

**ANTI-CORRUPTION REGIME AND CORRUPTION  
RESOLUTIONS IN LOCAL SELF-GOVERNMENT:  
A CASE STUDY OF SUBDISTRICT ADMINISTRATIVE  
ORGANIZATION (SAO) IN SOUTHERN PART OF  
NORTHEASTERN REGION OF THAILAND**

**Pratueng Moung-On**

**A Dissertation Submitted in Partial  
Fulfillment of the Requirement for the Degree of  
Doctor of Public Administration  
School of Public Administration  
National Institute of Development Administration  
2013**

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## **ABSTRACT**

<b>Title of Dissertation</b>	Anti-Corruption Regime and Corruption Resolutions in Local Self-Government: A Case Study of Subdistrict Administrative Organization (SAO) in Southern Part of Northeastern Region of Thailand
<b>Author</b>	Mr. Pratueng Moung-On
<b>Degree</b>	Doctor of Public Administration.
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Research on the systems regarding the anti-corruption regime and corruption resolution in local self-government: A case study of Sub-District Administrative Organizations (SAO) in the Southern part of the Northeastern region of Thailand aims to study the following: 1) Forms of corruption within the Sub-District Administrative Organizations. 2) Anti-corruption systems in Thailand. 3) Problems in the anti-corruption regime and corruption resolution within Sub-District Administrative Organization.

A qualitative research method was employed to study documents regarding the National Anti-Corruption Commission (NACC) pressing charges and cases are still undergoing investigations, and also by interviewing 63 key informants with the following results:

1) Most forms of corruption acts within SAOs were mostly related to procurement procedure bidding and hiring and employment cases, and also the misappropriation of income of SAOs and documentation fraud. Third place in the rankings are cases related to bribery regarding promotions and appointments. Most of the cases were against the Chief Executives of the SAOs and most of the acts were done in collaboration with other related personnel such as government officers, employees and other SAO officers. The roots of the cases were found to be initiated

by government officers and SAO officers especially for misappropriation of income and approval signature fraud.

2) The corruption resolution regimes characteristics in Thailand were mostly comprised of:

(1) Many investigation organizations were centered at headquarters including the NACC, which is the main organization for the investigation and elimination of corruption acts.

(2) The organizations that investigated related cases were created as a tool to emphasize righteousness and to promote the justice system and morality within government and Thailand's elite citizens, together with demanding the resolution of corruption within government offices by creating policies and new investigation organizations in collaboration with the existing ones, such as the emerging Office of Public Sector Anti-Corruption Commission (PACC) in the Ministry of Justice.

(3) Some investigation organizations' actions were too idealistic such as the Office of the Ombudsman Thailand.

(4) Some investigation organizations which hold the action of the elimination and resolution of corruption issues in Thailand are too complicated and have sophisticated procedures, especially the NACC and the PACC.

3) Problems in corruption resolution within the SAO were caused by the systems where the NACC was too centralized and lacking in communication with other related departments, resulting in delayed in investigations and resolution. This creates opportunities to carry on with acts of corruption until expiration and often resulted in candidates being eligible for subsequent election.

Direction and supervision by the Chief District Officer is inefficient because the District Office for Local Administration does not run under the Chief District Officer, which is why there is a lack of cooperation and communication. Moreover, the Chief Executive of the SAO often has a connection with a politician at the national level, and this is the reason why Chief District Officer do not carry out the investigations efficiently because they are terrified that they would be transferred due to their actions. Punishments would be carried out on the Chief District Officer once the cases are thoroughly investigated and is confirmed by the NACC Commission.

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## ABBREVIATIONS

### Abbreviations

### Equivalence

AMLO	Anti-Money Laundering Office
DLA	Department of Local Administration
DSI	Department of Special Investigation
LAO	Local Administrative Organization
LGO	Local Government Organization
MOI	Ministry of Interior
MOJ	Ministry of Justice
NACC	The National Anti-Corruption Commission
NSC	Necessary and Sufficient Conditions
OAG	The Office of the Auditor General of Thailand
PACC	Office of Public Sector Anti-Corruption Commission
PAO	Provincial Administrative Organization
SAO	Sub-district Administrative Organization
USAID	United States Agency for International Development

# CHAPTER 1

## INTRODUCTION

### 1.1 Research Background

When there are changes in the economy, society and government, corruption occurs as a medium of avoiding inspection by organizations or other related personnel. Day by day, the issue of corruption has tended to increase in terms of its severity and occurrence with a more diverse procedure prepared with evidence, that which would get offenders out of trouble. The act of corruption is most severe within the local administration and its subdistrict administrative organization (SAO), which are organizations that branch out from their mother local administration department. These departments are ruled with a democratic policy and are closest to the citizens. There are 5,509 SAOs located in Thailand. (Table 1.2) (Bureau of System and Organization Structure Development, Department of Local Administration, 2013)

However, even though the SAOs hope to spread power to its people according to its democratic support from the election of the chief executive of the SAO, of corruption was also reported. Even when Thailand has strict rules for inspections by independent organizations of the Thai government such as the National Anti-Corruption Commission, the Auditor General of Thailand, and the Metropolitan Administration Offices, both at Provincial and District level, the Provincial Office for Local Administration, and the District Office for Local Administration, some corruption still exists and attempts to eliminate the problems are insufficient.

**Table 1.1** The Corruption Cases of Personnel within the Local Administrative Organization During the 8 Years of Operation (2000-2007)

<b>Position</b>	<b>Type of Local Administration</b>	<b>Number of Accusations of Corruption</b>	<b>Number of Personnel Accused</b>
1	SAO	3,235	5,778
2	Municipality	1,705	2,766
3	PAO	283	441
4	Bangkok	273	442
5	Pattaya	12	40
<b>TOTAL</b>		<b>5,508</b>	<b>9,467</b>

**Source:** Kowit Phuangngam, n.d.: 5.

Moreover, the system has shown to be ineffective according to the expectations of society, and the system itself appears to be the problem and assists in the acts of corruption within the local administrative organization, such as an act of collaboration in assisting corruption between the Provincial Office for Local Administration and the District Office for Local Administration. The two offices provide assistance to each other in the corruption of containment examinations or providing expenditure funds, both officially approved and unapproved, for the District Office for Local Administration even when supervision is their sole objective.

This has exhibited corruption problems, which appears to be very diverse and well thought out to make it hard to be caught in the act. Many variables have been included in the act making it problematic to study and to conduct research on exposing the activity when a traditional method of study is being used. Creating questions and controversy in the paradigms and strategies of anti-corruption and the organization's performance in developing new strategies and approaches in the process have been raised as possible ways to catch up with the quick development of corruption.

Recordings of cases of corruption from the Anti-Corruption Commission relating to the corruption cases of personnel within the Local Administrative Organization during the 8 years of operation (beginning 2000 to the end of 2007) includes over 5,508 cases with 9,467 people accused of corruption.

**Table 1.2** The Number of Cases being Reported Still in the Process of Confirmation within the Local Administrative Organization Responsible for the Northeastern Region from 2000- March 2007

Northeastern Region (Province)	Number of Accusations	Number of Personnel Accused
Kalasin, Khon Kaen, Chaiyaphum, Nakhon Ratchasima, Nakhon Phanom, Buriram, Buengkan, Maha Sarakhm, Mukdahan, Yasothon, Roi Et, Loei, Sakonnakhon, Surin, Sisaket, Nong Khai, Nong Bua Lamphu, Udonthani, Ubon Ratchathani and Amnat Charoen	151	514

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013b.

The Northeastern region of Thailand alone contains over 20 provinces including Kalasin, Khon Kaen, Chaiyaphum, Nakhon Ratchasima, Nakhon Phanom, Buriram, Buengkan, Maha Sarakhm, Mukdahan, Yasothon, Roi Et, Loei, Sakonnakhon, Surin, Sisaket, Nong Khai, Nong Bua Lamphu, Udonthani, Ubon Ratchathani and Amnat Charoen. During 2000-2011, there were 191 accusations of corruption relating only to the office of Local administration of the aforementioned Province which is still on hold and is waiting to be inspected. (Table 1.2)

However, no well-rounded studies are being conducted on this issue; the real problem is located either in the Local Administrative Organization itself, the

environment, or the inspection organization. From the aforementioned information, this creates the intention to acquire a better understanding of the causes, types and methods of corruption. During the period of constitutional change in 2007, with an unbiased attitude towards the SAO, which the NACC itself was investigating an interview by Mr. Klanarong Chanthick, the National Anti-Corruption Commission, explained that the issues with corruption and conflicts within the SAO were caused by the lack of intellect and knowledge within the management and the people were not ready to govern themselves, as indicated in the interview below;

The characteristics of corruption in the SAO were that it was not yet able to handle the expenditure. We have forced them to grow when they were not even ready for it. So, we could see that when the SAO was established in the early years, village headmen and the subdistrict headmen were always in trouble. When the annual expenditures were distributed, executives of the SAO and chief administration of the SAO were always in conflict. Mostly, the chief administration of the SAO would hold a bachelor's degree in law while the executives of the SAO would not hold any degree. These two would always get in a fight. While the chief would say about the policy or any acts being impossible, the executives would still be trying to make it happen. (Klanarong Chanthick, 2013)

The researcher believes that the weak point in the anti-corruption agenda is the biased viewpoint towards the Local Administrative Organization, which is related to the understanding that the people are not ready to govern themselves yet, or the personnel within the Local Administrative Organization are uneducated, and lack morality and good governance skill. The other variables such as society, economy and political issues which would have been the cause of all issues, are overlooked. The performance of the NACC itself could also be a cause of corruption within Thai society. This could be summed up as lacking the understanding of the theory of corruption, which tends to misdirect the solutions, resulting in wrong actions.

Without discussing and reviewing the roots of the problem, or to fail to call for justice and accountability from the responsible department, acts of corruption would continue while society turns their head the other way.

This research aims to explain the problems of corruption from various viewpoints; from economical and societal viewpoints and even from the SAO viewpoint, which is closest to the people. This may lead to the development of new theories to explain and expose methods of corruption within a developing country in a non-biased, straightforward manner.

An understanding of the Thailand anti-corruption system within the Local Administrative Organization will be investigated, from how the systems work, to the methods of process and the types of method. The administration of the structures of the anti-corruption strategy frameworks, which have been used for the past few decades, will also be discussed. There will also be a review of the important problems and limitations during implementation, the reasons for its low performance and lastly, an introduction to the structures and methodology of solutions to corruption problems by improving the output of the program and raising the performance of the strategy.

## **1.2 Research Questions**

This research contains 4 important questions:

- 1) What are methods and types of corruption in the Local Administrative Organization?
- 2) What is the methodology for designing the structures to find solutions to the corruption problems within the Local Administrative Organization that have been enforced in the past few decades by exposing its problems and obstacles that result in a low performance and negative outcomes?
- 3) What are the structures, methods and types of solution to corruption that would produce a better outcome and better performance?

### **1.3 Research Objectives**

This research contains 3 important objectives:

- 1) To study the forms of corruption in Subdistrict Administrative Organizations (SAO).
- 2) To study the anti-corruption regime in Thailand.
- 3) To study the problems in the anti-corruption regime and corruption resolutions in Subdistrict Administrative Organizations.

### **1.4 Conceptual Framework**

The conceptual framework which is used in this research study comprises the causes and conditions which would affect acts of corruption, the regime and methods, and the study/ research from related materials.

### **1.5 Research Methodology**

This research employs a qualitative approach as a tool for collecting data, which is based on the following sources of information:

#### **1.5.1 In-depth interview**

The interview aims to collect data from the key informants; a total of 63 informants will be interviewed separated into 5 groups:

- 1) Personnel who are responsible for the inspections of acts of corruption within the SAO. These personnel will be from the Office of the National Anti-Corruption Commission (NACC), NACC Provincial Office (Ubon Ratchathani), Office of the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province) and The Good Governance Commission. (Ubon Ratchathani Provincial)
- 2) Personnel who are Supervisors or Inspectors (Supervision) of acts of corruption within the SAO, such as District Chief Officer, Provincial Office for Local Administration and District Office for Local Administration.

3) Chief Executive of the SAO, Deputy Chief Executive of the SAO, former Chief Executive of the SAO and former Deputy Chief Executive of the SAO.

4) Government officers and employees of the SAO; Chief Administrator of the SAO, Chief of the Office of the Subdistrict Administrative Organization, Director of the Division of Technician, Director of the Division of Financial, Financial Administrative Officer, Civil Works Chief Technician, Supplies Officer, Finance and Accounting Technical Officer, Policy and Plan Analyst, Personnel Officer, Acting Education Technical Officer, Personnel Officer, Finance and Accounting Officer, Assistant Finance and Accounting Officer and Assistant Revenue Collecting Officer.

5) Contractors and other related personnel.

Using a purposive judgmental sampling in choosing interviewees allows the researchers to access the data or the sampling groups to reveal the data which can be identified as legitimate with evidence.

### **1.5.2 Focus Group**

A small conference will be set up to collect and inspect data gathered on types of corruption in the management of SAOs in the chosen provinces, in this case, Ubon Ratchathani.

### **1.5.3 Document Research**

Document research will be separated into two types:

1) Primary Sources, which include documentation, recordings, and reports on the corruption cases in SAOs in the Northeastern region.

(1) The NACC statistics on reported corruption cases, corruption allegations, especially those which reached a verdict and were under investigation, and the data from Office of the Auditor General of Thailand (OAG) on corruption cases in selected province.

(2) Documentation containing the characteristics of corruption from local politicians, government officers, and the employees of SAOs.

(3) Statistics on local politicians, government officers, and SAO employees who were accused of corruption during the years 1997-2013. (Available data until September 2013)

(4) Information on 3 year subdistrict development planning, annual expenditure funds, 3 year procedural planning and 4 year employment planning from the years 2011 to 2014 of the selected SAOs.

2) Secondary sources that include news, analyses, journals, conference documentation and related research and study findings.

## **1.6 Scope of the Research**

The scope of the research is as follows:

1) The information body is limited to corruption within SAOs in Thailand, and the solutions and the elimination of the problems by the Anti-corruption program.

2) The area of study will be the Northeastern region of Thailand which will be analyzed based on the accusations that have been made by the National Anti-Corruption Commission (NACC) to the SAO on corruption in the Northeastern region including 20 provinces: Kalasin, Khon Kaen, Chaiyaphum, Nakhon Ratchasima, Nakhon Phanom, Buriram, Buengkan, Maha Sarakham, Mukdahan, Yasothon, Roi Et, Loei, Sakonnakhon, Surin, Sisaket, Nong Khai, Nong Bua Lamphu, Udonthani, Ubon Ratchathani and Amnat Charoen.

The study of the problems about the solutions to corruption in SAOs is limited to the area of Ubon Ratchathani, and the surrounding provinces will also be investigated to produce comparative data.

The reason why Ubon Ratchathani province is selected is that the province is located in the Northeastern part of Thailand and contains the highest number of SAOs at 195 SAO offices whereas the other Northeastern provinces are Amnat Charoen with 41 SAO offices, Surin with 146, Sisaket with 187 and Buriram with 148 offices. (Research and Development for Provincial Office for Local Administration, 2012)

3) With regard to timing, a time limit of 12 months will be set on all interviews, data collecting and analysis, concluding, and the completion of the report paper. (October 2012- February 2013)

## 1.7 Expected Benefits

- 1) To acknowledge the types and methods of corruption in the management of SAOs from the past to the present. (from 1994 to 2013)
- 2) To acknowledge the developments in corruption for each period of time.
- 3) To understand the anti-corruption regime.
- 4) To create broader knowledge and understanding of political corruption in Thailand.
- 5) To understand the relationship between democratic governance and local administration.
- 6) Findings from the study will be used to design a structure and a methodology for solving the corruption problems and the improvement of the performance of the regime.
- 7) To stimulate society and related departments to partake in solving the corruption problems and understanding the mistakes that were made in the past.
- 8) The results of the findings in this study will be developed into an ideology on the theory of corruption in the next step.

## 1.8 Specific Terms

In this study, there are a number of specific terms which are defined as follows.

Definitions of the word corruption are provided by Chai-Anan Samudavanija and Scott (1988) who explained that the word corruption can be defined broadly as a deterioration of morality in the mind of a person, which leads to a decline in the ethical values in society as a whole. This definition of corruption can be narrowed to describe political and bureaucratic corruption.

Chai-Anan Samudavanija and Scott (1988) concluded that even though the word corruption is used widely and is understood by many as meaning the use of power to provide benefits and profits for personal gain or a specific illegal gain which is against ethical values. But there are still conflicts and arguments between academicians as to the extent an action can be defined as an act of corruption because

in some societies, traditions and cultures where some actions could be considered as traditions rather than acts of corruption.

Gunnar Myrdal defined the word corruption in Asian Magazine, as a word with a broad meaning, which includes doing something which is against the will of the other party or using a power that came with the position and social status for personal gain. Myrdal also included the receiving or handing out of bribes as corruption. (Myrdal, 1968: 13)

Van Roy (1970) defined corruption as “the usage of one’s power which comes with a profit and privileges, which is done where an act such as this is illegal and is against the ethical values which have been appreciated by society.” (Van Roy, 1970: 86)

A Royal Institute edition dictionary, published in 1982, defined the word corruption as a sin committing an act of cheating and dishonesty.

The Organic Act on Counter Corruption B.E. 2542 (A.D. 1999), as amended by No. 2 B.E. 2554 (A.D. 2011) Section 4 defines corruption in 4 ways;

“Corruption” means the performance or omission of a particular act in office or in the course of official duty, or the performance or omission of a particular act under a circumstance likely to cause other persons to believe that the person so performing or omitting holds such office or has such duty although the office or duty is not held or assumed by such person, or the exercise of power in office or in the course official duty with a view to acquiring undue benefits for his or her own or for other persons”.

“Unusual increase of assets” means the phenomenon where the assets and liabilities listed in the account showing the assets and liabilities submitted by the person holding a political position upon vacation of office differ from the account showing the assets and liabilities submitted at the time of taking office, in the manner that the assets unusually increase or liabilities unusually decrease.

“Unusual wealthiness” means having an unusually large quantity of assets, having an unusual increase of assets, having an unusual decrease of liabilities or

having illegitimate acquisition of assets as a consequence of the performance of duties or the exercise of power in office or in the course of duty.

“State official” means a person holding a political position; a Government official or local official assuming a position or having a permanent salary; an official or person performing duties in a State enterprise or a State agency; a local administrator and member of a local assembly who is not a person holding a political position; an official under the law on local administration and shall include a member of a Board, Commission, Committee or of a sub-committee, employee of a Government agency, State enterprise or State agency and a person or group of persons exercising or entrusted to exercise the State's administrative power in the performance of a particular act under the law, whether established under the governmental bureaucratic channel or by a State enterprise or other State undertaking. (The Organic Act on Counter Corruption B.E. 2542 (A.D. 1999), as amended by No. 2 B.E. 2554 (A.D. 2011) Section 4)

“Local Administration Organization” means a Provincial Administration Organization, Municipality, Commune Administration Organization, Bangkok Metropolitan Administration, Pattaya City Administration, or a Local Administration Organization of another kind established by law.

“Local Official” means an official of a Provincial Administration Organization, an employee of a Municipality or Commune Administration Organization, an official of Bangkok Metropolitan Administration, an employee of Pattaya City Administration, and an official or employee of a Local Administration Organization of another kind established by law, who is recruited and appointed to perform service and receives salary from the budget of a Local Administration Organization under the salary category, or from the government budget under the subsidy category for a Local Administration Organization and such Local Administration Organization has allocated such money as salary as an official or employee.

“Government Agency” means a Ministry, Sub-Ministry, Department, Office or other government unit in the central administration and provincial administration or abroad, excluding state enterprises or government bodies established under the law on

local administration, or other units set up by law with the status of a local administration.

“Co-Interest Bidder” means a person or a juristic person who quotes the price in purchasing materials for a government agency or quotes the price to be contracted for works or to be engaged as a consultant or to be contracted for design and work supervision of a government agency; is an interested person either directly or indirectly involved in the enterprise of other persons or juristic persons who quote the price or submit a work proposal at the same time.

The direct or indirect interest of a person or a juristic person above means a person or a juristic person who has relations in the following ways:

1) Relation in management: manager, managing partner, managing director, executive or person authorized to administer the enterprise of a person or juristic person, has authority or is authorized to administer the enterprise of another one or more persons or juristic persons who quote the price or submit a work proposal to the government agency at the same time.

2) Relation in capital: partner in an ordinary partnership or partner with unlimited liability in a limited partnership or a large shareholder in a limited company or a limited public company; is a partner in another one or more ordinary partnerships or limited partnerships or is a major shareholder in one or more limited companies or limited public companies who quotes the price or submits a work proposal to a government agency at the same time. “Major shareholder” means a shareholder who holds more than twenty-five percent of a stake in that enterprise or at the rate fixed by CCP for some types or sizes of enterprise.

3) Cross relation between (1) and (2): a manager, managing partner, managing director, executive or person authorized to manage the enterprise of a person or a juristic person; is a partner in another or more ordinary partnerships or limited partnerships or a large shareholder in another or more limited companies or limited public companies who quotes the price or submits a work proposal to a government agency at the same time.

Being appointed, being a partner or holding the shares of a spouse or nonmatured child of the person in (1) (2) or (3) is regarded as being appointed, a partner or holding the shares of that person.

In a case where a person uses another person's name as manager, managing partner, managing director, executive, partner or shareholder whereas he himself is authorized to administer or is the real partner or shareholder of a partnership or a limited company or a limited public company depending on the case and such partnership or limited company or related limited public company who quotes tile price or submits a work proposal to a government agency at the same time, it shall be regarded that the bidder or the server has relations according to (1) (2) or (3) depending on the case.

“Action Impeding Fair and Free Competition” means one or more bidders or servers undertake any actions as an impediment or obstacle or not giving the opportunity to have fair and free competition in quoting the price or submitting a work proposal to a government agency either by colluding or by giving, asking or committing to give, call, receive or committed to receive money or property or any benefits or assault or threaten to assault or show false documents or an act of bad faith. The objectives are to acquire benefits among bidders or servers or to entitle one bidder or one server to sign a contract with that government agency or to avoid price competition or to have an advantage over a government agency by not doing business as usual.

“Infrastructure Construction” means construction renovation and maintenance of water work, electricity, communications, telecommunications, water drainage, carriage of petroleum by pipe, road, rail and other related activities which proceed on, under and above ground. (Regulations of the Office of the Prime Minister on Procurement B.E. 2535 (A.D. 1992))

## **CHAPTER 2**

### **LITERATURE REVIEW**

The review of literature discusses the causes and conditions influencing corruption and also the concept of, and solutions to anti-corruption with reference to related research. There is also a summary of the proposed framework.

The review firstly discusses the concepts of corruption from the view of Thai scholars. It aims to determine the study methods, analyzing the factors and conditions that cause corruption in Thai bureaucracy. The contribution leads to debate and understanding and can contribute to proposed anti-corruption resolutions in Subdistrict Administrative Organizations (SAO) and to explain the issues correctly and comprehensively without any bias.

#### **2.1 Corruption: Influencing Factors and Conditions**

In this section, the researcher considers discussions of the scholarly concepts of the influencing factors and conditions that lead to corruption. Each scholar has different concepts of the influencing factors and conditions that lead to corruption based on the practices, assumptions and varieties of study methods. Bias or misleading assumptions on the causes of corruption inevitably lead to problems of inefficiency and incomprehensiveness.

The effectiveness of any anti-corruption solution also depends on the fundamental underlying assumptions they are made about the nature of people. Do they assume that human beings are inherently good and will see the merit in avoiding graft and corruption because of its negative impact on society? Or, do they assume that people are inherently evil and that we live in a Hobbesian ‘state of nature’ in which life is ‘solitary, poor, nasty, brutish and short’? There are those who would argue that corruption, like prostitution and poverty, will never be eradicated and that,

while bureaucracy and its rules are essential safeguards, there are special occasions when in order to make an omelette, many bureaucratic eggshells must be broken.

Scholars have stated various influencing factors and conditions that lead to corruption. They explain that each society has a variety of factors and conditions depending on the economic structure and social structure, including political structure in each society.

By reviewing related literature, it was found the significant factors influencing corruption (on a global scale) are as follows.

Werner (1983) stated that there are nine significant factors influencing corruption:

- 1) Patron-Client Relationships
- 2) Economic, social, and political inequality
- 3) The gap between social-consumerism and the ability to respond in demanding goods and services
- 4) An imbalance in the power to control and intervention by Government
- 5) The imbalance in regulations
- 6) To expand the scope of government roles and social welfare benefits to provide greater coverage
- 7) Economic shortages and inflation
- 8) Corrupt politicians
- 9) The weakness of the anti-corruption system and investigation system, as a result of which leaders pay no attention to corruption issues and there are limitations with regard to public knowledge about corruption.

Goudie and Stasavage (1998) presented four factors that might lead to corruption:

- 1) The relationship between government officials and politicians is significant as the ability to control government activities by political parties is a key component that allows political parties to interfere with the judgment of government officials. The reason is that if politicians do not have the ability to control government officials, politicians run the risk of corruption being exposed, thus, the best way for them is for them to control the appointment of key government officials, which allows

a dynamic synergy between politicians and government officials; therefore, politicians can build a mechanism that makes it easier for them to be corrupt. To conclude, the relationship between political leaders and government officials is a major factor that can encourage corruption. On the other hand, for government officials, the regulations or punishment are significant factors that affect their decision whether or not to be involved in corruption.

2) Regarding the Judiciary Relationship, A.W. Goudie and D. Stasavage agreed that power in subdivisions should be strictly separated or else political corruption will increase rapidly.

3) For Civil Society Relationships mass media should monitor and uncover corruption. A.W. Goudie and D. Stasavage agreed that a stronger civil society relationship could cause more corruption, and even more opportunity to be corrupt as well.

4) With regard to the basic strategy of the government, A.W. Goudie and D. Stasavage agreed that the economic environment plays a significant part in contributing to corruption. Economic strategies, including policy tools and political regulations, support and foster opportunities for many forms of corruption. Therefore, the policy or concept of reducing the powers to control and intervene in a market including economic liberalization, could hardly affect the efficiency of and effectiveness in combating corruption.

Heywood (1997) explained that political competition is a major factor that leads to political corruption, which means that political competition will stimulate politicians and political parties to seek income for the cost of political expenditure, which is consistent with the explanation of Sangita (1995) as electoral competition which is based on money and power was found to lead to political corruption in India. Furthermore, any nominee and replacement of positions in the bureaucracy as well as having too many laws or obsolete laws can also cause corruption. Hung-En Sung (2002) stated that politicians seeking income is done through state authority officials and government institutions and results from the absence of third-party surveillance.

Davis and Ruhe (2003: 275-288) in "Perceptions of Country Corruption: Antecedents and Outcomes" examined the perceptions of country corruption internationally and its cultural characteristics. Corruption is proposed to mediate the

relationship between cultural characteristics and country performance in terms of GDP expansion, risk, international trade, and foreign investment; in this article, they choose a useful framework for understanding how Hofstede (1980) indicated how basic national cultures influence behaviors in countries. Hofstede's measure of national culture was based on the surveys that were conducted during the late 1960s and early 1970s from employees of IBM international subsidiaries. Initially, Hofstede's surveys assessed personal values and aspirations in the workplace across countries. His classification of national culture in terms of four dimensions is as follows:

- 1<sup>st</sup> Dimension (Power distance)
- 2<sup>nd</sup> Dimension (Uncertainty avoidance)
- 3<sup>rd</sup> Dimension (Individualism / Collectivism)
- 4<sup>th</sup> Dimension (Masculinity / Feminism)

To analyze the perception level on corruption by using Transparency International's 2000 Corruption Perceptions Index data set and multiple regression analysis as a hypothesis framework on the corruption perception level of an individual, institutions, and governments depends on cultural differences within countries while the corruption itself is the relationship between the cultural characteristics, GDP, economics and trade risk with the US and international investment etc. The results of Hofstede's four dimensions of national culture demonstrated that power distance, uncertainty avoidance, individualism/collectivism and masculinity/femininity have a great influence on the corruption perception level in terms of GDP, economics and trade risk with the US and international investment.

The present article is a preliminary investigation into the relationship between Hofstede's for major dimensions, perceptions of corruption, and several economic performance ratings. Results indicate that corruption seems to be predictable based on high levels of power distance, masculinity, and collectivism. Consequently, this provides support for three of four of Hofstede's dimensions as being antecedents of country corruption; and the strong correlations with several of the economic performance ratings supports study findings that corruption negatively affects the economic success of those nations with high corruption ratings. Ironically, the most corrupt countries associated with scores high in power distance, uncertainty

avoidance, masculinity and low in individualism were found to have values that are most resistant to change. A change strategy emphasizing power of coercion would be necessary if change is possible, and also contending that fighting corruption requires administering a shock to disturb a corrupt equilibrium. Significant limitations of the present research must be considered. The Hofstede framework represents an average of people's behavior within a particular culture that assumes that culture coincides with a national territory. Borders do not restrict behavioral tendencies. There are always exceptions and some cultures with significant migration may be changing more than with fixed population groups.

Chang (2005: 716-730) in "Electoral Incentives for Political Corruption under Open-List Proportional Representation" addressed the issue despite the considerable attention paid to the aggregate-level determinants of political corruption. Until recently; little empirical work has attempted to understand what systematic factors drive individual politicians towards corruption. To reduce this gap, this article hypothesized that under open-list proportional representation, personal votes are expensive yet critical for politicians to win election in order to finance campaigns. The hypothesis, running against the conventional view that suggests an anti-corruption effect of electoral uncertainty, receives substantial empirical support from individual-level data from pre-1994 Italy and the model underlying the data generation process through the Grouped Duration approach. In addition, this article argued about the importance of individual reputation and personal vote seeking under a system like open-list PR as having clear implications for political corruption. According to the personal vote view, electoral systems in which personal reputation outweighs party reputation tend to be marked by more corruption. When dependence on the personal vote rises in elections, candidates need more campaign resources to advertise their individual candidacies. However, these personal-vote seeking activities are very costly and the party is unlikely to support the high cost of elections, but it tempts candidates into seeking illegal campaign contributions. The article examined empirically how the electoral pressure induced by intra-party competition under open-list proportional representation systems (open-list PR) might drive the individual legislator to resort to political corruption. Compiling and analyzing data from pre-1994 Italian legislatures and the Grouped Duration approach, the author found that

under open-list PR in Italy, incumbents' uncertainty regarding their prospects of winning re-election increased their propensity for corruption. Political corruption becomes unavoidable because intraparty competition triggers candidates' needs for illegal resources to finance their campaigns. Because of its far-reaching political and economic consequences, political corruption has spawned much exciting research over the past few years. Despite the considerable attention paid to the aggregate-level determinants of political corruption, until recently, little empirical work has attempted to understand what systematic factors drive individual politicians' to political corruption. Its imbalance is unfortunate since political corruption, commonly defined as the illegal misuse of governmental office for personal gain, is a joint product of structural forces and individual choice. Therefore, it is equally as important to study corruption as a social phenomenon as it is to examine the individual level determinants of political corruption.

In conclusion this article only addresses this issue in a partial way, and a fuller treatment regarding how both individual level and system level uncertainty interact together to affect corruption awaits further cross-national investigation. Despite the fact that the data analyzed are drawn from a single country, the logic of the argument is general and applicable to other systems where electoral outcomes are determined by personal votes, in other countries that use open-list PR systems which in the primary election, voters have substantial control over the choice of candidates. Therefore, the author focuses on the systematic factors and posits that a candidate's dependence on the personal vote increases with the uncertainty about the probability of winning the election and clearly is identified an important causal mechanism which will be useful for further comparative research.

Reslawsk and McCann (2005: 261-283) in "Popular Interpretations of 'Corruption' and Their Partisan Consequences" stated that the goal of the article is to examine popular judgments of what constitutes "political corruption" in the United States, using a large exit poll conducted in six cities during the 2000 presidential election. Exit polls, while imposing some limits on the scope of the eight questions that will be asked, have the advantage of capturing the attitudes of people directly engaged in the most basic of political processes. To understand the impact of corruption on mass political behavior, it is necessary to chart citizen interpretations

across the many strata of American society. However, this article is limited both in terms of available data and the assessment of clear political implications. The authors extended the literature on corruption in several new directions. Using a very large dataset of actual voters, factor analysis was employed to assess the structure of the reasoning behind the normative evaluations. Then multivariate regression modeling was employed to assess how these evaluations varied across socioeconomic, demographic, and political groups. With this analysis, the results could be separated into two distinct evaluative dimensions: corruption understood as law-breaking, and corruption as favoritism. These judgments are heavily conditioned by the socioeconomic background and are politically consequential for the voters. Subjective understanding of “corruption” shapes the perceptions of how much corruption actually exists in government. In addition, as expected, the vast majority of voters see patently unlawful activities as quite corrupt. On the other hand, there is much more variation in attitudes toward ostensibly legal behaviors where some kind of favoritism is implied. Many citizens are unwilling to label such actions corrupt, while others offer a harsh appraisal. Regression analysis allows us to map the roots of corrupt dispositions and shows their impact on voting decisions. Furthermore, these normative assessments play a significant part in voting decisions. Individuals who judged illegal activities such as bribe-taking to be corrupt were more inclined to back one of the major party candidates, while those who believed that favoritism in politics was corrupt, were more likely to vote for the secondary party.

Even though the research was mainly based on perceptions of eligible American voters towards corruption within the American political system, it does reflect the political culture and demonstrates how this would influence the outcome of elections. It also indicates the limitations of the exit poll method by exposing a weak spot which results in the poll lacking in depth information. Thus, there are issues with the questionnaire itself where it is rather difficult to classify the decisions of morality factors that strongly depend on each individual. Because of these results, the behavior of the political actions of the voters on corruption issues was not addressed.

Canache and Allison (2005: 91-111) in “Perceptions of Political Corruption in Latin American Democracies” tried to disentangle the relationship between political corruption and public opinion from the World Values Survey (WVS) and the 1997,

Transparency International CPI. The WVS includes data from seven Latin American nations: Argentina, Brazil, Chile, Colombia, Mexico, Uruguay, and Venezuela. The WVS is a worldwide survey project that investigates social, cultural, and political attitudes. Another wave was conducted from 1995-1997, performed in national representative samples of eight advanced democratic nations in America and Europe. Specifically, it assessed the characteristics of citizens' perceptions of corruption and considers whether those perceptions affect support for incumbent political officials, political institutions, and democracy itself. The analyses begin with a brief review of the nature of corruption in Latin America. The study adopted a hierarchical approach to the study of political support in which each level of support represents a higher level of generalization than its immediate predecessor does. The studies focused on the link between corruption and the perceptions and attitudes of a nation's citizens. In exploring the significance of corruption for mass politics as to whether citizens are able to hold leaders accountable when they engage in malfeasance. For this vertical accountability to exist, citizens need to be able to hold political leaders to some standard and punish them when they violate that standard. Accountability has two additional requirements. First, citizens must accurately perceive corruption when it does exist. If citizens simply believe that all politicians are corrupt, this bodes poorly for the fate of democracy as none of the electoral alternatives appeal to citizens. Additionally, there would be nothing left to explain if citizens from all countries viewed their democratic leaders as either all being corrupt or not corrupt at all. The authors find that possibility unlikely. Second, citizens need to adjust their opinions of the relevant leaders (or institutions) accordingly. However, when citizens accurately perceive corruption and they adjust their opinions of the leader, they will be better able to hold that leader accountable through democratic processes. Positive consequences can result when citizens identify certain leaders or political institutions as corrupt and they are able to hold them accountable through various forms of sanction. When political leaders are thought to be corrupt and the legislature or citizens holds the leader accountable, this is an example of democracy in action. However, if citizens misplace blame, it is possible that corruption can have a destabilizing effect on democratic political systems. For instance, if citizens believe that corruption is an inherent component of a democratic regime and not merely

attributable to an individual political leader or institution, this may weaken support for democracy as a form of governance, thereby increasing the risk that an alternate regime will emerge. Therefore, it is critically important to identify whether citizens can accurately assess the level of corruption in their nation and whether perceptions of corruption affect their support for incumbent, government, the political system and democracy as a system of governance.

The article indicates that the expert view holds that corruption is relatively high in most Latin American nations, In exploring the relationship between corruption and mass opinion, this study initially looks at how much mass perceptions of corruption mirror the elite view indicated by the CPI. This article study shows that Latin Americans are quite aware of the seriousness of corruption in their countries. The enduring question is whether citizens can connect their views about corruption to appraisals of their authorities and institutions and of democracy more generally. Collectively, the findings suggest that they can, and that the necessary ingredients for accountability are present in Latin America. The possible dark side of mass opinion on corruption is that pervasive misconduct may poison public sentiment toward democratic politics. On this score, the analysis found that attitude affected only support for specific administrations and institutions. Mass opinion potentially offers one check on corruption in that a nation's citizens could demand higher standards of integrity from public officials. For this sort of accountability to occur, however, citizens must recognize corruption when it exists, and evidence of corruption must influence citizens' judgments regarding the culpable parties. The central objective in this article has been to determine whether accountability of this form does indeed take place. The secondary objective involves ascertaining whether perceptions of corruption cause citizens to look critically at all aspects of democratic politics, thereby contributing to the erosion of support for democracy in the region. Drawing on the Transparency International corruption index (CPI) and World Values Survey (WVS) data from several Latin American nations; the authors tested a series of empirical relationships regarding perceptions of corruption and political attitudes. Collectively, these findings suggest that the necessary ingredients for accountability are present in Latin America. Citizens perceive corruption, and they connect those perceptions to their judgments of incumbent leaders and political institutions.

Whether mass opinion alone can offer a sufficient check on corruption is, of course, highly questionable. At a minimum, however, it surely is better to have accountability of the sort identified here than to see corruption flourish unhampered by public criticism.

Chang and Chu (2006: 259-271) in “Corruption and Trust: Exceptionalism in Asian Democracies?” determined empirically whether the level of citizens' perception of corruption decreases their trust toward political institutions in Asian democracies and intended to systematically analyze and explore the link between corruption and institutional trust in Asia to assess contextual factors in Asia, such as political culture and electoral politics, and how they might neutralize the negative impact of corruption. Political corruption is considered one of the most destructive yet unresolved problems common to most societies. Importantly, political corruption represents a direct and brutal betrayal of public trust placed in institutions, since political corruption revolves around situations where governmental officials entrusted by the public engage in malfeasance for private enrichment. Because corruption recklessly violates the fundamental principles of democracy—such as accountability, quality, and openness, recent studies have suggested that corruption causes political distrust among citizens, thus leading to legitimacy crises in political systems. The authors analyzed the effect of political corruption on citizens' trust in political institutions. They examined hypotheses using data from the East Asia Barometer (EAB henceforth), which included five new democratic countries (Japan, the Philippines, South Korea, Taiwan, and Thailand) and a multilevel analysis. The results from EAB data showed the strong trust-eroding effect of political corruption. The multilevel analysis also showed no evidence that the contextual factors of political culture and electoral politics in Asia neutralize the negative impact of corruption on citizens' institutional trust. In addition, despite its far-reaching consequences, institutional trust has been found to be low and even declining in most contemporary democracies. The continuing and troublesome decline of institutional trust has spawned many exciting articles, and the myth of the downward trend is giving way in the literature to an emerging consensus on the corrosive effect of political corruption. Clearly, the article determined the relationship between political corruption and institutional trust for Asia and the rest of the world.

In conclusion, it is clear that this article has clearly analyzed the link between corruption and institutional trust leading to competing hypotheses that cast reasonable doubt about compromise, and comparison in democratic mechanisms. Unfortunately, these findings alone might not be sufficient to develop a more general theory with broader implications and to identify stronger empirical support. What is needed is to go beyond these particular countries (including, Japan, the Philippines, South Korea, Taiwan, and Thailand), and also to conduct a great deal of research on economic growth, political culture, and electoral systems.

Drury, Kriekhaus and Lusztig (2006: 121-136) in “Corruption, Democracy, and Economic Growth” employed time-series cross-section data from 100 countries over a 16-year period and found that corruption has a significant, negative impact on economic performance in non-democracies to explore the relationships by examining democracy in terms of its indirect effects on economic growth. Scholars have long suspected that political processes such as democracy and corruption are important factors in determining economic growth. This article study, however, showed that democracy has only indirect effects on growth, while scholars generally accept corruption as having a direct and negative impact on economic performance. The authors argued that one of democracy’s indirect benefits is its ability to mitigate the detrimental effect of corruption on economic growth. They attempted to enhance the understanding of the indirect effects that democracy has on economic growth.

Although their focus was on just one of these indirect effects, as is clear from the discussion below, the detrimental effect of corruption is substantively important and exists worldwide to varying degrees. They concentrate on political corruption, which is present in all systems, albeit at differing levels and were not the first to delve into the role that corruption plays with respect to economic growth. As the literature review suggests, some argue that corruption has beneficial effects for an economy. They, however, disagree, and while this disagreement is somewhat intuitive, some findings are unexpected and shed new light on the connection between democracy and economic performance. Democracy will mitigate the negative effects of corruption since the electoral mechanism allows citizens to evict politicians that engage in particularly damaging forms of corruption. Democracy, in other words, may exhibit

no direct statistical relationship with economic growth, but it clearly serves to mitigate the negative economic effects of corruption.

Although corruption certainly occurs in democracies, the electoral mechanism inhibits politicians from engaging in corrupt acts that damage overall economic performance and thereby jeopardize their political survival. Using time-series cross-section data for more than 100 countries from 1982–1997, it was shown that corruption has no significant effect on economic growth in democracies but non-democracies suffer significant economic harm from corruption.

It is no great insight to proclaim that liberal democracies tend to be wealthier than non-democracies. Since the end of World War II, a great deal of scholarly effort has gone into exploring the relationship between economic growth and liberal democracy, with many pursuing an obvious explanation for their association, namely that democracy facilitates wealth by stimulating economic growth. While intuitively appealing, reality suggests the relationship is more complicated. Indeed, a number of studies have found no direct, statistically significant relationship between democracy and economic growth although democracy appears to have important indirect influences on growth due to its positive effect on such things as educational expenditure, life expectancy, and political stability. This does not put an end to the matter, of course. It simply suggests that greater understanding is needed of the apparently symbiotic role played between the most robust system of government ever developed and the economic growth and efficiency that appear to sustain it. In sum, this article yields two positions. The first, more traditional and accepted position is that corruption has few virtues: it renders otherwise good government bad and bad government worse, it dissipates resources that could be used productively, and generates sufficiently high transaction costs to limit significantly investment. The second view is that corruption serves to create an economic equilibrium in states that are excessively bureaucratic, rationalizing the weakest firms from the marketplace and substituting private-sector economic decision-making for that provided by the state. This second position is problematic because it does not consider the incentive for all officials to get into the corruption game; the result of which is excessive taxation on productivity.

DiRienzo, Das, Cort and Burbridge (2007: 320-332) in “Corruption and the Role of Information” investigated whether access to information can affect the level of corruption within a country while controlling for several variables to prevent model mis-specification. This also extends previous research by considering not only these variables, but also taking into account the impact that information and communication technology can have on corruption using these three significant data sources: the Corruption Perception Index or CPI (Transparency International, 2005), the Digital Access Index or DAI 2002 and, the Economic Freedom of the World (EFW) index together with the Data Description. Many studies have concluded that corruption within a country is very much a cultural phenomenon. It is therefore necessary to control for the cultural make-up of a country when considering its level of corruption. Most empirical studies exploring the role of cultural values use Hofstede’s (1980), four dimensions characterizing cultures across the world. Hofstede’s work-related values and their relationship to a country’s corruption levels include Power Distance; Uncertainty-Avoidance, Individualism–Collectivism, and the Masculine–Feminine dimension. A regression analysis was also conducted. The study results indicated that the greater the access to information, the lower the corruption levels. Therefore bridging the digital disparity across countries can also serve to lessen national corruption levels and improve the conduct of international business by lowering global transaction costs. Furthermore, this study also affirms previous research (Hofstede’s four dimensions characterizing cultures) that countries that have lower levels of masculinity and high levels of economic development and freedom exhibit lower corruption levels. Overall, this study concludes that exposure to information creates a more open and free society, resulting in lower corruption levels. Thus, allowing for such openness should be a goal for the international business community, as knowledge empowers people and creates a responsible global community. International businesses will also thrive in such societies, as openness will inspire trust and result in lower transaction costs, thus allowing businesses to enhance their long-term possibilities for success.

While all of the above factors have been empirically proven to affect corruption levels, a factor that has yet to be investigated is the impact of the access to information on corruption levels. Specifically, as citizens acquire more access to the

Internet, they should be more aware about the conduct of government and business. The resulting increase in transparency should be expected to lower corruption levels; as such, openness discourages corrupt practices. Thus, when considering an issue of public perception, it was found that problems in terms of practicality still exist. As seen from the case of the Italian, Silvio Berlusconi. His career was racked with controversies; trials were inquiries into allegations about many serious crimes, and the global media has revealed many of his crimes. Even so, he still was chosen to serve as Prime Minister of Italy in 1994, and Berlusconi's success in the 2001 general election led him to become Prime Minister again. Therefore, it is logical to contend that increased access to information should result in fewer transgressions by individuals, businesses, and governments. Furthermore, international business could become more open and transparent. Can something as fundamental as providing worldwide access to the Internet reduce corruption and result in a better climate for international business? The policy implications of such a finding would be significant. Efforts to increase access to information could result in a country and businesses that operate in that environment can become more responsible for global citizens.

Herreros and Criado (2007: 507-518) in "Corruption and the Disparity in Levels of Political Support by Winners and Losers" studied the determinants of political support stressing the role of institutional variables, such as the electoral rules (majoritarian or proportional), the territorial distribution of power (federal systems or unitary systems), and the distinction between established and new democracies as determinants of how citizens evaluate their democratic institutions. It is possible that the institutional context influences the level of political support through its effect on how winners and losers in an election evaluate these institutions. Both individual predispositions and the country's institutional framework influence the attitudes of an election's winners and losers in the way democracy works. The institutional factors that can affect these attitudes include the distinction between new and old democracies, the type of electoral system, and the presence of coalition or single-party governments and the unitary or federal character of the state. Losers show higher levels of support for political institutions in old democracies, proportional electoral systems, countries with coalition governments and federal systems because the major concern for citizens who have not voted for the incumbent party is that the

government has all the power it needs to carry its policies out unchecked. To test this hypothesis, the 2002–2003, European Social Survey data was used for seventeen European countries. In this article, the authors analyzed the effect of another variable, the level of corruption in public institutions, on the difference between how winners and losers in an election evaluate these institutions. The major concern for losers is indeed that the government has the power to carry out its policies unchecked, but concerns can be even greater if the level of governmental corruption in the country is high. In this case, the possibility that losers might be harmed by the arbitrary policies of public institutions is greater than in countries where the level of corruption in the public institutions is low. Furthermore, the disparity in the level of support for the government by winners and losers will be higher in countries in which institutions are designed so that losses have particularly important consequences. More generally, they distinguish between “inclusive” and “exclusive” political systems. Inclusive political systems are characterized by proportional electoral systems, federalism, coalition governments, and multi-party systems. In inclusive political systems, losers are more likely to be represented politically than in exclusive political systems and are able to implement at least a fraction of their policies. On the other hand, the impact of losing is indeed higher in majoritarian democracies, unitary countries and, in general, in political systems characterized by the presence of a high number of vote players.

