the individual is corrupt, or whatever combination of these. This will then determine the scale of the activity, and thereby the scale of the intervention. The logical process from this analysis is to focus on corruptible and corrupted tasks one by one, and determine how *each* task works and why *that particular process* is so corruptible, and determine whether controls are global or local.

It is often said that controlling corruption which has always existed and is endemic, is near enough to impossible. We know this is not so. We have seen great examples of success in other policy areas that seemed too hard to deal with - smoking and public health, road

safety, drunk driving, treatment of women in developed societies, racial harmony etc. There are good models in place. We can follow best practice in some of these areas, or we can follow successful innovations in corruption control in other countries by responding on a national or local level, and enhance this with an understanding of systemic and localised opportunities and controls. We hope others will test the situational analysis described here and pave the way for future studies which aid the development of a local approach to corruption prevention.

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