This article builds on the ideas that the level of political support is different for people who vote for the incumbent party and for people who do not, and that the difference varies according to the countries’ institutional framework. While we agree with the idea that the proportional or majoritarian features of the institutional structure indeed have an impact in determining the disparity in the level of support for government shown by winners and losers, the way in which specific institutions work also has an impact on this support. More concretely, our argument is that losing will tend to have a greater effect on political support in those countries where institutions are more corrupt. Political corruption is the “abuse of entrusted power by political leaders for private gain, with the objective of increasing power or wealth.” If a government is corrupt, it is more likely to make arbitrary decisions. The government may show favor to supporters in its decisions when adjudicating public contracts or privatization public firms, for example, regardless of the legal requisites associated

with the process. The corruption of public officials will probably have a negative effect on the general levels of political support.

Mazetti and Wilson (2007: 949-970) in "Why Do Corrupt Governments Maintain Public Support?" addressed an issue on political corruption: Why do citizens support corrupt governments? The goal of this study was to examine the hypothesis that support for governments perceived as corrupt is inversely related to the strength of democratic institutions by using individual-level data combined with national-level data. The sample included 14 countries (all countries in the 1995 wave of the World Values Study (WVS)): Argentina, Australia, Brazil, Chile, Finland, Germany, Mexico, Norway, the Philippines, Spain, Sweden, Taiwan, the United States, and Venezuela. These countries include several different regions of the world and represent very different levels of development and types of political system. Furthermore, this study brings empirical evidence to demonstrate that people in countries where government institutions are weak and patron-client relationships strong are more likely to support a corrupt leader from whom they expect to receive tangible benefits. By using a survey, data are collected to demonstrate that statistical evidence is consistent with the hypothesis, which also complements some of the recent works on clientelism and institutional development. This has significant implications for scholars and practitioners working on democratic accountability and good governance issues because it shows that as long as corrupt leaders can satisfy their clientelistic networks by manipulating government resources, they are likely to retain political support. This, in turn, questions the assumption that a few administrative repatterns can weed out corruption in countries where formal and informal institutions provide opportunities for this phenomenon to thrive.

In conclusion, this study reflects an interaction between the public support, government institutions, and corruption through previous crooked actions from various cases. Significantly, it succeeded in demonstrating the limitations of government administration repatterns in both developed and developing nations that are ruled by democratic systems. Although the study has addressed one piece of a key puzzle regarding the complex interaction among public support, government institutions and corruption through the patron-client relationships framework, there is considerable work needed to be done. Scholars and policy makers need to provide

recommendations to countries struggling with issues of corruption and political reform, so the challenge remains to collect better data (Socio-economic, historical and Cultural Dimensions data should be collected) during longer periods (whose availability remains limited) so that empirical analyses can yield more precise and theoretically stronger insights on these crucial political issues.

Pereira, Melo and Figueiredo (2009: 731-744) in “The Corruption-Enhancing Role of Re-election Incentives?: Counterintuitive Evidence from Brazil’s Audit Reports” posed two important empirical questions with significant normative implications. They asked, for instance, why would mayors run again for office if their crimes were made public? It also sought to examine the extent to which citizens tend to reward or punish corrupt practices when they are disclosed by watchdogs. Authors’ empirical findings lead to two important mixed normative conclusions regarding the quality of local democracy and accountability in Brazil. This article presents the State of Pernambuco, a panel of 184 Brazilian municipalities and arrives at very distinct conclusions on the governance-enhancing role of re-election incentives within 1997-2006. Other types of data come from the Electoral Operation undertaken by the Audit Institution during the electoral years of 2000 and 2004. Similarly, the data cover all municipalities in the state.

The large number of observations on all types of irregularities detected by the auditing institution allows them to test the corruption argument. Unlike the contributors, their focus is on corruption, not on the incentives for the provision of public goods. The data set covers the whole universe of municipalities and comes from a single professional auditing institution. Brazil is a good case for such a test because of the existence of a two-term limit for mayors in 2000 and 2004. By focusing on a single country, it would be better able to control for a host of other potential source of variation of an institutional nature as well as other country sensitive factors. The institutional factors that could affect corruption include electoral rules, federalism, and separation of powers.

They view their findings as complementing existing theories on the effects of re-election commitments. These theories are a subset of a class of theories emphasizing that re-election incentives are primarily determined by the relative costs of corruption. Central to these costs are the degree to which voters are likely to

observe corrupt practices, the likelihood of being caught, and the impact of the lack of credible commitments for the provision of public goods, prompting politicians to offer private goods and illegal patrimonial transfers.

The first conclusion is that when corruption is not likely to be detected and the pay-offs involved are very large, local politicians do not respond as the normative theory of democracy would lead us to believe. In other words, they do not align their interests with that of the voters. In fact, the opposite happens: Politicians may have an incentive to engage in corrupt practices when political competition is high (as would be the case of close electoral races), because offering voters these illegal transfers may enable them to stay in office. Moreover, politicians caught engaging in corrupt practices may have an incentive to seek re-election because they are best able to protect themselves from future sanctions from opponents if they are to remain in office.

The second conclusion is that although there is widespread corruption, citizens have been able to vote retrospectively, punishing local administrators who violate their mandates when investigations publicly reveal the irregularities of those in office. This is particularly significant in electoral years. These conclusions suggest that enhancing the quality and quantity of information available to citizens is not enough to foreclose the incentive to commit crimes. Both functional audit work and law enforcement capacity are crucial. It remains to be seen how these aspects might emerge endogenously.

Botterlier (1998) stated in the Corruption and Development (International Symposium on The Prevention and Control of Financial Fraud, Beijing Fair, 19-22 October, 1998) that the actual occurrence of corruption and financial fraud is determined by many factors, including cultural and moral values. The motivation to remain honest may be weakened by the following six factors:

- 1) Low civil service salaries
- 2) Promotion of staff unconnected to performance
- 3) Dysfunctional government budgets
- 4) Loss of organizational purpose
- 5) Bad example set by senior officials or political leaders

6) Long established Patron-Client Relationships in which the sharing of bribes and the exchange of favors has become entrenched

Furthermore, in conclusion, Pieter Botterlier stated that corruption can be highly concentrated at the top of a political system and associated with political power, or broadly based at lower levels in the system, associated with administrative processes and discretionary powers. Bribes can be blatant or subtle and take many different forms, including cash payments, job offers, scholarships, foreign trips, or political and other favors.

From the articles, analysis on corruption issues show that two important observations should be included in a conceptual framework to study corruption; in particular the cultural dimension and the reflection of the political phenomenon that divides Thai society.

Using factor analysis, setting debates about anti-corruption policy within the wider democratization agenda remains a priority, notwithstanding the problems of the latter. Genuine anti-corruption practice requires systemic global change, which would deconstruct, in theory and in practice, Western/Northern double standards embedded in old-style realpolitik, and aspire to a consistent governance morality. While some donors do endorse 'democratization', the current thin definition is not a panacea against corruption – especially if it simply means awareness campaigns by Western-funded NGOs. There are also high levels of corruption in countries commonly considered to be democratic. But currently, the anti-corruption campaign is chimerical in hiding these global inconsistencies and Northern problems of democratic accountability, and has thrived in the dissembled social fabric of post-communist and impoverished African societies. In other words, for anti-corruption policy to work, and for the global public to enjoy the fruits of their own energies without seeing them disappear into the pockets of political and economic criminal elites, there needs to be a return to the ideals of social justice and elite accountability. There are no quick fixes in the current anti-corruption package, but a set of inscribed meanings that further the cultural, economic and political domination of the North. Corruption can be better addressed within a morally consistent agenda of political and economic solidarity.

Pornsuk Phongphaeo (1996: 26-32) studied the conceptual theory, Scholars concluded the cause of corruption in terms of two aspects.

The 1<sup>st</sup> aspect: the cause within individual acts of corruption such as, opportunities, incentives and consideration to avoid any accusations.

The 2<sup>nd</sup> aspect: caused by external, environmental contexts where the external cause is closely correlated to the individual act of corruption including opportunities, incentives, and loyalty. These have been classified into seven aspects as follows:

- 1) The economic and subsistence aspects
- 2) The political aspects
- 3) The social aspects
- 4) The inefficiency of the government administration
- 5) The laws or regulations containing gaps or flaws
- 6) Having the position in facilitate offences
- 7) To be influenced by an environment in which corruption is commonplace

Supachai Yavaprabhas et al. (2001) studied “Corruption and Position Buying: The Perspective of Civil Service Officers” in a quantitative research using survey as a tool. This research was initiated by the “Office of the Civil Service Commission” (OCSC) and financially supported by “The World Bank”. The authors view is that the cause of corruption is both internal and external factors; the internal factor is Government officials and the external factor is the environmental context. The researcher has divided the external factors into six aspects 1) The compensation system 2) The institution’s administration 3) The evaluation system of the operation 4) The laws, regulations and practices of the operations 5) The monitoring systems 6) The culture in Thailand. In conclusion, each factor can contribute to corruption.

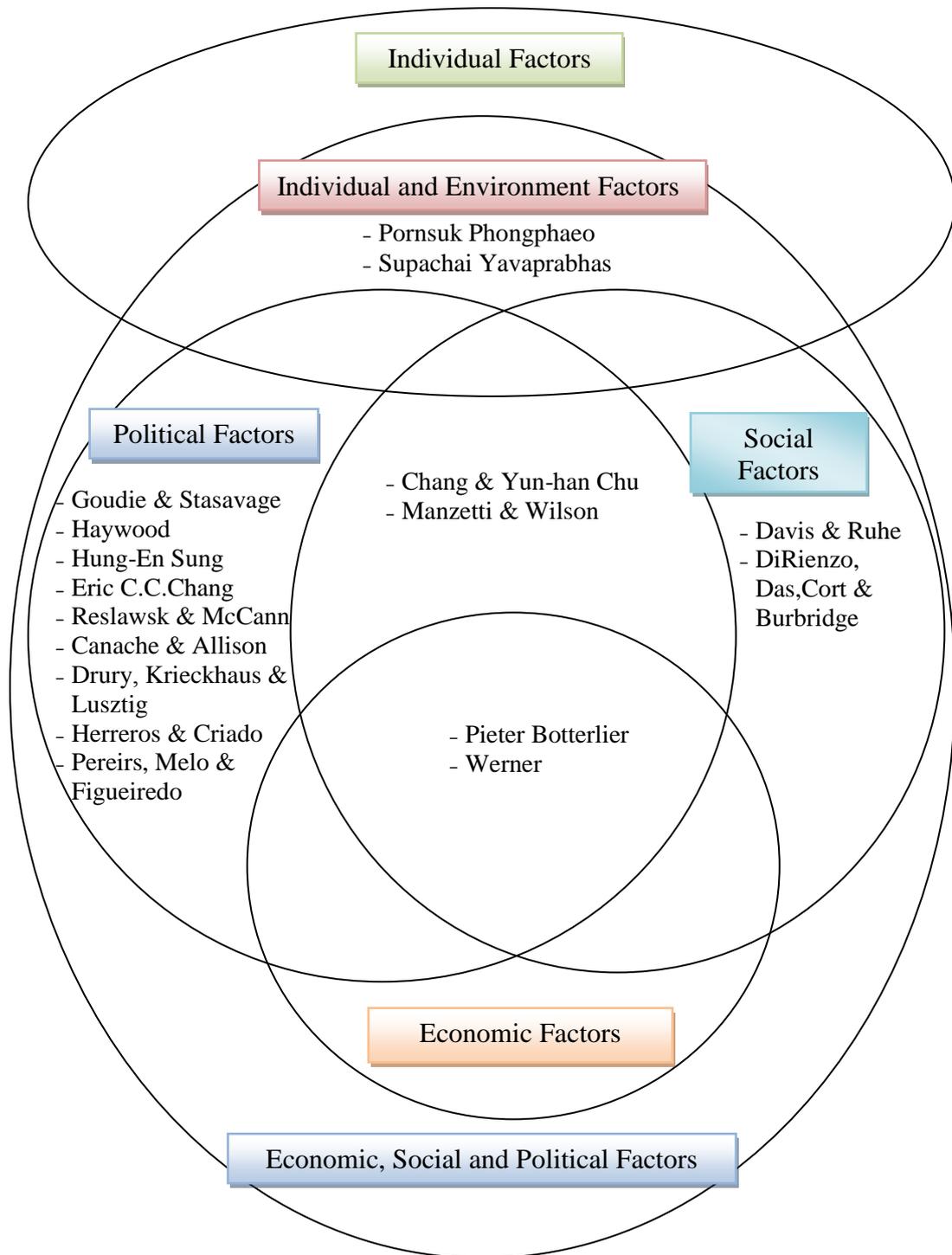
### **2.1.1 The Conceptual Framework of a Group of Scholars on the Influencing Factors and Conditions for Corruption**

The presentation of the influencing factors and conditions for corruption from the aforementioned scholars shows that each scholar has a different explanation based on various assumptions, notions, beliefs and a variety of conceptual studies.

The researcher has synthesized the conceptual framework from various scholars, such as Werner (1983); Heywood (1997); Davis and Ruhe (2003); Chang (2005); Botterlier (1998); Manzetti and Wilson (2007); Chang and Chu (2006); Pornsuk Phongphaeo (1996) and Supachai Yavaprabhas (2001)

The conceptual framework of the influencing factors and conditions of corruption of the group of scholars can be divided into five groups, as follows:

- 1) Group No.1 believes that the environment factors and individual factors are influencing factors for corruption.
- 2) Group No.2 believes that the political environment factor is related to corruption.
- 3) Group No.3 believes that political and social environment factors are related to corruption.
- 4) Group No.4 believes that the social environment factors are related to corruption.
- 5) Group No.5 believes that the social, political, and economic factors are related to corruption.



**Figure 2.1** Conceptual Framework Based on the Research of Various Scholars on the Influencing Factors and Conditions for Corruption

1) Group No.1 believes that the environment factors and individual factors are influencing factors for corruption including Pornsuk Phongphaeo (1996) and Supachai Yavaprabhas et al. (2001), Pornsuk stated that corruption is due to the causes of individual acts of corruption such as opportunities, incentives and the likelihood of avoiding any accusations and are also caused by external, environmental factors, where the external cause is closely correlated to the individual act of corruption including opportunities, incentives, and loyalty. Supachai Y. divided the causes of corruption into three main aspects: the compensation system, the institutions administration and the evaluation system of the operation.

2) Group No.2 believes that the political environment factor is related to corruption including Goudie & Stasavage, Haywood, Hung-En Sung, Reslawsk & McCann, Eric C. Chang, Canache & Alison, Drury, Kriekhaus & Lusztig, Herreros & Criado, Pereirs, Melo & Figueiredo. These scholars believe that corruption is due to the political environment factors. Heywood explained that political competition is a key factor that leads to political corruption. In other words, political competition will stimulate politicians and political parties to seek an income for the cost of political expenditures. David P. Reslawsk & James A. McCann, focused on analysis of the American voters' opinions toward political corruption which demonstrated public perception toward corruption and how such understanding affects elections.

3) Group No.3 believes that political and social environment factors are related to corruption And include Chang & Yun-Han Chu, who found that corruption clearly,affects public trust and undermines the democratic countries in Asia. Luigi Manzetti & Carole J. Wilson, stated that people in countries where government institutions are weak and patron-client relationships are strong are more likely to support a corrupt leader from whom they expect to receive tangible benefits.

4) Group No.4 believes that social environment factors are related to corruption This group includes Davis & Ruhe DiRienzo, Das, Cort & Burbridge, who tried to analyze the cultural dimension and corruption issue in each society. They believe the perception of corruption issue depends on individual characteristics, government organizations and the culture in each society. Cassandra E. DiRienzo, Jayoti Das, Kathryn T. Cort & John Burbridge Jr found that the greater the access to information there is, the lower the corruption levels.

5) Group No.5 believes that social, political, and economic factors are related to corruption. Pieter Botterlier concluded that the actual occurrence of corruption and financial fraud is determined by many factors, including cultural and moral values. The motivation to remain honest may be weakened by these six factors as follows: low civil service salaries, promotion of staff unconnected to performance, dysfunctional government budgets, loss of organizational purpose, bad examples set by senior officials or political leaders, and long established Patron-Client Relationships, in which the sharing of bribes and the exchange of favors has become entrenched. Werner stated that the causes of corruption include nine significant factors: Patron-Client Relationships, economic, social, and political inequality, the gap between social-consumerism and the ability to respond in demanding goods and services, the imbalance of power to control and intervene by Government and the imbalance of regulations. A broader scope of government roles and social welfare benefits to give greater coverage, economic shortages and inflation all lead to corrupt politicians. The weakness of the anti-corruption regime and investigation system means that leaders pay little or no attention to the corruption issue and there is also limited public knowledge about corruption.

## **2.2 The Anti-Corruption Resolutions**

The proposed anti-corruption resolutions of Thai scholars, reflecting the attitudes, notions, and beliefs about the causes of corruption, also suggest measures of resolution concepts that are based on attitudes, notions and beliefs.

The researcher presents the concepts of two important Thai scholars Kowit Phuangngam (n.d.) and Orathai Kokphon (2003) who proposed anti-corruption resolutions for Thailand's LAOs

### **2.2.1 The Concept of Kowit Phuangngam**

In the case of the Local Administrative Organization of Thailand, Kowit Phuangngam (n.d.) proposed resolutions and mechanisms to promote the anti-corruption regime in Local Administrative Organizations as follows:

- 1) To encourage government organizations and independent organizations to be effective.
- 2) To provide mechanisms promoting a strong local council.
- 3) To provide mechanisms with which civil society (the community) can strongly participate in the Local Administrative Organization.
- 4) To encourage academic institutes, civil official development institutes/ local personnel and the learning center of Local Administrative Organization which would be the place that encourages learning for the Local Administrative Organization's personnel and the community.
- 5) To provide mechanisms promoting the Local Administrative Organization's media, press and public relations section.
- 6) To strengthen the mechanisms for the associate networking to allow co-operation between the Local Administrative Organization and other associates.
- 7) To establish a Local Administrative Organization model.

### **2.2.2 The Concept of Orathai Kokphon**

Orathai Kokphon (2003) in the study of "Conflict of Interests: case study of local self-government administration organization" found that the laws and measures to prohibit conflict between self interest and public interest are not sufficient to remove the problems. Enhancing the ethics of executive officials and local council members or the lack of awareness of the conflict between self interest and public interest is a more effective measure to prevent the problem and it was also found that the monitor controls of the community is more efficient than that of government institutions. She indicated that politicians and Thai-society, overall have quite low levels of realization about the conflict between self interest and public interest. Therefore, to prevent corruption by focusing on generating awareness of politicians and also the participation of people is obviously not enough. Thus, the first stage for Thai-society is to acknowledge the conflict between self interest and public interest. The measurement has to provide a full range of laws, and the simultaneous awareness of politicians. The measurement of management problems by legal measures is necessary although currently there are enforced restrictions, including a proposal that

does not require a law by improving the procurement, the budget systems and transparency and by providing opportunities to compete fairly. However, these problems are difficult to solve because the clarity of legal measures is a mechanism that gives society a lesson as to whether such behavior is something that should not be allowed or not. However, it is clear that the legal measure is insufficient and the enforcement of the law still has plenty of weak points. Therefore, the concepts to improve and handle the issue of conflict behavior between self interest and public interest in Local Administrative Organization adopting mixed measures to create more coverage, are as follows:

1) Legal regulations: the law prohibits acts of conflicting or overlapping interests and is an important measure to achieve the clarity that can be acknowledged by society although some issues still need improving.

(1) Legal issue: a significant principle is that law should be clarified and based on the same standards.

(2) Office/ Organizations of investigation: principles of monitoring should be capable of fair and complete investigations.

2) Transparency rules and ethics promotion: Orathai stated that to prevent the conflict behavior between self interest and public interest by law alone still is not enough because legal issue are often avoided and there is also difficulty in finding strong evidence. Therefore, legal measures are required to enhance transparency and reveal the administrative process to the public as much as possible to create awareness, and establish ethical standards for politicians.

3) Public participation rules: the researcher concluded that public participation is the key to political and Local Administrative Organization accountability, but so far, the participation level of citizens in the process of benefits, and the participation level of citizens in the process of monitoring is unsatisfactory. The officers in executive positions and local council members might be able to evade the legal issues due to the difficulty of finding proof. In addition, Local Administrative Organizations should increase public participation mechanisms in the administration. The public sector should be encouraged to participate, for example, and the corrupt politicians should not be selected to serve again in the next election.

In summary, the proposal of rules and concepts in the anti-corruption resolutions of scholars are as follows. The case of Local Administrative Organizations in Thailand, by Kowit Phuangngam (n.d.) proposed measures and mechanisms to promote an anti-corruption regime in Local Administrative Organizations summarized as follows; 1) To encourage government organizations and independent organizations to be effective, which includes, 2) mechanisms promoting a strong local council, 3) mechanisms promoting civil society to strongly participate with the Local Administrative Organization, 4) to encourage academic institutes, civil official development institutes/ local personnel and the learning center of Local Administrative Organization. This will be the place that encourages learning for the Local Administrative Organizations personnel and the community, 5) mechanisms promoting Local Administrative Organization mass media, press and public relations, 6) to strengthen the mechanisms for the associate networking to enhance co-operation between Local Administrative Organizations and other associates, and 7) a to create a model of Local Administrative Organization.

Orathai Kokphon (2003) proposed laws to promote transparency and ethics in politicians and in public participation measures.

In conclusion, the researcher believes that the proposal of Kowit Phuangngam (n.d.) and Orathai Kokphon (2003), as mentioned above still have some weak points and do not provide enough coverage to solve the problems. In other words, both scholars focused on the proposal of anti-corruption measures based on the belief that "corruption is mainly caused by individual factors". Thus, trying to offer legal measures to enhance transparency, ethics, morals, and prototype institutional development or monitoring institutions, and the participation of citizens in communities was seen as necessary. Unfortunately, they overlook another significant aspect which is the environmental factors such as, economic, social, and political factors and the features of each local community.

## **2.3 Literature Review of Other Related Research**

This content presents a literature review of other related research on anti-corruption in Thailand. The researcher presents an overview of the main scholars' views. This is done to create a framework that is influenced by the concepts of Pasuk Phongpaichit, Sangsit Piriyaangsan, and Supachai Yavaprabhas who often refer to the issues and description of corruption in Thailand. The research focuses on the periods of previous government and the corruption of civil officials, who often receive funding directly from the National Anti-Corruption Commission (NACC), Office of the Civil Service Commission (OCSC).

The related research is presented chronologically as follows:

### **2.3.1 Pasuk Phongpaichit, Sangsit Piriyaangsan, Nualnoi Treerat and Sakkarin Niyomsilpa (1998)**

Pasuk Phongpaichit, Sangsit Piriyaangsan, Nualnoi Treerat, and Sakkarin Niyomsilpa (1998) studied corruption in the Thai bureaucratic system. The goal of this article was to understand the corruption in the Thai bureaucratic system and to find resolutions for this issue. This research included 3 aspects as follows: 1) analysis of problems and causes a the leak of State revenue caused by corruption in the case of value added tax (VAT), tariff concessions and public projects in the telecommunications business, 2) development of certain indicators showing the level of corruption in the bureaucracy and 3) strategic recommendations for the prevention and suppression of corruption in the government system.

The study tools consisted of the document analysis of research papers, official documents, case studies, articles, books and theses both in Thai and English, questionnaires, the focus group technique and in-depth interviews. The important discoveries are as follows:

Funds leaking from state revenue are caused by corruption; businesspersons are cheating by employing document fraud, providing information and evidence of fraud on the basis that the action that is performed by false reporting in the case of customs officials, and the state itself is part of the culture that has given money under the table as 'hot tea money'. Other issues including complex customs rules,

regulations which change frequently and are often confusing make it difficult to monitor complex networks. Some government officials conspire in the act of corruption behavior. Some government officials were found not to complete work due to the lack of experience with the corrupt behavior of businesspersons. In many cases customs officials of the State are part of the culture that has given money under the table. Other issues include complex customs rules and regulations that change frequently and are often confusing.

The issues of personnel officers, the organizational development of the computer system to be efficient and the reduction of corruption are addressed below.

In the public telecommunication businesses concession cases, the Government found that the loss of revenue that was caused by drafting unfavorable Government contracts. Businesses can seek a large amount of economic advantage by paying bribes to Government officials to obtain a monopoly in the telecommunications concession business. As a result, the State will lose revenue and consumers will pay higher service charges and receive bad service in return.

Some indicators have been developed showing the level of corruption in bureaucracy. The research team used data from the questionnaire responses in 430 business samples which indicate that it is easy to avoid taxes. This includes Value Added Tax (VAT), regular corporate tax, corporate income tax, import tax or customs duty and indicated corruption in the bureaucracy by 63 percent of the business executives in the group. For example, they have to pay "illegal money" to State agencies. A department-level government business group was investigated for example, to monitor corruption in the Customs Facilitation, Royal Thai Police, The Revenue Department, Department of Lands and Bangkok Metropolitan Administration (BMA).

To prevent and control corruption strategies, the Office of NACC should emphasize the prevention and control of corruption such as corruption cases, the bribery system, the procurement system, and agreements in auctions. Other proposals included reducing the complexity of the system and regulations, the adoption of technology to decrease the opportunities of corruption, to promote the organization, such as the communication committee, which has the role of managing an effective and transparent process in telecommunications.

### **2.3.2 Udom Rathamarit (2001)**

The research study of Udom Rathamarit (2001: abstract) regarding The Political and Bureaucratic Corruption and its Solution showed that the process of corruption in the public sector is a matter of concern for many in social, political and economic dimensions. Even nowadays, there is a huge effort to resolve corruption, but mainly as an attempt to resolve specific problem areas and thus may not cause a reduction or disappearance of this issue. In the perspective of economics, corruption is a matter of the benefits to making economic gains. Reducing the amount of benefit by increasing production “cost” or by adding “value to see risks” is considered. It is also necessary to support anti-corruption by restricting monopoly; to expand opportunities for competition as much as possible may help to fix the problem.

In terms of social and political perspectives, corruption is a matter of the differences in the class structure in society. It is also a matter of monopoly power in the Administration's welfare system. In order to solve problems in the power of political sub-divisions and the distribution of resources, it is necessary to instill new ethical values.

From a legal perspective, the problem is caused by corruption that cannot be treated as an offense because there is a gap in the law. It is necessary to modify the law to be stronger or clearer.

The purpose of this research is to attempt to identify the causes of corruption in the Thai Government and the political system by focusing on specific cases of main of procurement, of the consequences that occur, and the role and powers of, and the various obstacles facing, federal organizations which act in the suppression of corruption in the present as well as through the private sector and the mass media, which are important contributors to the prevention and suppression of corruption. To solve the problems means including the findings of this research in the application of this study.

The research components can be divided into two content sections. The first section studied the causes of corruption and procurement structures of government, as well as the process of inspection, and the impact of corruption in the procurement process of government. The problems of, and obstacles to, the prevention and suppression of corruption in government were analyzed. The second part was the

evaluation of all the studies to identify the guidelines and proposals to address corruption:

1) When considering the overall law and law enforcement that is being used in the current bureaucracy, discretion is used as a channel of corruption. For example, a person who is responsible for managing the budget uses discretion extensively in the case of the conversion of political statements or approvals for procurement by means of a special law or, in cases where there is a limit to the auditing process regarding the quality of proof to confirm the offense.

2) One obstacle to the prevention and suppression of corruption is that the systems that are currently used by the system's internal auditors or the auditing by external independent organizations do not have sufficient potential, both in terms of the efficiency of the personnel and because the organization continues to crackdown on criminals. To prevent fraud, there must be sufficient knowledge and understanding of the problems and the corruption in each case. Officials who monitor require too long a period of investigation which delays the process. A lawsuit has to be filed and processes must be followed that make the prevention and suppression of corruption slow and inefficient.

3) In addition, to address the limitations of the existing detection systems in the governmental systems, another important solution is to turn to the private sector to participate in the prevention and suppression of corruption, which researchers believe is a strategy that is the most important because corruption may not be fixed, relieved or lessened. If the action against corruption was limited to the role of only the public sector. The attention and the participation of the public, and the consequent public pressure aids the expansion of the prevention and suppression of corruption in the private sector through private enterprise mass media and as much interaction with public as possible. It is the only way to build a network system against corruption in Thai society.

The researcher supports the study of Udom Rathamarit (2001), who stated that to solve corruption issues in the Local Administrative Organization, it is necessary to repair the whole system of corruption, whether the auditing system is national, provincial, district or Local Administrative Organization. The public need to participate in auditing politicians, to identify corrupt local politicians by considering

projects that have been through the corruption process prior to it being brought into the area by ministries, departments, and the members of the House of Representatives. However, the SAO is at the end in system so investigation is required into the projects as a whole.

### **2.3.3 Supachai Yavaprabhas (2001)**

In Chula Unisearch, Chulalongkorn University (2001: abstract) Supachai Yavaprabhas, the Head of Permanent Education investigated "Corruption and Position Buying in the Government perspective" which is a complex survey research initiated by the office of the Civil Service Commission (OCSC) and received financial support from the World Bank. The purpose of this research was to study the Government's attitude towards corruption and position buying in the five main areas: 1) behavior and position buying 2) causes of corruption and position buying 3) the impact of corruption and position buying 4) measures to fix corruption and position buying.

Government officials who are the target groups are government officials from levels 4 to 11 each and every line of the main departments of the country. Inquiries were made by sending a postal questionnaire number 6345 series to the heads of the provincial and district levels of government. In addition, individual interviews with senior army officials, including the directors the director-generals in the national and provincial-levels of government were conducted, 655 responses using the query/interview questionnaire were collected by the World Bank. The inquiries and interviews collected information by individual in-depth interviews, brainstorming conferences and data from 1303 public to personal posts filed between November and July (1999) revealed the following:

#### 1) Corruption

The research found that most of the government officials said corruption is now much better than 5 years ago because prize money to expedite the service of the State, and/or to improve performance is done by a minority government officials, but they agreed that there is corruption in various forms, especially in the procurement process and the use of resources and/or State budget incorrectly as needed based on actual expenses. There are cases of incentives being offered. Officials believe that the incentives are offered to officials with the purpose to

accelerate the process. The people who encounter incentives are required to deal with the leaders first.

In a study of corruption looking at whether corruption is caused by both internal and external factors, the internal factors are the civil servants and the external factors include the environment and education. The research finding on the issue can be divided into six external factors: 1) the compensation system, 2) management authority, 3) the performance assessment system, 4) the legal regulations and various best practices, 5) the monitoring system, 6) and other reasons including traditional Thai culture, about which researchers concluded that individual factors contribute to corruption.

#### 2) Position Buying

The researcher found that half of the government officials have acted in position trading in their own department especially in rotating positions which include the Director-General / Secretary, in the case of the chief of department/ office/ center / school in the Bangkok Metropolitan Administration (BMA). These methods would be achieved through the influence of politicians and / or someone close to them. Government officials of the Bangkok Metropolitan Administration (BMA) are involved in position buying directly with authorities by exchanging financial or non-financial benefits such as continuous compensation, which means the process must allocated resources at all times and also the timing extended for positions trading arrangements.

Supphachai Yavaprabhas and other scholars proposed anti-corruption resolution measures by developing the consciousness of government officials along with human resources management system reform in order to make it transparent and completely outside any political influence including, a measure to control the use of authority because in the positions they are serving, they are able to increase benefits found outside the government system.

#### **2.3.4 Sauwanee Thairungroj et al. (2001)**

Sauwanee Thairungroj et al. (2001) studied the article of the Thailand: Business Environment and Governance Survey, on the business environment and entrepreneurs' visions toward the government service conducted from July - August

1999, by 422 entrepreneurs all over the country including Bangkok, suburban, provincial and up-town districts as samples, It divided measures based on the proportion of national income and business size and found the following:

1) The bureaucratic system of Thailand has delays and difficulties in processing. The executive organizations waste time in contacting government officials and in applying and interpreting legal regulations and issues, which account for on average 14% of the whole year's work.

2) Extra payments or bribes to government officials to facilitate contact with government officials have become a tradition in business sectors. 79% of all entrepreneurs accept that it is normal to bribe civil officials. 52% of entrepreneurs replied that they know in advance that bribes have to be paid. 25% of entrepreneurs replied that the government officials themselves demand money. Lastly, 23% replied that the entrepreneur is the one who proposes and decides the appropriate amount of money to give civil officials and most of all bribes are paid to facilitate agreement between entrepreneurs and civil officials.

3) Bribe payments or extra financial funds given to one civil official influences other government officials to demand bribes from entrepreneurs and most of the entrepreneurs do not believe that the government officials would break the regulations. Entrepreneurs can make an appointment to meet up with each authority of the organization without having to pay any bribes.

4) Considering the money, bribe or special funds paid by the business sector to various government agencies, the agency business rate payments have an annual average maximum: Customs Facilitation (60,793 THB); the Agency of State procurements (29,445 THB); the Revenue Department (19,757 THB) Electricity Authority (11,121 THB) Politicians, business-related (6,247 THB) Police (4,400 THB) Telephone Office (1,686 THB), the Judge and the Court (837 THB) and the Department of Commercial Registration (780 THB).

5) The extra funds that entrepreneurs pay correspond to the frequency of contacting the service. Businesses will pay more money if the agency is contacted frequently, except for traffic police and other police, who often are in contact with the business sector, but where the charges are not very high (average 4,399.6 THB/year). Comparing other special collection agencies, businesses most often deal with a

procurement agency of the State; 57% of the total number of calls; Politicians 44%; Traffic Police and other Police 39%; Customs Officers, 19%; Electrical Officers (contact), 18%; Revenue Officers, 13%; the Department of Commercial Registration, 12%; Telephone organization representatives, 10% and judges, and the courts, 10% of the number of calls.

6) When comparing the past three years, the amount entrepreneurs pay to the government officials in each organization,. mostly the rates will be stable whether for Customs Facilitation, state procurement organizations, the Revenue Department, the Royal Thai Police and more except for the bribes for phone lines and electrical installations fee which have decreased compared to the past three years.

7) On the issue of doing businesses with governance, in cases of the business sector experiencing problems of fair competition in auctions and bribe payments, there is an average level of perception and recognition of the news on public sector auctions, such as the qualification of those who participate in auctions, business and contracting compared to the capabilities of the businesses / companies including the completion of good services after payment.

8) To ensure that the entrepreneur will receive the contract, the majority of entrepreneurs (18%) pay a special 1-5% of the value of the contract. 11% of entrepreneurs pay 6-10% of the contract value, and 4.8% of traders pay 11-15% of the contract value.

9) Corruption in bureaucratic cycles adds cost to the business sector. If asked about the willingness to increase taxation to eliminate corruption, the business unit will be happy to pay more taxes so that corruption will be reduced by 12.5 percent.

The research of Sauwanee Thairungroj and others proposed the resolutions as mentioned above.

### **2.3.5 Nipon Poapongsakorn et al. (2001)**

This research focused on “Corruption in the Thai Public Sector: Case Study and Anti-Corruption Strategy from an Economic Perspective”. The main objectives of this research were to understand the whole process of the corruption by dividing it into two important aspects. These are corruption in the procurement quota allocation

and projects of the government sector/ the private sector, in order to reduce the a cost of the Anti-Corruption Commission by bypassing state rules, such as income tax and evasion of customs duty by education. The focus is on the issues of corruption in the procurement process caused by the high value of contracts. Furthermore, there is a link between the civil officials, politicians and businesspersons and corruption too.

One other objective aspect is to establish an action plan for countering corruption in an economic dimension. Strategies depend on results and, at the same time, education. The survey results of individual attitudes can be divided into three groups: as follows: head of household officers, businesspersons and civil officials, by Prof. Dr. Pasuk Phongpaichit & Supphachai Yavaprabhas of Chula Unisearch, Chulalongkorn University and Sauwanee Thairungroj of the Thai Chamber of Commerce University. including the seminar: “anti-corruption issues strategies in Thailand”, which was organized by the Office of the Civil Service Commission (OCSC), in two sessions on the 28<sup>th</sup> of August 2000, and again on the 5<sup>th</sup> of October 2000.

The procurement market is a market that is filling with obstacles that hinder competitors in maintaining a share. “Rental Price Economics” is used by state government officials and business persons to discourage competitors, and there are several methods, such as cooperation between government officials and business person. It is necessary to set rules on every form of government purchase of goods / services and to set rules on the qualifications of those who will be participating in state auctions or trading. If there is an auction, it is necessary to investigate competitors and discourage price manipulations. In an auction, there may be accomplices of the competitor who conspire (Co-Interest Bidder) to raise the auction price as high as possible, or if a competitor wins an auction, the auction officers seek a way to manipulating the process, particularly to get the auction job.

In some cases, corruption in the procurement process did not start from the final auction price but traces back to the project initiatives. Business has confirmed that many projects that received annual budgets are regarded as a project that is "owned", because it is a project that was born from the cooperation between government officials and businessperson who have long ties.

The study found that the rate of bribes that businesspersons must pay politicians and government officials for a procurement project has a 5-10% average rate of purchasing budget limits. An employment project will have to pay about 10-20% of the budget for employment and, in some projects, the rate paid bribes of up to a 25-40% share.

Corruption in procurement is a process that requires a network of trust between groups of people that are in the network: The politicians who oversee the State's authority high-level government officials as well as officials at the Agency's project are involved. The study found that network corruption is not limited to only those within government, but also some government officials and other people involved in the project, and budget agency approval. The benefits are approval; including projects with an additional budget approved. In addition to changing, the political position in many cases has resulted in changes to some of the larger projects, such as relocation, change characteristics of the project, as well as increasing the budget limit, etc. These changes require network support.

Nipon Poapongsakorn and others proposed an anti-corruption strategy in terms of the economic dimension. To prevent corruption behaviors, every effort must be made to limit opportunities for corruption. For example, preventing a project that does not have a benefit to society whereas improving law enforcement measures to limit the power of an authorities, adding cost to corruption; increasing the likelihood that corrupt businesses or individuals in the private sector will be blacklisted may be more effective because they are "bottom to top" strategies as opposed to a total solution administered by the Government. It is necessary to build institutions and civil organizations to support anti-corruption, as well as increase the confidence of society: Civil officials. This may encourage politicians and agencies to be honest and act in good faith to demonstrate to the public that there are more people who are honest than corrupt. Therefore, the chance of awareness prior to performing corrupt behaviors might mean a higher risk of offenders being punished by law thus, reducing the chances of corruption.

### **2.3.6 Pasuk Phongpaichit et al. (2002)**

Pasuk Phongpaichit et al. (2002) studied the issue of “Businessmen, Government and Corruption,” to understand artificial and protective concepts. The study on artificial processes in the mega projects of the government between government officials and the politicians or the civil officials, businesspersons and politicians was carried out by conducting in-depth interviews in all case studies as follows: Khlong Dan Wasted Water Management Project, Bang-Pakong Irrigation Embankment Project, Building Suvarnabhumi International Airport in “Nong Ngu Hao” Area Project, and other countries’ procurement systems experience to find a research methodology. This research methods included document reviews, focus groups and individual / in-depth interviews.

An important discovery related to this study is the turnkey, in which the owner of the project requires the contractors to complete the design and construction part independently. Even though there are some advantages to the turnkey concept as construction work will be complete very quickly,, details are not required in such a scheme which can create an opportunity for those who are corrupt to request modifications to the budget create the opportunity to make false claims of compensation from the State. In the case where villagers opposed a project, the project was much slower than the others.

The researchers found that Thai bureaucracy does not seek opportunities to benefit from the advantages of the turnkey system, instead applying the weak points of the turnkey system which creates enormous damage to society. Therefore, the government should not hire private organizations to take full responsibility in any mega project using a turnkey system unless the process of creating a system is controllable and totally clarified before hiring them to take full responsibility for a mega project.

However, the study researched three national projects by conducting in-depth interviews in all case studies as follows. Khlong Dan Wasted Water Management Project, Bang-Pakong Irrigation Embankment Project, Building Suvarnabhumi International Airport in “Nong Ngu Hao” Area Project. While this research focuses on the study of corruption in local administrative organizations, the conditions in mega projects were similar in terms of the complex pattern of corruption, including the

solutions. Although the results might be able to describe the case of mega projects,, they do not match the small cases of other forms of corruption in SAOs.

### **2.3.7 Panu Lawakul (2002)**

Panu Lawakul (2002) studied the issue of “Forms and Methods of Corruption Appearing in a Tambon Administration Organization in the Northeast,” and the purpose of the research was to present three objectives: 1) to study corruption in SAOs; 2) to understand how corruption occurs in SAOs and 3) to learn how to prevent and fix the corruption in SAOs by employing a qualitative study of the information, documents and interviews, providing insights into the key information provider who works as one of the politicians in the Northeast and those involved are also local contractors in the area and those involved in corruption in the local area, featuring a total of 12 study results.

The format varies according to the opportunities that occur. Access is limited to a group of people, most of whom are the management, which cooperates with contractors, or members of the group. Its own administrative organization, made up of several people, intends to further its own corruption to obtain benefits.

Corruption manifests itself as for example graft and incentives, which sometimes result in a link to the materials teaching aids, or repair work, including the work of decoration, or in the inspection work in construction.

Researchers have offered three measures to solve the problem 1) by cultivating awareness by conducting a serious campaign; 2) by employing management measures by amending rules and laws with more clarity about external factors and measures 3) and through environmental factors that directly affect the corruption of civil servants where a set a clear inspection processes are established as well as instilling non-corrupt values and culture.

However, some weaknesses that are important criticisms of the work were revealed and the format and method of corruption in the administration in the North East are also important.

1) The researchers chose to study only a single unit which may affect the reliability of this information because the behavior and corruption of each SAO was not the same. Depending on a variety of factors, the results varied from a preliminary

survey which shows that even the SAOs in the same district were different. There are also models or methods of anti-corruption corruption which also vary so to choose to use only a single sample unit in the unit would affect the reliability and adequacy of the information.

2) Forms of corruption have changed throughout the modern era. A study on effects might be able to describe the moments at that time, but over time, or the long-term the results may be different. The forms of corruption in SAOs have changed quickly to become more complex, more extreme and more damaging to the economy.

3) In addition, the study did not identify the factors that affect corruption. It is necessary to know the relevant factors that contribute to the analysis of the causes and seek guidelines and measures to solve the problem at the same time to facilitate corruption prevention. If the factors or causes of corruption are not known, it is not possible to determine measures to prevent the problem effectively.

### **2.3.8 Khemruedee Vanikanikul (2003)**

Khemruedee Vanikanikul (2003: Abstract) conducted an “Analysis of the Structure of Corruption Characteristics,” A case study of “Corruption and Procurement of the governances” aimed to study the issues about corruption in government procurement by comparing the original procurement and e-Procurement and the tendency to reduce the corruption by using an e-Procurement system.

The results revealed the corruption issues in the procurement process with the original model where there was the problem of bidders colluding or conspiring together (Co-Interest Bidder) 51 percent price off the opportunity to receive information on procurement. 38 percent of the compensation that is not official, 38 percent was e-Procurement system could reduce the price artificially low 20 percent compensation. Which, cannot be reduced to 3 percent, and closed the opportunity to receive information on procurement reduced 1 percent the cause because this system helps reduce the contact between entrepreneurs and officials from the parcel reveals.

Khemruedee also concluded that with the present system, e-Procurement can cause problems with corruption. Reduced corruption may cause a change in the behavior of those involved, which results from the use of this system being

transparent and producing a fairly competitive price. Reducing the illegal settlements and all prices artificially will result in the total cost of the Government procurement process being reduced.

However, the researcher does not agree with Khemruedee who said it is accepted that the system e-Procurement can cause problems with corruption, but in the end, corruption can occur anyway. In particular, a local government organization may try to circumvent the rules, such as trying to pare down the project budget limit, so that they cannot employ the e-Procurement system or there may be other forms of fraud, rather than that identified by Khemruedee. Scholars have also employed a scope that is too narrow. A specific study on the corruption issues of procurement may be inadequate as other studies have found that government agencies, particularly local government organization experience extensive corruption in several important ways only one of which is corruption in procurement. The 2<sup>nd</sup> group of fraud is in the appointment (recruitment) of local government employees, and the third group is where business interests overlap (Conflict of Interest).

### **2.3.9 Orathai Kokphon (2003)**

Orathai Kokphon (2003) studied “Conflict of Interests: A Case Study of Local administrative Organization,” and concluded that there is a conflict between private interest and public interest in federal organizations that are members of the local Council and that local executives conduct business with the local government office. There are possibilities for businesses to benefit directly through a company, a partnership or a shareholder, or indirectly through his wife or relatives or the company's agent in communications with local governments. For the conflicts between private interest and public interest a secondary public budget is used for private benefit. Apparently from the case of amended statement of the Bangkok Metropolitan Administration (BMA), council members have conflicting roles as both a user and in budget approval regardless of whether there is a conflict between private interest and the public interest. Orathai Kokphon saw that in many cases, there was a conflict between private interest and private interest as well as identifying the root causes of corruption and fraud. However, in studying the provisions of the law and enforcement it was found that only the first model of law contains provisions

explicitly prohibiting it. However, in the study, it was found that the Local Government Organization Act which prohibits access to stakeholders had several problems.

- 1) The laws of local government are overlapping.
- 2) A diagnostic interpretation of "person" is not the same in municipal administrations.
- 3) It provides opportunities to evade laws and to remove legal errors.
- 4) Law that can be used as a political tool to check the Agency's responsibilities are not strict.

Orathai concluded that corrupt behavior and the in way personal and public interest overlaps are familiar in Thai society. Nevertheless, there are no actions or serious conflicts between private interest and public benefit. There is a serious initiative in the Constitution, which encourages a political system with a transparent management system, where officials and politicians perform acts of good faith. It is responsible for government agency inspections and raising awareness of such issues, which limits the use of legal measures.

#### **2.3.10 Chinnaphong Bumrungrsup et al. (2003)**

Corruption in bureaucratic position trading was investigated (Corruption in Selling and Buying Positions in the Thai Bureaucratic System) with the purpose of studying the factors influencing corruption and the reasons/ motivations for corruption in position buying. The researcher also proposed guidelines to resolve and prevent problems with corruption in position buying in the government system by exploring the civil servants from the Ministry of the Interior 7 and those affiliated with the Ministry of Education, the Ministry of Public Health, the Ministry of Transport and Communications, the Ministry of Agriculture and Cooperatives, the Ministry of Finance and the Royal Thai Police, both at the national and regional levels. A total number of 2,668 survey results were collected and are summarized as follows:

For officials affiliated with the Royal Thai Police there are various supporting factors or reasons/ motivations for corruption in position buying while government officials affiliated with the other agencies agree that there are moderately supportive factors or reasons/ motivations. The positions trading corruption organization and

government officials generally do not agree with corruption in position buying. However, when considering opinions that are against corruption, it was found that a sample of officials affiliated with the Royal Thai Police agency commented that corruption in some things was normal, which differs from those of the civil officials' organizations.

It was also found that quite a few civil servants agree with using new criteria in the appointment/ promotion/ migration of officials and civil servants, and that there is corruption in position buying at the agency level., but when considering each issue, it was found that the majority of civil servants know that there are some people in the organization who receive or do not receive an appointment, are transferred or move position unfairly, or use the system moderately to quite a lot. From an analysis of the indicators or factors that influence corruption in position buying in government it was found that the most influential factor is the reason/ motivation for corruption in the position buying. The secondary factors were found to be the attitudes towards promotion/ appointment/ transfer, money, sex, the level of education and age.

### **2.3.11 Pairote Pathranarakul (2003)**

Pairote Pathranarakul (2003: abstract) in "Conflict of Interests: between private interest and the public interest," studied academic information and experiences about the discrepancy between individual benefits and global benefits. The patterns of the conflict were studied by collecting and developing case studies that involved conflicts to determine regulations promoting and cultivating a culture of good conduct to avoid conflicts between personal and global benefits. Moreover, qualitative and quantitative research was conducted to collect information in several areas, include in-depth interviews. Moreover, experts played an important role in professional discussion groups and informal interviews to build a picture of the data from the survey questionnaires. The study analyzed data from the media database and research from various web sites.

The study found that significant conflicts of interest is an ethical issue and contains elements that are associated with factors at both the personal level, the organization and society which are linked to cultural values and relationships in the welfare system. Particularly, a legal gap or loophole and the lack of good monitoring

systems are factors that lead to conflicts between personal interest and global benefits. There are many conflicting forms of corruption ranging from graft, the receipt of gifts to gain personal influence, using confidential relationships, and other personal relationships.

Pairote Pathranarakul (2003) concluded that guidelines are important to enhance ethical integrity. There are legal and social measures. It is necessary to reveal property, debts of senior management by disclosure (Declaration) to ensure that they are free from any conflict of interests before receiving the position. New officials supervise the task prior to the socialization processes (Process) to socialize youth and create a new generation aware of the global benefits above personal benefit. In the study, a model of the conflicts of interest, as well as the relevant factor was proposed, The view is holistic and makes policy recommendations to focus on social and monitoring measures, and makes recommendations for further study that focus on strategic auditing behavior.

### **2.3.12 Kowit Phuangngam (2006)**

Kowit Phuangngam (2006) in “Approach to Development and Anti-Corruption in Local Administration Organizations” proposed measures and mechanisms to promote the anti-corruption regime in Local Administration Organizations and is summarized as follows:

- 1) To encourage the government organizations and independent organizations to be effective which includes.
- 2) To promote mechanisms for a strong local council.
- 3) To promote mechanisms for civil society (the community) to strongly participate in the Local Administration Organization.
- 4) To encourage academic institutes, civil official development institutes / local personnel and the learning centers of Local Administration Organizations which will be the place that encourages learning for the Local Administration Organization personnel and the community.
- 5) To promote mechanisms for Local Administration Organization’s media, press and public relations sections.

6) To strengthen the mechanisms for the associate networking and co-operation between Local Administration Organizations and other associates.

7) To produce a model of the Local Administration Organization.

It was found that influence and power often resulted in fraud. Specifically, the influence and power of political parties dominated and can result in the punishment of officers or local government officials. As well as the use of influence, intimidation or discrimination is used to coerce participants involved in various project tasks. Local people do not dare to give evidence of fraud and illegality because of the significant fear factor that is evident in Thai society and culture, which the local executive authorities use in the pursuit of personal interest.

The researcher has summarized some of the important issues of Kowit Phuangngam as follows:

1) These studies aimed to reflect the conditions or behavior problems with corruption giving priority to monitor the wrong actions such as breaching regulations in explaining the corruption of civil servants. This is in part due to employees supervising work with little or no specialized knowledge, such as knowledge and understanding central pricing or procurement regulations. It was found that the head of the archives did not have knowledge of the system in practice. However, researchers believe that corruption is caused by corrupt intentions rather than ignorance or negligence of rules based on the conclusion of the Kowit Phuangngam.

2) This research describes the problem of corruption as an overview. It does not specifically explain how corruption occurs in local governments. The study investigated the level of the problem and the process characteristics at the same time with regard to corruption in each organization. There are significant differences in each area of each province.

3) Kowit Phuangngam studied data after 1997, and as a result, the data are not up-to-date and cannot completely explain the forms of fraud in the process in 2012.

### **2.3.13 The Research Works of Chergchan Chongsomchai and Vichien Tansirikongkhon (2008)**

The study was on “Corruption in Sub-District Administrative Organizations” The scope of this research is mainly focused on the appointments in positions in the SAOs of Kalasin Province. 1) To study the pattern and process of corruption in the case of appointments (recruitment) in the SAOs of the Kalasin province. 2) To study and analyze the factors that cause corruption in the SAOs, and 3) To propose guidelines and effective measures to eliminate the problem of corruption in the SAOs. The research project studied the case-specific appointments (recruitment) and study was focused on the SAOs in Kalasin province.

There are various ways to conduct a research quality review. Documents (Literature Review), as well as related websites about issues, corruption cases and cases of SAOs, including in-depth interviews (In-depth Interview) of a sample of that data can be accessed (Director of Provincial Office for Local Administration, Chief Executive of the SAO, the President of the Lawyers Council, and Members of the SAO council of the relevant local area, including the victim, from the cases that occurred in local case seminars). Focus groups that will help the researcher to see a variety of views can be used to compare and analyze the data and to test the reliability of the data according to the methodology of the research. The best data analysis is by descriptive analysis based on issues and results.

Data collected from in-depth interviews and focus group seminars show consistent opinions on the subject of corruption, There is corruption in physical forms in both public offers and in the process of being selected by the local administrative organization, and there is also corruption in larger networks. The benefits greatly impact national politicians, the specific area as well as corruption in areas that limit the attention of higher levels, which in this study was found to be the media and the public as a group for whom it is very important to present the truth about society fairly. Having a strong media and public citizens would help members of society to act in good faith. A development team will lead to sustainable development with quick, fair and thorough investigation of the organization. People want citizens to be concerned about politics, with a strong media, a steering committee and local government officials who take their duties seriously with a sense of morality.

The summarized data showed the complexity of corruption that exists in the local management system in different forms, according to the criteria or the legal gaps that require correction by the verification of the people, and there is a need to seriously examine the stakeholders.

#### **2.3.14 Research Works of Thammasat University Research and Consultancy Institute, Matalak Orungrot et al. (2011)**

Thammasat University Research and Consultancy Institute, Matalak Orungrot et al. (2011) studied the “Forms, Characters, and Risk toward corruption inside the public organization apart from bureaucracy systems.” The research found that the trend of corruption in public organizations outside the government system established by Royal Decree on public enterprise Act powers (1999) or a specific act or into special format service units all have the appearance of fraud, and are similar in three ways.

First, policy corruption including regulations, issue updates or editing existing rules in a way that is reasonable to support or benefit their own connection.

Second, structural corruption, such as the appointment of directors, with a ratio of representatives from various political parties in more than half of all committees to qualify for work recruitment despite the lack of appropriate qualifications.

Finally, corruption in the budget including residential space from the rules and regulations that require versatility as a variable in corruption or accelerated payments, according to the plan of money that is going on in covert political operations to support any enterprise or organization. Purchasing materials and equipment at prices slightly higher than the market price or for lower quality is a form of fraud that is different to past experience. 1) the complexity of the processes and methods in corruption is greater than in the past. 2) the impacts and damage occurs on a macro level, and 3) the severity of the fraud and the lack of morality is significantly greater than before.

In addition, researchers have also identified economic social and political factors as well as values. People that do not adhere to the principle of ‘sufficiency’ and the lack of awareness of the global benefits before personal benefit are external

factors influencing enterprise corruption in the past and present. While internal factors arise from the rules, regulations and the regulations of the organization, they are also important in influencing the level of corruption in each organization and can be summarizing as follows:

1) Risks arising from the structure of organizations with objectives and powers that are ambiguous or complicated. It is difficult to investigate the real power.

2) Risk factors resulting from the process of acquiring or appointing the Executive Board as well as the contribution of the Council of Representatives from all political parties, directly and indirectly. If the number of representatives on the Board of Directors of one political group is greater one, there is a greater risk of fraud.

3) Risks originating from internal affairs managed by the relative importance of risk factors including the appointment of the Vice President and Director, For the appointment of these positions, there is a gap allowing political intervention. There is a risk of fraud in this situation and there is a tendency for greater severity. It represents corruption in the management of authorities.

4) Risk factors in the budget and jobs-although it is not a risk factor, the style and format of the corruption arising from the risk factors have developed and are more complex.

In this research, researchers discovered that in addition to the problem of corruption caused by negative behavior, "management systems" are considered to be one of the mechanisms that influence fraud whether they 1) provide an enterprise management system from top to bottom, or on a vertical or horizontal plane where there is at the lack of efficiency and a lack of real independence, 2) to rule the system with internal rules and regulations, with the authority and procedural legislation of the same person as the authority in the management empowered by the lack of balance between each other, and 3) monitoring and control systems from within the organization itself and external audit organizations that lack strength.

### **2.3.15 Summary: A Review of Related Literature**

The conclusions of the main scholar on corruption in Thailand are presented. To allow a clearer understand of the core concepts, a framework has been developed which includes the main observations of Thai scholars. These researches mostly received funding directly from the NACC and the Office of the Civil Service Commission (OCSC) as follows:

1) The research of Pasuk Phongpaichit et al. (1998) addressed issues of Corruption in the Thai Bureaucratic System. The aim of this research is to build an understanding of the main problems of Thai bureaucratic system and proposes concepts to address corruption.

2) The research of Udom Rathamarit (2001) addressed the issues of Thai Political and Bureaucratic Corruption and its Solution. This research indicated that the process of corruption in the bureaucracy is related to many aspects such as various social dimensions and economic and political dimensions, even though nowadays there are many organizations including the public who try very hard to resolve the corruption issues. However, mostly only a specific aspect of corruption process is resolved; therefore, they not able to reduce or completely eliminate corruption, which is also consistent with the hypotheses of this research.

3) The research of Supphachai Yavaprabhas et al. (2001) by Chula Unisearch, Chulalongkorn University, proposed anti-corruption measures by developing the consciousness of government officials along with human resources management system reform in order to make it transparent and completely outside any political influence including measures to control the use of authority because the positions that they serve in enable them to derive increasing benefits from outside the government system. This research was initiated by NACC and received financial support from the World Bank.

4) The research of Sauwanee Thairungroj (2001) addressed the issues of Thailand's Business Environment and Governance Survey study on the business environment and the entrepreneurs' visions toward good governance.

5) The research of Nipon Poapongsakorn (2001) was a study of Corruption in the Thai Public Sector: Case Study and Anti-Corruption Strategy from an Economic Perspective. To prevent corruption behaviors every effort must be put into

limiting opportunities for corruption for example, by preventing projects that do not have a benefit to society. Therefore, the chance of awareness prior to corrupt behaviors might be rethought because there might be a higher risk for them to be punished by law thus, reducing the chance of corruption.

6) The research of Pasuk Phongpaichit et al. (2002) studied “Businessmen, Government and Corruption,” and the purpose of the research was to understand artificial and protective concepts in the mega projects of the government between the government officials and politicians or civil officials, businesspersons and politicians by conducting in-depth interviews in all case studies as follows. Khlong Dan Wasted Water Management Project, Bang-Pakong Irrigation Embankment Project, Building Suvarnabhumi International Airport in “Nong Ngu Hao” Area Project, and other countries procurement system experience to determine the research methodology. The research methods include document reviews, focus groups and individual in-depth interviews. It was found that the government should not hire private organizations to take full responsibility of any mega projects using a turnkey system until any process of creating a completed mechanism which includes controllability and totally clarification, before hiring them to take full responsibility of mega projects.

7) The research of Panu Lawakul (2002) studied the “Forms and Methods of Corruption Appearing in a Tambon Administration Organization in the Northeast,” and suggested that there is a weakness in the work. The key to the form of corruption in the sub-district of the Northeast, is the size of sampling, the researcher chose to study only one district, which affects the reliability of the data. The form of corruption changes according to the age the results as time passes, the style or approach to corruption in Sub-districts has changed dramatically. Moreover, sophisticated additional factors have not been studied as to their affect on corruption. So it is necessary to determine the factors associated with the causes and to seek measures to prevent and fix corruption. If the factors or causes of corruption are not known, it is not possible to find measures to prevent the problems effectively.

8) The research of Khemruedee Vanikanikul (2003) attempted to “Analyze the Structure of Corruption Characteristics,” to study government procurement corruption by comparing electronic procurement with the original procurement systems including the trend of reducing acts of corruption by using e-Procurement.

9) The research of Orathai Kokphon (2003) studied "Conflict of Interest: A Case Study of Local Administrative Organizations". The researcher found that the laws and measures to prohibit conflicting self interest and public interest are not sufficient to eliminate any problems. The ethics of executive officials and local council members and the lack of awareness on conflicting self interest and public interest are more effective in preventing the problem, and it was also found that the monitoring controls of the community are more efficient than government institutions. She indicated that politicians and Thai-society have quite low level of realization about the conflict between self interest and public interest. Therefore, to prevent corruption by focusing on enhancing the awareness of politicians and the participation of people alone are obviously not enough. Thus, first stage is for Thai-society to acknowledge the conflict between self interest and public interest. The measures have to provide a full range of legal measures, the simultaneously increase the awareness of politicians. The measure of managing problem by legal measures is necessary although currently there are enforced restrictions including a proposal that does not require a law by improving the procurement, the budget systems, and the transparency and by providing opportunities to compete fairly. These problems are difficult to solve and clear legal measures are mechanisms that give the society a lesson as to whether such behavior is something that should not be done or is illegal. However, it is clear that legal measures are insufficient and that law enforcement still has plenty of weak points. Therefore, the concepts to improve and handle the issue of conflict between self interest and public interest can be achieved by adopting mixed measures to create more coverage. However, there is some weak points and there is not enough coverage to solve the problems. In other words, both scholars focused on the proposed of anti-corruption resolution measures bases on the belief that "corruption is mainly caused by individual factors". Thus, it is advisable to offer legal measures that are transparent, ethical and moral, and a prototype of institutional development or for monitoring institutions, while also encouraging the participation of local citizens. Unfortunately, another significant aspect was overlooked in terms of the environmental, economic, social, and political factors that also feature in each local community.

10) The research of Chinnaphong Bumrunsup et al. (2003) studied “Corruption in Selling and Buying Positions in the Thai Bureaucratic System.” The objective of this research was to study the factors that facilitate / motivate corruption in buying positions of civil officials, about moving the positions of civil officials, corruption in organizations, the factors that influence corruption and proposals about corruption resolution in position buying.

11) The research of Pairote Pathranarakul (2003) studied “Conflicts of Interest.” The objective of this research was to study the conflict between private interest and public interest. The focus groups of this research are people in the field of government and governance officers who are separated in terms of education and experience on the conflict between private interest and a public interest and the forms of conflict of interest.

12) The research of Kowit Phuangngam (2006) studied “Approaches to Development and Anti-Corruption in Local Administration Organizations.” This research reflects the conditions and issues of corruption in Local Administration Organization.

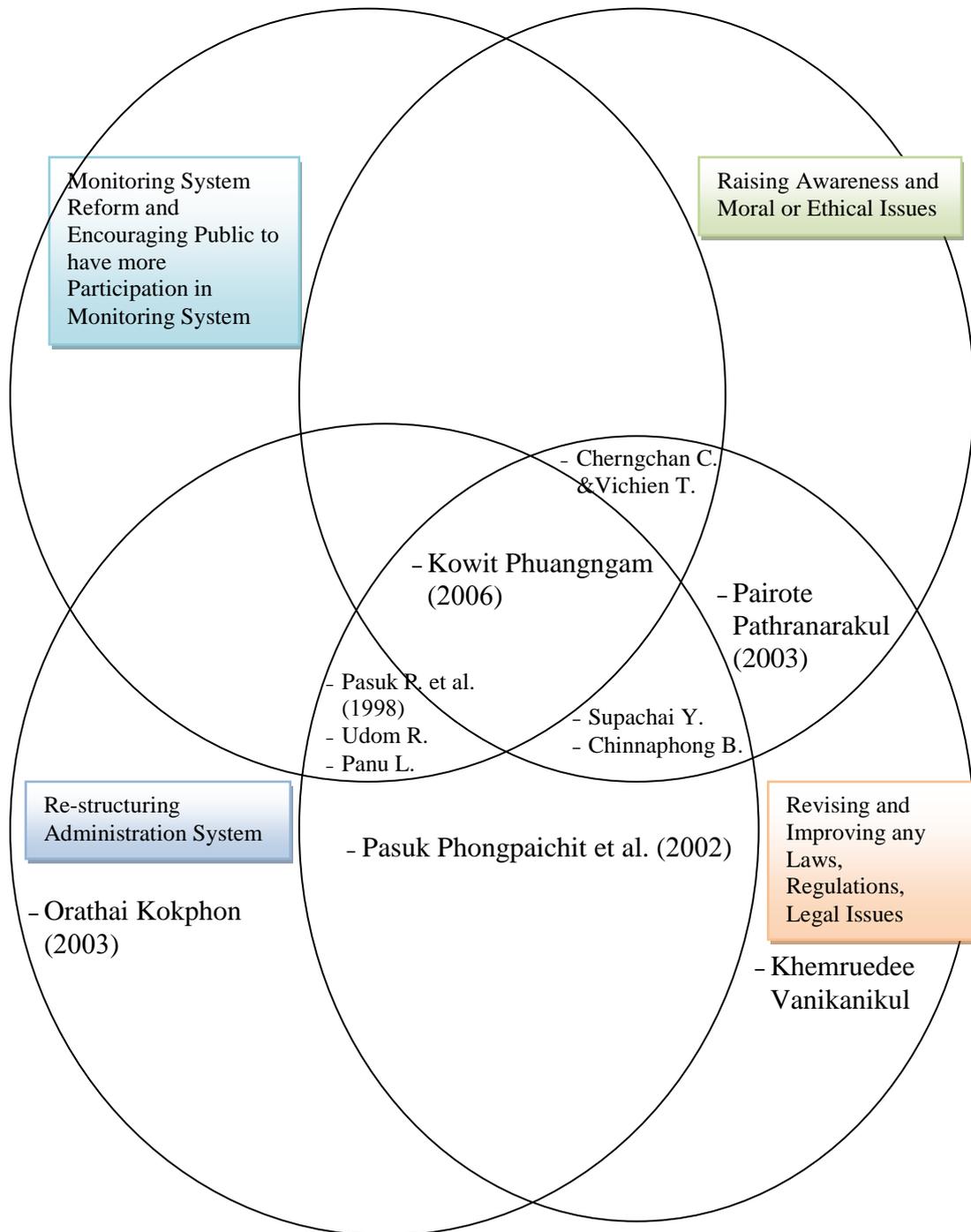
13) The research of Chergchan Chongsomchai and Vichien Tansirikongkhon (2008) studied “Corruption in Sub-District Administrative Organizations”. The scope of this research is mainly on the position appointees of the SAOs in Kalasin Province.

14) The research of Thammasat University Research and Consultancy Institute, Matalak Orungrot et al. (2011) in co-operation with Thammasat University Research and Consultancy Institute studied “Forms, Characters, and Risk toward corruption inside public organizations apart from bureaucratic systems.” The results showed that there is a tendency for corruption inside public organizations apart from bureaucratic systems established by virtue of the public organization decree in the Act of 1999, another particular act, or a special form of service unit. These are all similar characteristics of corruption.

### **2.3.16 A Summary of the Conceptual Framework of the Anti-Corruption Resolutions of the Thai Bureaucracy from the Review of Literature**

From the study of the concepts of various scholars that describe anti-corruption resolutions, the results can be divided into four concepts:

- 1) Concept: Monitoring system reform and encouraging the public to have more participation in the monitoring system
- 2) Concept: Raising awareness on moral or ethical issues
- 3) Concept: Re-structuring the administration system
- 4) Concept: Revising and improving any laws, regulations, legal issues related to the concepts



**Figure 2.2** A Summary of the Conceptual Framework of the Anti-Corruption Resolutions of the Thai Bureaucracy from the Review of Literature

The researcher has divided the anti-corruption resolutions into eight groups of resolutions as follows:

1) The 1<sup>st</sup> group recommended re-arranging and the administration system; Orathai Kokphon (2003) proposed that conflicting or overlapping acts are a tradition in Thailand as are the limitations of legal measures. Thailand should consider the formation of transparent political and administrative systems.

2) The 2<sup>nd</sup> group recommended revising and improving any related legal issues; Khemruedee Vanikanikul (2003), supported the e-Procurement system adaptation. Khemruedee Vanikanikul stated that it helps to decrease corruption including changes in corrupt behavior. The strong points of this system are in enhancing transparency in politics, getting a fair, competitive price, and reducing illegal settlement issues (under table payments) and artificial pricing, all of which will reduce total cost in the government procurement process. However, the researcher does not agree with Khemruedee Vanikanikul's idea that it is acceptable to adopt an e-Procurement system which might help to decrease corruption or make it more difficult for corrupt individuals. However, the procedure itself still has some leaks, which is why corruption continues to occur.

3) The 3<sup>rd</sup> group recommended revising and improving the administration systems, and any related legal and regulation issues. Pasuk Phongpaichit et al. (2002) indicated that Thai bureaucracy still does not seek opportunities to use turnkey systems, instead only experiences the weak points of the turnkey system, which create enormous damage to society. Therefore, the government should not hire private organizations to take full responsibility for any megaprojects using a turnkey system until any process of creating completed mechanisms which are controllable and totally clarified have been put into place before hiring them to take fully responsibility for mega projects.

4) The 4<sup>th</sup> group recommended cultivating awareness and morality, and that all legal regulations and related issues should be revised and improved. Pairote Pathranarakul (2003) proposed that the important key concepts include building virtue ethics, laws or legal measures and society measures, to view all property and debts in a statement viewable by the public without any disclosure issues. To supervise the task of a socialization process for the new government

officials prior to entering a real working process in order to raise a new generation with the awareness that public benefits always come before self interest.

5) The 5<sup>th</sup> group recommended monitoring system reform and encouraging the public to have more participation in the monitoring system combined with raising awareness on moral or ethical issues and any related legal and regulation issues. Chergchan Chongsomchai and Vichien Tansirikongkhon (2008) proposed that the law should always be updated, and improved to cater for each situation and that personnel development will lead to sustainable development, and that the investigation organizations should have an active and deliberate investigation process, with wide coverage and genuine integrity. The public should be enthusiastic about politics and there should be strong media.

6) The 6<sup>th</sup> group, Pasuk Phongpaichit et al. (1998); Udom Rathamarit (2001) and Panu Lawakul (2002) recommended monitoring system reform and encouraging the public to have more participation in the monitoring system combined with revising and improving any related legal and regulation issues including re-arranging and improving the administration system.

In particular, Udom Rathamarit (2001) indicated that the process of corruption in bureaucracy is related to many aspects for example, various social, economic and political dimensions. However, mostly only a specific aspect of corruption process is resolved[ therefore, they not able to reduce or completely eliminate corruption, which is also consistent with the hypotheses of this research.

7) The 7<sup>th</sup> group, Supachai Yavaprabhas et al. (2001) and Chinnaphong Bumrungrsup et al. (2003) recommended raising awareness on moral or ethical issues combined with re-arranging and improving the administration system, and also by revising and improving any related legal, and regulation issues.

Supachai Yavaprabhas and his research team proposed corruption resolution measures by creating awareness of government officials together with re-arranging and improving the administration systems to be transparent without any political influence to the control measures.

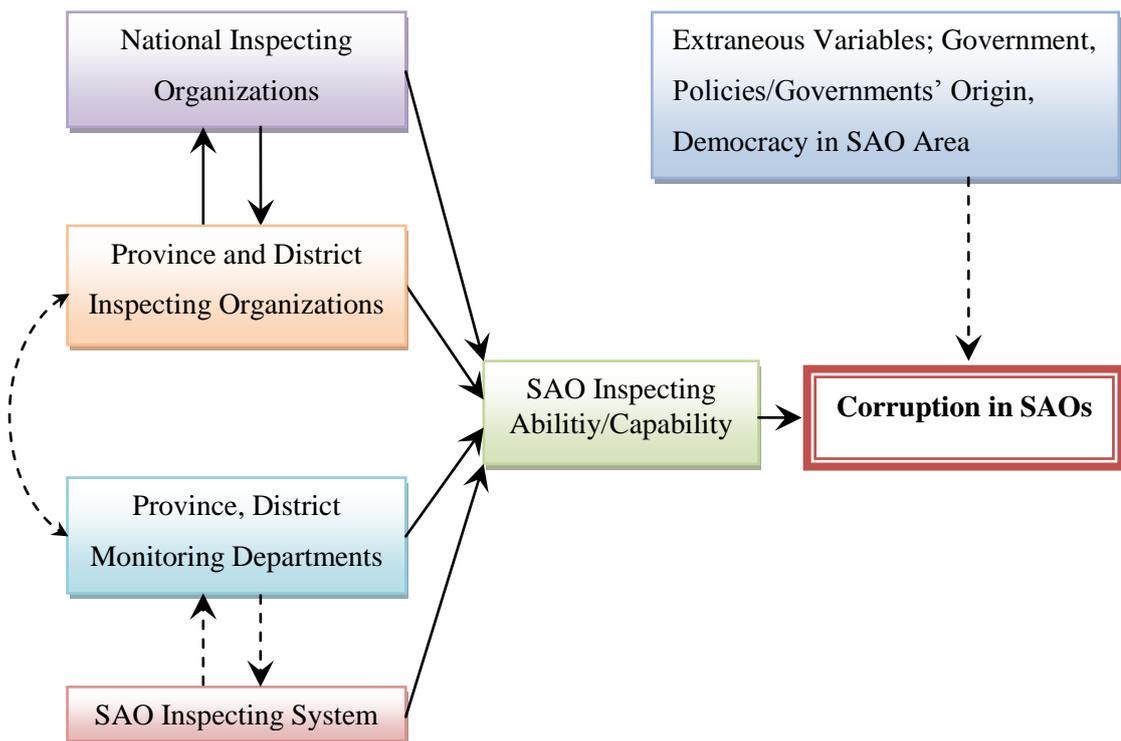
8) The 8<sup>th</sup> group recommended all four concepts which should combine monitoring system and encouraging the public to have more participation in the monitoring system, raising awareness, on moral or ethical issues, re-arranging the

administration system, and revising and improving any laws regulations, and legal issues related frto the concepts as supported by Kowit Phuangngam (2006).

## 2.4 Summary of the Conceptual Framework

This research aims to investigate the anti-corruption regime in Thailand, the forms of the anti-corruption regime in subdistrict administrative organizations (SAO) including the problems of the anti-corruption regimes of SAOs. In particular, for the investigation of organizational performance and the organization of the administration that operates local self-government.

The research summary of the conceptual framework is shown in Figure 2.3



**Figure 2.3** A Conceptual Framework

1) To check the monitoring system at a national level, the NACC plays a very important role in monitoring the SAOs.

2) To check the monitoring system at a provincial/district level the NACC Provincial, the Office of the Auditor General of Thailand (Regional Special Audit Office), the Provincial Damrongtham Center, the District Damrongtham Center, the Good Governance Commission (Provincial), play important roles.

3) To check the monitoring system in local government, the SAO Council, Internal auditing system and Internal Auditors perform this function.

These three monitoring systems affect the efficiency of performance. The effectiveness of anti-corruption measures in the related organizations and acts of corruption were found to directly relate to the government's policies the form of democracy administration in local areas, where the electoral mechanism is used to punish corrupt politicians.

Some of the policies cause corruption in SAOs such as the case of the coup d'état on September 19, 2006. All of the monitoring systems of organizations stopped immediately. All the pending cases of the local self-government were forwarded to the provincial, district offices to investigate and it gave rise to a lot of lobbying to withdraw those cases.

## **CHAPTER 3**

### **METHODOLOGY**

The objectives of the research on ‘The Anti-Corruption Regime and Corruption Resolutions in Local Self-Government: A Case Study of Subdistrict Administrative Organizations (SAOs) in the Southern Part of the Northeastern Region of Thailand Research are: 1) To study the forms of corruption in a Subdistrict Administrative Organization (SAO), 2) To study the anti-corruption regime in Thailand and, 3) To determine the difficulties in curbing -corruption in a Subdistrict Administrative Organization (SAO).

As a qualitative research, the method involves in-depth interviewing from 63 subjects that are able to provide key informants; the minority method focuses on the document data of accusations, testimony and interrogation in corruption cases by the National Anti-Corruption Commission (NACC).

#### **3.1 Research Methodology**

This research employs a qualitative research tool to collect the data by using the following sources.

##### **3.1.1 Document Research**

Data from document research sources can be divided into two categories;

3.1.1.1 Primary Data Information (Primary Sources) includes documents, records, and reports that are relevant to the cases and the pursuit of corruption of SAOs in the Northeast as follows:

1) The NACC statistics on reported corruption cases, corruption allegations, especially those which reached a verdict and were under

investigation; the data from the Office of the Auditor General of Thailand (OAG) on corruption cases in selected provinces.

2) Documentation containing the characteristics of corruption from local politicians, government officers, and employees of SAO.

3) Statistics of local politicians, government officers, and SAO employees who were charged with corruption during 1997-2013. (Available data until September 2013)

4) Information of a 3 year subdistrict development plan, annual expenditure funds, a 3 year procedural plan, and a 4 year recruitment plan from the fiscal year 2011-2014 of the selected SAOs.

3.1.1.2 Secondary Data Information (Secondary Sources), including news, articles, conference proceedings, and related research.

### **3.1.2 In-Depth Interviews**

Interviews including 63 subjects provide the key informants for this research, which can be divided into 5 groups.

1) Directors of Anti-Corruption Monitoring Groups in Local Administrative Organizations serving in important positions as follows: Office of the National Anti-Corruption Commission, (NACC), Office of the National Anti-Corruption Commission, (NACC) in Ubon Ratchathani, Office of the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province), the Good Governance Commission in Ubon Ratchathani Province.

2) Supervisors of SAO Groups including District Chief Officer, Assistant District Chief Officer, Director of Provincial Office for Local Administration and Chief of District Office for Local Administration.

3) Chief Executives of the SAO Group including Chief Executive of the SAO, Deputy Chief Executive of the SAO, former Chief Executive of the SAO and former Deputy Chief Executive of the SAO.

4) Government officers and employees of SAOs including Chief Administrator of the SAO, Chief of the Office of the Subdistrict Administrative Organization, Director of the Division of Technician, Director of the Division of Financial, Financial Administrative Officer, Civil Works Chief Technician, Supplies

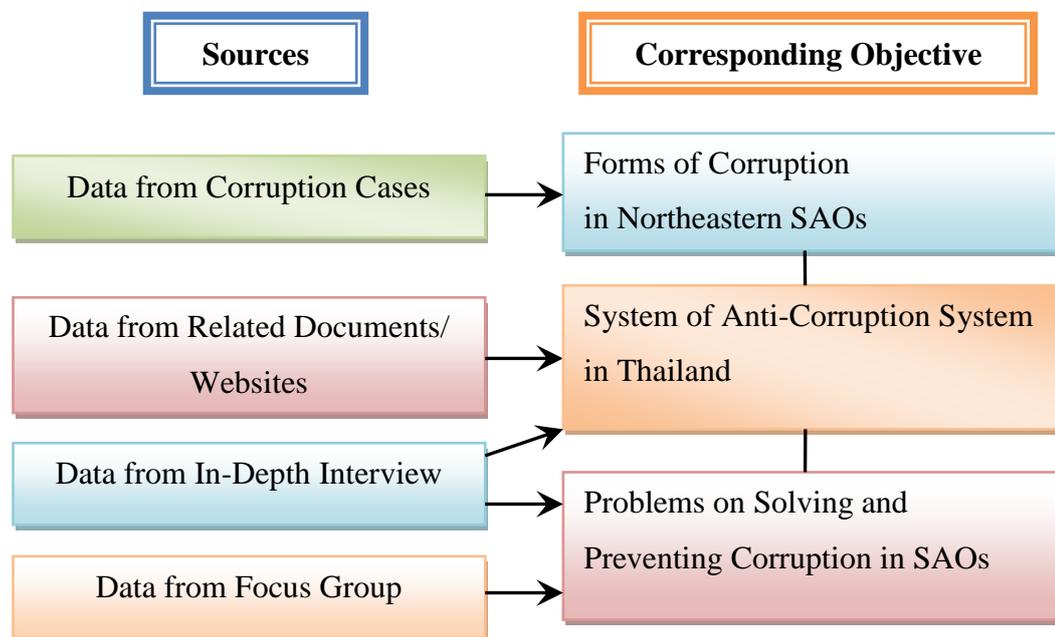
Officer, Finance and Accounting Technical Officer, Policy and Plan Analyst, Personnel Officer, Acting Education Technical Officer, Personnel Officer, Finance and Accounting Officer, Assistant Finance and Accounting Officer and Assistant Revenue Collecting Officer.

#### 5) Constructors and Related Organizations

Using specific survey / purposive or judgmental samplings as a research tool, the focus group will be the one that is accessible to the researcher. The focus group must be willing to reveal the direct information which is supported by documentary evidence to ensure reliability.

### 3.1.3 Focus Groups

Information data will be collected from Focus Group meetings by sharing key information such as exchanging and monitoring processes, forms of corruption in SAOs among themselves (case study: SAO in Ubon Ratchatane Province).



**Figure 3.1** Sources and Corresponding Objective Framework

### 3.2 Research Areas

Research on the Anti-Corruption Regime and Corruption Resolutions in Local Self-Government: A Case Study of Sub-District Administrative Organizations (SAO) in the Southern Part of Northeastern Region of Thailand. The researcher has divided the scope of the research into 2 groups:

1) Group No.1: To study forms of corruption in SAOs in the southern part of the northeastern region of Thailand. (Corresponding with the 2<sup>nd</sup> research objective)

The data analysis focuses on corruption cases which will be analyzed based on accusations made by the NACC Commission to the SAOs in the Northeast including all 20 provinces; Kalasin, Khon Kaen, Chaiyaphum, Nakhon Ratchasima, Nakhon Phanom, Buriram, Buengkan, Maha Sarakham, Mukdahan, Yasothon, Roi Et, Loei, Sakonnakhon, Surin, Sisaket, Nong-Khai, Nong-Bua-Lamphu, Udonthani, Ubon Ratchathani and Amnat-Charoen.

2) Group No.2: To study the problems of solving and preventing corruption in SAOs in the southern part of the northeastern region of Thailand. (Corresponding with the 3<sup>rd</sup> research objective)

A purposive sampling technique was applied to sample the SAOs to be the research area from SAOs and related inspected organizations in Ubon Ratchathani and its neighborhood as to fit with the research objectives and to be able to access the data precisely by studying those SAOs where there were corruption cases, which tended to have corruption cases, or any other related issues.

Ubon Ratchathani province has been divided into 25 districts, 219 subdistricts and 2,469 villages. The districts are Mueang Ubon Ratchathani, Si Mueang-Mai, Khong Chiam, Khueang Nai, Khemarat, Det Udom, Na Chaluai, Nam Yuen, Buntharik, Trakan Phuet Phon, Kut Khaopun, Muang Sam Sib, Warin Chamrap, Phibun Mangsahan, Tan Sum, Pho Sai, Samrong, Don Mot Daeng, Sirindhorn, Thung Si Udom, Na Yia, Na Tan, Lao Suea Kok, Sawang Wirawong and Nam Khun.

At the end of 2011, General Register Office, Department of Provincial Administration concluded that there were 1,816,057 people in Ubon Ratchathani province; 911,101 male and 904,956 female.

The Local Administrative Organization in Ubon Ratchathani consists of one office of the Provincial Administrative Organization (PAO), 45 offices of the Municipalities, and 195 offices of Subdistrict Administrative Organization (SAO). (The details are shown in Table.3.1)

**Table 3.1** Number of Local Administrative Organizations in Ubon Ratchathani

<b>Local Administrative Organization in Ubon Ratchathani</b>		<b>Total</b>
Provincial Administrative Organization (PAO)		1
Municipality	City Municipality	1
	Town Municipality	4
	Subdistrict Municipality	40
Subdistrict Administrative Organization (SAO)		195
<b>Total</b>		<b>241</b>

**Sources:** Bureau of System and Organization Structure Development, Department of Local Administration, 2013.

### 3.3 The Selected Sample Interviews

The selected sample interviews were 63 key informants as follows:

1) Seven Persons of the inspecting group from the Office of the National Anti-Corruption Commission (NACC), The Office of NACC Provincial Office (Ubon Ratchathani), Office of the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province), the Good Governance Commission in Ubon Ratchathani Province.

2) 11 Supervisors of SAOs such as District Chief Officer, Assistant District Chief Officer, Provincial Office of the Department of Local Administration, and Sub-district Office of the Department of Local Administration.

3) 22 Executive Officers of SAOs including the Chief Executive of the SAO, Deputy Chief Executive of the SAO, former Chief Executive of the SAO and former Deputy Chief Executive of the SAO.

4) 19 Government officers and employees of SAOs including the Chief Administrator of the SAO, Chief of the Office of the SAO, Director of the Division of Technician, Director of the Division of Financial, Financial Administrative Officer, Civil Works Chief Technician, Supplies Officer, Finance and Accounting Technical Officer, Policy and Plan Analyst, Personnel Officer, Acting Education Technical Officer, Finance and Accounting Officer, Assistant Finance and Accounting Officer and Assistant Revenue Collecting Officer.

5) 4 Constructors and Related Organizations including businessmen, contractors, or stakeholders and other related persons such as researchers and scholars who are able to provide information about corruption in Ubon Ratchathani.

**Table 3.2** Name List of Persons from the Inspecting Group

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
1	Mr. Klanarong Chanthick	The National Anti-Corruption Commission,	Office of the National Anti-Corruption Commission (NACC)
2	Prof. Dr. Medhi Krongkaew	Former National Anti-Corruption Commission,	Office of the National Anti-Corruption Commission (NACC)
3	Mr. Chanchai Ponsri	Director of the Office of NACC Provincial Office (Ubon Ratchathani)	NACC Provincial Office (Ubon Ratchathani)
4	Mr. Teerawat Pimpan	Aniti-corruption Officer, (Practitioner Level) The Office of NACC Provincial Office (Ubon Ratchathani)	NACC Provincial Office (Ubon Ratchathani)
5	Mr. Chandej Weerakul	Director of the Investigation Group (Auditor Officer, Senior Professional Level)	Office of the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province)
6	Mr. Ahiphu Chanawathi	Auditor Officer (Professional Level)	Office of the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province)

**Table 3.2** (Continued)

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
7	Mr. Sommart Malila	The Good Governance Commission, Ubón-Ratchathani Provincial	The Good Governance Commission, Ubón Ratchathani Provincial

**Table 3.3** Name List of Chief Directors of SAOs

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
1	Mr. Suvinai Janthip	Chief of the Group of Legal Affairs and Petition, Provincial Office for Local Administration, Ubon Ratchathani Province	Provincial Office for Local Administration, Ubon Ratchathani Province.
2	Mr. Kritchai Silaparaya	Local Administration Promotion Officer (Senior Professional Level) Group of Legal Affairs and Petition	Provincial Office for Local Administration, Ubon Ratchathani Province.
3	Mr. Wanchai Janporn	Director of Sisaket Provincial Office for Local Administration	Provincial Office for Local Administration, Sisaket Province.
4	Mr. Pitch Pesatcha	Chief of Det Udom District Office for Local Administration, Ubon Ratchathani Province	District Office for Local Administration, Det Udom District, Ubon Ratchathani Province.
5	Mr. Jatuporn Supitchayaporn	Local Administration Inspector	District Office for Local Administration, Muang Sam Sib District, Ubon Ratchathani Province.

**Table 3.3** (Continued)

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
6	Mr. Tanachai Tarakajud	The Central Committee on Subdistrict Administrative Organization for Personnel (Expert)	Provincial Office for Local Administration, Ubon Ratchathani Province.
7	Mr. Virojch Vichai boon	District Chief Officer, Warin Chamrap District, Ubon Ratchathani Province.	Department of Provincial Administration, Ministry of Interior
8	Mr. Sethakarn Thipsuvan	District Chief Officer, Det Udom District, Ubon Ratchathani Province.	Department of Provincial Administration, Ministry of Interior
9	Mr. Tathaporn Sompong	Assistant District Chief Officer (Governing Officer, Senior Professional Level) Det Udom District, Ubon Ratchathani Province.	Department of Provincial Administration, Ministry of Interior
10	Miss Siriwan Khunmee	Assistant District Chief Officer (Governing Officer, Professional Level) Det Udom District, Ubon Ratchathani	Department of Provincial Administration, Ministry of Interior

**Table 3.3** (Continued)

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
11	Mrs. Duangporn Kunakornwong	Assistant District Chief Officer, Det Udom District, Ubon Ratchathani Province.	Department of Provincial Administration, Ministry of Interior

**Table 3.4** Name List of Executive Officers of SAOs

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
1	Mr. Tien Plangrit	Chief Executive of the SAO	Yangkheenok Subdistrict Administrative Organization, Khueang Nai District, Ubon Ratchathani Province.
2	Mr. Chang Fakathong	Chief Executive of the SAO	Thatnoi Subdistrict Administrative Organization, Khueang Nai District, Ubon Ratchathani Province.
3	Mr. Somnade Weawkhum	Chief Executive of the SAO	Pa-Ao Subdistrict Administrative Organization, Mueang Ubon Ratchathani District, Ubon Ratchathani Province.

**Table 3.4** (Continued)

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
4	Mr. Prasert Natjaroenrat	Chief Executive of the SAO	Nong-Om Subdistrict Administrative Organization, Thung Si Udom District, Ubon Ratchathani Province.
5	Mr. Suvit Thani	Chief Executive of the SAO	Cheethuan Subdistrict Administrative Organization, Khueang Nai District, Ubon Ratchathani Province.
6	Mr. Pairaj Keela	Chief Executive of the SAO	Phana Subdistrict Administrative Organization, Phana District, Amnat Charoen Province.
7	Mr. Boonma Sribura	Chief Executive of the SAO	Samrong Subdistrict Administrative Organization, Tan Sum District, Ubon Ratchathani Province.
8	Mr. Paiboon Pimrath	Chief Executive of the SAO	Don Mot Daeng Subdistrict Administrative Organization, Don Mot Daeng District, Ubon Ratchathani Province.
9	Mr. Niyom Phramayday	Chief Executive of the SAO	Kham Hai Yai Subdistrict Administrative Organization, Don Mot Daeng District, Ubon Ratchathani Province.
10	Mr. Samarn Keawwong	Chief Executive of the SAO	Tha-Mueang Subdistrict Administrative Organization, Don Mot Daeng District, Ubon Ratchathani Province.

**Table 3.4** (Continued)

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
11	Mr. Jittakorn Pimpakdee	Chief Executive of the SAO	Yang Yo Phap Subdistrict Administrative Organization, Muang Sam Sib District, Ubon Ratchathani Province.
12	Mr. Umnuay Suwamart	Chief Executive of the SAO	Rainoi Subdistrict Administrative Organization, Mueang Ubon Ratchathani District, Ubon Ratchathani Province.
13	Mr. Somkit Kairmaram	Deputy Chief Executive of the SAO	Pa-Ao Subdistrict Administrative Organization, Mueang Ubon Ratchathani District, Ubon Ratchathani Province.
14	Mrs. Rossukon Sangsawang	Deputy Chief Executive of the SAO	Thatnoi Subdistrict Administrative Organization, Khueang Nai District, Ubon Ratchathani Province.
15	Mr. Thongsai Sang-Uthai	Deputy Chief Executive of the SAO	Laodang Subdistrict Administrative Organization, Don Mot Daeng District, Ubon Ratchathani Province.
16	Mr. Jakkrapat Suttikarnpakorn	Deputy Chief Executive of the SAO	Nadee Subdistrict Administrative Organization, Mueang Surin District, Surin Province.

**Table 3.4** (Continued)

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
17	Mr. Udon Buthaphong	Former Chief Executive of the SAO	Khoksaard Subdistrict Administrative Organization, Nam Khun District, Ubon Ratchathani Province
18	Mr. Kongsoon Saiweaw	Former Chief Executive of the SAO	Phaeng Yai Subdistrict Administrative Organization, Lao Suea Kok District, Ubon Ratchathani Province.
19	Mr. Kampha Chur-Khung	Former Chief Executive of the SAO	Thung Thoeng Subdistrict Administrative Organization, Det Udom District, Ubon Ratchathani Province.
20	Mr. Kumdaeng Getchat.	Former Chief Executive of the SAO	Huayyang Subdistrict Administrative Organization, Khong Chiam District, Ubon Ratchathani Province.
21	Mr. Boonlert Phonglasri	Former Deputy Chief Executive of the SAO	Banthai Subdistrict Administrative Organization, Khueang Nai District, Ubon Ratchathani Province.
22	Mr. Prasert Tilabal	Former Deputy Chief Executive of the SAO	Khoksaard Subdistrict Administrative Organization, Nam Khun District, Ubon Ratchathani Province.

**Table 3.5** Name List of Government Officers and Employees of SAOs

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
1	Mrs. Ratre Pratarn	Chief Administrator of the SAO,	Nong-Om Subdistrict Administrative Organization, Thung Si Udom District, Ubon Ratchathani Province.
2	Mrs. Jariyaporn Karin	Chief Administrator of the SAO,	Jikdu Subdistrict Administrative Organization, Hua Taphan District, Amnat Charoen Province.
3	Mr. Thanit Seng-Sai	Chief Administrator of the SAO,	Sangthonoi Subdistrict Administrative Organization, Hua Taphan District, Amnat Charoen Province.
4	Mr. Chaiwat Sawasdisri	Chief of the Office of the Subdistrict Administrative Organization, Office of the Chief Administrator of the SAO	Nasamai Subdistrict Administrative Organization, Trakan Phuet Phon District, Ubon Ratchathani Province.
5	Mr. Sattaya Kamolruak	Director of the Division of Technician	Yangkheenok Subdistrict Administrative Organization, Khueang Nai District, Ubon Ratchathani Province.
6	Mrs. Porntip Wannatawee	Director of the Division of Financial	Yangkheenok Subdistrict Administrative Organization, Khueang Nai District, Ubon Ratchathani Province.

**Table 3.5** (Continued)

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
7	Miss On Uma Srisuanjik	Financial Administrative Officer	Srisook Subdistrict Administrative Organization, Khueang Nai District, Ubon Ratchathani Province.
8	Mr. Anusitd Saikew	Civil Works Chief Technician	Lamduan Subdistrict Administrative Organization, Krasang District, Buriram Province.
9	Mrs. Natkritta Nontawan	Supplies Officer	Phana Subdistrict Administrative Organization, Phana District, Amnat Charoen Province
10	Mrs. Suphenporn Namwat	Finance and Accounting Technical Officer	Pradu Subdistrict Administrative Organization, Samrong District, Thap Surin Province
11	Mrs. Saowapa Phawang	Policy and Plan Analyst	Pao Subdistrict Administrative Organization, Trakan Phuet Phon District, Ubon Ratchathani Province
12	Mr. Santiraj Phawang	Personnel Officer	Pao Subdistrict Administrative Organization, Trakan Phuet Phon District, Ubon Ratchathani Province
13	Miss Kittiyaporn Sitthitham	Personnel Officer	Yangkheenok Subdistrict Administrative Organization, Khueang Nai District, Ubon Ratchathani Province

**Table 3.5** (Continued)

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
14	Mrs. Duangporn Moung-On	Acting Education Technical Officer	Sawai Subdistrict Administrative Organization, Mueang Surin District, Surin Province
15	Mrs. SawangJit Seub-Bhut	Personnel Officer	Laobok Subdistrict Administrative Organization, Muang Sam Sib District, Ubon Ratchathani Province
16	Mrs. On Hatho	Supplies Officer	Khoksaard Subdistrict Administrative Organization, Nam Khun District, Ubon Ratchathani Province
17	Mrs. Chureeporn Thawarom	Finance and Accounting Officer	Saimoon Subdistrict Administrative Organization, Phibun Mangsahan District, Ubon Ratchathani Province.
18	Mrs. Prapatsorn Sophawong	Assistant Finance and Accounting Officer	Khoksaard Subdistrict Administrative Organization, Nam Khun District, Ubon Ratchathani Province.
19	Mrs. Panat Roop-Gae	Assistant Revenue Collecting Officer	Pao Subdistrict Administrative Organization, Trakan Phuet Phon District, Ubon Ratchathani Province.

**Table 3.6** Name List of Constructors and Related Organizations

<b>Number</b>	<b>Name</b>	<b>Position</b>	<b>Workplace</b>
1	Mr. Boonmee Nadom	Meechai Construction, 181, Moo 10, Na Suang Subdistrict, Det Udom District, Ubon Ratchathani Province.	Contractors Group
2	Ms. Kingkarn Sumnuanyen	Chief of Raising Awareness and Engaging Citizens in Local Governance, (United States Agency For International Development: USAID)	Faculty of Political Science, Ubon Ratchathani University, Ubon Ratchathani Province, Thailand.
3	Miss Phengkamon Marnarath	Raising Awareness and Engaging Citizens in Local Governance, (United States Agency For International Development: USAID)	Faculty of Political Science, Ubon Ratchathani University, Ubon Ratchathani Province, Thailand.
4	Miss Piyamart Tupmongkol	Raising Awareness and Engaging Citizens in Local Governance, (United States Agency For International Development: USAID)	Faculty of Political Science, Ubon Ratchathani University, Ubon Ratchathani Province, Thailand.

### **3.4 Scope of the Research**

The scope of this research is divided into three aspects and has been laid out as follows:

1) The study scope is limited to the corruption regime, the forms of corruption within the SAOs in Thailand, and the problems of solving and preventing corruption in SAOs.

2) The area of study is the Northeastern region of Thailand where the analysis is based on the corruption cases made by the NACC Commission within the 20 Northeastern provinces including Kalasin, Khon Kaen, Chaiyaphum, Nakhon Ratchasima, Nakhon Phanom, Buriram, Buengkan, Maha Sarakham, Mukdahan, Yasothon, Roi-Et, Loei, Sakonnakhon, Surin, Sisaket, Nong Khai, Nong Bua Lamphu, Udonthani, Ubon Ratchathani and Amnat Charoen.

The study of the problems of solving and preventing corruption in SAOs is mainly conducted in Ubon Ratchathani, and its neighborhood will also be selected for comparative data.

The reason why Ubon Ratchathani province was selected is because the province is located in the Northeastern part of Thailand and contains the highest number of SAOs, a total of 195 SAO offices. The other Northeastern provinces are: Amnat Charoen with 41 SAO offices, Surin 146, Sisaket 187 and Buriram with 148 offices. (Research and Development for Provincial Office for Local Administration, 2012)

3) A time limit of 12 months will be set and includes all interviews, analysis, concluding, data collecting and recording of analysis and report paper. (October 2012- February 2013)

### **3.5 Research Tools**

The tools used in this research are traditional open-ended interviews (open-ended questions) structured to conduct interviews from key information (Key informants).

The interview is divided into five sets for the interview of 5 groups of samples.

### **3.5.1 Set 1: The Questionnaire for the Directors of Anti-Corruption Monitoring Groups**

Questionnaire Set 1 is for the Directors of Anti-Corruption Monitoring Groups including the Office of the National Anti-Corruption Commission (NACC), Office of NACC Provincial Office (Ubon Ratchathani), Office of the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province), The Good Governance Commission (Ubon-Ratchathani Provincial).

Sample Questions:

- 1) What are the weak points of the anti-corruption inspecting system in Thailand?
- 2) Are there delays in the inspection of corruption cases under the responsibility of Office of the National Anti-Corruption Commission (NACC)?
- 3) What are your opinions towards the centralization of NACC in investigating and judging each case?
- 4) What are your expectations concerning the Office of NACC Provincial Office (Ubon Ratchathani) and NACC Provincial Commission?
- 5) What are your opinions towards new inspecting organizations such as Office of Public Sector Anti-Corruption Commission (PACC), Ministry of Justice?
- 6) Can comparisons be made between features of corruption complaints in Local Administrative Organization and the Center Government Organization and in Provincial Level?
- 7) Does the managing procedure deal with complaints of corruption issues of Local Administrative Organization?
- 8) What are the methods to inspect Local Administrative Organizations?
- 9) What are the difficulties and issues of inspecting Local Administrative Organizations?
- 10) Is there coordination with other inspecting organizations in the area, especially the Office of the Auditor General of Thailand (Regional Special Audit

Office No.5 Ubon Ratchathani Province), or the Office of NACC Provincial Office (Ubon Ratchathani)?

11) What are your attitudes toward corruption issues in Local Administrative Organizations in terms of a severity level of issues and the forms of corruption frequently occurring in Local Administrative Organizations?

12) What are your opinions towards the mechanisms and tools to solve corruption issues in Local Administrative Organizations?

13) What is your assessment of the ability of each organization to inspect and solve corruption issues in Local Administrative Organizations?

14) Is there any vulnerability in the laws/regulations that may cause corruption issues in Local Administrative Organizations?

15) What recommendations would you make to improve the inspecting organizations in order to solve corruption issues and to put into practice the Thai bureaucracy resolutions for Local Government on corruption issues?

### **3.5.2 Set 2: The Questionnaire for the Supervisors of SAO Groups**

Questionnaire Set 2 is for the supervisor of SAO Groups including the District Chief Officer, Assistant District Chief Officer, Director of Provincial Office for Local Administration and Chief of District Office for Local Administration.

Sample Questions:

1) What is the number of complaints in the Local Administrative Organizations that were submitted to the Provincial Office for Local Administration, District Office for Local Administration?

2) What are the complaint features/characteristics in Local Administrative Organizations?

3) What are the procedures and methods to deal with complaints?

4) What are the methods to inspect Local Administrative Organizations?

5) What is the potential and ability to supervise or inspect corruption issues (The Supervision) in Local Administrative Organizations?

6) What are the problems/issues and obstacles when supervising or inspecting corruption issues (The Supervision) in Local Administrative Organizations?

7) Is there coordination with other inspecting organizations in the area, especially the Provincial Office for Local Administration, District Office for Local Administration, Office of the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province), or Office of NACC Provincial Office (Ubon Ratchathani)?

8) What are the reasons why Provincial Offices for Local Administration and District Offices for Local Administration asked for more support budgets from the Local Administrative Organizations?

9) What are the attitudes towards corruption issues in SAOs and issues of the severity level?

10) What are the features of corruption that often occur in SAO areas?

11) What are the causes of corruption that often occur in SAO areas?

12) What is your opinion towards the mechanisms and tools to solve corruption issues in Local Administrative Organizations particularly, for the SAOs?

13) What is the ability of each organization to monitor and solve corruption issues in Subdistrict Administrative Organizations?

14) Is there vulnerability in laws/regulations that may cause corruption issues in Subdistrict Administrative Organizations?

15) What recommendations would you make to improve the monitoring organizations in order to solve corruption issues and achieve the Thai bureaucracy resolutions of SAOs on corruption issues?

### **3.5.3 Set 3: The Questionnaire for the Chief Executives of SAO Groups**

The Chief Executive of the SAO Group includes the Chief Executive of the SAO, Deputy Chief Executive of the SAO, former Chief Executive of the SAO and former Deputy Chief Executive of the SAO.

Sample Questions:

1) What is the relationship between the Executive Officers of SAO Groups, Members of the House of Representatives and Local Political Groups?

2) What are the expectations of people in the area towards the role of the Chief Executive of the SAO and the Members of the Subdistrict Administrative Organization Council?

3) What is the link / tie during the electoral competition between the positions of the Chief Executive of the SAO, and the Council of the SAO and corruption issues?

4) What are the important issues in the administration of SAOs in the current era?

5) What are the effects caused by a shortage of budget?

6) What are the possible resolutions to the problem, particularly the issues of budget shortages for structural development?

7) What is the methodology for coordinating proposed projects from Ministries / Department?

8) What is the procedure to provide or ask for financial support in the province / district?

9) What are your opinions about the mechanisms / tools to solve corruption issues in local government, especially for SAOs?

10) Which features verify the inspecting system in various organizations of the SAO?

11) What is the ability of inspecting systems in various organizations on corruption issues in SAOs?

12) What is the potential and ability to verify compliance and authorization by the District Office for Local Administration/ Provincial Office for Local Administration?

13) What is the balance of power between Members of the Subdistrict Administrative Organization Council and the administration section/ monitoring system of the council section?

14) Can electronic auction or e-Auction system help reduce corruption in the procurement process? How?

15) What recommendations would you make to solve corruption issues and achieve resolutions in SAOs?

### **3.5.4 Set 4: The Questionnaire for Government Officers and Employees of SAO Groups (Subdistrict Personnel)**

Government officers and Subdistrict personnel include the Chief Administrator of the SAO, Chief of the Office of the Subdistrict Administrative Organization, Director of the Division of Technician, Director of the Division of Financial, Financial Administrative Officer, Civil Works Chief Technician, Supplies Officer, Finance and Accounting Technical Officer, Policy and Plan Analyst, Personnel Officer, Acting Education Technical Officer, Personnel Officer, Finance and Accounting Officer, Assistant Finance and Accounting Officer and Assistant Revenue Collecting Officer.

Sample Questions:

- 1) What are your attitudes towards corruption issues and issues of severity level.in SAOs?
- 2) What are the features / forms of corruption that often occur in SAO local areas?
- 3) What are the causes of corruption that often occur in SAO local areas?
- 4) What is your opinion about the mechanisms and tools to solve corruption issues in Local Administrative Organizations, especially subdistrict administrative organizations?
- 5) Which features verify the inspecting system in various organizations of the SAO?
- 6) What is the ability of inspecting systems in various organizations on the corruption issues in SAOs?
- 7) What is the potential and ability to verify compliance and authorization by the District Office for Local Administration/ Provincial Office for Local Administration?
- 8) What is the balance of power between Members of the Subdistrict Administrative Organization Council and the administration section/ monitoring system of the council section?
- 9) What is the overall expenditure in the election of the Chief Executive of SAO including, the competitor costs?

- 10) What are the problems/ issues and obstacles in the of verification of the compliance and authorization of the Subdistrict Administrative Organization?
- 11) What are the internal conflicts in the SAO?
- 12) Is there vulnerability in the laws/ regulations that may cause corruption issues in Subdistrict Administrative Organizations?
- 13) Is there any compensation for the appointee government officer, employee transfer cost / cost of contract renewal for employees as a project base?
- 14) Is there a bonus distribution to administrative sections/ an exchange of benefits with the management administration?
- 15) What are your recommendations to solve corruption issues and to achieve the resolutions in SAOs?

### **3.5.5 Set 5: The Questionnaire for Groups of Constructors**

Sample Questions:

- 1) What is the job description for the project that has been received from the Local Administrative Organization?
- 2) What is the total amount of budget in each project?
- 3) What is the number of the contractors and entrepreneurs overall in your particular area?
- 4) What is the number of projects and the total amount of budget in one year that has been received from Local Administrative Organizations?
- 5) What is the method to connive (act unfairly in an auction) in the procurement system of contractors, entrepreneurs, businesspersons and stakeholders, including other related groups of people?
- 6) Can an electronic auction or e-Auction system help reduce corruption in the procurement process? How?
- 7) What are the methods of payment and compensation to the management administration of local government?
- 8) What methods are used to find contractors and, entrepreneurs in your particular area?
- 9) What are the relationships/ ties between the entrepreneurs, contractors and local / national politicians?

10) Do you provide support to local politicians during the election campaign or during the activities / performance / process of local government?

11) What method is used to divide work between contractors and entrepreneurs?

12) How is a resolution achieved if there is a problem in arranging or dividing the work of contractors and entrepreneurs? Is there any collusion? (by colluding/ Co-Interest Bidder)

13) Is there a way to protect an approach to connive in the procurement process? How?

14) Are procurement issues presented to local government for approval?

15) Overall, What is your opinion on corruption issues in local government, compared to provincial or national administrative authorities?

### **3.6 Data Collected Methodology**

In order to collect all data, studies of important documents and research related to the data of corruption case accusations, testimony and interrogation by the National Anti-Corruption Commission (NACC). in-depth interviews and focus groups were conducted as follows:

1) Data collection from important documents and related research was conducted. This data was collected between October 2012 and December 2012, (Total duration of 3 months).

2) Data collection from important documents and related cases during the complaint progress with interrogation from the National Anti-Corruption Commission (NACC). This data were collected between January 2013 and May 2013, (Total duration of 5 months).

3) A research site repository was established to collect information by conducting in-depth interviews and focus group meetings in Ubon Ratchathani, Sisaket, Amnat Charoen, and Surin provinces. This data were collected between June 2013 and August 2013, (Total duration of 3 months).

4) Data were collected from the NACC in Bangkok during September 2013.

### **3.7 Data Analysis Methodology**

Data analyses include the anti-corruption cases from the Office of the National Anti-Corruption Commission (NACC). Data from interviews, focus groups and document analysis are as follows:

Data from related research documents include, documents, records, and reports that are relevant to the cases and the pursuit of corruption in SAOs in the Northeast such as, statistical reports of cases, the number of accusations reported by the NACC and in particular, the number of cases inspected by the NACC, which were sent to court for jurisdiction relating to the case of the OAG; Statistics on local politicians, government officers and SAO employees who were accused of corruption during 1997-2013 (end of February); information on the 3 year subdistrict development plan, annual expenditure funds, 3 year procedural plans, and 4 year recruitment plans from the years 2011-2014. The documents mentioned above are categorized and summarized, according to the forms and characteristics of corruption in SAOs.

1) Data from the interviews; the researcher has categorized information by linking data to the reasons for collection to formulate a conceptual framework, to examine the details of each set, and then to draw conclusions with reference to previous research that supports this research.

2) Data from Focus Group Meeting were collected by sharing key information such as exchange and monitoring processes and forms of corruption in SAOs in Ubon Ratchathani and nearby provinces.

## **CHAPTER 4**

### **FORMS OF CORRUPTION IN THE MANAGEMENT OF SUB-DISTRICT ADMINISTRATIVE ORGANIZATIONS (SAOs) IN NORTHEASTERN THAILAND**

In this section, the researcher presents the forms of corruption in the management of SAOs in Northeastern Thailand in response to the main research objective by analyzing and referring to the cases from the NACC, which are either cases in the process of determination or cases that have already received a verdict. Only the corruption cases of the SAOs in Northeastern Thailand, including all twenty provinces are included, which are: Kalasin, Khon-Kaen, Chaiyaphum, Nakhon Ratchasima, Nakhon Phanom, Buriram, Buengkan, Maha-Sarakham, Mukdahan, Yasothon, Roi-Et, Loei, Sakonnakhon, Surin, Sisaket, Nong-Khai, NongBua-Lamphu, Udonthani, Ubon Ratchathani, and Amnat Charoen.

The presentation of the forms of corruption is as follows:

- 1) The forms of corruption cases in SAOs were analyzed with a fact-finding inquiry and with reference to the resolutions passed by the NACC Commission (the making of a determination in verdict cases which indicated guilt).
- 2) The forms of corruption cases in SAO were analyzed, with complaints and allegations that were in the investigation process, (Pending Cases) by the NACC.

#### **4.1 An Analysis of Corruption Cases Including a Fact-Finding Inquiry with Reference to Resolutions Passed by the NACC (the Making of a Determination)**

To identify the forms of corruption in the SAOs, a fact-finding inquiry was conducted with reference to resolutions passed by the NACC (the making of a determination) in Northeastern SAOs.

It is divided into two parts: the first part includes seventy corruption cases, involving corruption of the SAOs in Northeastern Thailand, for which a resolution was passed by the NACC between 1997 and 2013, For the second part, forms of corruption in SAO were analyzed in cases, where a resolution was passed by the NACC. The details are as follows.

##### **4.1.1 Corruption Case Accusations where a Resolution was Passed by the NACC Commission between 1997 and 2013**

Cases involving corruption in the SAOs in Northeastern Thailand include seventy cases proposed as example cases of SAOs about which the NACC has received complaints and allegations. The number of cases, the name of the accused persons, and the results of the NACC Commission resolutions were recorded. The sorting is conducted for cases where that a resolution has been passed from 1997 until July 1<sup>st</sup>, 2013). The details are as follows: (Office of the National Anti-Corruption Commission (NACC), 2013a)

Case No.1, SongKhon SAO, PhoSai District, Ubon Ratchathani Province, involved the allegation and impeding action on the refusal to inform the winning enterprise of a “Contract for Design and Works Supervision” competition to contract or agree a work contract causing severe damage to both the enterprise and SongKhon SAO, (failure to inform the lowest price bidder in rewarding a “Contract for Design and Works Supervision” to contract or agree a work contract). (Pending Case No. 52441110 (04-1-026/2009), Verdict Case No. 1-013-52 (053-1-3/2013) Passed Resolution 461-26/2013 4.1, Dated 9<sup>th</sup> April, 2013)

Case No.2, Rang Raeng SAO, Uthumphon Phisai District, Sisaket Province, involved the allegation of concealment in the price bidding to contract for work in the

construction of a reinforced concrete road at Moo.9, Ban PhueMorn, to facilitate one bidder to unlawfully gain the right to make a contract for work. (Pending Case No. 43840383 (07-2-010/2001), Verdict Case No. 2-010-44 (033-2-5/2013) Passed Resolution 453-18/2013 4.12, Dated 12<sup>th</sup> March, 2013)

Case No.3, Nong Kin Phen SAO, Warin Chamrap District, and Top Hu SAO, Det Udom District, Ubon Ratchathani Province, involved the allegation of granting a contract for works on a canal dredging project at Ban KuaMaiKaen, Moo.2 and distributing government supervision project expenses to project contractors even though the form of construction was not compliant with the terms of the contract for works. (Pending Case No. 53442210 13-1-141/2010, Verdict Case No. 1-139-54 070-1-5/2012 Passed Resolution 419-77/2012 (4.1), Dated 30<sup>th</sup> October, 2012)

Case No.4, LamSaiYong SAO, NangRong District, Buriram Province, involved the allegation of misappropriated funding for self-benefit or otherd, during the fiscal years of 2006 to 2008. Checks had been paid without the authorization of signatures. The money was withdrawn from the bank account of Krung Thai Bank Company (Limited.), NangRong Branch, Account Number. 373-6. (Pending Case No. 51941386 07-2-250/2010, Verdict Case No. 2-236-53 065-2-3/2012 Passed Resolution 416-74/2012 (4.3), Dated 16<sup>th</sup> October, 2012)

Case No.5, Huai Toei SAO, Kut Rang District, Maha Sarakham Province (2 cases), involved allegations into the results of a price auction of a road construction project for the highway main road number 23 Ban NongSang, Ban SamRong, (Part 3) to facilitate a co-interest bidder to contract for works. (Pending Case No. 46840062 06-1-103/2010, Verdict Case No. 1-075-53 057-1-5/2012 Passed Resolution 413-71/2012 (3.3), Dated 4<sup>th</sup> October, 2012)

Case No.6, Nong Hoi SAO, Phra Thong Kham District, Nakhon Ratchasima Province, involved allegations of a failure by the committee in the appointing process where a level 4 executive technician was appointed to serve the position as an executive technician in level 5, as a result of skipping the process of performance evaluation by the selecting officers to serve in a higher ranks or position in a wrongful way. (Pending Case No. 52940207 07-1-216/2010, Verdict Case No. 1-198-53 049-1-3/2012 Passed Resolution 411-69/2012 (3.5), Dated 27<sup>th</sup> September, 2012)

Case No.7, Na Di SAO, Mueang Surin District, Surin Province, (2 cases), involves the allegation of concealment in the auction announcement of 15 construction projects, (reinforced concrete roads) where a co-interest among the price bidders made a fraudulent document announcing the auction results and placed bids. (Pending Case No. 52840313 19-2-103/2009, Verdict Case No. 2-195-53 042-2-5/2012 Passed Resolution 408-66/2012 (4.3), Dated 18<sup>th</sup> September, 2012)

Case No.8, Kut Chiang Mi SAO, Loeng Nok Tha District, Yasothon Province, involves the allegation of misappropriation to appoint the purchasing board of the committee to make a contract for design and works supervision even though, the form of construction was not compliant with the terms of contract for works. (Pending Case No. 52441420 07-1-214/2010, Verdict Case No. 1-194-53 040-1-4/2012 Passed Resolution 406-64/2012 (4.10), Dated 11<sup>st</sup> September, 2012)

Case No.9, Nong Kham SAO, At Samat District, Roi Et Province, involves the allegation of concealment on an auction announcement for a reinforced concrete road construction project inside Moo 12, village. (Pending Case No. 45840730 (07-1-042/2008), Verdict Case No. 1-038-51 (012-1-5/2012) Passed Resolution 397-55/2012 (3.1), Dated 31<sup>st</sup> July, 2012)

Case No.10, Khua Riang SAO, Chum Phae District, Khon Kaen Province, involved the allegation of disbursement a government budget for car fuel, flashing solar light, and Tilapia fish purchasing projects in the fiscal budget of 2008. (Pending Case No. 52441597, Verdict Case No. 12614355, Passed Resolution 376-34/2012, Dated 3<sup>rd</sup> May, 2012)

Case No.11, Nong Bua SAO, Na Mon District, Kalasin Province, involved the allegation of fraudulent documents in contracting for works for reinforced concrete road construction projects including the road in front of Phothi-Kuson Temple, Ban Non Yhing Sun, Moo.1, and the road path along the side of Nong Bua Klang School, Ban Nong Bua Klang, Moo.2, in the fiscal budget 2010. Furthermore, there are accusations of presenting fraudulent documents to the constructors to mislead and to receive funds. (Pending Case No. 53942042, 53941535, Verdict Case No. 05549555, 05559555, Passed Resolution 360-18/2012 (06/03/2012), Dated 6<sup>th</sup> March, 2012)

Case No.12, Mak Ya SAO, Nong Wua So District, Udonthani Province, involved the allegation of fraudulent documents in the disbursement of a contract for

works to labor representatives to alleviate the suffering of the victims in a natural disaster in the year 2009, to progress with public pool dredging at SriMakYa temple. (Pending Case No. 53441039, Verdict Case No. 02234555, Passed Resolution 343-1/2012, Dated 5<sup>th</sup> January, 2012)

Case No.13, Mak Khiap SAO, Mueang Sisaket District, Sisaket Province, involved the allegation of concealment in price bids in contracting for workss of project “road constructions” to connect the path between Mak Khiap village and KarnLuang village Moo.1-6. (Pending Case No. 45841650, Verdict Case No. 01708555, Passed Resolution 340-87/2011, Dated 6<sup>th</sup> December, 2011)

Case No.14, Sing Khok SAO, Kaset Wisai District, Roi Et Province, involved the allegation of conspiracy as a co-interest bidder asked employees to bribe the Local Administrative Organization of the SAOs, who have the right to receive other wrongful benefits as special cases (annual bonus). In the fiscal year 2008, there were instances of refusal to sign payable checks. (Pending Case No. 52441258, Verdict Case No. 01004555, Passed Resolution 334-81/2011 (15/11/2011), Dated 15<sup>th</sup> November, 2011)

Case No.15, Sano SAO, KhuKhan District, Sisaket Province, involved the allegation of conspiracy to sign an approval in the flood victims’ surveys of 2008 to grant aid by the KhuKhan District Agricultural Extension Office, which is a disciplinary offence. In addition, there was a failure to seek funds for some flood victims. (Pending Case No. 52411363, Verdict Case No. 18134454, Passed Resolution 325-72/2011 (30/09/2011), Dated 30<sup>th</sup> September, 2011)

Case No.16, Kut Lo SAO, Kaset SomBun District, Chaiyaphum Province, involved the allegation of misappropriated fund allocation for, government subsidy fund expenditure for administration management which caused a shortage of funds in the bank account. (Pending Case No. 51940307, Verdict Case No. 15609354, Passed Resolution 316-63/2011 (25/08/2011), Dated 25<sup>th</sup> August, 2011)

Case No.17, Nong Hoi SAO, Phra Thong Kham District, Nakhon Ratchasima Province, involved the allegation of receiving bribes from constructors in reservoir-dredging projects at Ban Phra Ngam Moo.14. as compensation for authorized signed checks for salaries. (Pending Case No. 51942418, Verdict Case No. 15629354, Passed Resolution 316-63/2011 (25/08/2011), Dated 25<sup>th</sup> August, 2011)

Case No.18, Ta Ket SAO, Uthumphon Phisai District, Sisaket Province, involved the allegation of:

1) Concealment in the price auction announcement for the construction of water supply systems of a village. The medium-sized water clarifier supply systems were at Moo.11, Ban Nongmaseaw, Ta Ket Subdistrict.

2) Corruption at the Civil Defence Volunteer Center in contracting for a design and works supervision project at the coordinating Center of the Chief of TaKet Subdistrict.

3) Corruption in the purchase of lamps in a contract for works and electrical fluorescent road lamp equipment in 12 villages in TaKet Subdistrict. (Pending Case No. 50841964, Verdict Case No. 11458554, Passed Resolution 296/2011, Dated 9<sup>th</sup> June, 2011)

Case No.19, Sang Ming SAO, Loeng Nok Tha District, Yasothon Province, involved the allegation of asking for bribes from employees as compensation for granting performance evaluation and renewing employment contracts. (Pending Case No. 53940903, Verdict Case No. 11309354, Passed Resolution 295-42/2011, Dated 7<sup>th</sup> June, 2011)

Case No.20, Ban Fang SAO, Kaseth-Visai District, Roi Et Province, involved the allegation of asking for a THB 280,000 bribe to obtain an appointment in the General Administrative Officer (level 3). (Pending Case No. 52440768, Verdict Case No. 08784554, Passed Resolution 278-25/2011 (29/03/2011), Dated 29<sup>th</sup> March, 2011)

Case No.21, Mu Mon SAO, Chiang Khwan District, Roi Et Province, involved the allegation of asking for bribes from employees of MuMon SAO as compensation for granting performance evaluation and renewing employment contracting for works. (Pending Case No. 52940261, Verdict Case No. 07609554, Passed Resolution 274-21/2011 (15/03/2011), Dated 15<sup>th</sup> March, 2011)

Case No.22, Non Kho SAO, Non Khun District, Sisaket Province (2 Cases), involved the allegation of ordering to appoint the officers of SAO (subdistrict personnel), in the position of teaching assistants by wrongful misappropriation. (Pending Case No. 51441436, Verdict Case No. 06504354, Passed Resolution 270-17/2011 (01/03/2011), Dated 1<sup>st</sup> March, 2011)

Case No.23, Nong Khwao SAO, Sikhoraphum District, Surin Province, involved the allegation of misappropriation of taxpayer funds, which had to be sent to government but were withheld to gain private benefit. (Pending Case No. 53940441, Verdict Case No. 03839554, Passed Resolution 258-5/2011, Dated 18<sup>th</sup> March, 2011)

Case No. 24, NongTat SAO, Mueang Buriram District, Buriram Province, involved the allegation of blanket procurement distributed to the population in fiscal year 2007 by a special method in a wrongful way. (Pending Case No. 50442566, Verdict Case No. 02944354, Passed Resolution 253-88/2010, Dated 28<sup>th</sup> December, 2010)

Case No.25, Kham Sakaesaeng SAO, Kham Sakaesaeng District, Nakhon Ratchasima Province, involved the allegation of asking for a bribe from the prosecutor as compensation in a construction and water supply systems project. (Pending Case No. 45940681, Verdict Case No. 00589554, Passed Resolution 235-70/2010, Dated 19<sup>th</sup> October, 2010)

Case No.26, Nong Waeng SAO, Si Narong District, Surin Province, involved the allegation of revenue misappropriation by Nong Waeng SAO to benefit themselves or others with an act of corruption. (Pending Case No. 45940545, Verdict Case No. 00359354, Passed Resolution 233-68/2010 (12/10/2010), Dated 12<sup>th</sup> October, 2010)

Case No.27, Phon Sawan SAO, Selaphum District, Roi Et Province, involved the allegation of corruption in a water supply construction project at Moo.3 by lessening the amount of construction materials. (Pending Case No. 42040179, Verdict Case No. 13134553, Passed Resolution 220-55/2010, Dated 24<sup>th</sup> August, 2010)

Case No.28, Non Sai SAO, Maha Chana chai District, Yasothon Province, involved the allegation of authorization of a fraudulent signature on three payable checks for personal use. (Pending Case No. 44942071, Verdict Case No. 12689553, Passed Resolution 218-53/2010 (17/08/2010), Dated 17<sup>th</sup> August, 2010)

Case No.29, Non SAO, Non Narai District, Surin Province, involved the allegation of asking the prosecutor for a bribe as compensation for the appointment as an officer of SAO (subdistrict personnel). (Pending Case No. 51440944, Verdict Case No. 12154353, Passed Resolution 215-50/2010 (03/08/2010), Dated 3<sup>rd</sup> August, 2010)

Case No.30, Ron Thong SAO, Satuek District, Buriram Province, involved the allegation of action impeding fair and free competition in the concrete road building contract workss at BanNongPrue Road, Moo 14 to facilitate Kieatumphai International Company Limited to be the rightfully contractor for workss. (Pending Case No. 45830154, Verdict Case No. 11548553, Passed Resolution 211-46/2010 (15/07/2010), Dated 15<sup>th</sup> July, 2010)

Case No.31, Nong Hai SAO, Mueang Udonthani District, Udonthani Province, involved the allegation of asking for bribes from civil officers (subdistrict personnel) by threatening to not renew contracts for workss and transfers in position. (Pending Case No. 52440664, Verdict Case No. 11334553, Passed Resolution 210-45/2010 (13/07/2010), Dated 13<sup>th</sup> July, 2010)

Case No.32, Phutthaisong SAO, Phutthaisong District, Buriram Province, involved the allegation of granting the water supply project to technical officers even though the construction did not complywith the forms and terms of the contract for works. (Pending Case No. 47940994, Verdict Case No. 09899553, Passed Resolution 199-34/2010, Dated 3<sup>th</sup> June, 2010)

Case No.33, Nuea Mueang SAO, Mueang Roi Et District, Roi Et Province, involved the allegation of fraudulent wage documents for contracting works to help victims of natural disasters (2008) in a dredging project at NongDonPuTa lake Moo.12 to misappropriate the amount as mentioned for private gain. (Pending Case No. 51442930, Verdict Case No. 06924553, Passed Resolution 186-21/2010, Dated 23<sup>rd</sup> March, 2010)

Case No.34, Bueng Ngam SAO, Thung Khao Luang District, Roi Et Province, involved the allegation of asking to receive bribes from civil officers of the SAO (subdistrict personnel), as compensation in appointing various positions. (Pending Case No. 51440449, Verdict Case No. 06074553, Passed Resolution 182-17/2010, Dated 2<sup>nd</sup> March, 2010)

Case No.35, Thung Khlong SAO, Kham Muang District, Kalasin Province, (2 cases) the allegations were as follows:

- 1) Mr. Thavorn Budsri, (the defendant), Chief Executive of Thung Khlong SAO, involved the allegation of asking for bribes to help with an SAO officer appointment exam by adding extra points (subdistrict personnel).

2) Mr. Vasan Wanworathorn, (the defendant), former Director of Bureau of Local Personnel System Development involved the allegation of failure to present to the Central Committee on Subdistrict Administrative Organization Personnel. (Pending Case No. 48911608, Verdict Case No. 04669553, Passed Resolution 174 - 9/2010 (02/02/2010), Dated 2<sup>nd</sup> February, 2010)

Case No.36, Thung Khlong SAO, Kham Muang District, Kalasin Province, involved the allegation of becoming unusually wealthy with the amount of THB 3,906,000. (Pending Case No. 51511651, Verdict Case No. 04685253, Passed Resolution 174 - 9/2010 (02/02/2010), Dated 2<sup>nd</sup> February, 2011)

Case No.37, Kut Chum SAO, Kut Chum District, Yasothon Province, involved the allegation of misappropriation of the income of Kut Chum SAO, for private gain. (Pending Case No. 44940121, Verdict Case No. 04369553, Passed Resolution 170 - 5/2010 (19/01/2010), Dated 19<sup>th</sup> January, 2010)

Case No.38, Suea Thao SAO, Chiang Yuen District, Maha Sarakham Province, involved the allegation of refusing to promote of Ms. Parichart Phandej, (Plan and Policy Analyst of SAO): Level 4 officer, through the Suea-Thao SAO board of the committee. (Pending Case No. 51442369, Verdict Case No. 04374553, Passed Resolution 170 - 5/2010 (19/01/2010), Dated 19<sup>th</sup> January, 2010)

Case No.39, Tat-Thong SAO, Mueang Yasothon District, Yasothon Province, involved the allegation of concealment in announcing the price bid auction of contracts for design and works supervision to facilitate one constructor to rightfully sign a contract for works. (Pending Case No. 43850635, Verdict Case No. 04388553, Passed Resolution 170 - 5/2010 (19/01/2010), Dated 19<sup>th</sup> January, 2010)

Case No.40, Khua Riang SAO, Chum Phae District, Khon Kaen Province, The allegations were as follows:

1) Disciplinary Offence in the funds payable for a building construction, without having the forms and details that the policy requires.

2) Disciplinary Offence in offering a contract for a work agreement to a higher price bidder without describing a reasonable need for consideration when ordering a contract for works for garbage land at Moo.7.

3) Disciplinary Offence to change Moo.12 by building a riverbank without approval from the Local Administrative Supervision.

4) Conducting many similar construction projects at the same time, and splitting purchasing and contracts for works and by avoiding price bid competition for the contract for works.

5) Disciplinary Offence in similar road building construction projects at the same time, and splitting purchasing and contracts for works by avoiding the contracting for works by price bid competition including agreeing to a contract for works with a higher price bidder, without disclosing reasonable needs for consideration. (Pending Case No. 47440723, Verdict Case No. 01094353, Passed Resolution 153-78/2009 (03/11/2009), Dated 3<sup>rd</sup> November, 2009)

Case No.41, Khai Nun SAO, Huai Phueng District, Kalasin Province, involved the allegation of purchasing the land to build a government center of KhaiNun subdistrict. (Pending Case No. 42010012, Verdict Case No. 00034553, Passed Resolution 145-70/2009 (06/10/2009), Dated 6<sup>th</sup> October, 2009)

Case No.42, Nong Phai SAO, Na Dun District, Maha Sarakham Province, involved the allegation of distributing a fraudulent document on wages for a reinforced concrete road building projects for private gain. (Pending Case No. 42041134, Verdict Case No. 18034352, Passed Resolution 141-66/2009, Dated 22<sup>nd</sup> September, 2009)

Case No.43, Sai Moon SAO, Phibun Mangsahan District, Ubon Ratchathani Province, involved the allegation of misappropriated funds when purchasing stationary and using an amount of plan selling income, Cash of Sai-Moon SAO, for private gain. (Pending Case No. 43940894, Verdict Case No. 18219352, Passed Resolution 141-66/2009, Dated 22<sup>nd</sup> September, 2009)

Case No.44, Pho Mak Khaeng SAO, Bueng Khong Long District, Nong Khai Province, involved the allegation of intentionally announcing the price auction by discouraging some unwanted bidders to join, and cancelling the auction to facilitate one of the bidders to be the contractor for a reinforced concrete road building project in 5 villages. (Pending Case No. 44881469, Verdict Case No. 17338552, Passed Resolution 137-62/2009, Dated 10<sup>th</sup> September, 2009)

Case No.45, Khlong Mueang SAO, Chakkarat District, Nakhon Ratchasima Province, involved the allegation of over withdrawing money from the SAO bank

account and for private gain. (Pending Case No. 45941859, Verdict Case No. 15349352, Passed Resolution 132-57/2009, Dated 25<sup>th</sup> August, 2009)

Case No.46, Takhu SAO, Pak Thong Chai District, Nakhon Ratchasima Province, involved the allegation of distributing fraudulent documents on a money loan project of the Moo.8 and Moo.10 and misappropriating water supply bill payments for private gain. (Pending Case No. 50440929, Verdict Case No. 09194552, Passed Resolution 106-31/2009, Dated 12<sup>th</sup> May, 2009)

Case No.47, Kho Kho SAO, Mueang Surin District, Surin Province, involved the allegation of asking for bribes as compensation from Ms. Ketsaraphorn Khumthong for appointment and promotion. (Pending Case No. 51440901, Verdict Case No. 08624352, Passed Resolution 100-25/2009, Dated 9<sup>th</sup> April, 2009)

Case No.48, Ban Kaeng SAO, Phu Khiao District, Chaiyaphum Province, involved the allegation of corruption in the project of Khok Sa-Ard village's public air Moo.9, Ban Kaeng subdistrict in the fiscal budget of 2000. (Pending Case No. 45910439, Verdict Case No. 01399352, Passed Resolution 68/2008 (27/11/2008), Dated 27<sup>th</sup> November, 2008)

Case No.49, Nong Krat SAO, Dan Khun Thot District, Ratchasima Province, involved the allegation of asking for bribes from the road construction contractor in exchange for payable checks. (Pending Case No. 48941686, Verdict Case No. 00949352, Passed Resolution 67/2008 (25/11/2008), Dated 25<sup>th</sup> November, 2008)

Case No.50, Kusuman SAO, Kusuman District, Sakonnakhon Province, involved the allegation of conspiracy in the prosecutor's fraudulent signature in bidding for a construction project for reinforced concrete roads; E-Kut village Moo.2 to be the bidder to benefit from winning the contract. (Pending Case No. 45912161, Verdict Case No. 20329551, Passed Resolution 25/2008 (29/04/2008), Dated 29<sup>th</sup> April, 2008)

Case No.51, Tao Ngoi SAO, Tao Ngoi District, Sakonnakhon Province, involved the allegation of a misappropriated guaranteed funds contract to buy a four-wheel drive for private gain. (Pending Case No. 44941131, Verdict Case No. 17379351, Passed Resolution 21/2008 (08/04/2008), Dated 8<sup>th</sup> April, 2008)

Case No.52, KutKhao SAO, Manchakhiri District, KhonKaen Province, involved the allegation of misappropriated income of KutKhao SAO for private or

other's gain. (Pending Case No. 44941713, Verdict Case No. 17389351, Passed Resolution 21/2008 (08/04/2008), Dated 8<sup>th</sup> April, 2008)

Case No.53, NongRakhang SAO, Sa-Nom District, Surin Province, involved the allegation of concealment in the auction announcement on "CAPE SEAL" road which was not filed publicly and thereby did not represent a free and fair bid. (Pending Case No. 44881806, Verdict Case No. 03578551, Passed Resolution 74/2007 (01/11/2007), Dated 1<sup>st</sup> November, 2007)

Case No.54, NaRatKhwai SAO, Mueang District, Nakhon Phanom Province, involved the allegation of disciplinary offence in approving a compensation payment for a special bonus for a civil officer in the fiscal budget year of 2006 while, taking the compensation payment for private gain. (Pending Case No. 50910269, Verdict Case No. 69839550, Passed Resolution 51/2007, Dated 17<sup>th</sup> July, 2007)

Case No.55, Sa Saming SAO, Warin Chamrap District, Ubon Ratchathani Province, involved the allegation of misappropriated income of the SAO, for private gain. (Pending Case No. 46911265, Verdict Case No. 45659350, Passed Resolution 24/2007, Dated 27<sup>th</sup> March, 2007)

Case No.56, Phlai SAO, Lam Thamenchai District, Nakhon Ratchasima Province, involved the allegation of granting the lake dredging project of Phlai village, Moo.4 and disbursing wages to the contractor even though the dredging did not comply with the contract. (Pending Case No. 43910378, Verdict Case No. 45669350, Passed Resolution 24/2007, Dated 27<sup>th</sup> March, 2007)

Case No.57, Nong Hua Fan SAO, Kham Sakaesaeng District, Nakhon Ratchasima Province, involved the allegation of misappropriated income of NongHuaFan SAO, for private or other's gain. (Pending Case No. 45410943, Verdict Case No. 45674550, Passed Resolution 24/2007, Dated 27<sup>th</sup> March, 2007)

Case No.58, Kham Khuean Kaeo SAO, Sirindhorn District, Ubon Ratchathani Province, (2 cases), involved the allegation of misappropriation in the fiscal year of 2001 to support the district's sport activity for their own or other's benefit. (Pending Case No. 45910909, Verdict Case No. 27809350, Passed Resolution 20/2007, Dated 13<sup>th</sup> March, 2007)

Case No.59, Sawang Daen Din SAO, Sawang Daen Din District, Sakonkakhon Province, involved the allegation of granting a shallow well

construction project even though it did not comply with the contract. (Pending Case No. 44911506, Verdict Case No. 24669450, Passed Resolution 18/2007, Dated 6<sup>th</sup> March, 2007)

Case No.60, Wang Sawap SAO, Phu Pha Man District, Khon Kaen Province, involved the allegation of concealing the auction announcement of a water supply construction project and a dam project at south Pong-Go brook by means of providing an unfair auction to facilitate one of bidders to win the contract. (Pending Case No. 43880490, Verdict Case No. 07788547, Passed Resolution 33/2004 (13/05/2004), Dated 13<sup>th</sup> May, 2004)

Case No.61, Nong Krat SAO, Dan Khun Thot District, Nakhon Ratchasima Province, involved the allegation of fraudulent documents and engaging in wrongful use of forged documents to obtain a disbursement petition. (Pending Case No. 44910021, Verdict Case No. 07549547, Passed Resolution 32/2004 (11/05/2004), Dated 11<sup>th</sup> May, 2004)

Case No.62, Prue SAO, Prasat District, Surin Province, involved the allegation of distributing fraudulent signatures on paychecks for private gain. (Pending Case No. 44911150, Verdict Case No. 07109547, Passed Resolution 27/2004, Dated 20<sup>th</sup> April, 2004)

Case No.63, Bueng Khong Long SAO, Bueng Khong Long District, Nong Khai Province, involved the allegation of a disciplinary offence in ignoring the responsibility in a price auction deed for a reinforced concrete road building project at Ban Sok-Pok Moo.5 and Ban Na-Kham Moo.7, Bueng Khong Long subdistrict in July 2000. (Pending Case No. 43880898, Verdict Case No. 05208547, Passed Resolution 16/2004 (26/02/2004), Dated 26<sup>th</sup> February, 2004)

Case No.64, Khok Sung SAO, PhonThong District, Roi Et Province, involved the allegation of getting paid for an insurance contract plan and getting paid for housing and building tax as income of the Khok Sung SAO, to the amount of THB 54,035. However, the amount was not transacted into the SAO's bank account according to the regulations. The money was used for private gain. (Pending Case No. 44911732, Verdict Case No. 00659547, Passed Resolution 75/2003 (28/10/2003), Dated 28<sup>th</sup> October, 2003)

Case No.65, Nong Yai SAO, PhonThong District, Roi Et Province, involved the allegation of asking for bribes from community police applicants in June.1999, for private gain. (Pending Case No. 43910563, 43910564, Verdict Case No. 11539346, 11549346, Passed Resolution 62/2003 (02/09/2003), Dated 2<sup>nd</sup> September, 2003)

Case No.66, Non Sawan SAO, Na Chaluai District, Ubon Ratchathani Province, involved the allegation of the sale of 22 coils of barbed wire for THB 2,860 for private gain causing damage to the government. (Pending Case No. 44910321, Verdict Case No. 01939346, Passed Resolution 91/2002 (19/11/2002), Dated 19<sup>th</sup> November, 2002)

Case No.67, Pha Noi SAO, Wang Saphung District, Loei Province, involved the allegation of the misappropriation of an amount of money from collecting fees on health hazards and building licenses in the fiscal year 2000, totaling 11,400 THB and distributing fraudulent documents to deposit only THB 300 from the SAO's bank account . THB 11,100 was misappropriated funds from the SAO for private gain. (Pending Case No. 44911219, Verdict Case No. 10169545, Passed Resolution 67/2002, Dated 27<sup>th</sup> August, 2002)

Case No.68, Phu Ngoen SAO, Kantharalak District, Sisaket Province, involved the allegation of conspiracy in granting a water supply repair project at PhuNgoen Village Moo.6 even though the project did not comply with the contract, and then intentionally disbursing budget to the contractor. (Pending Case No. 43910446, Verdict Case No. 09179445, Passed Resolution 56/2002, Dated 16<sup>th</sup> July, 2002)

Case No.69, Rop Mueang SAO, Mueang Roi Et District, Roi Et Province, involved the allegation of conspiracy in the fraudulent use of the signature of the prosecutor as chairman of the price auction event as noted in the SAO's reports dated April 11<sup>th</sup> 1997, and April 17<sup>th</sup> 1997, regarding the case mentioned above. As a result, reporting this was a disciplinary offence by making fraudulent documents to facilitate "SOMYONT CONTRUCTION COORPERATION," which offered the second lowest bid in a competition for a contract for works to sign as the lowest bid for the contract for design and works supervision in a reinforced concrete road building project in Moo.6, Rop Mueang Subdistrict, in the fiscal budget year of 1997, and as co-contract agreement with RopMueang SAO even though "VEE V INDUSTRY

COORPERATION” was the actual lowest bid in the competition, which as a consequence caused severe damage to the government. (Pending Case No. 41010112, Verdict Case No. 11034444, Passed Resolution 64/2001 (06/09/2001), Dated 6<sup>th</sup> September, 2001)

Case No.70, Kham Pa Lai SAO, Mueang Mukdahan District, and Mukdahan Province, involved the allegation of a disciplinary offence by ignoring the responsibility of receiving local development tax payments of in total THB 8,223.47,, issuing tax receipts but not recording it in the cash account, not depositing the daily cash and not keeping the money in a government safe on 3<sup>rd</sup> and 30<sup>th</sup> June 1999. (Pending Case No. 43910328, Verdict Case No. 03559544, Passed Resolution 97/2000 (21/12/2000), Dated 21<sup>st</sup> December, 2000)

#### **4.1.2 The Analysis of Forms of Corruption in SAOs, From Passed Resolution Cases by the NACC Commission**

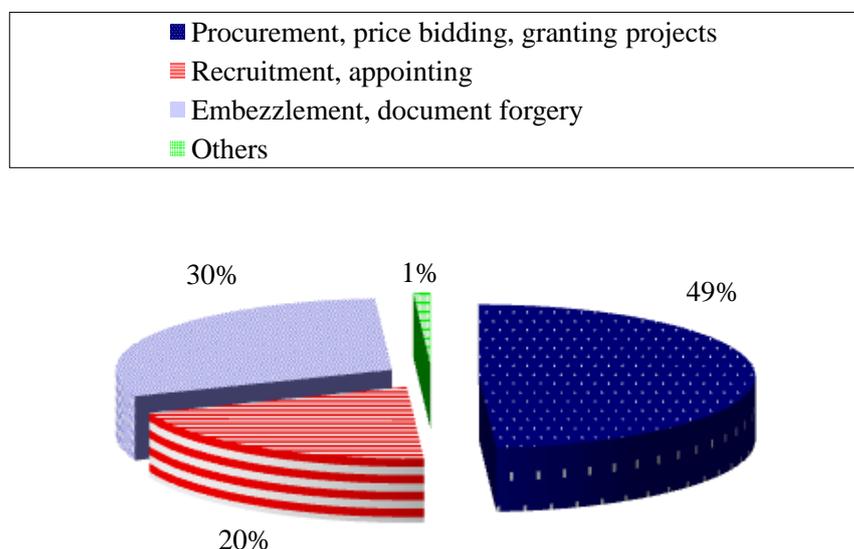
The allegations, which NACC has decided as passed resolution cases of SAOs in Northeastern Thailand include twenty provinces as follows: Kalasin, KhonKaen, Chaiyaphum, Nakhon Ratchasima, Nakhon Phanom, Buriram, Buengkan, Maha-Sarakham, Mukdahan, Yasothon, Roi Et, Loei, Sakonnakhon, Surin, Sisaket, Nong-Khai, Nong Bua Lamphu, Udonthani, Ubon Ratchathani, and lastly Amnat Charoen.

The researcher has analyzed a significant aspect in the “Forms of Corruption of SAOs in Northeastern Thailand” as follows: (Office of the National Anti-Corruption Commission (NACC), 2013a)

##### **4.1.2.1 Forms of Corruption in Northeastern SAOs in Cases where the NACC has Passed Resolutions**

The cases of corruption in Northeastern SAOs initiated by the NACC where where a guilty verdict was reached are examined in this study. .It was found that the most frequent form of corruption in the ranking was “Procurement Law Disciplinary Offences in purchasing and contracting for work, offered price bids, and granting a contract for work.” The second in the ranking was “Procurement Law Disciplinary Offence by misappropriation income of SAOs, and fraudulent documents to advance withdrawal from SAOs.” Lastly, the third in the ranking was “Disciplinary

Offence by receiving compensation (bribes) in the trading of appointment as SAO subdistrict personnel.”



**Figure 4.1** Percentage of the Forms of Corruption in Northeastern SAOs’, which the NACC Successfully Prosecuted

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013a.

1) Rank #1: Procurement Law Disciplinary Offences in “Purchasing and Contracting for Works”

The most common forms of corruption was procurement offences with thirty-four cases of out of seventy cases, (49%) The types of procurement case are as follows:

(1) To conceal “The Price Bid Competition of Contracting to Design and Works Supervision.” Is divided as follows: to conceal by not posting the price bid competition on the SAOs announcement board, or conceal by refusing to post the price bid competition at the District Administrative Office; to “ACT ON OFFENSES RELATING TO THE SUBMISSION OF BIDS TO STATE AGENCIES B.E. 2542 (1999):” (The Act on Offenses Relating to the Submission of Bids to State Agencies defines the procedures in cases of allegations of infringement of the

procurement regulations as well as applicable penalties. The term “bid” refers to submission of a proposal with the object of acquiring the right to enter into a contract with a state agency pertaining to purchase, contracting for works, exchange, lease, asset disposal, concession, or receipt of other rights. The Act covers and punishes the actions of the bidder, the state officials who received the advantage, and any intermediaries. The main concept is that any bid, which is not done fairly, shall be punished accordingly.) in addition, the Regulations of the Ministry of Interior on Procurement of Subdistrict Administrative Organization B.E. 2538 (1995): and concealment by not informing the price bid competition to all constructors but only some selected constructors are also to be taken into account.

(2) Obstructing other price bidders by “Action Impeding Fair and Free Competition” to facilitate only some entrepreneurs or constructors.

(3) Conducting a fraudulent distribution of documents (quotations) to facilitate only a selected bidder to rightfully sign the contract for works.

(4) Disciplinary Offence by failing to inform the lowest bidder in the competition to make a contract for works or a contract of agreement.

(5) Levied on the prosecutors as compensation for the disbursement of government budget as prosecutor wages for projects.

(6) Granting a contract for works and disbursement of government budget even though the forms of design and works supervision of the constructor did not comply with the terms of the contract.

(7) Conducting fraudulent disbursement of government budget documents that did not comply with the legal form.

(8) Splitting purchasing and contracting for works processes by avoiding price bidding.

The conclusions are as follows:

Disciplinary offences in purchasing and contracting for work from the accusations of the NACC which have been found to be guilty in cases of Northeastern SAOs in all twenty provinces can be divided into five different forms of corruption in as follows:

1) To conceal “The Price Bid Competition of Contracting to Design and Works Supervision” is the most common form of corruption where the committee decided the verdict to be guilty as charged, which included nine cases out of 34 cases or twenty-six percent.

The main objective of concealing the price bid competition of contracts for works supervision is mainly to impede free and fair competition thereby obstructing other bidders in offering their bid and facilitate only one entrepreneur to have the right to sign a contract for works.

(1) To conceal by not posting the price bid competition on the SAOs announcement board, and concealment by refusing to post the price bid competition at the District Administrative Office; to “ACT ON OFFENSES RELATING TO THE SUBMISSION OF BIDS TO STATE AGENCIES B.E. 2542 (1999):” and in addition, to breach the Regulations of the Ministry of Interior on Procurement of Subdistrict Administrative Organization B.E. 2538 (1995): For example: 1) Rang Raeng SAO, Uthumphon Phisai District, Sisaket Province, involved the allegation of concealment the price bidding in appointing a contractor for work in the construction of a reinforced concrete road at Moo.9, Ban PhueMorn, to facilitate only one bidder the right to make a contract for work. 2) Na Di SAO, Mueang Surin District, Surin Province, involved the allegation of concealment on the auction announcement of all 15 construction projects, (reinforced concrete road) where there was co-interest among the price bidders, and where a fraudulent document already had announced the auction and bids placed. 3) Nong Kham SAO, At Samat District, Roi Et Province, involved the allegation of concealment in an auction announcement of a reinforced concrete road construction project inside Moo 12, village. 4) Mak Khiap SAO, Mueang Sisaket District, Sisaket Province, involved the allegation of concealment in price bids for contracts for works in a road construction project to connect the path between Mak Khiap village and KarnLuang village Moo.1-6. 5) Ta Ket SAO, Uthumphon Phisai District, Sisaket Province, involved the allegation of (1) Concealment in the price auction announcement for construction of a water supply systems in the village; a medium sized water clarifier supply systems at, Moo.11, Ban Nongmaseaw, Ta Ket Subdistrict. (2) Corruption at the Civil Defence Volunteer Centers’ in contracting for a design and works

supervision project, and the coordinating Center of the Chief of TaKet Subdistrict. (3) Corruption in the purchase of electrical fluorescent road lamps in contracting works, in 12 villages within TaKet Subdistrict. 6) Tat-Thong SAO, Mueang Yasothon District, Yasothon Province, involved the allegation of concealment in the announcement of a price bid auction for contracting works for design and works supervision to facilitate one constructor to sign a contract for works. 7) NongRakhang SAO, Sa-Nom District, Surin Province, involved the allegation of concealment in the auction announcement on "CAPE SEAL" road filling contravening the requirements of a free and fair bid. 8) Wang Sawap SAO, Phu Pha Man District, Khon Kaen Province, involved the allegation of concealment in the auction announcement of a water supply construction project and a dam project at south Pong-Go brook by means of providing an unfair auction to facilitate one of the bidders to make a contract.

(2) To conceal by refusal to post the price bid competition at the District Administrative Office.: For example Pho Mak Khaeng SAO, Bueng Khong Long District, Nong Khai Province, involved the allegation of intentionally announcing the price auction by discouraging some unwanted bidders to join and canceling the auction to facilitate one of the bidders to be the contractor in a reinforced concrete road building project in 5 villages.

2) Obstructing other price bidders by "Action Impeding Fair and Free Competition" to facilitate only some entrepreneurs and constructors. Examples are as follows: 1) Huai Toei SAO, Kut Rang District, Maha Sarakham Province, involved the allegation of considering the results of the price auction of a road construction projects for highway main road number 23 Ban NongSang, Ban SamRong, (Part 3) to facilitate a co-interest bidder to contract for works. 2) Ron Thong SAO, Satuek District, Buriram Province, involved the allegation of action impeding fair and free competition in the concrete road building contract for works at BanNongPrue Road, Moo 14 to facilitate Kieatumphai International Company Limited to be the contractor for works.

3) Conducting a Distribution of Fraudulent Documents (Quotations) to facilitate only bidder to sign the contract for works. Examples are as follows: 1) Kusuman SAO, Kusuman District, Sakonnakhon

Province, involved the allegation of conspiracy in the use of a fraudulent signature of the prosecutor in bidding for a construction project for reinforced concrete roads; E-Kut village Moo.2 to benefit one of the bidders in winning the contract. 2) Rop Mueang SAO, Mueang Roi Et District, Roi Et Province, involved the allegation of conspiracy in the use of a fraudulent signature of the prosecutor as chairman of the price auction event as noted in the SAO's report dated April 11<sup>th</sup> 1997, and April 17<sup>th</sup> 1997, regarding the case mentioned above. As a result of the report, this was a disciplinary offence by making fraudulent documents to facilitate "SOMYONT CONTRUCTION COORPERATION," which offered the second lowest bid in a contract for works competition and yet was regarded as the lowest bid for a contract for design and works supervision for a reinforced concrete road building project at Moo.6, Rop Mueang Subdistrict, in the fiscal budget year of 1997, and as co-contract agreement with RopMueang SAO even though "VEE V INDUSTRY COORPERATION" was the actual lowest bid in the competition, which as a consequence caused severe damage to the government.

4) Disciplinary Offence by failing to inform the lowest bidder in the competition to make a contract for works or a contract of agreement. Examples are as follows:

Although some of the contractors that had already won in the price bidding of SAO projects, issues still occur such as not informing the winner who is entitled to the contract or agreement. As a result, this causes severe damage to contractors and SAOs: 1) SongKhon SAO, PhoSai District, Ubon Ratchathani Province, involved the allegation of action impeding a free and fair bid by failing to inform the winning enterprise of a contract for a design and works supervision competition to contract for works agreement causing severe damage to both the enterprise and SongKhon SAO, (Failure to inform the lowest price bidder in appointing a contractor for design and works supervision in a contract for work agreement). 2) Khua Riang SAO, Chum Phae District, Khon Kaen Province, involved the allegation of disbursement of a government budget for car fuel, flashing solar lights purchase, and Tilapia fish purchasing projects.

5) Charges levied on the prosecutors as compensation for disbursing government budget as prosecutor wages for projects (There are four cases out of thirty-four cases at twelve percent). The examples are as follows:

The method of asking for bribes as compensation to disburse wages normally in accordance with an advance agreement mostly called for 10-30 percent compensation of the project budgets: 1) Nong Hoi SAO, Phra Thong Kham District, Nakhon Ratchasima Province, involved the allegation of the failure of the committee in the appointment process and an executive technician (Level 4), performance evaluation to serve in a higher rank or position (level 5) as an executive technician position in a wrongful way as a result of skipping the process of performance evaluation by the selecting officers. 2) Kham Sakaesaeng SAO, Kham Sakaesaeng District, Nakhon Ratchasima Province, involved the allegation of asking for a bribe from the prosecutor as compensation in the construction of a water supply systems project. 3) Nong Krat SAO, Dan Khun Thot District, Ratchasima Province, involved the allegation of asking for bribes from the contractor in exchange for road construction payable checks. 4) Nong Bua SAO, Na Mon District, Kalasin Province, involved the allegation of using fraudulent documents in contracting for works for reinforced concrete road construction projects including the road in front of Phothi-Kuson Temple, Ban Non Yhing Sun, Moo.1, and the road path along the side of Nong Bua Klang School, Ban Nong Bua Klang, Moo.2, in the fiscal budget of 2011. Furthermore, misleading and fraudulent documents were presented to the constructors to receive funds.

6) Granting a contract for works and disbursement of government budget even though the forms of design and works supervision of the constructor did not comply with the terms of agreement in the contract (There are six cases out of thirty-four cases at eighteen percent). The examples are as follows: 1) Nong Kin Phen SAO, Warin Chamrap District, and Top Hu SAO, Det Udom District, Ubon Ratchathani Province, involved the allegation of granting an aid contract for works on the canal dredging project at Ban KuaMaiKaen, Moo.2 and distributing government supervision project expenses to their project contractor even though the form of construction did not comply with the terms of the contract for works. 2) Phon Sawan SAO, Selaphum District, Roi Et Province, involved the

allegation of corruption in a water supply construction project at Moo.3 by lessening the amount of construction materials. 3) Phutthaisong SAO, Phutthaisong District, Buriram Province, involved the allegation of granting the water supply project to technician officers even though the construction did not comply with the forms and terms of the contract for works. 4) Phlai SAO, Lam Thamenchai District, Nakhon Ratchasima Province, involved the allegation of granting the dredging lake project of Phlai village, Moo.4 and the disbursement of wages to the contractor even though the dredging did not comply with the contract. 5) Phu Ngoen SAO, Kantharalak District, Sisaket Province, involved the allegation of conspiracy in granting a water supply repairing project at Phu Ngoen Village Moo.6 and intentionally disbursing budget to the contractor even though the project did not comply with the contract. 6) Rop Mueang SAO, Mueang Roi Et District, Roi Et Province, involved the allegation of conspiracy in using a fraudulent signature of the prosecutor as chairman of the price auction event as noted in the SAO's report dated April 11<sup>th</sup> 1997, and April 17<sup>th</sup> 1997, regarding the case mentioned above. As a result, it was a disciplinary offence by making fraudulent documents to facilitate "SOMYONT CONSTRUCTION COOPERATION," which offered the second lowest bid in a contract for works competition yet was regarded as the lowest bid in a contract for design and works supervision in a reinforced concrete road building project in Moo.6, Rop Mueang Subdistrict, in the fiscal budget year of 1997, as a co-contract agreement with Rop Mueang SAO even though "VEE V INDUSTRY COOPERATION" was the actual lowest bid in the competition. As a consequence, it caused severe damage to the government.

7) Conducting a fraudulent disbursement of government budget documents that did not comply with a rightfully legal form. The examples are as follows: 1) Mak Ya SAO, Nong Wua So District, Udonthani Province, involved the allegation of the submission of fraudulent documents in the disbursement of a contract for works to labor representatives to alleviate the suffering of the victims in a natural disaster in 2011, to progress with the dredging of a public pool in Sri Mak Ya temple. 2) Khua Rieng SAO, Chum Phae District, Khon Kaen Province, involved the allegation of disbursement of a government budget for car fuel, flashing solar lights purchase, and Tilapia fish purchasing projects in the fiscal budget of 2008,

3) Khua Rieng SAO, Chum Phae District, Khon Kaen Province, involved allegations of a Disciplinary Offence in payable funds for building construction, without the right forms and details as required by the policy, and a Disciplinary Offence in the construction of similar road building projects at the same time, split purchasing and contracting for works by avoiding the price bid competition including agreeing a contract for works to the higher price bidder, without describing reasonable needs for consideration. 4) Nong Phai SAO, Na Dun District, Maha Sarakham Province, involved the allegation of distributing a fraudulent document for wages for reinforced concrete road building projects for private gain. 5) Sano SAO, KhuKhan District, Sisaket Province, involved the allegation of conspiracy to sign an approval in the flood victims' surveys of 2008 to grant aid from KhuKhan District Agricultural Extension Office, which is a disciplinary offence. In addition, there was a failure to seek compensation for some flood victims.

8) Splitting purchasing and contracting for work processes by avoiding the price bid competition. Example as follows: 1) Khua Rieng SAO, Chum Phae District, Khon Kaen Province, conducted many similar construction projects at the same time, split purchasing and for contracting works by avoiding the price bid competition. 2) NongTat SAO, Mueang Buriram District, Buriram Province, involved the allegation of blanket procurement distributed to the population in fiscal year 2007 by aspecial method, which is a disciplinary offence.

2) Rank #2: Disciplinary Offence by Misappropriating Income/ Fraudulent Authorization Signatures for Payable Checks or Disbursement of Funds from Bank Accounts for Private Gain

There were twenty-one cases out of seventy cases (29%). This commonly found form of corruption is as follows: financial accounting, revenue collection by SAOs including the Chief of General Financial Officer, Revenue Collection Officers, etc.

The most rignificant forms of corruption in terms of financial matters are: 1) Disciplinary Offence by using fraudulent authorization signatures for payable checks or the disbursement funds from government, fraudulent payee names,

and the amount of funds in payable checks. 2) Disciplinary Offence by misappropriating income, revenue from tax collection, supported funds as follows:

(1) Disciplinary Offence by using fraudulent authorization signatures for payable checks or the disbursement of funds from government, fraudulent payee names, and the amount of funds in payable checks.

There are five cases out of twenty-one cases (24%). The examples are as follows: 1) Non Sai SAO, Maha Chana chai District, Yasothon Province, involved the allegation of the authorization a fraudulent signature on three payable checks for personal gain. 2) Khlong Mueang SAO, Chakkarat District, Nakhon Ratchasima Province, involved the allegation of over withdrawing money from the SAO bank account for private gain. 3) Nong Krat SAO, Dan Khun Thot District, Nakhon Ratchasima Province, involved the allegation of fraudulent documents and engaging in wrongful use of forged documents to obtain a disbursement petition. 4) Prue SAO, Prasat District, Surin Province, involved the allegation of distributing fraudulent signatures on paychecks for private gain. 5) Takhu SAO, Pak Thong Chai District, Nakhon Ratchasima Province, involved the allegation of distributing fraudulent documents on a money loan project for Moo.8 and Moo.10 and misappropriating water supply bill payments for private gain.

(2) Disciplinary Offence by Misappropriated an income, Revenue from Tax Collecting, Supported Funds.

There are fifteen cases out of twenty-one cases (71%)t. The examples are as follows: 1) LamSaiYong SAO, NangRong District, Buriram Province, Involved the allegation of fund misappropriation for self-benefit or other, during the fiscal years from 2006 to 2008. Checks had been paid without authorization by signatures, and the money was withdrawn from the bank account of Krung Thai Bank Company (Limited.), NangRong Branch, Account Number. 373-6, 2) Kut Lo SAO, Kaset SomBun District, Chaiyaphum Province, involved the allegation of funds allocated misappropriated government subsidy fund expenditure to spend on administration management, which caused a shortage of funds in the bank account, 3) Nong Khwao SAO, Sikhorphum District, Surin Province, involved the allegation of misappropriation of tax income which has to be sent to government but was to withheld for private gain. 4) Nong Waeng SAO, Si Narong District, Surin

Province, involved the allegation of revenue misappropriation of Nong Waeng SAO to benefit themselves or others in an act of corruption. 5) Kut Chum SAO, Kut Chum District, Yasothon Province, involved the allegation of misappropriated income of Kut Chum SAO for private gain. 6) Sai Moon SAO, Phibun Mangsahan District, Ubon Ratchathani Province, involved allegations of misappropriated funds for purchasing stationary and holding an amount of plan selling income of Sai-Moon SAO, for private gain. 7) Nuea Mueang SAO, Mueang Roi Et District, Roi Et Province, involved the allegation of the use of fraudulent wage documents in contracting for works to help victims of natural disasters (2008) in a dredging project at NongDonPuTa lake Moo.<sup>12</sup> the amount was misappropriated as mentioned for private gain. 8) Tao Ngoi SAO, Tao Ngoi District, Sakonnakhon Province, involved the allegation of a misappropriated guaranteed funds contract to buy a four-wheel drive for private gain. 9) KutKhao SAO, Manchakhiri District, KhonKaen Province, involved the allegation of misappropriated income of KutKhao SAO, for private or others' gain. 10) Sa Saming SAO, Warin Chamrap District, Ubon Ratchathani Province, involved the allegation of misappropriated an income of SAO, to own private interest. 11) Nong Hua Fan SAO, Kham Sakaesaeng District, Nakhon Ratchasima Province, involved the allegation of misappropriated income of NongHuaFan SAO for private or others' gain. 12) Kham Khuean Kaeo SAO, Sirindhorn District, Ubon Ratchathani Province, involved the allegation of misappropriation in the fiscal year of 2001 to support the district's sport activity for own or others' gain. 13) Khok Sung SAO, PhonThong District, Roi Et Province, involved the allegation of getting paid for the plan insurance contract and getting paid for the housing and building tax which is the income of the Khok Sung SAO. The total amount of THB 54,035 was misappropriated, and the amount had not been deposited into the SAO's bank account in accordance with the regulations. The money was for private gain. 14) Pha Noi SAO, Wang Saphung District, Loei Province, involved the allegation of misappropriating an amount of money from collecting fees on health hazards and building licenses in the fiscal year 2000, totaling 11,400 THB and distributing fraudulent documents to deposit only THB 300 in the SAO's bank account. THB 11,100 was misappropriated from the SAO for private gain. 15) Kham Pa Lai SAO, Mueang Mukdahan District, and Mukdahan Province,

involved the allegation of a disciplinary offence for failing to collect local development tax, issuing tax receipts but not recording payments in the cash account, not depositing the daily cash and not keeping the money in a government safe on 3<sup>rd</sup> and 30<sup>th</sup> June 1999, amounting to a total of THB 8,223.47.

3) Rank #3: Disciplinary Offences in Appointment Exams, Transfers, and Evaluation to Extend Contracts for Works

There are fourteen cases out of seventy cases (20%) involving a Disciplinary Offence in making appointments when recruiting for SAOs in personnel exams.

The research found that this is one of the most common forms of corruption that continues to occur. It is levied by SAO personnel and officers in making appointments and, promotions in various positions by the Chief Executive of the SAO or the Deputy Chief Executive of the SAO. Levyies range from ten-thousand to hundreds of thousands Thai Baht as well as levies on temporary personnel in exchange for passing the performance evaluation to extend and renew their contracts for works.

The allegations of the NACC committee which were found to be guilty as charged are as follows:

(1) Levied on SAOs Personnel/ Officers in exchange for making appointments in various positions. There are nine cases out of fourteen cases (64%) percent in Human Resources Management. The examples are as follows: 1) Ban Fang SAO, Kaseth-Visai District, Roi Et Province, involved the allegation of asking for a THB 280,000 bribe to be appointed in the position of General Administrative Officer (level 3). 2) Sang Ming SAO, Loeng Nok Tha District, Yasothon Province, involved the allegation of asking for bribes from employees as compensation for granting false performance evaluations and renewing employment contracts. 3) Non SAO, Non Narai District, Surin Province, involved the allegation of asking the prosecutor for a bribe as compensation for the appointment as an officer of the SAO (subdistrict personnel). 4) Thung Khlong SAO, Kham Muang District, Kalasin Province, (2 cases), the allegations as following: (1) Mr. Thavorn Budsri (the defendant), Chief Executive of Thung Khlong SAO, involved the allegation of asking for bribes to help with an appointment exam by adding more points in the exam for

the appointment of an SAO officer (subdistrict personnel). (2) Mr. Vasan Wanworathorn, (the defendant), former Director of Bureau of Local Personnel System Development involved the allegation of failure to present to the Central Committee on Subdistrict Administrative Organization Personnel. 5) Nong Hoi SAO, Phra Thong Kham District, Nakhon Ratchasima Province, involved the allegation of an failure of the committee in the appointment process and the executive technician Level 4 performance evaluation to promote staff to serve in a level 5 position as an executive technician in a wrongfuy way as a result of skipping the process of performance evaluation by selecting officers. 6) Kho Kho SAO, Mueang Surin District, Surin Province, involved the allegation of asking for bribes as compensation from Ms. Ketsaraphorn Khumthong for appointment and promotion. 7) Nong Yai SAO, PhonThong District, Roi Et Province, involved the allegation of asking for bribes from applicants as community police in June 1999 for private gain. 8) Nuea Mueang SAO, Mueang Roi Et District, Roi Et Province, involved the allegation of the use of fraudulent wages documents in contracting for works to help victims of natural disasters (2008) in a dredging project at NongDonPuTa lake Moo.12 to misappropriate the amount as mentioned for private gain. 9) Sing Khok SAO, Kaset Wisai District, Roi Et Province, involved the allegation of conspiracy as a co-interest bidder by asking employees to bribe the Local Administrative Organization of the SAOs to have the right to receive other wrongful benefits as special case (annual bonus). In the fiscal year of 2008, there were also instances of refusal to sign payable checks.

(2) Payments were levied on temporary personnel in exchange for passing the performance evaluation to extend and renew their contract for works. The examples are as follows: 1) Mu Mon SAO, Chiang Khwan District, Roi Et Province, involved the allegation of asking for bribes from employees of MuMon SAO as compensation for granting performance evaluations and renewing the employment contract for works. 2) Nong Hai SAO, Mueang Udonthani District, Udonthani Province, involved the allegation of asking for bribes from civil officers (subdistrict personnel) by threatening not to renew contracts for works and transfers in position.

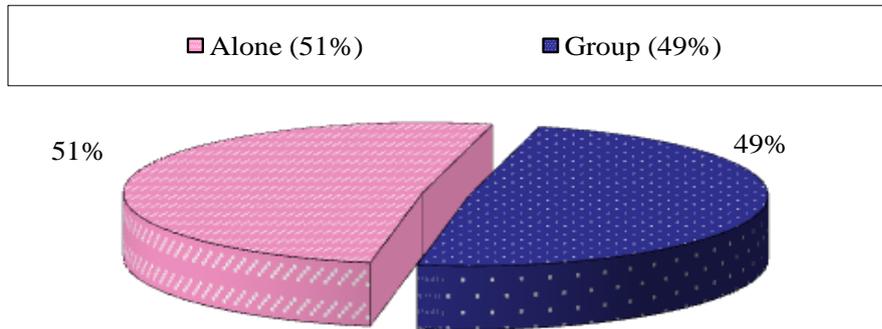
#### 4) Rank #4: Other Forms of Corruption

Other forms of corruption include those that cannot be categorized into the first three rankings mentioned. For example, Thung Khlong SAO, Kham Muang District, Kalasin Province, involved allegations of becoming unusually wealthy with the amount of THB 3,906,000.

##### 4.1.2.2 The Corrupt Positions of Northeastern SAOs where the Accusations of Corruption by the NACC were Upheld as Guilty as Charged

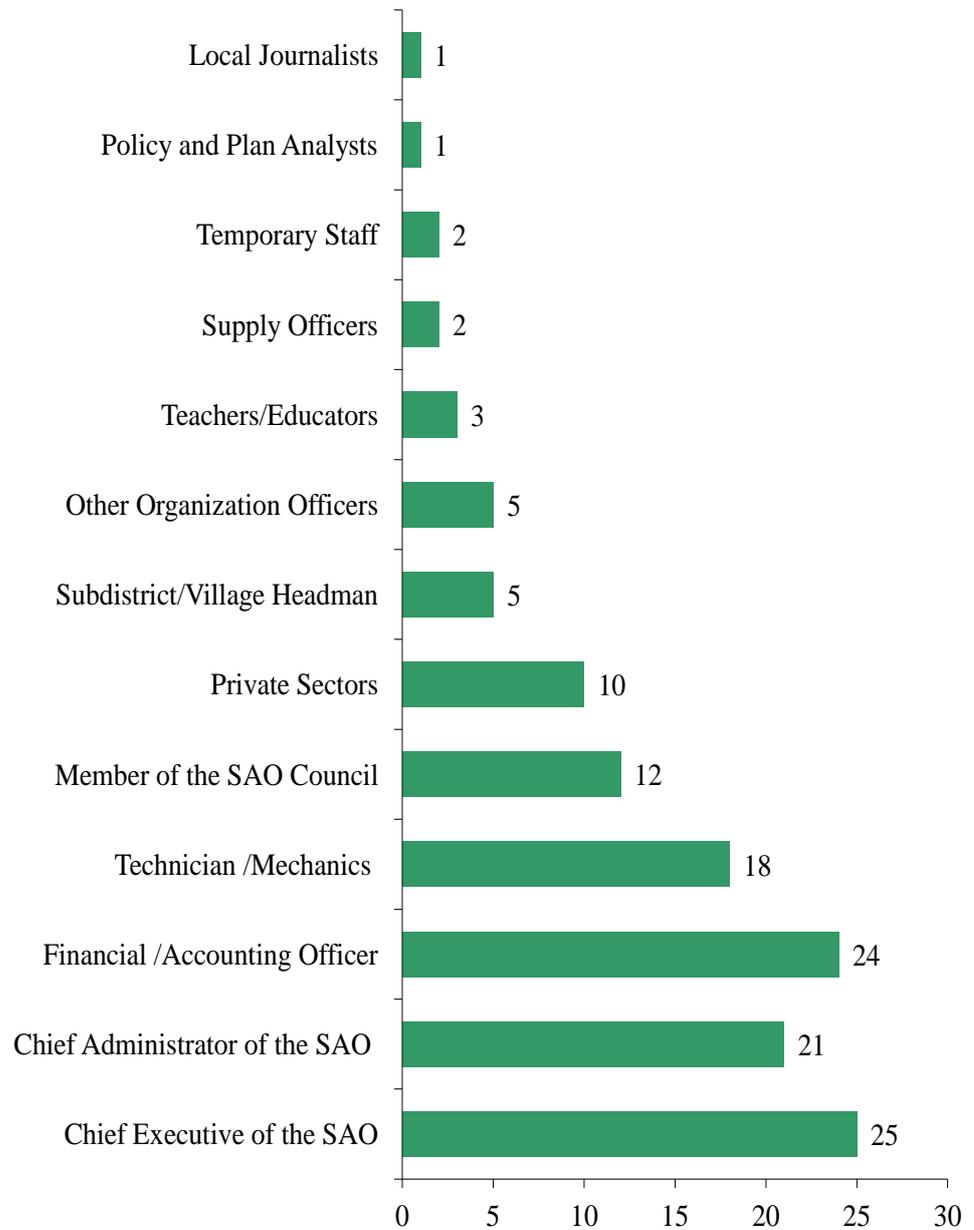
It was found that persons who work as Chief Executives of the SAOs or are former Chief Executives of the SAO were sued in 25 out of 70 cases. Next is the Directors of the Division of Finance, Financial Administrative Officer, Finance and Accounting Technical Officer, Assistant Finance and Accounting Officer or Assistant Revenue Collecting Officers who were sued in 24 cases. The third is Chief Administrators of the SAO who were sued in 21 cases. The fourth is Director of the Division of Technician, Civil Works Chief Technician or Mechanics who were sued in 18 cases. The fifth is members of the Subdistrict Administrative Organization Council who were sued as 12 cases. The last is business groups in the private sector who were sued in 10 cases and also other organization officers who were sued in 5 cases. (See Figure 4.3)

The proportion of cases conducted alone and the cases conducting in groups of Northeastern SAO that were found to be guilty are compared. The result was a similar ratio as the cases conducted alone represent 51 % of the cases, and other cases represent 49 %. (See Figure 4.2)



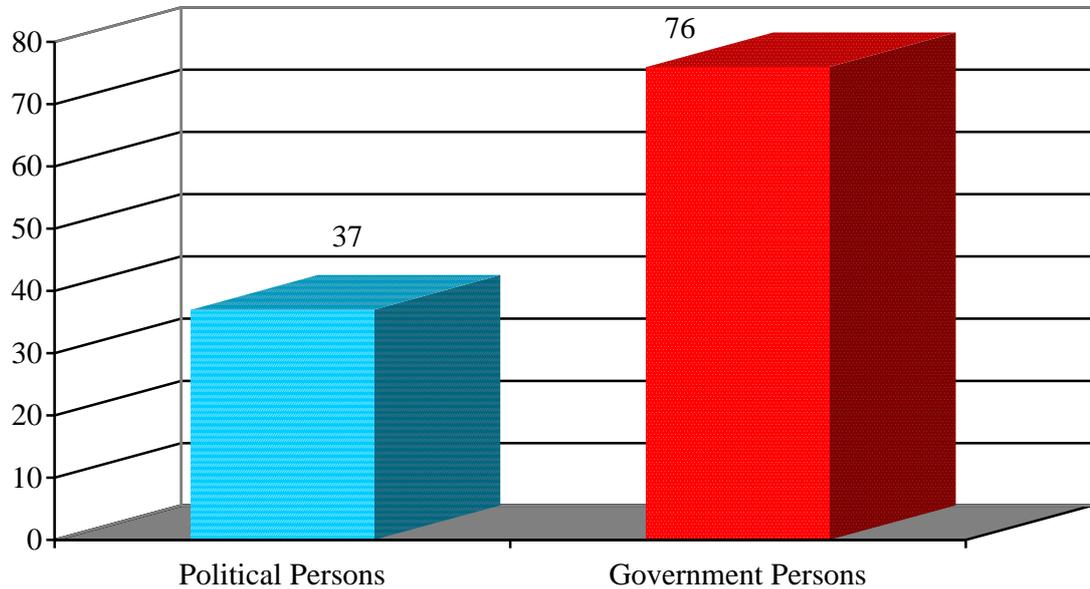
**Figure 4.2** Comparison of Committing Wrongful Acts Alone and in Groups in Northeastern SAOs and were Found to be Guilty

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013a.



**Figure 4.3** Position of Corrupt Persons in Northeastern SAOs that were Found to be Guilty

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013a.



**Figure 4.4** Position of the Defendants from 70 Cases Divided into Political and Government Persons

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013a.

The key finding of this research is that political persons elected to the position of Chief Executive of the SAO and Members of the Subdistrict Administrative Organization Council have been labeled as more corrupt positions than those who are government officers and staff; in contrast, the most corrupt positions are on the government side;

The Chief Executive of the SAO and Members of the SAO Council were accused 37 times while on the government side; the government officers (subdistrict personnel) were accused at least 76 times.

On the government side, 21 cases were document fraud, which is 29 percent of all cases, were frequently found. The persons who get involved directly with such cases are the Director of the Division of Finance, Financial Administrative Officers, Finance and Accounting Technical Officers, Assistant Finance and Accounting Officers and Assistant Revenue Collecting Officers. The major financial

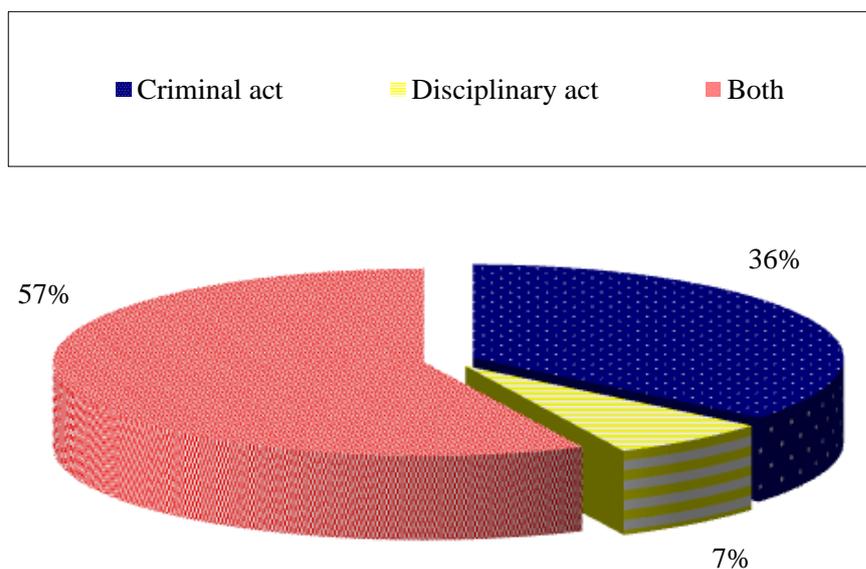
frauds are: 1) signature fraud when signing checks or withdrawing money, forged payee names, false amounts of money on pay checks and 2) embezzling wages, and income when collecting tax or supporting funds. Additionally, corruption cases of the Director of the Division of Technicians, the Civil Works Chief Technician or Mechanics and Supplies Officers were rated the same as the cases of the Director of the Division of Finance, Financial Administrative Officers, Finance and Accounting Technical Officers, Assistant Finance and Accounting Officers or Assistant Revenue Collecting Officers.

There may be some debate as the number of government officers is higher than the officers who are from the political side so that the ratio of government officer cases should be higher. However, considering the actual ratio, it was found that in some areas, political personnel are greater in number than subdistrict personnel. Therefore, the debate above has to be considered.

If the findings can reflect the problem, it is unfortunate that the attempt to solve corruption problem in SAO by focusing only on the political side officers might be unfair since the government officers are more familiar with the rules and regulations and are in their careers longer than political officers.

Nonetheless, it cannot be denied that the Chief Executives of the SAOs who are the most powerful in the organization have more chances to be corrupt. Having authority is not a sufficient condition for corruption, but the deed needs other conditions from government officers to be corrupt as it has been found that the guilty cases were systematic conspiracies between the political side and the government side so that the problem solving pattern may not fix the problem.

In summary, the researcher would like to point out that the assumption that the Chief Executive of the SAO is always the cause of corruption might be slightly misleading. The cases from the NACC imply that most corruption cases were from government officers who were Directors of the Division of Finance, Financial Administrative Officers, Finance and Accounting Technical Officers, Assistant Finance and Accounting Officers or Assistant Revenue Collecting Officers, especially in signature fraud to embezzle a sum of money for their own benefit. Therefore, to prevent and eliminate corruption in SAOs not only the political officers, but also the experienced government officers should be investigated.



**Figure 4.5** Ratio of Northeastern SAOs Guilty Cases Approved by the NACC

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013a.

The data show that the majority of guilty cases are both criminal and disciplinary acts, at 57 percent. Criminal act cases are at 36 percent and disciplinary cases represent 7 percent of the 70 cases.

According to the Organic Act on Counter Corruption B.E. 2542 (A.D. 1999) Section 97, in criminal cases, any allegations by the NACC Commission have to be resolved as in criminal acts, reports, documents, and opinions have to be forwarded to an authorized court for hearing by considering the NACC reports as evidence. The court will accept the allegations for consideration without a preliminary hearing.

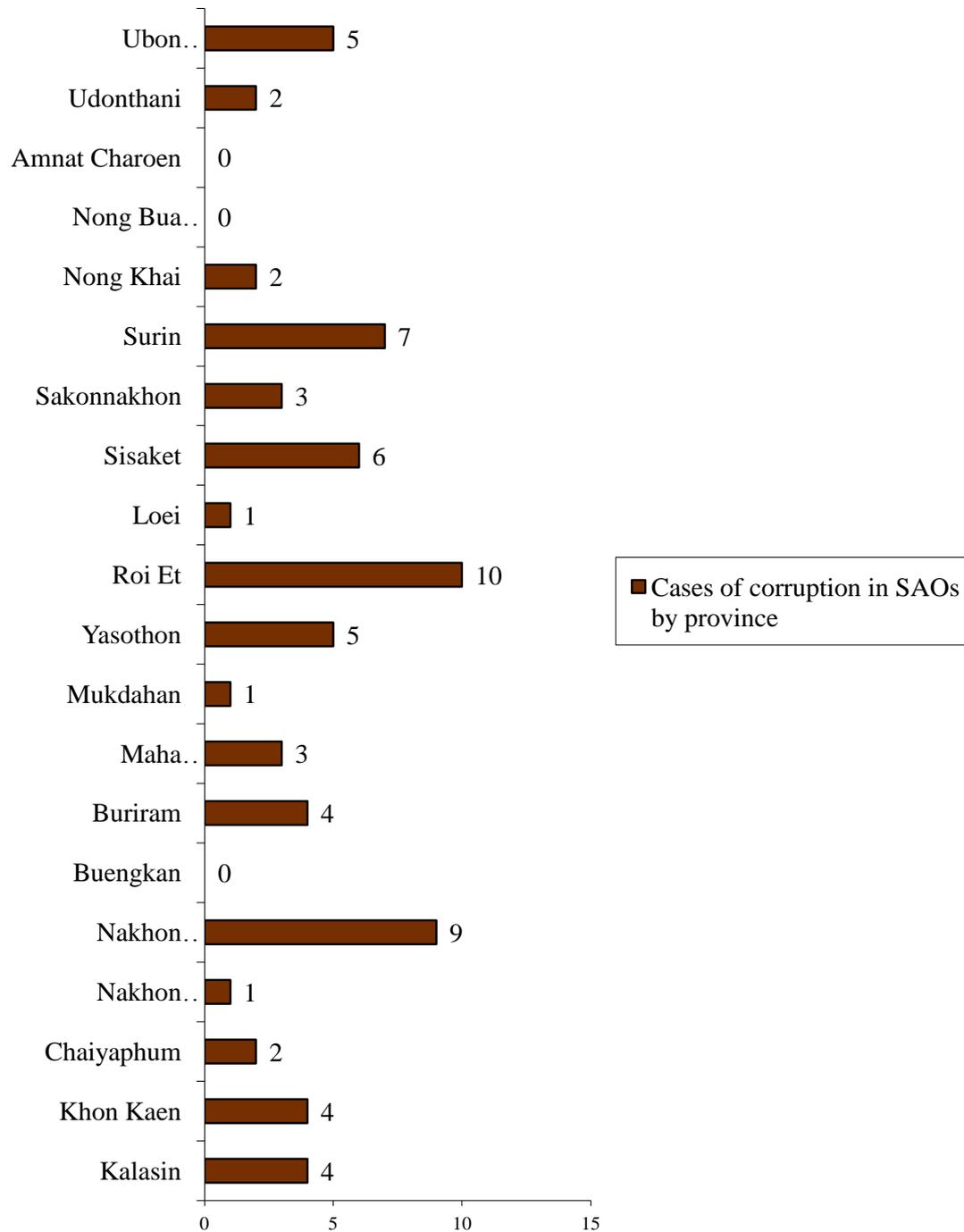
For disciplinary cases, any allegations by the NACC Commission have to be resolved like criminal acts, and reports, documents, and opinions have to be forwarded to authorized persons to discharge the defendants to consider penalties without appointing a penalty commission hearing. To consider the penalty, the NACC reports would be counted as evidence on a case by case basis.

#### 4.1.2.3 Areas of the Northeastern Provinces that have Corruption Cases in SAOs

Corruption cases were found in many Northeastern provinces except three provinces: Amnat Charoen, Nong Bua Lamphu and Buengkan. Those provinces are newly established as Amnat Charoen and Nong Bua Lamphu was established on December 1<sup>st</sup> 1993, and Buengkan was established on March 23, 2011. The reason why those provinces did not have anything significance is that some wrongful acts had been categorized under the former province.

Therefore, it could be concluded that the corruption is widely spread throughout the Northeast, especially in the lower Northeast as there were 10 cases in Roi Et, 9 cases in Nakhon Ratchasima, 7 cases in Surin, 6 cases in Sisaket, 5 cases in Yasothon, 4 cases in Buriram and 5 cases in Ubon-Ratchathani.

However, it is not necessarily true that where there is a high number of cases the province is the most corrupt because there may have been corruption which was unreported, undetected or lacking in evidence.



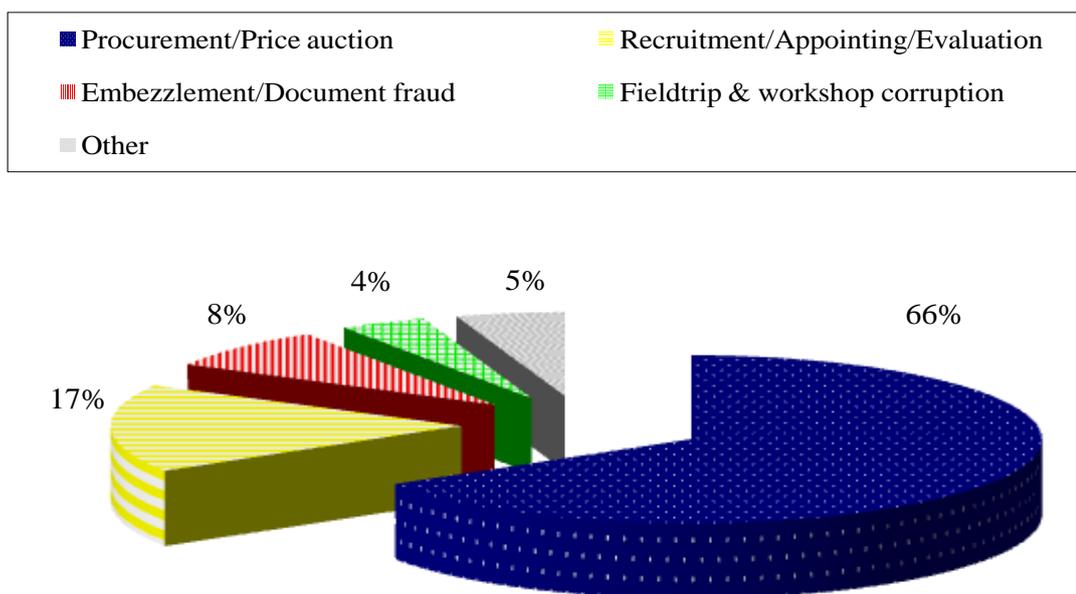
**Figure 4.6** Cases of Corruption in SAOs by Province

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013a.

#### 4.2 An Analysis of the Forms of Corruption in SAOs, from the Allegations /Complaints by the NACC in Pending Cases

The forms of corruption cases in SAOs were analyzed by reviewing the complaints and allegations made during the investigation process (Pending Cases) by the NACC.

The complaints that fit the criteria and were forwarded to the NACC are considered by the NACC itself or by appointing a subcommittee or officers. There are 102 pending complaints between 1998 and 2013 (recently updated on August 1, 2013). (Office of the National Anti-Corruption Commission (NACC), 2013b)



**Figure 4.7** Ratios of Pending Northeastern SAOs Corruption Cases

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013b.

There are 102 pending complaints from 1998 to 2013, (recently updated on August 1<sup>st</sup>, A.D. 2013). The first rank is corruption in procurement at 66 percent. It corresponds to the proportion of cases in which a verdict was reached for procurement corruption, which is also in the first rank. The second rank is recruitment/ appointing/ contract renewal at 17 percent. The third rank is embezzlement/signature fraud, which

is 8 percent. The last one is field trip/ workshop corruption, which is 4 percent and there is also 5 percent for other causes.

With reference to the second rank, the Local Personnel Administration Act, B.E. 2542. (A.D. 1999), stated that the Central Committee on Subdistrict Administrative Organization for Personnel (Provinces Committee) sets criteria and conditions in order to recruit and select suitable applicants to work in the organization as follows:

- 1) Taking an exam to be placed / appointed in positions in each SAO Office
- 2) Exceptional cases, to be placed without taking an exam to fill positions in each SAO
- 3) Taking an exam to be placed / selected to be appointed in a higher-level position in the same department or to join other department or administration positions in each SAO
- 4) To be selected for higher-level positions in the same department or to join another department for those who are experienced officers, specialists or administrators.

Collaboration between the SAO and the Central Committee on Subdistrict Administrative Organization for Personnel (Provinces Committee) is a good opportunity for channeling acts of corruption as to recruit, select and promote applicants especially in Northeastern SAOs is widespread. According to the meeting of the Central Committee on Subdistrict Administrative Organization for Personnel (Provinces Committee) at Ubon Ratchathani SAO 4/2013, it was found that there were 28 SAOs that arranged recruitment tests in June A.D. 2013. The recruitment was arranged between June 3<sup>rd</sup> and 21<sup>st</sup>, 2013 in the following places:

- 1) Na Kham SAO, Si Mueang Mai District
- 2) Don Chik SAO, Phibun Mangsahan District,
- 3) Phon Ngam SAO, Buntharik District,
- 4) Kong Phon SAO, Na Tan District,
- 5) Saraphi SAO, Pho Sai District,
- 6) Top Hu SAO, Det Udom District,
- 7) Yang Yai SAO, Nam Yuen District

- 8) Rai Tai SAO, Phibun Mangsahan District
- 9) Muang Sam Sib SAO, Muang Sam Sib District
- 10) Nong Lao SAO, Muang Sam Sib District
- 11) Khaopun SAO, Kut Khaopun District
- 12) Na Waeng SAO, Khemarat District
- 13) Ban Daeng SAO, Trakan Phuet Phon District
- 14) Tak Daet SAO, Trakan Phuet Phon District
- 15) Khok Sa-at SAO, Nam Khun District,
- 16) Kham Pia SAO, Trakan Phuet Phon District
- 17) Tham Khae SAO, Trakan Phuet Phon District
- 18) Warin SAO, Si Mueang Mai District
- 19) Khok Sawang SAO, Samrong District,
- 20) Kho Noi SAO, Samrong District,
- 21) Non Sawan SAO, Na Chaluai District
- 22) That SAO, Warin Chamrap District,
- 23) Nong Kung SAO, Tan Sum District,
- 24) Khok Chan SAO, Trakan Phuet Phon District,
- 25) Kutsakon SAO, Trakan Phuet Phon District,
- 26) Na Di SAO, Na Yia District,
- 27) Som Sa-at SAO, Det Udom District
- 28) Samrong SAO, Tan Sum District, and there was also fraudulent

recruitment arranged in many other provinces.

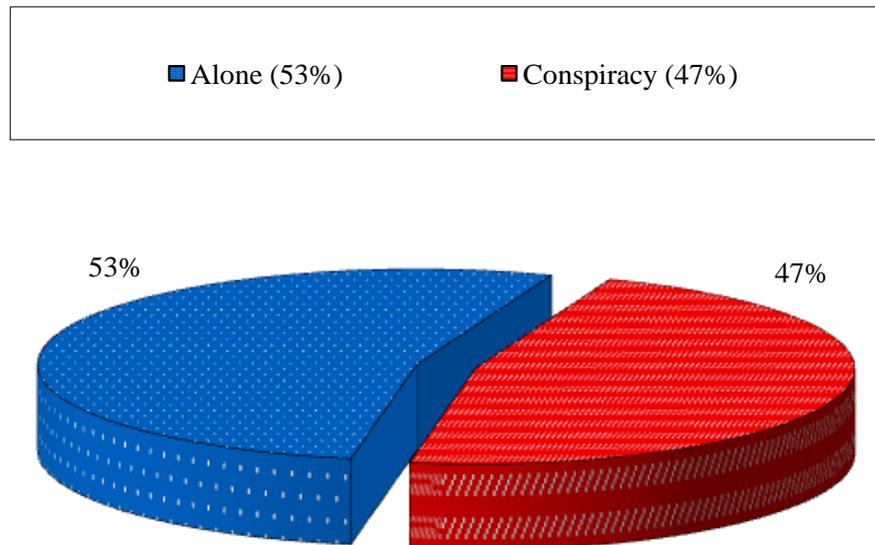
The researcher's purpose is to indicate that since the Central Committee on Subdistrict Administrative Organization for Personnel (Central Committee) announced the criteria and conditions of Human Resources Management in SAOs in 2002 in each province all over the country, which actually creates opportunities for SAOs to co-operate with the Central Committee on Subdistrict Administrative Organization for Personnel (Provinces Committee) to arrange the appointment/recruitment exams to make appointments in SAOs, complaints, allegations that related to recruitment exams have increased dramatically.

From the pending case information, after the Central Committee on Subdistrict Administrative Organization for Personnel (Central Committee) announcement in

2002, it was found that cases involving levies on SAO personnel in exchange for appointment dramatically increased. In 2008, there were only three cases, but in 2011 it had increased to six cases.

The researcher's purpose is to demonstrate that opportunities have been created for SAOs and local administrative organizations to have the authority to arrange recruitment exams, and to make appointments for SAO personnel. Allowing local government to recruit, select and appoint on its own without a proper monitoring process from a third party such as experts or related organizations creates corruption channels.

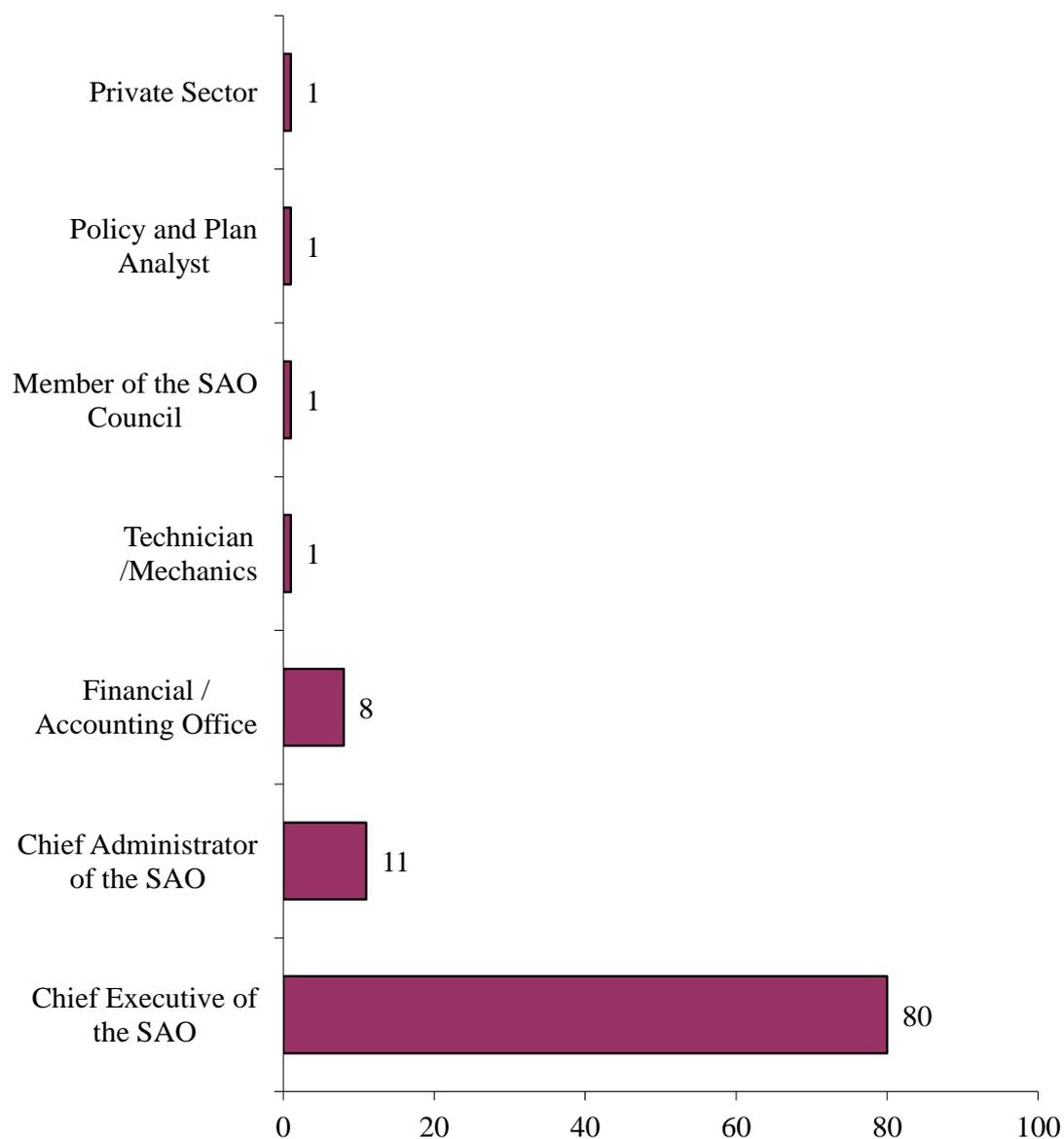
Other forms of corruption are similar. The third rank is signature fraud which includes signing checks or withdrawing money, using forged payee names, check forgery and embezzling wages, tax income collection, or supporting funds is 8 percent.



**Figure 4.8** Comparison of Committing Acts of Corruption Alone and in Conspiracy with Others for Pending Cases in Northeastern SAOs

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013b.

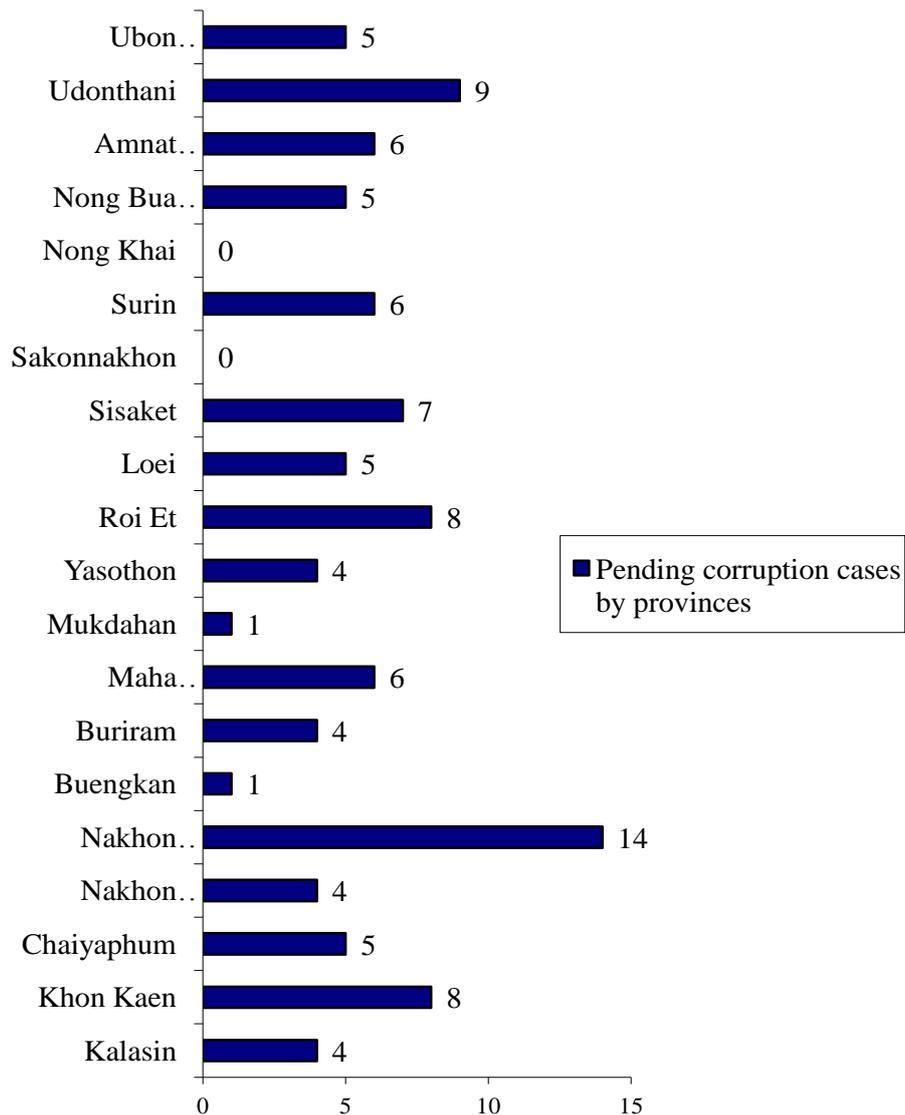
According to Figure 4.8, it was found that cases that were committed alone were higher than those involving conspiracy but does not demonstrate any significance since the ratio is similar at 53 and 47 respectively.



**Figure 4.9** Corrupt Positions Derived from Pending Corruption Cases

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013b.

The analysis shows that the Chief Executive of the SAO is the most accused position in 80 cases out of 102 cases. The next position is SAO Chief Administrator at 11 cases and the last position is Chief of Finance/Finance and Accounting officer at 8 cases. (see Figure 4.9)



**Figure 4.10** Pending Corruption Cases by Province

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013b.

When analyzing the corruption cases of each province in the Northeastern SAOs, where the allegations / complaints were made are under investigation (pending cases), by the NACC Commission between 1998 and 2013, only in cases involving corruption in SAOs in all twenty provinces, it was found that almost all the mentioned provinces have cases involving corruption except for three provinces, which are Nong Khai, Sakonnakhon, Buengkan. However, it is not significant since there were some corruption cases in Nong Khai and Sakonnakhon as well.

In conclusion, corruption cases in SAOs in the Northeast, where the allegations/ complaints are under investigating (pending cases) by the NACC Commission between 1998 and 2013 are widespread there are fourteen cases in Nakhon Ratchasima, nine cases in Udonthani, eight cases in Khon Kaen, eight cases in Roi Et, seven cases in Sisaket, six cases in Surin, six cases in Amnat Charoen, five cases in Ubon Ratchathani, NongBua Lamphu, Loei, Maha Sarakham, and Chaiyaphum, and four cases in Yasothon, Buriram, and Kalasin.

However, the researcher does not conclude that provinces with a high number of corruption cases are necessarily most corrupt provinces since it also depends on political conflict factors. If there was a high rate of political conflict, there may be more complaints in the area, but if agreements were reached or it is hard to prove, there may be fewer complaints about the SAOs or related organizations.

## **CHAPTER 5**

### **THE ANTI-CORRUPTION REGIME IN THAILAND**

This research aims to describe the development of anti-corruption organizations including the roles, structure, size, trends in the budget allocated since it was founded, and the link between performance in inspecting and eliminating corruption.

The analysis of budget, as a result of the immensity of the inspecting system in Thailand since 1997, shows that the total budget of these enterprises each year, excluding necessary costs, is equivalent to the that of a small ministry, However, to suppress corruption in Thailand requires a truly efficient and effective operation and should result in reform or a a new paradigm for the system.

The analysis has been divided into 3 parts:

The 1<sup>st</sup> part analyzes the development of the Anti-Corruption System in Thailand. The 2<sup>nd</sup> part is the corporate performance in inspecting and eliminating, corruption. The 3<sup>rd</sup> part analyzes the immensity of the Anti-Corruption System in Thailand through the perspective of the budget which each organization has been distributed since they were founded until the present (only 6 main organizations) as follows.

#### **5.1 Development of the Anti-Corruption System in Thailand**

The development of the anti-corruption system in Thailand is analyzed follows:

### 5.1.1 Inspecting Organizations is Centralized Empowerment

The NACC which is the organization responsible for inspections has been posted as centralized empowerment and takes care of the corruption cases. Since it is a centralized organization, delays in case investigation occurs, especially in cases involving politicians, both at national and local levels where such people are in the position for only 4 years. However, previous investigations took longer than 4 years. Moreover, the offender can also be a political candidate again if the NACC does not reach any verdict or if the case has not been completed.

In each year, the NACC has accumulated a lot of under investigated cases. In 2010, there were 9,840 pending cases. There were only 1,458 issues where a determination has been made or cases were dismissed or not accepted, or forwarded to another organization. There are consequently 8,382 issues remaining as shown Table 5.1 below.

**Table 5.1** Performance of the NACC in 2010

Performance of the NACC in 2010	Total (Cases)
Pending cases	6,773
New cases	3,067
Total	9,840
Closed cases are	1,458
○ Passed a resolution / determination	97
○ Dismissed	1,033
○ Unaccepted	200
○ Forwarded	128
<b>Pending</b>	<b>8,382</b>

**Source:** Office of the National Anti-Corruption Commission, 2010: 33-34.

Even though in the statute of constitutional law of 2007, section 246, the last paragraph has a commission to establish the Office of the National Anti-Corruption Commission Provincial (NACC Provincial Office), its role would be only to collect

all the preliminary evidence or findings by seeking the basic facts and then finally sending all the information to the central NACC. The NACC Provincial is not responsible for the investigation process; only the central NACC is responsible for investigation, and appoints the committee to process trial cases.

By the Organic Act on Counter Corruption B.E. 2542 (A.D. 1999), as amended by No. 2 B.E. 2554 (2011) Section 103/10, the Provincial Anti-Corruption Committee assigns the board of committee that should have at least 3 members but not more than 5 members.

The Provincial Anti-Corruption Committee is obliged by duty to prevent and combat corruption offenses. In this regard, the Provincial committee must create mechanisms to facilitate active involvement and public participation. The Provincial committee shall have a duty to establish mechanisms to encourage participation by people or in collaboration with stakeholders from all sectors in prevention and counter corruption. To this extent, the Provincial committee has to cooperate with the government sector to promote the values of honesty as well as to disseminate knowledge about the prevention of corruption. Also, the Provincial committee may propose corruption prevention recommendations, which would be useful to the fight against corruption, to the NACC. Additionally, the Provincial committee can lighten the work load of the NACC, for example, in the preliminary stage of conducting a fact-finding inquiry concerning allegations against a state official; gathering the preliminary evidence to inform the NACC for consideration; inspecting the accuracy and the actual existence of or the change of assets and liabilities of a person that has a duty to submit an account (showing particulars of their assets and liabilities) to the NACC. With this respect, the NACC shall set the criteria and procedures in relation to such duties for Provincial committees to conduct.

The 2007 Constitution and the 1997 Constitution provide different rules regarding the scrutiny of the exercise of state powers. This is especially true for the provisions that allow the NACC to examine a person holding a high-ranking position, as well as to appoint the Provincial Anti-Corruption Committee. Moreover, in present times, since corruption offenses and misconduct are excessively complicated and fragmented, it is necessary for the NACC to improve its operational efficiency and enhance its control mechanisms to prevent and combat cases of corruption.

Thus, the new Organic Act on Counter Corruption does not only enhance the work of inspection, but also provides benefits directly to people to participate in corruption prevention and suppression. These measures have substantially contributed to the enhancement of public participation and accountability.

Regarding the new Organic Act, there are four amendments to the Organic Act on Counter Corruption B.E. 2542 (1999): (Office of the National Anti-Corruption Commission (NACC), 2014)

- 1) Improvement of legal provisions to be consistent with the Constitution
  - (1) To improve the definition of “State official”
  - (2) To insert the provision of the Provincial Anti-Corruption Committee
- 2) Improvement and enhancement of the operational efficiency
  - (1) Assets inspection
  - (2) Corruption suppression
- 3) Strengthening of corruption prevention and suppression
  - (1) Protection
  - (2) Awards
  - (3) Taking a person as a witness
  - (4) To set supplementary preventive measures against corruption
- 4) Organization management

1) Improvement of Legal Provisions to be Consistent with the Constitution

(1) To improve the definition of “State official”

According to the Organic Act on Counter Corruption B.E. 2542 (1999), the definition of “State official” is defined in a broader term, which includes a wide range of persons performing duties in all public sectors. In contrast, the 1999 Organic Act, section 250 (3) of the Constitution of the Kingdom of Thailand B.E. 2550 (2007) states that the National Anti-Corruption Commission (the NACC) shall have the powers and duties to inquire and decide whether State officials have become unusually wealthy or have committed an offense of corruption, malfeasance in office or malfeasance in judicial office. The National Anti-Corruption Commission is empowered to investigate offenses under section 250 of the 2007 Constitution committed by State officials that are:

- a) A high-ranking executive
- b) Government officials holding position of Divisional Director or its equivalent upwards.
- c) State officials or Government officials holding lower positions (lower than the person in (b)), who have committed offences in conspiracy with the aforesaid holders of positions (person in (b)) or with persons holding political positions.
- d) State officials or Government officials holding lower positions (lower than the person in (b)), who have committed offences of such description considered by the National Anti-Corruption Commission.

Therefore, in order to ensure consistency with the Constitution, the definitions of “High-ranking executive” and “Government officials holding positions of Divisional Director” have been revised to include:

“High-ranking executives” who are; 1) Persons holding political positions 2) Persons holding high-ranking position 3) The commissioner of independent agencies under the Constitution 4) Vice minister 5) Persons holding positions of Divisional Director or its equivalent upwards in a government sector, a state enterprise or a state agency, or any agency that is empowered to exercise an administrative power. 6) Person or a group of persons who has a power to supervise

the aforesaid agencies. 7) Other State officials or government officials as prescribed in the Government Gazette by the National Anti-Corruption Commission.

“Persons holding positions of Divisional Director” means a government official holding a position of Divisional Director or its equivalent upwards in accordance with the Civil Service Act or other related regulations as prescribed in the Government Gazette by the National Anti-Corruption Commission.

(2) To insert the provision of the Provincial Anti-Corruption Committee

Pursuant to the Constitution of the Kingdom of Thailand B.E. 2550 (2007), there shall be between three and five members of the Provincial Anti-Corruption Committee. The qualifications, selection process, and powers and duties of the Provincial members shall be as prescribed by the Organic Act on Counter Corruption.

Under the new Organic Act, the Provincial body shall consist of not less than three members but not more than five members as determined by the NACC. The Provincial body comprises the President and other qualified members appointed by the NACC. Provincial members shall hold office for a term of four years as from the date of their appointment, and shall serve for only one term. Furthermore, there shall be a Selection Committee of nine members, which consists of representatives of provincial agencies or provincial organizations.

Members of the Provincial Anti-Corruption Committee shall be persons of apparent integrity as well as with the same qualifications and without any of the same prohibitions as those applicable to members of the NACC. However, the qualifications for the Provincial members shall be adjusted to suit the members’ duties at provincial level and to encourage people’s participation and service delivery. Thus, the qualifications for members of the Provincial Anti-Corruption Committee are;

a) Being, or in the past, been a person holding position of not less than Divisional Director or its equivalent upwards, or

b) Being a qualified person who is experienced and knowledgeable, or produce work that is widely recognized and acceptable which could be useful instrument for prevention and counter corruption, or

c) Being a person that has been working for a private development organization or a professional organization that is certified by law, and has been continually working at such an organization for not less than 10 years.

2) Improvement and Enhancement of Operational Efficiency

(1) There are some improvements and enhancements of the operational efficiency in the inspection of assets and liabilities process, which are:

a) A revision has been made to the procedures for the submission of an account showing particulars of assets and liabilities. Regarding the 1999 Organic Act, a declarer shall submit the account showing particulars of their assets and liabilities, and those of their spouse and children who have not yet become Sui Juris, including assets and liabilities in foreign countries and those which are not in the possession of the declarers as they actually exist on the date of submission.

However, under the new Organic Act, a declarer shall submit to the NACC an account showing particulars of their assets and liabilities, actually in existence at the time of being in office and upon vacation of office. This includes assets and liabilities in foreign countries and those that are not in the possession of the declarers. In addition to the submission mentioned above, a declarer, who has vacated office, shall resubmit an account showing particulars of assets and liabilities, actually in existence at the expiration of one year after the vacation of office.

b) A revision has been made to the declaration of accounts showing particulars and liabilities that are disclosed to the public. Pursuant to the 1999 Organic Act, it shall be the duty only of the Prime Minister and the Minister to submit their accounts that shall be disclosed to the public. However, under the 2007 Constitution, the Members of the House of Representatives and the Senate also shall have a duty of disclosure to the public. On the other hand, the accounts of persons holding other positions is not required to be disclosed unless the disclosure will be useful for the court trial and adjudication of cases or with the consent of the account owner.

c) A revision has been made to the court that has an adjudication power over claims against a person holding a political position who intentionally fails to submit an account showing the particulars of assets and liabilities within the time

prescribed by law, or who intentionally submits such account with false statements or conceals the facts that should be revealed. Under these circumstances, instead of referring the matter to the Constitutional court for a final decision, the new law stipulates that such a matter shall be submitted to the Supreme Court of Justice's Criminal Division for Persons Holding Political Positions for a further decision.

Consequently, if the Supreme Court of Justice's Criminal Division for Persons Holding Political Positions makes a decision that any person holding a political position has committed an offence of intentionally failing to submit accounts showing the particulars of assets and liabilities within the time prescribed by law, or submits accounts with false statements being included therein or failing to disclose facts that should be revealed, such person shall vacate their seats on the date that the court makes the decision in response to the case. Moreover, any person who has committed such an offence shall be prohibited from holding any political position or holding any position in a political party for five years as from the date of the decision.

d) In order to increase the effectiveness in the inspection of the accuracy and the actual existence of or the change of assets and liabilities; the NACC shall have the duty to examine financial transactions or an acquisition of assets and liabilities. In certain circumstances, the NACC can make a request that such assets shall devolve upon the state on the following grounds: 1) There is reasonable cause to suspect or under the apparent circumstance that a person has illegitimate acquisition of assets or liabilities, or 2) Any transaction is under reasonable belief that it may contain the transfer, disposal, removal, concealment or hiding of any property that is connected with an offense, or 3) It appears that assets, which are held by another person on their behalf, have an unusual increase.

Under the inspection of assets and liabilities, the NACC shall have the power to request the information related to financial transactions of such person from the Anti-Money Laundering Office (AMLO) or financial institutions, or a person with a duty to report the financial transaction. Furthermore, in the case where it is necessary to inspect the accuracy or the change of assets and liabilities, the NACC can exercise of its power, including exercising the power of the Transaction Committee as specified by the provisions of the Anti-Money Laundering Act.

e) The power of the NACC has been increased to undertake a temporary seizure or attachment of property, if they inspect that the person holding a political position has an unusual increase of assets. In this circumstance, the President shall furnish existing documents together with the inspection report to the Attorney-General to institute an action in the Supreme Court of Justice's Criminal Division for Persons Holding Political Positions, at the time that the Supreme Court has not made any order.

(2) Corruption suppression

To facilitate the work of the NACC on the basis of expeditious manner and to increase their flexibility, revisions have been made to rules and procedures of fact finding and fact inquiry of the NACC as follows:

a) Before conducting a fact-finding inquiry, the fact-finding shall be made by the NACC. In detail, the NACC may entrust the conduct of a fact-finding mission and the task of gathering evidence, which will be adequately used in the fact-finding inquiry procedure, to the Secretary-General of the National Anti-Corruption Commission (Secretary-General). By this way, the Secretary-General may appoint competent officials to conduct the fact-finding on his behalf.

b) Fact-finding inquiry

(a) With reference to the 1999 Organic Act, if there is a case to appoint an inquiry sub-committee, one of the NACC Commissioners shall be the chairman of the sub-committee upon all matters. Nonetheless, under the new Organic law, the Commissioner is required to act as a chairman particularly in conducting a fact-finding inquiry of important matters that are in connection with the removal from office and criminal proceedings against persons holding political positions.

(b) In conducting a fact-finding mission and the task of gathering evidence on the criminal proceedings against state officials, the NACC may entrust such tasks to a competent official of the Office of the National Anti-Corruption that is holding a position at professional level or its equivalent upwards. Moreover, the NACC shall have the duty to determine the rules, procedures and conditions of the competent official who is an inquirer.

(c) The NACC or the President of the NACC is obliged to submit a motion to the court in some circumstances; such as the referral of the case to

the Supreme Court of Justice's Criminal Division for Persons Holding Political Positions for a further decision in a case where a person holding a political position intentionally fails to submit an account showing particulars of assets and liabilities or intentionally submits such account with false statement, or in the case where the President of the NACC refers the case to the Attorney-General to start legal proceedings against state officials. Nonetheless, if the Attorney-General holds that there is insufficient evidence to submit the issue to the court and the joint working group of the Attorney-General, and the NACC is unable to reach a decision as to the prosecution, the NACC shall have the power to appoint an inquiry official; who has obtained the Barrister-at-law degree or the Bachelor of Laws, and has acquired experience beneficial to the performance of duties in court proceedings to prosecute on its behalf.

c) A new mechanism has been inserted to improve working operability. For the purpose of accessing the data or information (of a person), the NACC is authorized to request agencies or financial institutions to facilitate the NACC or the sub-committee to inquire into the facts of the alleged culprit or a person having reasonable cause to believe to be involved in the allegation. In a case where the NACC found that some types of information are inaccessible, the NACC may file a motion requesting an order from the court to access such information.

d) A change has been made to the trial procedures in cases where corruption offences are committed by a state official. In the circumstance as such, the court has to decide cases on the basis of the inquisitorial system, and shall be based on the report documents and inquiry files of the NACC. If it is necessary, the court may conduct additional inquiry to gather facts and supporting evidence for the case.

e) Regarding criminal proceedings against state officials, if an alleged culprit has fled during a trial, the periods of prescription shall not run during the time of his escape. (Office of the National Anti-Corruption Commission (NACC), 2014)

### 3) Strengthening of Corruption Prevention and Suppression

#### (1) Protection

a) The NACC may provide measures to protect an injured person, a person who prepares a request or makes an allegation, a deponent, and a whistle-

blower that provides any information on corruption offences or on unusual wealthiness or other information that would be useful for the NACC to carry out its duties under the law.

b) Regarding protection procedures, the NACC shall inform concerned agencies to provide measures to protect the person in (a), who is a witness that shall be provided protection under the law of witness protection in criminal cases. By this way, the NACC shall submit its advisory opinions to the agency whether general or special protection should be applied to the case.

c) The extension of protection shall be granted to a person other than the person in (a), if a criminal offence is committed intentionally; and such offence injures the life, body, health, reputation or any right of the ancestor, descendant, husband or wife, or a person otherwise closely associated with a person in (a). The aforesaid person, who testifies or provides any clue or information concerning corruption-related offences to the NACC, shall have the right to file a request to concerned agencies for compensation to the extent of necessity and reasonability.

d) In the case where a person in (a) is a State official and makes a request to the NACC on the issue that he/she can be treated unfairly or unjustly if still performing the duties at his/her office. When the NACC has found convincing evidence of unfair treatment, the NACC can submit the case to the Prime Minister to consider a protection order or suitable measures to protect such person.

## (2) Awards

a) In accordance with the regulation prescribed by the NACC, the NACC may grant awards or benefits to the person who is not a State official that makes the allegation or provides any clue or information concerning corruption-related offences.

b) In the case where a person that testifies, or provides any clue or information concerning corruption-related offences, the NACC may recommend and submit to the Prime Minister special salary increments and promotion to the person. The Prime Minister shall consider and decide upon such matter. Moreover, upon the approval of the Council of Ministers and in accordance with the regulation prescribed

by the NACC, his/her merit shall be publicly announced and praised as a positive role model to state officials and people.

c) A person who testifies or provides any clue or information concerning corruption related offences, may make a request to the NACC to submit a petition to the Prime Minister, when there is convincing evidence that he/she can be treated unfairly or unjustly if still performing the duties at his/her office. In this circumstance, the Prime Minister shall consider a protection order or suitability measures to protect such person.

### (3) Taking a Person as a Witness

a) Taking a person as a witness is an effective instrument to encourage and strengthen anti-corruption. An alleged culprit or a person alleged to have committed an offence with state officials may be taken as a witness.

b) A person who is taken as a witness has to testify and to provide information or a material of facts on the corruption offence. The witness statement will be used as evidence, whereby the adjudication will take place on the basis of such statement. In the case where the NACC deems it advisable to take anyone as a witness, such person may not be prosecuted for the offense in accordance with rules, procedures and conditions considered by the NACC.

### (4) To set Supplementary Preventive Measures Against Corruption

a) The government agency shall provide information on procurement expenses, particularly the information related to median procurement prices and the calculation methods of the median price. The procurement information shall be stored electronically since they are required to be available for public inspection.

b) In the case where a government agency enters into a contract with a juristic person or person, such person will become a party to the contract with the state, and shall have a duty to disclose an account showing the income and expenses of the project under the contract with the state to the Revenue Department for inspection. (Office of the National Anti-Corruption Commission (NACC), 2014)

### 4) Organization Management

Under the organizational structure of the NACC, the office of the National Anti-Corruption Commission is an administrative function of the NACC. The duties

and powers of the NACC upon the office of the NACC shall be revised in order to enable the work of the NACC; to administer its operation independently and in a manner efficiently to develop the personnel administration, budget and other operations; as well as to improve the efficiency of public administration of the NACC at the same level of other government organizations in regulating the engagement in administrative management and personnel administration. Particularly, the NACC shall set out rules determining government officials' position and benefits corresponding to and suitable for the status of the government officials, in which they shall perform their official duties honestly, faithfully and independently. The organization management provision, therefore, shall contain the following matters which are;

(1) The office of the Provincial Anti-Corruption Committee shall be established corresponding to the appointment of the Provincial Anti-Corruption Committee. The Provincial office shall be attached to the Office of the NACC and carry out the work for Provincial members.

(2) Regarding regulations and notifications issued by the NACC pertaining to general operation, personnel administration, budget, finance and assets, and other operations of the office of the NACC; the office of the NACC can lay down rules related to production, disclosure, dissemination, preservation and destruction of documents or information that are in possession of the NACC and the office of the NACC. The documents and information shall be made available in a form accessible to disabled people, or in a format which disabled person would benefit from.

(3) The NACC shall be a central body in charge of the personnel administration of the office of the NACC, and shall have the power to appoint a Subcommittee of government officials of the office of the NACC.

(4) For the purpose of determining the position for the government officials of the office of the NACC, the following categories apply:

a) With reference to rules and procedures considered by the NACC, qualification requirements for the administration of justice positions; a person must obtain the Barrister-at-law degree or the Bachelor of Laws, and must have knowledge and experience in conducting a fact-finding inquiry and in being involved in court rulings, or providing legal opinions.

b) For general positions, it shall be categorized by professional directories and by performing duties or tasks as assigned. Academic positions may be established as prescribed by the Civil Service Act.

c) A determination of executive positions shall be under the announcement of the NACC. (Office of the National Anti-Corruption Commission (NACC), 2014)

### **5.1.2 Inspection Organizations Established to be Political Tools**

Organizations were set up to legitimize the coup government, which lacks the legitimacy of being a government. Those organizations try to make people see that the government has been tasked to eliminate corruption; one of various measures is establishing organizations to prevent and eliminate corruption in bureaucracy and political system in the National and Local levels. In particular, during the government of General Surayud Chulanont who staged a coup against the government of Police Lieutenant Colonel Dr. Thaksin Shinawatra, and claimed that the coup had been staged for one significant reason. After the coup against the government of Pol. Lt. Col. Dr. Thaksin Shinawatra, the government of General Surayud Chulanont tried to close vulnerabilities; not only did the government come and go by the campaign, but also the "Moral System" and "Humanity" of the government leaders and the elite class of the nation, through the media and various channels were asserted. Furthermore, this campaign claimed to raise the awareness of corruption in government organizations. Another important existing measure was to establish the Office of Public Sector Anti-Corruption Commission (PACC), Ministry of Justice.

The Office of Public Sector Anti-Corruption Commission (PACC), Ministry of Justice was established under the political circumstances and conditions resulting from the lack of studies into the roots of the problem, and the need, to design an organization that conforms to the conditions and situations of corruption occurring in Thailand with the argument that the NACC should extend the auditing and inspecting of the lower positions of NACC government officials and employees for the NACC to achieve high performance and smoothness in coordination. Moreover, the NACC power-resource already covered the lower positions. The establishment of an inspecting organization that is directly working under the Ministry of Justice,

Executive Section, may not be able to perform such duties while the NACC itself still has issues on the main duties.

### **5.1.3 Some Inspecting Organizations Carry Out Various Abstract Roles / Duties (Unclear Duties)**

The Ombudsman in the part of the duty related to the ethics of persons serving political positions or government officials and employees of each has the powers and duties as follows: (Constitution of the Kingdom of Thailand, B.E. 2550 (2007), Section 244)

1) To consider and inquire into the complaint from fact-finding in the following cases:

(1) Failure to perform in compliance with the law or performance beyond powers and duties as provided by the law of a Government official, an official or employee of a Government agency, a State agency, a State enterprise or a local government organization;

(2) Performance of or omission to perform duties of a Government official, an official or employee of a Government agency, a State agency, a State enterprise or a local government organization, which unjustly causes injury to the complainant or the public, whether such an act is lawful or not;

(3) Scrutiny of the neglect of the performance of duties or the unlawful performance of duties by constitutional organs and organs in the administration of justice, to the exclusion of trial and adjudication of the Courts;

(4) Other cases as provided by law;

2) To take action in connection with the ethics of holders of political positions and State officials under section 279 paragraph three and section 280;

3) To monitor, evaluate and prepare recommendations on the compliance with the Constitution, including considerations as to amendment of the Constitution, where it is deemed necessary;

4) To report annual results of audits and results of the performance of duties, together with pertinent remarks, to the Council of Ministers, the House of Representatives and the Senate, provided that such reports shall also be published in the Government Gazette and made open to the public.

The powers and duties under (1) ((1)), ((2)) and ((3)) shall be exercisable or taken by Ombudsman upon a complaint, except that, in the case where Ombudsman consider that such an act threatens to cause injury to the public at large or there arises a need to safeguard public interests, Ombudsman may consider the matter and conduct inquiries without prior complaint.

An Ombudsman may refer the matter to the Constitutional Court or the Administrative Court when the Ombudsman considers that any of the following circumstances occurs: (Section 245)

1) Any provisions of law begs the question of constitutionality, in which case the matter shall be referred, together with the opinion of the Ombudsman, to the Constitutional Court and the Constitutional Court shall consider and decide it without delay, in accordance with the Organic Act on Procedure of the Constitutional Court;

2) Any by-law, order or any other act of any persons under section 244 (1) ((1)) begs the question of constitutionality or compliance with the law, in which case the matter shall be referred, together with the opinion of the Ombudsman, to the Administrative Court and the Administrative Court shall consider and decide it without delay, in accordance with the Act on Establishment of Administrative Courts and Administrative Court Procedure.

The role of the above is abstract and lacks clarity since the term "Ethics" is defined by an exclusive elite group in society and it also lacks enforcement mechanisms and systems to be truly effective.

Prof. Dr. Medhi Krongkaew, former board of the National Anti-Corruption (2006-2010), mentioned that as being the Ombudsman, it should remain but Thai society should be ashamed with the verdict and recommendations of the Ombudsman Social Sanction as;

"Being the Ombudsman, it should remain but Thai society should be ashamed with the verdict and recommendations of the Ombudsman Social Sanction. I wanted it to be like that so that when it did not work out, some organizations would be removed. Instead, they should be ashamed when the Ombudsman pointed out that if society is still like this,

having inspectors is not helpful. If the society is good, the inspectors can work as incorporating Social Sanction” (Medhi Krongkaew, 2013)

#### **5.1.4 Anti-Corruption Organizations’ Duties are Redundant and Cumbersome**

Some investigation organizations which hold the action of the elimination and resolution of corruption issues in Thailand have a too complicated and sophisticated procedure especially the National Anti-Corruption Commission (NACC) and the Office of Public Sector Anti-Corruption Commission (PACC).

In particular, the NACC by establishing the Office of Public Sector Anti-Corruption Commission (PACC), in the Ministry of Justice which was appointed during the Government of General Surayud Chulanont has become an organization that is being used as a “tool” to justify the Coup Government. There was a cancellation of the Constitution of 1997, and replacement with the Constitution of 2007, Section 250 (3), which required that the Board of NACC should have the power to authorize in judging and investigating the corruption behavior cases of the Civil officials and employees who serve in Executive to Director Positions or at least in equivalent levels that have become unusually wealth, or committed misfeasance offenses against their own positions including committed unfair deeds towards the lower positions, also the act as co-offender with politicians or any act as offenders which the NACC considers as fraud or corruption. As a result, the Cabinet proposed the statute of constitution law measures for anti-corruption for the executive sections in 2008 which is the provenance to the complete establishment of the Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice.

In fiscal year 2013, The Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice was allocated a budget of 245,656,400 THB which has a tendency to rise every year. Instead of being a part of NACC to share the resources according to the modern Government management concept, they are responsible for the acts of corruption of the civil officials and employees who serve under the Executive and Director positions. Furthermore, setting up a separate section, including the board, officials and employees, personnel, budget and official buildings, causes unreasonable wastage.

Moreover, both the NACC and The Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice must coordinate at all times because the actions of corrupt officials and employees who hold higher positions than executives and officials and employees who hold higher positions than the director (Authorized Scope of NACC), often in cooperation with government officials and employees committed to hold the lower executives and officials and employees at lower tenure director anyway. If there are any government officials and employees who hold higher positions than executives and officials and employees who hold higher positions than the director, they are under the jurisdiction of the Commission immediately.

Klanarong Chanthick, Board of Committee of the NACC explained that at the beginning of the Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice, the Act of Constitution law 1997 that it is as if the organization has split into two organizations. Several arguments occurred between the NACC and the Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice such as over different standards of judgment and, duty that could potentially overlap. The 1997 Constitution empowered the NACC officials and employees and fault judgmental includes all civil officials and employees and therefore becomes a single organization.

However, it is evident that the NACC has more responsibility than they are able to handle. The inquiry process determines whether officials and employees are guilty of corruption, or whether it is the limitation of budget spent in the same probe. Therefore, for the reasons mentioned above, it was the beginning of the Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice to allow the management of self-integration sections.

Prof. Dr. Medhi Krongkaew, former Board of NACC (2006-2010) was appointed by the pursuant democratic reform of government with the King as Head of State under the constitutional monarchy No. 19 dated 22 September 2006. Unlike Mr. Klanarong Chanthick, he said to extend the lower levels should be checked with the official expansion of the NACC. In addition, the Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice has structural problems in

the organization because the inspecting system has to be reported to the Ministry of Justice (rather than an independent body).

The government of General Surayud Chulanont established the Ministry of Justice, and one of the reasons was to build up networks with the public at lower levels. Another reason was exasperation with the delays in the trial processing of the NACC.

Furthermore, the NACC was seen as a form of centralization, with which the coup government (the Government of General Surayud Chulanont had the idea of increasing the power of authority of the NACC as it would have its own prison and court to complete all process. It was finally concluded that every organization was established under conditions, so there is no need to have the NACC, the DSI, or the Supreme Court's Criminal Division for Person Holding Political Positions if police and judges could do their job properly.

In summary, the Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice is an example of "redundancy" in the inspecting system. Instead of being a part of NACC to share the resources according to the modern Government management concept, it is responsible for the acts of corruption of the civil officials and employees who serve under the Executive and Director positions. Furthermore, setting up a separate section including the board, officials and employees, personnel, budget and official buildings causes unreasonable wastage.

#### **5.1.5 Various Organizations for Inspecting Systems: Resulting from the Constitution Law of 1997**

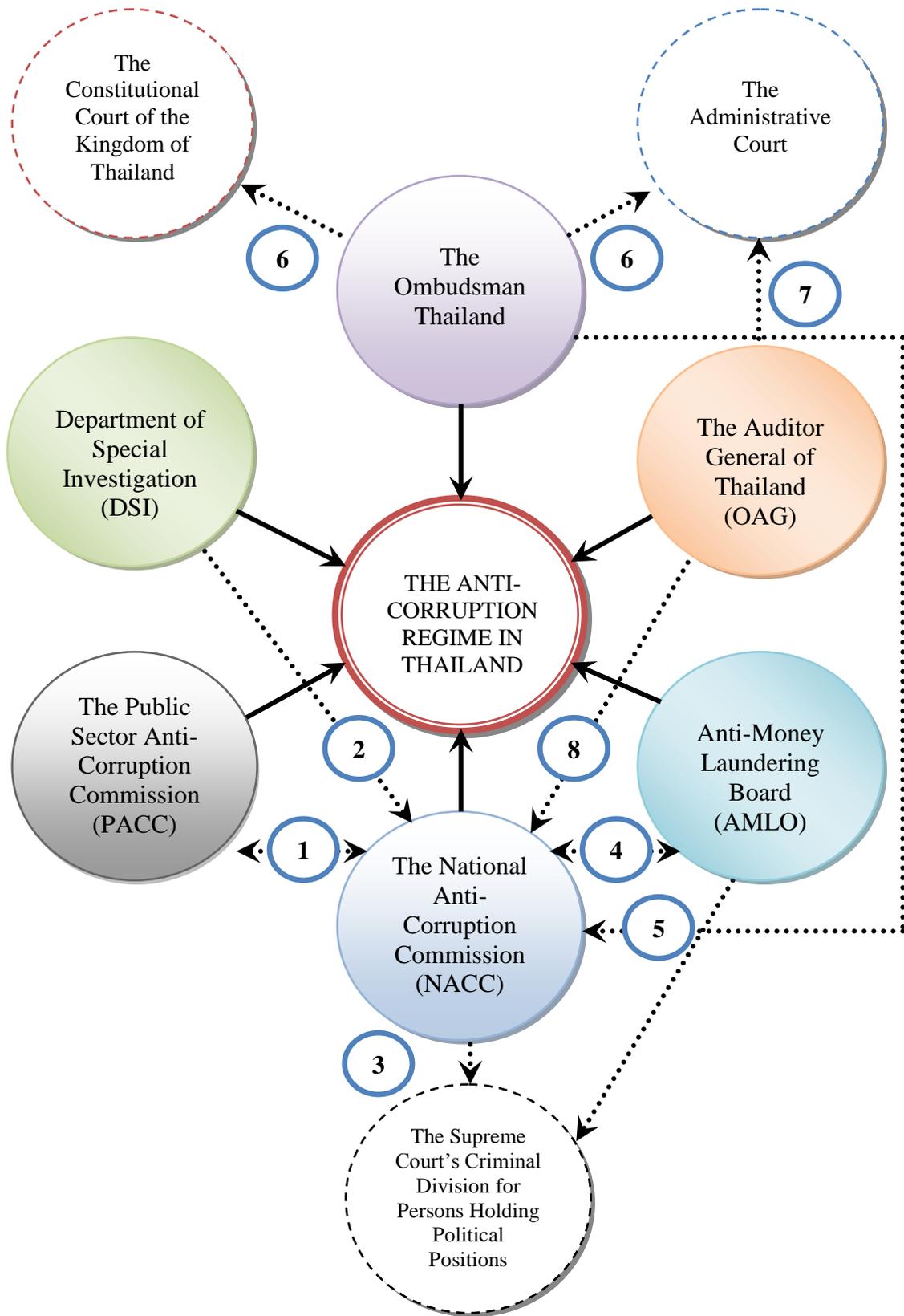
The power of these various inspecting organizations especially the NACC, OAG, and AMLO is the result of Constitution of the Kingdom of Thailand, B.E. 2540 (A.D. 1997) as Rangsan Thanapornpan, (2003: 176-189) concluded that the Constitution in 1997 focused on governance and corruption issues in the political arena. Corruption and misconduct and the pursuit of the economic rent seeking to supervise and inspect the strict Entry and Exit from the political governance 'door' to the political focus interception has a history of corruption and misconduct entering politics. When entering politics, also created the dismissal of political and administration levels out of position, (Chapter 10, Section 3) to prevent the use of

political position to seek benefits from the state and prevent conflicts between personal interest and the public interest. [Section 110 (2) Section 128 and Section 209], out of the political market a process inspection and process criminal proceedings convicted wrong with wealth [Chapter 10 Part 4].

The “White Politics” concept of Rangsana, as seen in the Constitution Law 1997, determined that the regulations which affects controlling, authorizing, and inspecting covers all in political sides. The regulations are seven sets of rules: 1) The rules governing the election 2) The rules governing the use of elections 3) The rules on political parties 4) The rules governing the Members of Parliament 5) The rules on government 6) The rules governing fraud and misconduct 7) the rules on the conflict between personal and public interest.

## **5.2 The Relevant Relationships among the Anti-Corruption Organizations**

The relevant relationships among Anti-Corruption Organizations which have the same duties on curbing corruption are divided into 8 main networks: (No.1), The relationships between Office of the National Anti-Corruption Commission (NACC), and Office of the Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice; (No.2), The relationships between the Board of the Office of National Anti-Corruption Commission (NACC), and the Department of Special Investigation (DSI); (No.3), The relationships between the Board of the Office of National Anti-Corruption Commission (NACC), and the Supreme Court’s Criminal Division for Persons Holding Political Positions; (No.4), The relationships between the Board of the National Anti-Corruption Commission (NACC), and the Anti-Money Laundering Board (AMLO); (No.5), The relationships between the Board of the National Anti-Corruption Commission (NACC), and the Ombudsman Thailand; (No.6), The relationships between the Ombudsman Thailand and the Constitutional Court of the Kingdom of Thailand and the Administrative Court; (No.7), The relationships between the Auditor General of Thailand (OAG) and the Administrative Court; (No.8), The relationships between the Board of the National Anti-Corruption Commission (NACC) and the Auditor General of Thailand (OAG)



**Figure 5.1** The Anti-Corruption Regime in Thailand

**5.2.1 The Relationships between the National Anti-Corruption Commission (NACC), and the Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice, (No.1) could be summarized as:**

1) The Constitution of the Kingdom of Thailand, B.E. 2550 (2007), Section 250 stated that the National Anti-Corruption Commission shall have the following powers and duties:

(1) To inquire into facts, provide a summary of the case and prepare opinions in connection with removal from office, for submission to the Senate in accordance with section 272 and section 279 paragraph three;

(2) To inquire into facts, provide a summary of the case and prepare opinions in connection with criminal proceedings against persons holding political positions, for submission to the Supreme Court of Justice's Criminal Division for Persons Holding Political Positions in accordance with section 275;

(3) To inquire and decide whether State officials, from high-ranking executives or Government officials holding positions of Director or its equivalent upwards, have become unusually wealthy or have committed an offence of corruption, malfeasance in office or malfeasance in judicial office, and take action against State officials or Government officials holding lower positions, who have committed offences in conspiracy with the aforesaid holders of positions or with persons holding political positions or who have committed offences of such description considered by the National Anti-Corruption Commission as warranting its inquisitive action, in accordance with the Organic Act on Counter Corruption;

(4) To inspect the accuracy, actual existence as well as change of assets and liabilities of the persons holding positions under section 259 and section 264 as stated in the accounts and supporting documents submitted, in accordance with the rules and procedures prescribed by the National Anti-Corruption Commission;

(5) To exercise oversight of virtue and ethics of persons holding political positions;

(6) To submit an audit report and a report on the performance of duties together with remarks to the Council of Ministers, the House of

Representatives and the Senate annually and publish such reports in the Government Gazette and make them open to the public;

(7) To carry on other acts as provided by law.

The National Counter Corruption Commission shall have its independent secretariat, with the Secretary-General of the National Anti-Corruption Commission as the superior responsible directly to the President of the National Counter Corruption Commission.

The appointment of the Secretary-General of the National Anti-Corruption Commission shall be approved by the National Anti-Corruption Commission and the Senate.

There shall be the Office of the National Anti-Corruption Commission, with autonomy in personnel administration, budgeting and other activities as provided by law. (Section 251)

In contrast, the Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice is responsible for investigating and judging those government officials and employees who are in lower levels than those mentioned above.

2) The Executive Measure in Anti-Corruption Act B.E. 2551 (2008) appointed the Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice to forward the following allegations to NACC for further investigation;

(1) Allegations related to non government officials and employees but under NACC responsibility.

(2) Allegations related to a conspiracy between government officials and employees and non government officials and employees.

(3) Allegations that the NACC makes.

3) Any allegations upon which the NACC has already voted should not be repeated by the PACC.

### **5.2.2 The Relationships between the National Anti-Corruption Commission (NACC), and Department of Special Investigation (DSI) (No.2)**

As in The Special Case Investigation Act B.E. 2547 (2004) (Amended by The Special Case Investigation Act (No.2) B.E. 2551 (2008) stated that if there are any allegations in the DSI which are related to government officials and employees, those allegations should be forwarded to the NACC within 30 days since the allegations have been posted (section 21/1). In case of NACC taking care of the allegations, the DSI should forward all paperwork to the NACC, and the paperwork might be a part of the NACC investigation.

### **5.2.3 The Relationships between the National Anti-Corruption Commission (NACC), and the Supreme Court's Criminal Division for Persons Holding Political Positions (No.3);**

In cases where NACC investigates the Prime Minister, members of the House of Representatives, Members of the Senate, or government officials and employees on becoming unusually wealthy, acting wrongfully, or corruption, the NACC should provide suitable reasons to investigate or there are allegations against those persons. Further, if the NACC votes that the allegations are true, the paperwork should be forwarded to the Attorney General to make a charge to the Supreme Court's Criminal Division for Persons Holding Political Positions. (Amended by the Organic Act on Counter Corruption B.E. 2542 (1999) / 2550 (2007) Section 66 and 70)

### **5.2.4 The Relationships between the National Anti-Corruption Commission (NACC), and Anti-Money Laundering Board (AMLO) (No.4);**

According to The Anti-Money Laundering Act B.E. 2542 (1999) (Amended by The Anti-Money Laundering Act (No.3) B.E. 2552 (2011). The Transaction Committee and the Secretary-General were appointed to report all cases which relate to financial or asset investigation, acts of withholding finance, or assets seizure to the NACC every 4 months.

### **5.2.5 The Relationships between the National Anti-Corruption Commission (NACC), and the Ombudsman Thailand (No.5);**

Constitution of the Kingdom of Thailand, B.E. 2550 (2007) Chapter 13 (Ethics of Holders of Political Positions and State Officials) Section 279, stated that the ethical standards of persons holding political positions, Government officials or State officials of each type shall work in accordance with the ethical standards prescribed. The ethical standards under paragraph one shall feature mechanisms and operability in the interest of efficient execution and prescribe steps for imposing punitive sanctions in accordance with the gravity of the act in question.

Violation or non-observance of the ethical standards under paragraph one shall be deemed a disciplinary breach. In the case of violation or non-observance by a person holding a political position, the Ombudsman shall report it to the National Assembly, the Council of Ministers or the local assembly concerned, as the case may be, and in the case of a gravely wrongful act, the matter shall be referred to The National Anti-Corruption Commission for consideration and further action on the basis that such an act shall be deemed a ground for a removal from office under section 270.

The consideration, selection, reconsideration or appointment of any person taking office which involves the exercise of the State powers, and the transfer, the promotion, the elevation of a salary scale and the imposition of punitive sanction vis-a-vis such person shall be in accordance with the merit system and regard shall also be had to his or her ethical conduct.

For the purpose of this chapter, the Ombudsman shall have the powers and duties to make recommendations or give advice in connection with the preparation or revision of the ethical standards under section 279 paragraph one, promote ethical awareness of persons holding political positions, Government officials and State officials and report acts in violation of ethical standards in order that those in charge of the execution of the ethical standards may pursue the execution thereof under section 279 paragraph three. (Section 280)

In cases where the violation or non-observance of the ethical standard is of particular gravity or there is a reasonable cause to believe that the action to be taken by the person in charge will not be in a fair manner, the Ombudsman may

conduct an inquiry and disclose the result of the inquiry to the public. (There shall be three Ombudsman appointed, by the King with the advice of the Senate, from the persons recognised and respected by the public, with knowledge and experience in the administration of the State affairs, enterprises or activities of common interest of the public and with apparent integrity.)

#### **5.2.6 The Relationships between the Ombudsman Thailand and the Constitutional Court of the Kingdom of Thailand and the Administrative Court (No.6);**

The Ombudsman may raise the cases to the Constitutional Court or the Administrative Court as follows;

1) If there are any acts against the constitution, those cases would be forwarded to the Constitutional Court to consider immediately.

2) If there are any regulations, rules, or officials and employees' or employees' deeds who belong to any government, state enterprise, or local administrative organizations against the constitution or laws, those cases would be forwarded to the Administrative Court to be considered immediately as stated in The Act on Establishment of Administrative Courts and Administrative Court Procedure, B.E. 2542 (A.D. 1999).

#### **5.2.7 The Relationships between The Auditor General of Thailand (OAG) and The Administrative Court (No.7);**

Constitution of the Kingdom of Thailand, B.E. 2550 (2007), appointed the State Audit Commission to have the powers and duties to prescribe standard rules in connection with the State audit, give advice and suggestions and recommend rectification of shortcomings in connection with the State audit and has the power to appoint an independent fiscal and financial disciplinary committee to be in charge of making the determination of action in connection with disciplines in fiscal affairs, finance and budgeting, and disputed cases in connection with decisions given by the fiscal and financial disciplinary committee in such matters shall be under the jurisdiction of the Administrative Court. The Auditor-General has the powers and

duties in connection with the State audit on the basis of independence and impartiality. (Section 253)

The State Audit Commission shall have its independent secretariat, with the Auditor-General as the superior responsible directly to the Chairman of the State Audit Commission. There shall be the Office of the State Audit, with autonomy in personnel administration, budgeting and other activities as provided by law. (Section 254)

#### **5.2.8 The Relationships between the National Anti-Corruption Commission (NACC) and the Auditor General of Thailand (OAG)(No.8);**

In cases where the inspected organization ignores the budget management standard or the OAG's suggestions without proper reasons, the State Audit Commission is able to raise the case to the Speaker of Parliament to forward the case to a related Parliamentary Commission to consider. If it is found that the inspected organization is corrupt such as bid rigging, the State Audit Commission may raise the case to the NACC for further investigation.

### **5.3 The Anti-Corruption System in Thailand Budgets**

Analysis of the annual budget of the Anti-Corruption System in Thailand, includes six organizations 1) Office of the National Anti-Corruption Commission (NACC), 2) Office of the Auditor General of Thailand (OAG), 3) Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice, 4) Department of Special Investigation (DSI), 5) Anti-Money Laundering Office (AMLO), and 6) Office of the Ombudsman Thailand,

Analyzed started in 2009 since that was the year that Office of Public Sector Anti-Corruption Commission (PACC), The Ministry of Justice, was established and also had been allocated a total budget for the management division in the Anti-Corruption, by the Executive Measure in the Anti-Corruption Act B.E. 2551 (2008).

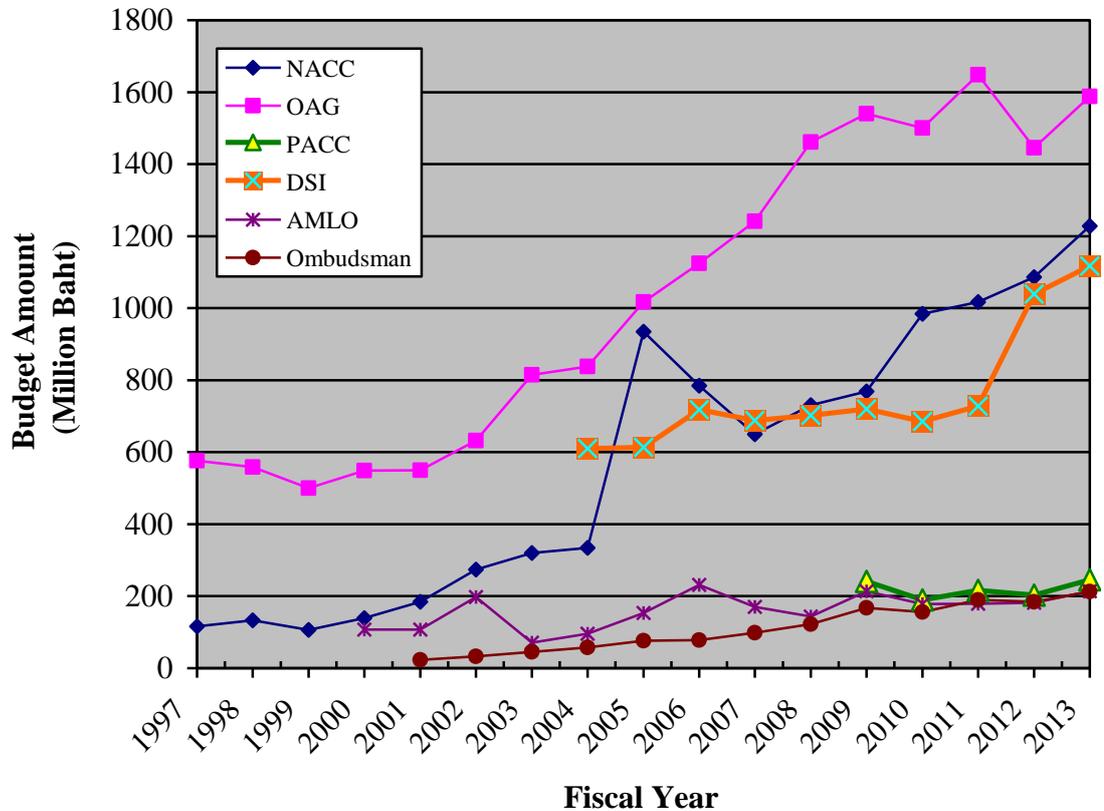
To give an overview of the total annual budget of the Anti-Corruption Regime in Thailand (6 Major Organizations), the analysis of a total annual budget during

2009-2013 periods is presented. (The Annual Appropriations Act of Fiscal Year 2009-2013) (Office of the National Anti-Corruption Commission, 2011; Office of the National Anti-Corruption Commission. 2010; Office of the National Anti-Corruption Commission, 2011) (Details in the Table 5.2)

**Table 5.2** Yearly Budget of Anti-Corruption System in Thailand (6 Organizations) from 2009-2013

No.	Total Budget Amount of 6 Inspecting Organizations; NACC /OAG / PACC/ DSI/ AMLO/ Ombudsman	Amount (THB)	Increase/ Decrease from the Previous Year (THB)	Ratio of Increase/ Decrease from the Previous Year (%)
1	Fiscal Year 2009	3,652,522,400	-	-
2	Fiscal Year 2010	3,693,022,700	40,500,300	1.11%
3	Fiscal Year 2011	3,978,300,100	285,277,400	7.72%
4	Fiscal Year 2012	4,139,272,800	160,972,700	4.05%
5	Fiscal Year 2013	4,605,987,800	466,715,000	11.28%

**Source:** The Annual Appropriations Act of Fiscal Year B.E. 2552; The Annual Appropriations Act of Fiscal Year B.E. 2553; The Annual Appropriations Act of Fiscal Year B.E. 2554; The Annual Appropriations Act of Fiscal Year B.E. 2555 and The Annual Appropriations Act of Fiscal Year B.E. 2556.



**Figure 5.2** Expenses of the Anti-Corruption System in Thailand from the Year 1997 to 2013

**Source:** The Annual Appropriations Act of Fiscal Year B.E. 2540; The Annual Appropriations Act of Fiscal Year B.E. 2541; The Annual Appropriations Act of Fiscal Year B.E. 2542; The Annual Appropriations Act of Fiscal Year B.E. 2543; The Annual Appropriations Act of Fiscal Year B.E. 2544; The Annual Appropriations Act of Fiscal Year B.E. 2545; The Annual Appropriations Act of Fiscal Year B.E. 2546; The Annual Appropriations Act of Fiscal Year B.E. 2547; The Annual Appropriations Act of Fiscal Year B.E. 2548; The Annual Appropriations Act of Fiscal Year B.E. 2549; The Annual Appropriations Act of Fiscal Year B.E. 2550; The Annual Appropriations Act of Fiscal Year B.E. 2551; The Annual Appropriations Act of Fiscal Year B.E. 2552; The Annual Appropriations Act of Fiscal Year

B.E. 2553; The Annual Appropriations Act of Fiscal Year B.E. 2554; The Annual Appropriations Act of Fiscal Year B.E. 2555 and The Annual Appropriations Act of Fiscal Year B.E. 2556.

According to Table 5.2 and Figure 5.2, the trends of the annual budgets of 6 Organizations in Anti-corruption system in Thailand can be summarized as

1) In fiscal year of 2013, the annual budget for 6 inspecting organizations; NACC /OAG /PACC /DSI /AMLO /Ombudsman was allocated at the amount of 4,605,987,800 THB. It is a large amount that is similar to a small Ministry. According to the statute of annual budget 2013 which accounted in total to 235% of the Ministry of Energy, Agencies under the Ministry of Energy have been allocated 1,956,623,100 THB, or 58.48%; the Ministry of Foreign Affairs, which received the amount of 7,875,985,600 THB, or 61.62% of the Ministry of Commerce and authorized organizations at 7,430,322,600 THB.

2) As an overview, it was found that the 6 Inspecting Organizations' allocations have been increasing every year, compared to some Ministries who have received smaller budget than the previous year such as the Ministry of Agriculture and Cooperatives and Agencies under the Ministry of Agriculture and Cooperatives who received 76,721,207,400 THB; however, in the fiscal year 2013, they received 72,882,914,000 THB.

The inspecting organization that receives the highest annual budget is the OAG/ One of the reasons is that the organization was set up prior to the other organizations by the statute of the State Audit Commission Act B.E. 2476 (A.D. 1933), which established the Auditor General of Thailand (OAG) to replace the Department of the State Audit, 9 December 2476 (1933) under the Department of the Prime Minister.

3) From the diagram chart (Figure 5.2) the expenses of the Anti-Corruption System in Thailand from the year 1997 to 2013 show that Office of the National Anti-Corruption Commission (NACC) received higher annual budget or close to that of the Auditor General of Thailand (OAG). The 2005 annual budget is almost equal to the NACC budget of 935,337,200 THB. The OAG receives a

1,017,150,100 THB, budget. Apart from the OAG, the NACC still receives a higher budget than other organizations.

4) The fiscal annual budget of the Anti-Corruption Commission in Thailand can be divided into two groups:

(1) The first group that receives the fiscal allocation of over 1,000 million (THB) includes the Office of the National Anti-Corruption Commission (NACC), the Auditor General of Thailand (OAG), the DSI, although part of the reason is the size of NACC and OAG. As the part of OAG, there are 15 regional offices and there are 9 NACC Provincial offices and more offices are opening all over the country. By the year 2013, it is expected that the fiscal allocation is likely to be higher than the OAG.

(2) The second group that receive the fiscal allocation of 200-300 million (THB) includes the Office of Public Sector Anti-Corruption Commission (PACC) the Ministry of Justice, the Anti-Money Laundering Office (AMLO), and the Office of the Ombudsman Thailand.

## **5.4 Summary**

The proposal of the Anti-Corruption System in Thailand has the purpose to discuss the development of the anti-corruption organization's performance in curbing corruption, the organizational structure size, and the tendency of the fiscal budget the organization will receive to rise. The summary is from the data from when the organization was establishment until now, including the relationships linking the inspecting organizations and the National Anti-Corruption Commission (NACC) and can be summarized as follows:

### **5.4.1 The Development and Significance of the Anti-Corruption System in Thailand**

1) The National Anti-Corruption Commission (NACC) is an organization which is empowered to authorize and is responsible for inspecting and taking care of anti-corruption cases. Even though the statute of the Constitution of Thailand B.E. 2550 (2007), Section 246, in the last paragraph commissions the

establishment of the Office of Provincial Anti-Corruption Commission, (NACC Provincial Office), (section 246: There shall be members of the Provincial Counter Corruption Committee. The qualifications, selection process and powers and duties of the members shall be as prescribed by the Organic Act on Counter Corruption), its role is only to collect the preliminary evidence or findings, and seek the basic facts and then finally send all the information to the central NACC. The NACC Provincial office is not responsible for the investigation process; only central NACC is responsible for the investigation, and appoints the committee to process trial cases.

By the Organic Act on Counter Corruption B.E. 2542 (1999), as amended by No. 2 B.E. 2554 (2011) Section 103/10, it assigned the anti-corruption commission of the NACC provincial committee a committee which should have at least 3 members but not more than 5 members.

The National Anti-Corruption Commission Provincial Board has been empowered with authority in the province restricted zone as follows: (section 103/18).

The Provincial Anti-Corruption Committee is obliged by duty to prevent and combat corruption offenses. In this regard, the Provincial committee must create mechanisms to facilitate active involvement and public participation. The Provincial committee shall have a duty to establish mechanisms to encourage participation by people or in collaboration with stakeholders from all sectors in prevention and counter corruption. To this extent, the Provincial committee has to cooperate with the government sector to promote the values of honesty as well as to disseminate knowledge about the prevention of corruption. Also, the Provincial committee may propose corruption prevention recommendations that would be useful to the fight against corruption to the NACC. Additionally, the Provincial committee can lighten the workload of the NACC. For example, in the preliminary stage of conducting a fact-finding inquiry concerning allegations against a state official; gathering the preliminary evidence to inform the NACC for consideration; inspecting the accuracy and the actual existence of or the change of assets and liabilities of a person that has a duty to submit an account (showing particulars of their assets and liabilities) to the NACC. In this respect, the NACC shall set the criteria and procedures in relation to such duties for the Provincial committee to conduct.

The Ombudsman Section, the Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice, the Anti-Money Laundering Office (AMLO) are located only in Bangkok.

2) The organizations which investigated these related cases were created as a tool to emphasize righteousness and to promote the justice system and morality within government and Thailand's elite citizens, together with demanding resolutions to acted on corruption within Governmental offices by creating policies and new investigation organizations in collaboration with the existing ones, such as the Office of Public Sector Anti-Corruption Commission (PACC) in the Ministry of Justice during the period of General Surayud Chulanont which staged a coup against the government of Police Lieutenant Colonel Dr. Thaksin Shinawatra. It was claimed that the coup had to be staged for one significant reason. After the coup against the government of Pol.Lt.Col. Dr. Thaksin Shinawatra, the government of General Surayud Chulanont tried to close vulnerabilities, not only in governments that come and go, but also to establish a "Moral System" and "Humanity" amongst government leaders and the elite class of the nation, through the media and various channels. Furthermore, this campaign claimed to raise the awareness of corruption in government organizations. Another important measure was to establish the Office of Public Sector Anti-Corruption Commission (PACC), Ministry of Justice.

3) Some inspecting organizations have various abstract roles / duties (unclear duties) and some investigation organizations actions were too idealistic such as the Office of the Ombudsman Thailand that carries the duty of addressing justice and morality for political office holders.

For example, the Ombudsman, in the duty which is related to the ethics of persons serving political positions or government officials and employees of each, has the authority in key areas such as 1) making recommendations or giving advice in the preparation of ethical standards or an updated code of ethics in political office. Alternatively, government officials and employees of each type 2) encourage the political and government officials and employees to be aware of ethical issues 3) the establishment of a code of ethics so that those are responsible for enforcing compliance with the code by which people are forced to adhere to the code of ethics, and 4) assessing and making recommendations on the implementation of the

constitution as well as the consideration of amendments to the Constitution as it is deemed necessary.

The role of the above is abstract and lacks clarity since term "Ethics" is defined by an exclusive elite group in society and it also lacks enforcement mechanisms and systems to be truly effective. The ambiguity in the definition of the problem has a direct impact on practice and policy evaluation.

4) Some investigation organizations which are responsible for the elimination and resolution of corruption issues in Thailand are too complicated and have sophisticated procedures, especially the National Anti-Corruption Commission (NACC) and the Office of Public Sector Anti-Corruption Commission (PACC).

The Constitution of the Kingdom of Thailand, B.E. 2550 (2007), Section 250 appointed the National Anti-Corruption Commission to have the following powers and duties: to inquire and decide whether State officials, from high-ranking executives or Government officials holding positions of Director or its equivalent upwards, have become unusually wealthy or have committed an offence of corruption, malfeasance in office or malfeasance in judicial office, and take action against State officials or Government officials holding lower positions, who have committed offences in conspiracy with the aforesaid holders of positions or with persons holding political positions or who have committed offences of such description considered by the National Anti-Corruption Commission as warranting its inquisitive action, in accordance with the Organic Act on Counter Corruption;

In contrast, the Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice is responsible for investigating and judging those government officials and employees who are in lower levels than those mentioned above.

Prof. Dr. Medhi Krongkaew, former board member of the NACC (2006-2010) appointed by the pursuant democratic reform of government with the King as Head of State under the constitutional monarchy No. 19 dated 22 September 2006. Unlike Mr. Klanarong Chanthick, he said that to extend the lower levels should be checked with the official expansion of the NACC. In addition, the Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice has structural problems in the organization because the inspecting system has to be reported to the Ministry of Justice (rather than an independent body).

5) The power of these various inspecting organizations especially the NACC, OAG, and AMLO is the result of Constitution of the Kingdom of Thailand, B.E. 2540 (1997). The Constitution of 1997 focused on ‘White Politics’ as governance, taking control, and inspecting the political arena. Further, it also prevented people who had committed corruption and acted wrongfully in political positions and takes control and, inspects politicians not to pursue their own benefit when setting up policy, rules or the another way around. It focuses on the good governance in Thai political society.

#### **5.4.2 The Relevant Relationships between Anti-Corruption Organizations**

It was found that the relevant relationships between the Anti-Corruption Organizations are between the National Anti-Corruption Commission (NACC) and the Office of Public Sector Anti-Corruption Commission (PACC). The Constitution of the Kingdom of Thailand, B.E. 2550 (2007), Section 250 appointed the National Anti-Corruption Commission to have the following powers and duties: to inquire and decide whether State officials, from high-ranking executives or Government officials holding positions of Director or its equivalent upwards, have become unusually wealthy or have committed an offence of corruption, malfeasance in office or malfeasance in judicial office, and take action against State officials or Government officials holding lower positions, who have committed offences in conspiracy with the aforesaid holders of positions or with persons holding political positions or who have committed offences of such description considered by the National Anti-Corruption Commission as warranting its inquisitive action, in accordance with the Organic Act on Counter Corruption; to exercise oversight of virtue and ethics of persons holding political positions; to submit an audit report and a report on the performance of duties together with remarks to the Council of Ministers, the House of Representatives and the Senate annually and publish such reports in the Government Gazette and make them open to the public; to carry out other acts as provided by law.

In contrast, the Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice is responsible for investigating and judging those government officials and employees who are in lower levels than those mentioned above.

### **5.4.3 The Anti-Corruption System in Thailand Budgets**

In conclusion, there are four main issues: 1) Fiscal Year of 2013 annual budget of 6 Inspecting Organizations; NACC /OAG /PACC /DSI /AMLO /Ombudsman, have been allocated similar amounts to small ministries according to the statute of annual budget 2013. 2) It was found that the 6 Inspecting Organizations' allocations have been increasing every year, compared to some ministries who received a smaller budget than the previous year such as the Ministry of Agriculture and Cooperatives and agencies under the Ministry of Agriculture and Cooperatives of 2012 whose budgets in the year 2013 decreased. 3) The Office of the National Anti-Corruption Commission (NACC) receives a higher annual budget close to that of the Auditor General of Thailand (OAG). Apart from the OAG, the NACC still receives a higher budget than other organizations. 4) The annual fiscal budget of the Anti-Corruption System in Thailand can be divided into two groups. The first group receives a fiscal allocation of over 1,000 million (THB) and includes the Office of the National Anti-Corruption Commission (NACC); the Auditor General of Thailand (OAG), the DSI/ Part of the reason is the size of the NACC and the OAG. As the part of the OAG, there are 15 region offices and there are 9 NACC Provincial offices and they continue to locate more offices all over the country. By the year 2013, it is expected that the fiscal allocation is likely to be higher than the OAG.

The second group that receives a fiscal allocation of 200-300 million (THB) includes the Office of Public Sector Anti-Corruption Commission (PACC), the Ministry of Justice, the Anti-Money Laundering Office (AMLO), and the Office of the Ombudsman Thailand.

## **CHAPTER 6**

### **ANALYSES: AUDITING SYSTEM IN SUB-DISTRICT ADMINISTRATIVE ORGANIZATIONS (SAOs)**

This discussion proposes issues in the Auditing System in local administrative organizations, particularly in the SAOs, which are organizations that get to the grass roots of the public and are the most significantly fundamental in Thai democracy.

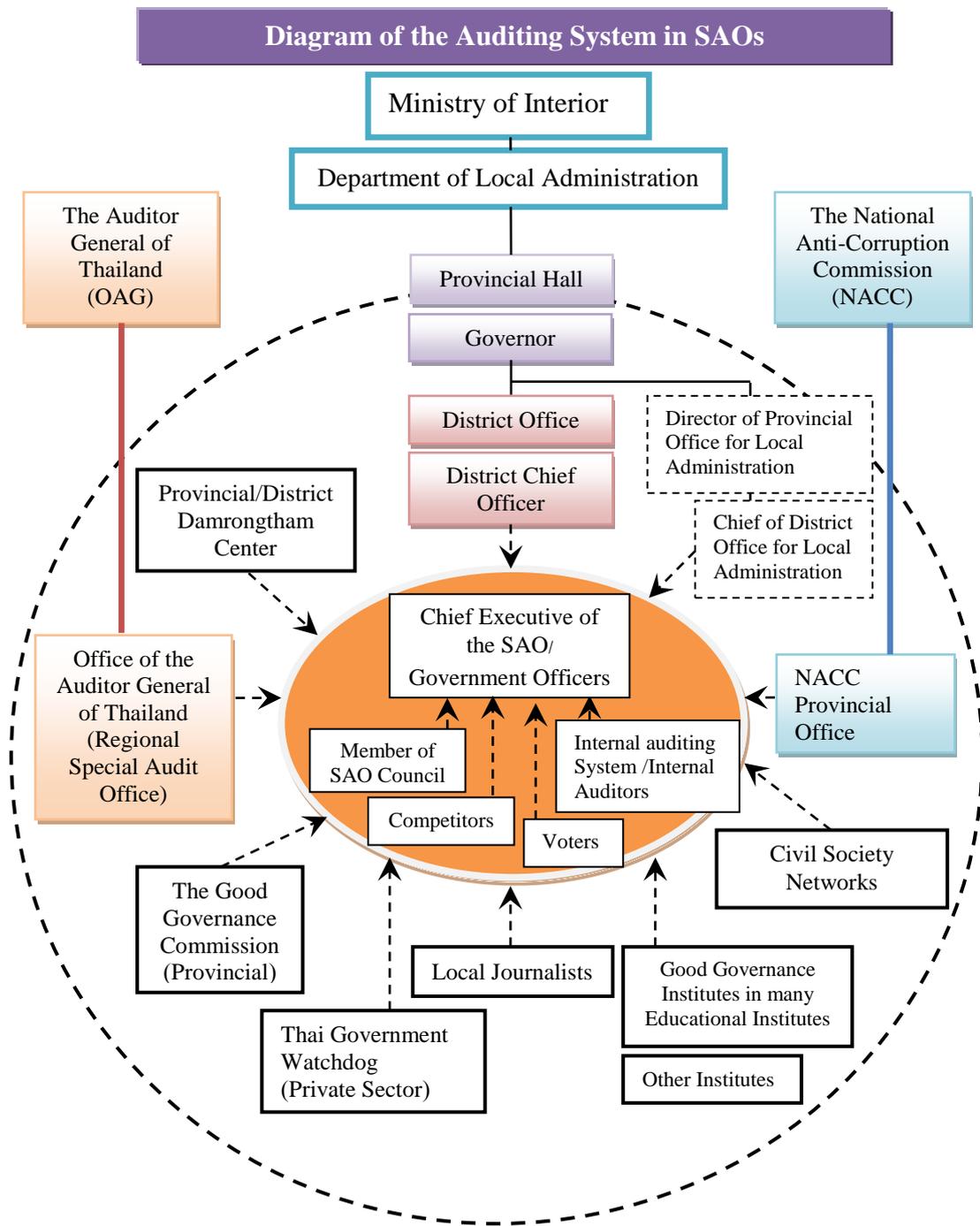
The researcher has divided his proposition into three levels:

1) Auditing System issues at the local administrative organization level, such as inspection through the SAOs' council system and an internal organization controlling system;

2) Auditing System issues at the regional (province / district) level and the provincial auditing organizations, such as the Office of the Auditor General of Thailand (AOG) (regional inspector), the National Anti-Corruption Commission (NACC) provincial office, the Good Governance Commission, the Provincial/District Damrongtham Center, the Provincial Office for Local Administration, the District Office for Local Administration, etc; and

3) Auditing System issues at the national level, which play an important role in auditing the SAOs, in particular the NACC.

The details are described as follows:



**Figure 6.1** Diagram of the Auditing System in SAOs

**Note:** ..... To Regulate / Supervise or Inspect on Corruption (The Supervision)  
 \_\_\_\_\_ To Command / Control

## **6.1 Auditing System Issues in a Sub-district Administrative Organizations (SAOs)**

To inspect the local administrative organizations requires inspecting the SAO; for example, with internal auditing by the 2011 standard regulations of the Office of the Attorney General's (OAG) committee for setting the standards of the internal auditing system which inspects local administrative organizations, inspection power balancing by the SAOs' councils, and with public inspection.

### **6.1.1 Inspection by the Sub-district Administrative Organization Council**

This is covered by the Sub-district Council and Sub-district Administration Organization Act, B.E. 2537 (A.D. 1994), as amended by No. 5 B.E. 2546 (A.D. 2003), Sections 46, 48, 53, and 56-58. Other related regulations determine that the SAO council shall be empowered to have authority as follows:

1) Authority for the approval / agreement of a district development plan as a guideline for the administration sectors in the SAO. In other words, under the Ministry of Interior regulations on development plans of local administrative organizations 2005 issue 16, it is determined that the local government director must propose the drafting of the strategic development plan to the SAOs' Council for their approval. Then, the local government director continues consideration for approval and adoption of that strategic development plan for further projects.

2) Consideration of the approval of the draft ordinances of the SAO, draft ordinance of the annual budget, and the draft ordinance of the additional expenditures budget.

3) Control / Command of the performance of the chief executive of SAO to process performance under the laws, policies, SAO's development plans, ordinances, rules, and government regulations.

4) The SAO's council will select the chairman and vice-chairman of the council for the district chief officer to appoint those positions under the agreement of SAO's council, (Section 48).

5) In the SAO's council meeting, the members of the SAO's council have the right to post issues and to question the chief executive of the SAO or deputy chief executive of the SAO concerning their duties, (Section 56/1).

6) Listen to the statement of the chief executive's policies for the SAO without reaching any agreement (Section 58/5).

7) If required by not less than one-third of the members of the SAO's council, to have the right to propose a motion for a general debate at the council of the SAO. Therefore, the chief executive of the SAO shall provide a statement to clarify the debate and these mentioned acts shall be done without reaching agreement, (Section 58/7).

The study shows that the SAO's council is unable to take any actions in inspecting the administration sectors, because the power of the council is weak and, therefore, the council is unable to remove anyone but only propose a censure debate.

Kritchai Silaparaya, Local Administration Promotion Officer (Senior Professional Level), Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani Province, stated that:-

The internal auditing system is such that the SAO's council is unable to authorize inspection because the power of the council is weak and, therefore, the council is unable to dismiss anyone but only propose a censure debate. It can be done at the national level but not at the local level even in the procurement in the past determined to have representatives from each of the two people attended the new law eliminated.

It should be encouraged that local councils are stronger to increase their power in promoting public awareness and understanding of the right to participate. Although there are laws to encourage people to participate, few people do participate. How are the local councils to get stronger? (Kritchai Silaparaya, 2013)

Further, Suvinai Janthip, Chief of the Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani Province also commented that:-

The chief executives of SAOs and the SAO councils are unaware of their roles themselves. I do not agree that the council should be able to dismiss the chief executive of the SAO because there would be chaos if the council does not support the chief executive. (Suvinai Janthip, 2013)

Moreover, Udon Buthaphong, former Chief Executive, and Prasert Tilabal, former Deputy Chief Executive, of the Khoksaard Sub-district Administrative Organization, Nam Khun District, Ubon Ratchathani Province, reflected that the chief executive of the SAO paid each member of the SAO council 5,000 THB to approve the legislation for the local budget. (Udon Buthaphong, 2013)

Tanachai Tarakajud (2013), of the Central Committee on Subdistrict Administrative Organization for Personnel (Expert), Provincial Office for Local Administration, Ubon Ratchathani Province pointed out that inspection of local administrative organizations by the people is still needed. The SAO councils in Ubon Ratchathani do not have much authority to inspect or counterbalance the administrative side. Additionally, On Uma Srisuanjik, Financial Administrative Officer, Srisook SAO, Khueang Nai District, Ubon Ratchathani Province agreed that the SAO council cannot make any changes in counterbalancing since the chief executive of an SAO and the SAO council itself are only able to negotiate. (On Uma Srisuanjik, 2013)

The Local Personnel Administration Act, B.E. 2542. (A.D. 1999), Chapter 3 Personnel Administration in Sub-district Administration Organization, Section 25 states that, for the subdistrict administrative organization in a province, there must be a central committee on the sub-district administrative organization for personnel administration for all the sub-district administrative organizations in that province. This committee consists of:

1) The provincial governor or the deputy provincial governor appointed as the chairperson.

2) Eight district chief officers or division heads in that province who are appointed by the governor; if needed in the best interests of personnel administration, the governor can amend the list of related officers from time to time.

3) Nine committee representatives comprised of:

(1) the speakers of the SAOs in the province shall select three representatives from among themselves;

(2) the chairmen of the SAOs in the province shall select three representatives from among themselves;

(3) the city clerks of the SAOs in the province shall select three representatives from among themselves;

4) Nine qualified members selected from those who are experts in local administration, personnel administration, bureaucracy, administration and management or other fields which benefit personnel administration of the SAOs;

5) In selecting qualified members under (4), the committee under (1) and (2) shall nominate 15 candidates and the committee members under (3) nominate another 15 candidates. The 30 candidates meet and choose 9 from among themselves.

The selection methods of the representatives of the SAOs and the expert members have to follow the criteria and conditions specified by the Central Committee on Sub-district Administrative Organization Personnel.

The governor is in charge of selecting the speakers of the Community Council, the chief executives of the SAOs or the chiefs of administration of the SAOs, as the case may be, as representatives of the SAOs. The governor appoints a civil servant or a subdistrict officer as the secretary of the Committee on SAO Personnel.

The Local Personnel Administration Act, B.E. 2542. (A.D. 1999), stipulates that the Central Committee on Sub-district Administrative Organization for Personnel has authority to prescribe criteria relating to personnel administration in SAOs as follows:

1) to stipulate necessary qualifications and prohibitions specifically applied to officials of the SAOs;

2) to stipulate the number of positions, salary rates and procedure of paying salaries and other benefits to officials of the SAOs;

3) to prescribe criteria and conditions relating to personnel recruitment, selection, appointment, transfer, level-promotion, salary-raise, investigation, disciplinary punishment, removal from office, appeal and grievance;

4) to lay down regulations relating to administration and performance of duties of the SAOs' officials;

5) to oversee, examine, advise, promote and develop knowledge for SAOs' officials.

### **6.1.2 Inspection by Internal Auditing System and Internal Auditors**

Internal auditing was established by the 2001 regulations of the State Audit Commission on internal auditing standards, issue no. 6, which state that the auditor shall report to the State Audit Commission Director and Auditing Commission about the internal auditing at least once a year within 90 days from the last day of the annual budget or the last day of the calendar; it depends on each case except that, for the first report, it shall be completed within 240 days of the establishment of the internal system - as follows:

1) To form an opinion on the internal auditing system of the auditing organizations as to whether it reaches the required standards;

2) To report the evaluation results on the adequacy and effectiveness of the internal auditing system in completing its objectives and goals including the data of the context of each internal auditing factor as

(1) the controlling environment

(2) the risk assessment evaluation

(3) the controlling activities

(4) the information and communication

(5) the evaluation;

3) To state the weaknesses of the internal auditing system with suggestions and proposed plans to improve the internal auditing system.

The main objectives of the internal auditor are to decrease risks in the working process by gathering both the strengths and weaknesses of each segment to analyze

the risks of the working operation in each year, and how to solve those risks. The internal auditing helps to inspect the issues and risks that might occur in the working process. The SAOs normally do not want to operate internal auditing until this system has become one of the important criteria for promoting the annual bonus. So, it forces every SAO to make reports on the internal auditing system.

However, PornTip Wannatawee, Director of the Division of Finance, Yangkheenok Sub-district Administrative Organization, Khueang Nai District, Ubon Ratchathani Province, and Chaiwat Sawasdisri, Chief of the Office of the Sub-district Administrative Organization, Office of the Chief Administrator of the SAO, Nasamai Sub-district Administrative Organization, Trakan Phuet Phon District, Ubon Ratchathani Province concluded that the internal auditing system and the internal auditors of SAOs are unable to solve corruption issues because officers have no authority to inspect the executive officers in the administration sectors. The part of an internal auditing system that can be inspected by external organizations such as the Group of Finance and Audit, Provincial Office for Local Administration only enables the provision of suggestions.

Moreover, recent data at the end of 2013 reported that SAOs in Ubon Ratchathani recently recruited internal auditors for 5 SAOs. These staff will be under the chief administrators of the SAOs. In general, the internal auditors are responsible for auditing and evaluating the management process and its outcome. Further, the staff would audit the finance and accounting for which it has to follow the local legislation of the Sub-district. Those who are internal auditors must be experts in finance, accounting, and management.

For the SAOs internal auditors, the primary responsibility is to inspect every disbursement document within the organizations before it is audited by the Group of Finance and Audit, Provincial Office for Local Administration, or Office of the Auditor General of Thailand (Regional Inspector).

PornTip Wannatawee and Chaiwat Sawasdisri stated that those internal auditors are unable to prevent fraud. Additionally, the small SAOs do not have to recruit any internal auditors since there are fewer personnel to audit. The internal auditing helps to identify each section's duties, and the problems or weaknesses of each duty, in order to seek solutions, but it is not relevant to preventing corruption; it

is just self-auditing. The internal auditor in each section takes control the section's own weaknesses by observing, inspecting, and solving. (PornTip Wannatawee, 2013; Chaiwat Sawasdisri, 2013)

### **6.1.3 Auditing of the Chief Executives of SAOs in Elections**

Besides being audited by the council, local administrative organizations are also inspected and screened by voters in elections. Society in general assumes or completely believes that most of the chief executives of SAOs buy votes to be elected; the researcher does not reject this assumption altogether, but from the study, a debate can challenge this assumption as follows:-

The results from interviewing 12 chief executives of SAOs, 4 former chief executives of SAOs, 4 deputy chief executives of SAOs, and 2 former deputy chief executives of SAOs found that the interviewees did not deny vote buying to help them become a chief executive of the SAO, a member of the SAO Council, or a village headman. The interviewees did not deny that they have ever bought votes, but it was found that money is not a necessary and sufficient condition (NSC) to make one of the candidates win an election. This could be seen from the interview with one of the chief executives of an SAO as follows:

In this case, Jittakorn Pimpakdee, chief executive of the Yang Yo Phap Sub-district Administrative Organization, Muang Sam Sib District, Ubon Ratchathani Province admitted that there is vote buying everywhere in the elections of chief executives of SAOs. He gave an example of one chief executive who failed in getting re-elected as the chief executive because he did not let people inspect or audit, he did many corrupt acts, and he did not do much to help people; therefore, he had not been re-elected. He went on to say:

I spent less money on the election than my opponent. He spent around 1.5 million THB but he did not get elected, whereas I spent about 700,000 THB and I got elected. I think the most important things that helped me win were transparency, honesty, and not taking advantage of others.

I admit that that there is vote buying in every election for the chief executive of an SAO and everyone does the same.

I still got elected although my competitor was supported by a national politician, Mr. Witoon Namboot, a former Minister of Social Development and Human Security, Mr. Wutthiphong Namboot, Dr. Supachai Srila from the Democrat Party, Mr. Borameth Srila, and Mr. Pramai Chuengchitrak from the Provincial Administrative Organization (PAO) Council.

I was still elected although my competitor was supported by a national politician; Mr. Witoon Namboot, a former Minister of Social Development and Human Security, Mr. Wutthiphong Namboot, Dr. Supachai Srila from the Democrat Party, Mr. Borameth Srila, and Mr. Pramai Chuengchitrak from the Provincial Administrative Organization (PAO) Council.

Why did the chief executive of SAOs fail to be re-elected? That is because the chief executive did not let people inspect or audit, also he performed many acts of corruption, and he did not do much to help people; therefore, he was not re-elected. (Jittakorn Pimpakdee, 2013)

It also corroborated statements of Somnade Weawkhum, Chief Executive of Pa-Ao SAO, Mueang Ubon Ratchathani District, Ubon Ratchathani Province and Somkid Keamarum, Deputy Chief Executive of Pa-Ao SAO that even though there is vote buying, the top spenders are not always elected.

In general, there is a huge sum of money spent on elections. Most of the money is spent on the campaign such as for equipment, materials, and feeding and paying supporters during the campaign. I spent 500,000 THB to buy votes, paying 200 THB per voter, but my competitor, who was a former chief executive of the SAO, bought votes for 700 THB per voter. The result was that I was elected, so it does not guarantee that the top spender would be elected. In addition,

people around here have a solid financial status, so buying votes is not a factor in winning the election. People would choose a person who could really work for them. Moreover, the former chief executive of the SAO had cheated and caused a lot of problems. (Somnade Weawkhum, 2013; Somkid Keamarum, 2013)

Samarn Keawwong, Chief Executive of Tha-Mueang SAO, Don-ModDeang District, Ubon Ratchathani agreed that people would choose the person who is ready to work for them rather than the one who buys their votes with money.

Even though my competitor spent 1,500,000 THB, I still won the election as I spent around 700,000 THB which was a loan from the Bank for Agriculture and Agricultural Cooperatives. It was because the people considered my previous work rather than money or reputations. Further, those who are supported by people in higher positions would consider carefully since, if they are elected, the people in higher positions might ask for something in return. (Samarn Keawwong, 2013)

Niyom Phramayday, Chief Executive of Kum Hai Yai SAO, Don-ModDeang District, Ubon Ratchathani also mentioned that a reason that a former chief executive of the SAO did not win an election for the second time, even though he bought votes, was that his work was not recognized, especially regarding the infrastructure.

In the recent election, I spent 1,500,000 THB which was 700,000 THB from me and 350,000 THB from each of 2 deputy chief executives. The former chief executive of the SAO spent 2,000,000 THB but he was not elected since his work was not recognized much by the people; so to be elected in the next term would be more difficult. (Niyom Phramayday, 2014)

Also, Chaiwat Sawasdisri, Chief of the Office of the Sub-district Administrative Organization, Nasamai Sub-district Administrative Organization, Trakan Phuet Phon District, Ubon Ratchathani Province, Sattaya Kamolruak, Director of the Division of Technician, Yangkheenok Sub-district Administrative Organization, Khueang Nai District, Ubon Ratchathani Province and Jariyaphorn Karin, Chief Administrator of Jikdu SAO, Hua Taphan District, Amnat Charoen Province agreed that local politicians are not afraid of local government officials and employees or the auditing system. On the other hand, local politicians fear the people because they might not be elected again. If those local politicians were accused or sued, people would not elect them and it confirms that vote buying does not guarantee the winning of an election.

Local politicians are not afraid of local government officials and employees or the auditing system. On the other hand, local politicians fear the people because they might not be elected again. If those politicians were accused or sued, people wouldn't elect them. People need to check more. People need to get involved in making decisions. Current law requires that public participation is not mandatory or optional. It should set out clearly that there is a need for public involvement. (Sattaya Kamolruak, 2013)

If the result is that there really is no vilification of political corruption, most people would not make a choice; it is only the way that local politicians cheat and resort to political slander. Being examined by several parties makes officials have to protect themselves by not exceeding the scope of the management authority to enforce the law. It will cause problems for management later. (Chaiwat Sawasdisri, 2013)

I accept that in the election of the chief executive of the SAO and members of the SAO council in Amnat Charoen a lot of money has been spent. Mostly, candidates spend about 3-4 million THB;

some politicians spend about 2 million THB and they have not been elected. However, it is the case that some of those who spent less money got elected. So, money is not a necessary condition to make a candidate win. (Jarinyaphorn Karin, 2013)

Boonma Sribura (2013), Chief executive of Samrong SAO, Tan Sum District, Ubon Ratchathani; Suvit Thani (2013), Chief executive of Cheethuan SAO, Khueang Nai District, Ubon Ratchathani; Pairaj Keela (2013), Chief executive of Phana SAO, Phana District, Amnat Charoen and Chureeporn Thawarom (2013), Finance and Accounting Officer, Saimoon SAO, Phibun Mangsahan District, Ubon Ratchathani stated that money is not the only factor that affects winning the election. People also consider a candidate's background and previous work and then compare these with the other candidates. Even though some candidates are supported by politicians, it would not affect the people's consideration.

Prasert Natjaroenrat (2013), Chief Executive of Nong-Om SAO and Ratre Pratarn, Chief Administrator of Nong-Om SAO, Thung Si Udom District, Ubon Ratchathani provided further information that, if the chief executive of an SAO threatens officials, employees, or staff, it would affect his reputation badly because most of them are locals; this is reflected in the statement of Tien Plangrit the Chief Executive of Yangkheenok SAO, Khueang Nai District, Ubon Ratchathani that there would be no vote for a chief executive who did not do his job and whose officials, employees, staff, and locals did not see any progress. (Tien Plangrit, 2013) Further, Chang Fakathong, Chief Executive of Thatnoi SAO, Khueang Nai District, Ubon Ratchathani made the same point that: "It is not a godfather period anymore; now we have to make people see what we have done and what we are doing" (Chang Fakathong, 2013)

Wanchai Janporn (2013), Director of Sisaket Provincial Office for Local Administration, Provincial Office for Local Administration, Sisaket Province (former Chief of the Section of Laws and Regulation, Department of Provincial Administration, Director of the Bureau of Law, Department of Local Administration ) also made the point that, in the election of chief executives of SAOs in the past, about 30% of those elected were former chief executives and 70% were new candidates,

which reflects that, if there were corruption, people would not let those corrupt candidates work for them. This implies the reason why some former chief executives of SAOs had not been elected.

In summary, the chief executives of the SAOs, government officials, government employees, and staff who are the interviewees agreed that elections can partly help filter the chief executive and members of the SAO council. They did not refute vote buying but agreed that money is not an NSC to help candidates win elections.

Most spenders may not be elected. If there are complaints, corrupt deeds and no work done, people may not choose those candidates even if they are supported by politicians. However, locals would carefully consider a candidate's family background, personality, and traits, unlike in the case of national elections in which locals have no chance to get close to the candidates and their backgrounds.

It was also found that the auditing system that local politicians are afraid of is not the OAG or the NACC, but the voters since they are afraid that they would not be re-elected.

## **6.2 The Auditing System Issues at the Region Level (Provincial/District) and the Inspecting Organizations at Provincial Level**

The problems at this level are divided into 4 groups:-

- 1) Problems found in the supervision of a local government organization by the district chief officer, provincial governor, district office for local administration and the provincial office for local administration;
- 2) Problems found on inspecting issues from the NACC provincial office (Ubon Ratchathani);
- 3) Problems found on inspecting issues from the OAG (Regional Special Audit Office No.5 Ubon Ratchathani Province); and
- 4) Problems found on inspecting issues from other organizations.

### **6.2.1 Problems Found in the Supervision of a Local Government Organization by a District Chief Officer, Provincial Governor, District Office for Local Administration and Provincial Office for Local Administration**

The district chief officer plays an important role in exercising the supervision of an SAO according to the Sub-district Council and Sub-district Administration Organization Act, B.E. 2537 (A.D. 1994), as amended by No. 5 B.E. 2546 (A.D. 2003), Chapter 5 The Inspection of a Sub-district Administrative Organization, Section 90-92.

#### **6.2.1.1 The Supervision of a Local Government Organization by a District Chief Officer**

The constitution of the Kingdom of Thailand, B.E. 2550 (A.D. 2007), Chapter 14 (Local Government), Section 282, states that the supervision of a local government organization shall be exercised in so far as it is necessary and founded upon clear rules, procedures and conditions corresponding to and suitable for the form of the local government organization, as provided by law; provided that it shall be for the purpose of protecting the interests of local residents or the interests of the country as a whole and shall not substantially affect the principle of self-government based upon the will of the people in the locality, otherwise than as provided by law.

In exercising the supervision, there shall be determined a uniform standard as guidance to be observed by a local government organization, having regard to suitability and disparity in the level of development and administration efficiency of each type of local government organization, without prejudice to the local government organization's capability in making decisions in accordance with its need, and there shall be mechanisms for its operation to be scrutinized principally by the public.

According to the Sub-district Council and Sub-district Administration Organization Act, B.E. 2537 (A.D. 1994), as amended by No. 5 B.E. 2546 (A.D. 2003) Section 90, the district chief officer shall be authorized in order to manage and monitor the staff in an SAO to work in accordance with the laws and regulations of the civilian government.

The district chief officer has the authority to call members of the SAO council, the chief executive of the SAO, the deputy chief executive of the SAO, the secretary of the chief executive of the SAO, the officials of the SAO, and the employees of the SAO to clarify, investigate, or report on any circumstances as required.

If the district chief officer agrees that any chief executive might be acting in ways that may harm or damage the SAO or government, even if the district chief officer has already advised him or her or given a warning that he or she did not follow, in case of emergency or urgency, it is required that the district chief officer shall remove or suspend the chief executive of the SAO and shall report to the provincial governor within 15 days to decide and diagnose the case. The act of violation by the chief executive also depends on each case and it does not affect to the SAO's reputation.

In addition, the Sub-district Council and Sub-district Administration Organization Act, B.E. 2537 (A.D. 1994), as amended by No. 3 B.E. 2542 (A.D.1999), Section 91, also empowers the district chief officer to offer his opinion to the provincial governor on the dissolution of the SAO council to protect the public interest.

When such a case occurs, the provincial governor has the power to dissolve the SAO council and provide the reasons for dissolution. After the dissolution, there must be an election of a new council within 45 days.

If the chief executive, deputy chief executive, chairman of the council, or deputy chairman of the council omits to act or acts corruptly, the district chief officer has to take action or investigate immediately (The Sub-district Council and Sub-district Administration Organization Act, B.E. 2537 (A.D. 1994), as amended by No. 3 B.E. 2542 (A.D.1999), Section 91).

However, the research results from interviewing Virojch Vichaiboon, District Chief Officer, Warin Chamrap District, Ubon Ratchathani Province and Sethakarn Thipsuvan, District Chief Officer, Det Udom District, Ubon Ratchathani who are directly responsible for supervision of SAOs found that that the 7 issues in exercising the supervision of the SAOs by the district chief officers and the chiefs of

the district offices for local administration were: (Virojch Vichaiboon, 2013; Sethakarn Thipsuvan, 2013)

1) The district chief officer will take action by exercising supervision only at the time when the problems are reported, but in general they do not do the job. Only the chief of the district office for local administration would take care of the problems, but the two sides do not exchange information so that the district chief officer would have problems when conducting the inspection.

2) The chief of the district office for local administration acts as the district chief officer's accountant to supervise the SAOs, but the major problem is that the chief of the district office for local administration does not belong to the district office but to the provincial office for local administration. The district chief officer could not directly give any order to the chief of the district office for local administration; therefore, the relationship between the SAOs and the district chief officer is very weak.

3) The SAOs are under the Department of Local Administration but the district chief officers are under the Department of Provincial Administration, which means they are under different departments; as a result, the SAOs are not afraid of the district chief officers although the Sub-district Council and Sub-district Administration Organization Act, B.E. 2537 (A.D. 1994), as amended by No. 5 B.E. 2546 (A.D. 2003) Section 90, appoints the district chief officers to have authority to supervise SAOs in accordance with the laws and regulations of the government.

4) There is a confederation of chief administrators of the SAOs which is strong and it can negotiate with the senior executives; as a result, it is difficult to manage within the SAOs since they often rely on the Confederation of Chief Administrators of the SAOs of Thailand, especially in making regulations and policies which the central administration always accepts. This affects the district chief officer's responsibilities.

5) There are problems in advancement within the profession; to promote government officials who are under the SAOs is easier than promoting other government officials, but the district officials' levels may be lower than the chief administrators of the SAOs or the district chief officers are at the same level as the

chief administrators of the SAOs; when comparing the positions and levels, it is hard to make the hierarchy work.

6) The chief executives of the SAOs, who are elected, also cooperate with politicians. Some politicians may be mainstays of the parties or of the government or may be ministers of the Interior Ministry or of another ministry which can make regulatory compliance difficult.

If local administrators are involved with national politicians, the overload inspection may cause conflicts since those politicians may be affiliated to ministers or the director-general; therefore, a district chief officer or provincial governor who might have problems in a local area might be transferred to another province even though he/she is loyal and honest.

7) In addition, there is the question of a district's budget shortage which may make the district ask for the SAO's support. This results in a compromise in inspecting the SAO so that the district takes less control of the SAO's matters.

In the case of money support from the SAO, this would not always be forthcoming if the SAO is associated with a powerful politician. The district could not force the SAO to give it support but, if it asks for support, normally the SAO always helps.

This matched with interviews with Tathaporn Sompong (2013), Assistant District Chief Officer (Governing Officer, Senior Professional Level), Siriwan Khunmee (2013), Assistant District Chief Officer (Governing Officer, Professional Level), and Duangporn Kunakonwong (2013), Assistant District Chief Officer of Det Udom district, Ubon Ratchathani who all said that to ask for help on budget support from an SAO causes issues on monitoring by the district, since the district will have been allocated a budget of 400,000 – 500,000 THB which is not enough for operating many projects and, as a result, the district needs extra support from the SAO.

Some interviewees admitted that in terms of traditional and cultural activities, the district has no authority to ask for subsidies from the SAO since the SAO is able to handle these activities. Unfortunately, however, the SAO must distribute money to both the province and district sides to avoid further conflicts in the legal paper work. (Siriwan Khunmee, 2013)

It was also found that local administrative organizations are not afraid of the Provincial Damrongtham Center/ District Damrongtham Center but are afraid of the NACC or OAG. The district chief officer will wait for the NACC's opinion first on issues of position removal or other serious disciplinary acts. Nevertheless, if the district chief officer were to conduct an investigation, there is no serious punishment like removal from office. (Siriwan Khunmee, 2013; Pitch Pesatcha, 2013)

In conclusion, there was less consideration for the position of the district chief officer as executives, officials, and employees of SAOs are getting stronger; besides, some of the SAOs' staff are in the networks of national politicians, so district chief officers do not dare to monitor the staff because they are afraid of being transferred. The current situation on monitoring SAOs is more reactive than proactive because the chief of the district office for local administration is not under the command of the district chief officer so that there is a lack of connectivity. Further, a district chief officer cannot punish an SAO directly. Penalties will occur when the board of the NACC has to reach a verdict; therefore, in fact, the district chief officer has the authority only to approve the sub-district's local legislation. In the case of complaints, the district chief officer is able to call for executives, employees and documents to investigate and then report to the provincial governor; but it takes time to report those investigations to the NACC.

Moreover, the district has to rely on budget support from the SAOs to operate various projects, especially during festivals and traditions because the district budget is small, and this gives rise to part monitoring of the SAOs.

#### 6.2.1.2 The Supervision of a Local Government Organizations by the Provincial Governor

The Sub-district Council and Sub-district Administration Organization Act, B.E. 2537 (A.D. 1994), as amended by No. 5 B.E. 2546 (A.D. 2003) Section 90, prescribes that the provincial governor and the district chief officer have the power to supervise the performance of the SAOs in accordance with the laws and regulations of the government, as the provincial governor shall hear issues sent by the district chief officer. For example, if the investigation revealed that members of the SAO council, the chief executive of the SAO, the deputy chief executive of the SAO, the secretary of the chief executive of the SAO, the officials of the SAO, and the employees of the

SAO commit any acts against the law or public welfare, or if they ignore their responsibilities, the district chief officer shall report these deeds to the provincial governor for him to remove the persons from office. The provincial governor may conduct further investigations and the order from the provincial governor shall be final (The Sub-district Council and Sub-district Administration Organization Act, B.E. 2537 (A.D. 1994), as amended by No. 5 B.E. 2546 (A.D. 2003), Section 92).

In case of emergency or urgency, it is required that the district chief officer shall remove or suspend the chief executive of the SAO and report the matter to the provincial governor within 15 days for him to decide and diagnose the case.

Further, the provincial governor has the power to dissolve the SAO's council and provide the reasons for the dissolution. After the dissolution, there must be an election of a new SAO council within 45 days.

However, based on the interviews with persons who audited or who were audited it was found that persons who work in the auditing organizations of the provincial office for local administration or the district office for local administration did not pay attention to inspecting corruption in the SAOs but only supervised and supported the SAOs even though those organizations were appointed to inspect corruption.

In the case of auditing the SAOs, the district office for local administration would audit finance and accounting twice a year as would the provincial office for local administration. The objective of this auditing is for supervising, unlike the OAG which would audit and inspect for corruption and procurement corruption. (Saowapa Phawang, 2013; Santiraj Phawang, 2013 and Panat Roop-Gae, 2013)

The other inspecting organization, the OAG (regional inspector), also lacks authority to investigate. The issues must be reported to the board of the NACC only. Other inspecting organizations in a province are just "paper tigers" and are not effective for inspecting in any way.

Moreover, the organizations that monitor the local administrative organizations, whether the provincial or district, are also encouraged to be corrupt by asking for financial support from the SAOs in various forms; they may ask each SAO

for at least 100,000 THB / year in order to support an undertaking that is beyond the authority of local administrative organizations.

There is significant evidence from an interview provided by Pitch Pesatcha (2013), Chief of Det Udom District Office for Local Administration, Ubon Ratchathani Province and Jatuporn Supitchayaporn, Local Administration Inspector, District Office for Local Administration, Muang Sam Sib District, Ubon Ratchathani:

The director of the provincial office for local administration and chief of the district office for local administration do not have authority to inspect local administrative organizations but only to supervise; however, the province has appointed us to inspect local administrative organizations for corruption.

Many corruption cases in Ubon Ratchathani are related to conflicts within organizations relating to auctions, procurements, and recruitments.

If it is not a serious case, it would be settled by compromise but if it is a serious case, it would be determined by investigation or by the courts, but it is mostly done by compromise.

It is useless to set up the provincial Damrongtham Center/ district Damrongtham Center since it lacks cooperation. To appoint a local administration inspector to be a member of the center committee is also useless as he/she is responsible for supervising and helping local administrative organizations not inspecting them. The inspection or auditing of local administrative organizations should be done by other private organizations rather than by government organizations. The NACC provincial office or the private sector would be better suited to handle corruption cases than the district chief officer or provincial governor. (Jatuporn Supitchayaporn, 2013)

Kritchai Silaparaya, Local Administration Promotion Officer (Senior Professional Level), Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani Province also agreed that:

The provincial and district governments do not have full authority in exercising supervision because the province and district still need the local administrative organizations' financial support to operate many activities and projects.

The OAG (Regional Special Audit Office No.5 Ubon Ratchathani), whose area of responsibility includes the provinces of Ubon Ratchathani, Amnat Charoen, Sisaket, Yasothon, Mukdahan, and Nakhon Phanom) could be a hope for inspecting for corruption; however, there are limitations since there are many local administrative organizations in one province, such as 239 SAOs in Ubon Ratchathani. In contrast, there is a staff of only 3 inspecting for corruption. (Kritchai Silaparaya, 2013)

This is related to a conclusion of Suvinai Janthip, Chief of the Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani Province, who said as follows:

The complaints about the local administrative organizations would be forwarded the provincial office for local administration, the district office for local administration, the OAG (Regional Special Audit Office No.5 Ubon Ratchathani), and the NACC provincial office.

There are about 50 complaints sent to the provincial office for local administration of Ubon Ratchathani yearly, but action on the complaints has been delayed because the provincial office has no authority to inspect directly. However, the office that is responsible for the direct supervision of SAOs is the district office for local administration and the district chief officer has the authority to supervise the SAOs and municipalities directly so, when an SAO case is appealed to the provincial office, it will be forwarded to the district and the district would investigate, audit and report back to the province.

Most complaints are regarding procurements, issues on parcel regulations, and budget distributions. To investigate those, definitive documents would be primarily considered.

If the provincial office for local administration/ district office for local administration found that there had been fraud, the office might report to the NACC. The OAG (Regional Special Audit Office No.5 Ubon Ratchathani) will audit local administrative organizations too and, if it was found that there had been fraud, it would be reported to the regulator to track down.

To solve corruption in local administrative organizations is difficult since the provincial office for local administration/ district office for local administration has no power to inspect but only to encourage local administrative organizations to be strengthened; instead, the provincial governor and the district chief officer are responsible for inspection.

There should be multiple agencies to run background checks and it should be done seriously since, when district office for local administration appoints a committee to investigate, there is always compromise.

If there is to be one inspecting unit, it must be independent, not under the control of the provincial governor, district chief officer, or politicians because most local executives come from politics and are supported by politicians which causes ineffective investigation. (Suvinai Janthip, 2013)

Suvinai Janthip also described the problem of interference in inspecting the system by political parties in the province as they were forced to investigate opponents by order of the Ministry, especially in the period after the 2006 coup.

As the Chief of the Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani, I was

worried about political matters such as we were being forced to do things through the provincial governor or the head of the office of the provincial governor. We were forced, by order of the Ministry, to cross-check their opponents as to their financial status.

The OAG (Regional Special Audit Office No.5 Ubon Ratchathani) was similarly forced by politicians even though it is an independent agency. (Suvina Janthip, 2013)

Teerawat Pimpan, Anti-corruption Officer, (Practitioner Level), The NACC Provincial Office (Ubon Ratchathani) agreed that there are few inspecting officers in the district offices for local administration to investigate cases. There also needed to be staff from the municipalities, SAOs, or district to be members of the inspection team. This causes compromises in investigation but there is no problem in the provincial office for local administration.

Further, the provincial office for local administration would depend on local administrative organizations to arrange activities so that, if the provincial office for local administration put any blame on employees of the local administrative organizations, there would be compromise, suspension, or a lesser level of punishment. (Teerawat Pimpan, 2013)

Wanchai Janporn, Director of Sisaket Provincial Office for Local Administration, Provincial Office for Local Administration, Sisaket Province (former chief of laws and regulations and director of the law unit of the Department of Local Administration) also agreed that district and provincial investigation could be done faster than at the national level as the provincial governor or district chief officer is able to appoint an inspection committee. If corruption were found, there would be a removal from office but there has been no case like that;

Sometimes the complaints about local government are political. The distribution of information about political opponents is both true and not true. If the NACC or the provincial governor or district chief officer's investigation committee finds that there is corruption, the

offender will be ordered to vacate his office and cannot be a candidate again. (Wanchai Janporn, 2013)

#### 6.2.1.3 The Project for which the Province and District Ask for Budget Support from Local Administrative Organizations

Provincial and district governments have less authority to control everything because they still need support from local administrative organizations for operating activities, so that, if the provincial office for local administration puts any blame on employees of local administrative organizations, there would be compromise, suspension, or a lesser level of punishment.

In 2013, there were projects in Ubon Ratchathani province and districts which needed budget support from the PAO, municipality (city municipality/ town municipality/ sub-district municipality) and SAOs for the following:-

- 1) Supporting the Candle Festival marking Buddhist Lent Day 2014 in Ubon Ratchathani (once a year at 40,000 THB / SAO)
- 2) Supporting a campaign on drug abuse prevention (once a year at 20,000 THB / SAO)
- 3) Supporting the Red Cross and New Year projects (once a year at 5,000-10,000 THB / SAO)
- 4) Supporting the provincial governor's office (once a year at 65,000 THB / SAO)
- 5) Supporting the provincial Red Cross (once a year at 10,000 THB / SAO)
- 6) Supporting the district office (once a year at 30,000 THB / SAO)
- 7) Supporting the province office for local administration (once a year at 8,000 THB / SAO)
- 8) Supporting the National Ceremony (once a year at 5,000 THB / SAO), etc.



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วันที่.....๑๓/๑๒/๕๖
เวลา.....๐๗.๑๕

สำนักงานส่งเสริมการปกครองท้องถิ่น  
อำเภอตระการพืชผล  
ถนน ประเทศธุรกิจ อบ ๓๔๑๓๐

๙ สิงหาคม ๒๕๕๖

เรื่อง โครงการขอรับการสนับสนุนงบประมาณเงินอุดหนุนจากองค์กรปกครองส่วนท้องถิ่น ประจำปี ๒๕๕๗

เรียน นายกเทศมนตรีตำบลตระการพืชผล และนายกองค์การบริหารส่วนตำบล ทุกแห่ง

สิ่งที่ส่งมาด้วย โครงการขอรับการสนับสนุนงบประมาณเงินอุดหนุนจากองค์กรปกครองส่วนท้องถิ่น ประจำปี ๒๕๕๗ จำนวน ๓ ชุด

พร้อมนี้ สำนักงานส่งเสริมการปกครองท้องถิ่นอำเภอตระการพืชผล ขอส่งโครงการขอรับการสนับสนุนงบประมาณเงินอุดหนุนจากองค์กรปกครองส่วนท้องถิ่น ประจำปี ๒๕๕๗ ดังนี้

๑. โครงการขอรับการสนับสนุนการจัดงานกาชาดและงานปีใหม่ ประจำปี ๒๕๕๗
๒. โครงการสนับสนุนการจัดงานประเพณีแห่เทียนพรรษาอุบลราชธานี ปี ๒๕๕๗
๓. โครงการขอรับเงินอุดหนุนเพื่อป้องกันและแก้ไขปัญหาเสพติด ปี ๒๕๕๗

จึงเรียนมาเพื่อทราบและดำเนินการต่อไป

เรียน นาย อบต. นาสะไม
<input type="checkbox"/> เพื่อโปรดทราบ
<input checked="" type="checkbox"/> เพื่อโปรดพิจารณา
๑. ๑๖/๑๒/๕๖
๑๖/๑๒/๕๖
๑๖/๑๒/๕๖

ขอแสดงความนับถือ

(นายประสงค์ ปทุมวัน)  
ท้องถิ่นอำเภอตระการพืชผล

(นายชัยวัฒน์ สวัสดิ์ศรี)

หัวหน้าสำนักปลัด

พ.อ. (สมชาติ อ่อนเนตร)  
เจ้าพนักงานธุรการ

(นางนวีนา ประดา)

ปลัดองค์การบริหารส่วนตำบลนาสะไม

๑) พ.อ. ๑๖/๑๒/๕๖  
๑) ๑๖/๑๒/๕๖

สำนักงานส่งเสริมการปกครองท้องถิ่นอำเภอ  
โทร. ๐-๔๕๕๘-๑๐๓๘  
โทรสาร. ๐-๔๕๕๘-๑๐๓๘

(นางนวีนา ประดา)  
ปลัดองค์การบริหารส่วนตำบล  
ปฏิบัติหน้าที่นาย อบต. นาสะไม

“นครแห่งธรรม นครแห่งเทียน นครแห่งการพัฒนา นครแห่งความอัศจรรย์  
ปี ๒๕๕๕ ปีแห่งการเร่งรัดพัฒนาอุบลราชธานี  
ปีแห่งการละเลิกเหล้า และบุหรี่”

Figure 6.2 A Document from the District Office for Local Administration Asking for Budget Support from Local Administrative Organizations in Ubon Ratchathani

โครงการสนับสนุนการจัดงานประเพณีแห่เทียนเข้าพรรษาอุบลราชธานี ปี ๒๕๕๗

๑. ชื่อโครงการ สนับสนุนการจัดงานประเพณีแห่เทียนเข้าพรรษาอุบลราชธานี ปี ๒๕๕๗
๒. หลักการและเหตุผล

ด้วยจังหวัดอุบลราชธานี หน่วยงานราชการ รัฐวิสาหกิจ องค์กรปกครองส่วนท้องถิ่นและภาคเอกชน ได้กำหนดการจัดงานประเพณีแห่เทียนเข้าพรรษา ในห้วงเดือนเทศกาลเข้าพรรษา เป็นประจำทุกปี ณ บริเวณสนามทุ่งศรีเมือง จังหวัดอุบลราชธานี คณะกรรมการจัดงานได้กำหนดให้การจัดประเพณีแห่เทียนเข้าพรรษา ปี ๒๕๕๗ ให้ยิ่งใหญ่กว่าทุกปีที่ผ่านมา จะได้กำหนดกิจกรรมการประกวดต้นเทียน ประเภท แกะสลักเทียน ตัดพิมพ์เทียน ประดิษฐ์เทียนโบราณ การหล่อหลอมเทียนเป็นพุทธบูชา การแกะเทียนหอม การจัดกิจกรรมนิทรรศการความเป็นมาวัฒนธรรมประเพณี ส่งเสริมกิจกรรมทางพุทธศาสนา พิธีเวียนเทียน การอนุรักษ์เทียนพรรษาและผ้าอาบน้ำฝนพระราชทาน การมีส่วนร่วมของชุมชนในการอนุรักษ์สืบสานวัฒนธรรมประเพณีท้องถิ่น การแสดงมหาสุริยางค์ การแสดงแสง เสียง ประกอบการแห่เทียนภาคกลางคืน การประกวดนางงามเทียนพรรษา การจัดตลาดแลกเปลี่ยนอดีตยามเย็น และการส่งเสริมการท่องเที่ยวไทย

ดังนั้น เพื่อให้การจัดงานประเพณีแห่เทียนเข้าพรรษาเป็นไปด้วยความเรียบร้อยเป็นไปตามเจตนารมณ์ โดยความร่วมมือร่วมใจจากทุกฝ่าย โดยเฉพาะองค์กรปกครองส่วนท้องถิ่น ซึ่งมีภาระหน้าที่ในการสนับสนุนงานประเพณีวัฒนธรรมท้องถิ่น จังหวัดอุบลราชธานีจึงได้จัดทำโครงการสนับสนุนการจัดงานประเพณีแห่เทียนเข้าพรรษา ประจำปี ๒๕๕๗ ขึ้น

๓. วัตถุประสงค์

- ๓.๑ เพื่อเป็นการอนุรักษ์สืบสานวัฒนธรรมประเพณีท้องถิ่น
- ๓.๒ เพื่อให้เกิดการมีส่วนร่วมของประชาชน ในการสนับสนุนการจัดงานวัฒนธรรมประเพณีท้องถิ่นของหน่วยงานภาครัฐราชการ เอกชน และท้องถิ่น
- ๓.๓ เพื่อเป็นการเพิ่มรายได้ ให้แก่ชาวจังหวัดอุบลราชธานี
- ๓.๔ เพื่อเป็นการส่งเสริมการท่องเที่ยวไทย

๔. เป้าหมาย

ส่งเสริมกิจกรรมการท่องเที่ยวประเทศไทย และจังหวัดอุบลราชธานี

๕. งบประมาณ

- ๕.๑ องค์กรบริหารส่วนจังหวัดอุบลราชธานี ๒,๐๐๐,๐๐๐ บาท
- ๕.๒ เทศบาลนครอุบลราชธานี ๓,๐๐๐,๐๐๐ บาท
- ๕.๓ เทศบาลเมืองทุกแห่ง ๆ ละ ๑๕๐,๐๐๐ บาท และเทศบาลตำบลทุกแห่ง ๆ ละ ๕๐,๐๐๐ บาท
- ๕.๔ องค์กรบริหารส่วนตำบล ทุกแห่ง ๆ ละ ๔๐,๐๐๐ บาท
- ๕.๕ บริษัท ห้างร้าน พ่อค้า ประชาชน ๑๐๐,๐๐๐ บาท
- ๕.๖ การท่องเที่ยวแห่งประเทศไทย ๕๐๐,๐๐๐ บาท
- ๕.๗ จังหวัดอุบลราชธานี ๒๐๐,๐๐๐ บาท

๖. ระยะเวลาดำเนินการ

ในห้วงเทศกาลงานประเพณีเข้าพรรษา เดือนมิถุนายน - กันยายน ๒๕๕๗

**Figure 6.3** A Document Asking for Budget Support from Local Administration Organizations in Ubon Ratchathani (The Candle Festival Marking Buddhist Lent Day, 2014)

๖) งบประมาณ

ขอรับการสนับสนุนจากองค์กรปกครองส่วนท้องถิ่น ในพื้นที่จังหวัดอุบลราชธานี จำนวน ๙,๖๖๐,๐๐๐ บาท (เก้าล้านหกแสนหกหมื่นบาท) ดังนี้

๑) องค์กรบริหารส่วนจังหวัดอุบลราชธานี	จำนวน	๓,๐๐๐,๐๐๐ บาท
๒) เทศบาลนครอุบลราชธานี	จำนวน	๑,๐๐๐,๐๐๐ บาท
๓) เทศบาลเมือง ๔ แห่ง ๆ ละ ๖๐,๐๐๐ บาท	จำนวน	๒๔๐,๐๐๐ บาท
๔) เทศบาลตำบล ๓๘ แห่ง ๆ ละ ๔๐,๐๐๐ บาท	จำนวน	๑,๕๒๐,๐๐๐ บาท
๕) อบต. ๑๙๕ แห่ง ๆ ละ ๒๐,๐๐๐ บาท	จำนวน	๓,๙๐๐,๐๐๐ บาท
		<u>รวม ๙,๖๖๐,๐๐๐ บาท</u>

๖) ผลที่คาดว่าจะได้รับ

๖.๑ การดำเนินงานป้องกันและแก้ไขปัญหายาเสพติด บรรลุเป้าหมาย ตามยุทธศาสตร์ มาตรการ และแนวทาง การดำเนินงาน ที่กำหนดไว้ ลดปัญหายาเสพติดและสร้างความพึงพอใจต่อการดำเนินงานภาครัฐของประชาชนทั่วไป

๖.๒ ศูนย์อำนวยการพลังแผ่นดินเอาชนะยาเสพติดจังหวัดอุบลราชธานี สามารถแก้ไขปัญหายาเสพติด กรณีเร่งด่วนได้ทันที่ และให้การสนับสนุนการดำเนินงานของภาครัฐ ภาคเอกชน ในกิจสำคัญจำเป็นเร่งด่วน ที่ไม่มีงบประมาณประจำปีตั้งจ่ายไว้ โดยเฉพาะด้านการป้องกัน เช่น กิจกรรมในทางสร้างสรรค์ของเยาวชน การจัดระเบียบสังคมแบบบูรณาการ การเสริมสร้างความเข้มแข็งของหมู่บ้าน/ชุมชน

๖.๓ ทำให้ประชาชนทุก หมู่บ้าน/ชุมชน และทุกตำบล ในท้องที่จังหวัดอุบลราชธานี ได้รับการแก้ไข ปัญหาการแพร่ระบาดของยาเสพติด การควบคุมกลุ่มเสี่ยง ตลอดจนการป้องกัน และปราบปรามยาเสพติด ได้ผลอย่างเป็นรูปธรรม มีประสิทธิภาพมากขึ้น

๗. ผู้รับผิดชอบโครงการ

ศูนย์อำนวยการพลังแผ่นดินเอาชนะยาเสพติดจังหวัดอุบลราชธานี

(ลงชื่อ)

(นายเกรียงเดช วัฒนวงษ์สิงห์)

ปลัดจังหวัดอุบลราชธานี/ หน.สนง.ศพส.จ.อบ.

ผู้เสนอโครงการ

(ลงชื่อ)

(นายวิวัฒน์ บุญดี)  
รองผู้ว่าราชการจังหวัดอุบลราชธานี

ผู้เห็นชอบโครงการ

(ลงชื่อ)

(นายวิวัฒน์ บุญดี)  
ผู้ว่าราชการจังหวัดอุบลราชธานี

ผู้อนุมัติโครงการ

**Figure 6.4** A Document Asking for Budget Support from Local Administration Organizations in Ubon Ratchathani (Prevention of Drug Abuse Campaign, 2014)

-๒-

## ๕.งบประมาณ

งบประมาณที่องค์กรปกครองส่วนท้องถิ่นได้ให้การสนับสนุนงบประมาณมาแล้ว ดังนี้

๕.๑ องค์กรบริหารส่วนจังหวัดอุบลราชธานี เป็นเงิน ๒๐๐,๐๐๐ บาท

๕.๒ เทศบาลนครอุบลราชธานี เป็นเงิน ๑๐๐,๐๐๐ บาท

๕.๓ เทศบาลเมืองแห่ง ๆ ละ ๕๐,๐๐๐ บาท

๕.๔ เทศบาลตำบล แห่ง ๆ ละ ๑๕,๐๐๐ บาท

๕.๗ องค์กรบริหารส่วนตำบลขนาดกลางแห่งๆ ละ ๑๐,๐๐๐ บาท ขนาดเล็กๆ ละ ๕,๐๐๐ บาท

## ๖.ระยะเวลาดำเนินการ

ระหว่างช่วงเดือน ธันวาคม ๒๕๕๕ ถึงเดือน กันยายน ๒๕๕๖

## ๗.ผลที่คาดว่าจะได้รับ

๗.๑ เป็นการส่งเสริมประเพณี วัฒนธรรมท้องถิ่นให้คงอยู่ต่อไป

๗.๒ เป็นการส่งเสริมประชาชนนำผลผลิตมาจำหน่าย ทำให้มีรายได้เพิ่ม และมีคุณภาพชีวิตที่ดีขึ้น

๗.๓ เป็นการส่งเสริมการมีส่วนร่วมและมีกิจกรรมร่วมกันระหว่างหน่วยงานบริหารราชการส่วนท้องถิ่นในจังหวัดอุบลราชธานี

๗.๔ เพื่อเป็นการช่วยเหลือกิจการของภาคให้สำเร็จตามวัตถุประสงค์

## ๘.ผู้รับผิดชอบโครงการ

๘.๑ สำนักงานเหล่ากาชาดจังหวัดอุบลราชธานี

๘.๒ ที่ทำการปกครองจังหวัดอุบลราชธานี

๘.๓ ที่ทำการปกครองอำเภอ ทุกอำเภอ

## ๙.ผู้เสนอโครงการ

( นายเกรียงเดช วัฒนวงษ์สิงห์ )  
ปลัดจังหวัดอุบลราชธานี

## ๑๐.ผู้เห็นชอบโครงการ

( นายสุทธินันท์ บุญมี )  
รองผู้ว่าราชการจังหวัดอุบลราชธานี

## ๑๑.ผู้อนุมัติโครงการ

( นายวันชัย สุทธิรัชชัย )  
ผู้ว่าราชการจังหวัดอุบลราชธานี

**Figure 6.5** A Document Asking for Budget Support from Local Administration Organizations in Ubon Ratchathani (Red Cross and New Year Festival, 2014)

A focus group in Yangkheenok SAO, Khueang Nai District, Ubon Ratchathani in which Tien Plangrit (2013), Chief Executive of the SAO, Porntip Wannatawee (2013), Director of the Division of Finance, Sattaya Kamolruak (2013), Director of the Technical Division, and Kittiyaporn Sitthitham (2013), Personnel Officer participated found that, when the province or district asked for budget support, it caused a lot of problems for the SAOs since the SAOs had already got a limited budget but they had to distribute sums of money to avoid conflicts with the province and district.

In distributing the budget in the fiscal year 2014, the SAO provided support as follows:- (Yangkheenok SAO, 2013)

- 1) Supporting the provincial governor's office, 25,000 THB
- 2) Supporting the Red Cross, Ubon Ratchathani Province, 10,000 THB
- 3) Supporting the provincial governor's office, 40,000 THB
- 4) Supporting the district office for local administration, Khueang Nai District, 30,000 THB
- 5) Supporting the provincial office for local administration, Ubon Ratchathani Province, 8,000 THB
- 6) Supporting the National Ceremony in Khueang Nai District, 5,000 THB
- 7) Supporting Khueang Nai District's campaign on the prevention of drug abuse, 20,000 THB

If SAOs do not provide support as required, there would be conflicts between the SAOs and the province and district in gaining budget approval (local legislation of budget) from the district chief officer. (Tien Plangrit, 2013; Porntip Wannatawee, 2013 and Kittiyaporn Sitthitham, 2013)

The case above is not the only case; Jittakorn Pimpakdee, Chief Executive of the Yang Yo Phap SAO, Muang Sam Sib District, Ubon Ratchathani Province; Paiboon PimRath, Chief Executive of the Don Mot Daeng SAO, Don Mot Daeng District, Ubon Ratchathani Province; Boonma Sribura, Chief Executive of the Samrong SAO, Tan Sum District, Ubon Ratchathani Province; Samarn Keawwong, Chief Executive of the Tha-Mueang SAO, Don Mot Daeng District, Ubon

Ratchathani Province; Chang Fakathong, Chief Executive of the Thatnoi SAO, Khueang Nai District, Ubon Ratchathani Province; and Rossukon Sangsawang, Deputy Chief Executive of the Thatnoi SAO, Khueang Nai District, Ubon Ratchathani Province concluded that the province and district always ask for budget support to operate their activities such as the Candle Festival marking Buddhist Lent Day in Ubon Ratchathani, the Red Cross festival, the prevention of drug abuse campaign, sports days, or other traditional festivals at around 20,000 – 40,000 THB per activity. Moreover, there were special cases such as the provincial governor asked for extra money to rebuild his new office at 2,000- 3,000 per SAO, and for the sale of concert tickets at 2,000 – 4,000 THB for each SAO even though the concert was in Meaung district which is far away from the SAOs; the SAOs could not reimburse these expenses since they were not included in the SAOs' budget plans. (Jittakorn Pimpakdee, 2013; Paiboon Pimrath, 2013; Boonma Sribura, 2013; Samarn Keawwong, 2013; Rossukon Sangsawang, 2013; Chang Fakathong, 2013 and Prasert Natjaroenrat, 2013)

On Uma Srisuanjik, Financial Administration Officer of Sri Sook SAO, Khueang Nai District, Ubon Ratchathani opined that to ask for extra budget support from local administrative organizations is one form of corruption:.

Extra support such as selling concert tickets or charity tickets cannot be reimbursed from any SAO budget plans or else the chief executive of the SAO has to delete a sum from another part of the budget plan to buy those tickets. If the SAO cannot support this matter, it should report it to the district, especially as it is a strong issue in Muang Sam Sib district, Ubon Ratchathani. (On Uma Srisuanjik, 2013)

Nonetheless, Jatuporn Supitchayaporn, Local Administration Inspector, Muang Sam Sib district, Ubon Ratchathani, from the District Office for Local Administration of Muang Sam Sib district who works as a local administrative organization consultant and deputy Chief of the District Office for Local Administration admitted that the district office for local administration is forced by

the province to ask for extra budget support from the municipalities and SAOs to operate the province's activities. The district office for local administration was not happy with this as some SAOs still need support, but the superior organizations still embezzle from them. (Jatuporn Supitchayaporn, 2013)

Asking for extra budget support is against the role of the provincial governor, district chief officer, district office for local administration, and provincial office for local administration which are all supposed to monitor local administrative organizations to ensure that they do not engage in any corruption, but the district office for local administration and the provincial office for local administration play the main role in being directly corrupt; for instance, in the case of Phana SAO, Phana District, Amnat Charoen the provincial office for local administration ordered the SAO to operate activities even though they were against regulations, such as a project to build a sport playground to prevent drug abuse with a 5 million THB budget in which the provincial office for local administration was one of stake-holders.

The provincial office for local administration made a call and ordered us to find a contractor immediately and sign a contract within 3 days, even though the SAO was not ready to operate the project. As I am the Supplies Officer, I was afraid of acting against the law but I had to do it since I had no choice. (Natkritta Nontawan, 2013 and Thanit Seng-Sai)

Moreover, the district office for local administration and the provincial office for local administration play the main role in being directly corrupt, as the Central Committee on Sub-district Administrative Organization for Personnel of Ubon Ratchathani approved an SAO recruitment quota without consideration of the needs and further expenses, and the district office for local administration and the provincial office for local administration are the main stakeholders in these recruitment issues.

Kritchai Sinlapraya, Local Administration Promotion Officer (Senior Professional Level), Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani Province stated that The Central Committee on

Sub-district Administrative Organization for Personnel of Ubon Ratchathani approved the SAOs' recruitment quota without considering the needs and further expenses. Recently, local administrative organizations have had an overload calculated at 40% of the total expenses.

How could the Central Committee on Sub-district Administrative Organization for Personnel of Ubon Ratchathani approve the recruitment plan and order each SAO to arrange the test? Some of the members were blamed for lobbyism so that they could be elected to be a member. (Kritchai Sinlapraya, 2013)

Tanachai Tarakajud, of the Central Committee on Subdistrict Administrative Organization for Personnel (Expert), Provincial Office for Local Administration, Ubon Ratchathani Province said that there were too many employees and staff in the SAOs which caused a shortage in the development budget.

Comparing the duties with the numbers of employees in the SAO, it was found that there are too many staff in the SAO and some people do not have permanent duties; also the chief executive does not know how to manage.

To prohibit recruitment by an SAO itself is not always the correct thing, as we have to consider it case by case since some SAOs still need employees, especially the faraway ones. I agree on letting other organizations cooperate on SAO recruitment with the SAOs' chief executives. I admit that I offered a sum of money as a bribe for letting me become a member. (Tanachai Tarakajud, 2013)

In summary, the provincial governor and district chief officer, the district office for local administration, and the provincial office for local administration cannot fully supervise local administrative organizations because the province and district still ask for extra budget support from local administrative organizations to carry out projects or activities.

Asking for extra budget support is against the role of the provincial governor, district chief officer, district office for local administration, and provincial office for local administration which are supposed to monitor local administrative organizations not to commit any corruption, but the district office for local administration and provincial office for local administration play the main role in being directly corrupt; for instance, ordering the operation of activities even though they are against the regulations or approving SAOs' recruitment quotas without considering the needs and further expenses.

### **6.2.2 Problem Finds on Inspecting Issues from the NACC Provincial Office (Ubon Ratchathani)**

The Constitution of the Kingdom of Thailand B.E. 2550 (2007), Section 246 in the last sentence deals with appointing members of the provincial anti-corruption committee. The qualifications, selection process, and powers and duties of the provincial members shall be as prescribed by the Organic Act on Counter Corruption B.E. 2542 (A.D. 1999), as amended by No. 2 B.E. 2554 (A.D. 2011)

However, the NACC provincial office is responsible for collecting basic evidence or investigating the facts or data which are then forwarded to the NACC. It does not have a duty to inspect or investigate. The NACC provincial office would handle only complaints which have occurred in its area.

Klanarong Chanthick, of The National Anti-Corruption Commission explained that he was a member of the Constituent Assembly in 2007 and, when he went out to survey people, he found that they wanted to have an NACC provincial office, too; therefore, this organization resulted from the needs of the people.

In addition, he did not support the idea of letting the NACC provincial office judge corruption cases because this authority was appointed to the central NACC only.

The NACC provincial office cannot judge corruption cases because this authority was appointed to the central NACC only and the NACC Commission cannot empower the NACC provincial office to

judge, but the investigation is able to be assigned. (Klanarong Chanthick, 2013)

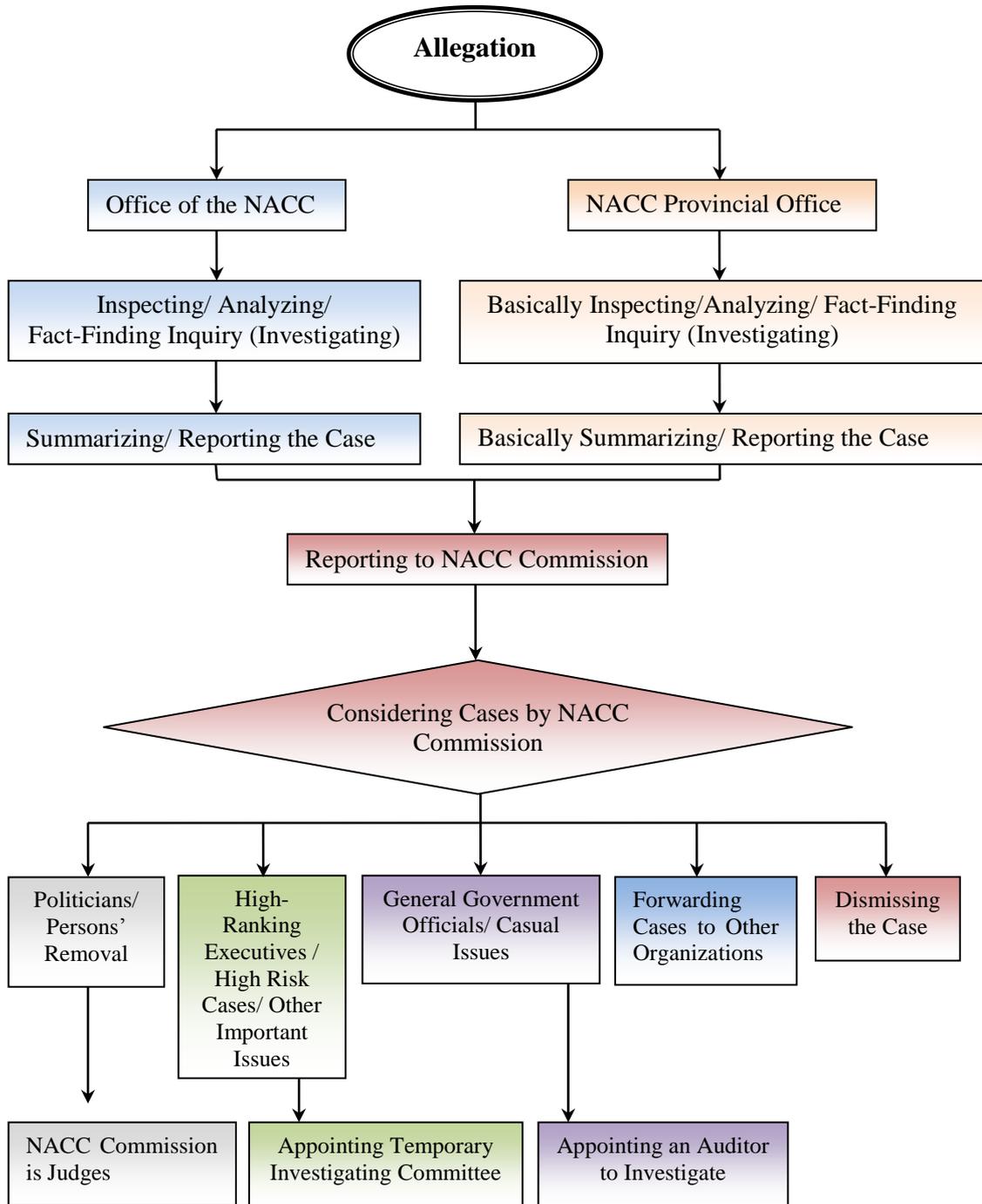
Prof. Dr. Methi Krongkeaw, a former member of The National Anti-Corruption Commission (2006-2010), did not support the establishment of the NACC provincial office and questioned the reasons for having the Provincial Anti-Corruption Committee. He suggested that some corruption cases should be transferred to provincial organizations and also agreed that the NACC is too centralized, so it delays every investigation process. He remarked that if the Provincial Anti-Corruption Committee is able to conduct any investigation, there would be local politics issues involved. This would cause more troubles than creating justice.

Is it necessary to have the Provincial Anti-Corruption Committee? Could the police, courts, or attorneys handle the cases? It is only a choice of handing cases to those existing organizations to deal with them. I do not agree on having the NACC provincial office.

If the organizations mentioned can work well without any complaints, the NACC would not have been established. The reason why the NACC is here it is because the existing organizations cannot deal with corruption cases.

The investigation has been delayed. It has to consider if there may be a court for local administrative organizations or if it may hand cases to the Provincial Anti-Corruption Committee, but it is aware that empowering the NACC provincial office may cause interference by local politics. This would cause more troubles than creating justice.

We have to compare the pros and cons as to which one is better than other one. Now, there are more cons than pros because local politics' conflicts still exist. Too much local empowerment is dangerous, and would cause the justice system to be ruined. (Medhi Krongkaew, 2013)



**Figure 6.6** The NACC Fact-Finding Inquiry (Investigation) Process

**Source:** Office of the National Anti-Corruption Commission (NACC), 2013c.

Chanchai Ponsri, Director of the Office of NACC Provincial Office (Ubon Ratchathani) admitted that a corruption problem is difficult to deal with since it occurred from the top. The SAOs have to buy projects and later make money from the projects they have bought. It is an endless chain. Nowadays, the NACC Commission is hopeless on solving corruption problems so the objective has been changed so as to educate new generations on anti-corruption instead.

Teerawat Pimpan, Anti-corruption Officer, (Practitioner Level), The Office of NACC Provincial Office (Ubon Ratchathani) said that the main problem of the NACC provincial office is that there are less than 9 inexperienced officers but, according to the recruitment plan, there should be 30 officers.

There is a problem with human resources in every NACC office as the central NACC office has to transfer some to NACC provincial offices but there are not enough for operating the offices.

In the NACC investigating process, there would be a charge put to the suspect first. If the suspect ignores the charge personally, it should be mailed to the suspect and then the notice is posted at the house which causes delay. In the process of gathering evidence to submit the case, the NACC provincial office has to forward the case to the central NACC office for the case number, so this causes delay also. Besides, when the NACC provincial office has already gathered all the information needed and provided its opinions and suggestions, it must be submitted to the central NACC office to reach a verdict again, which is a waste of time and causes delay. (Teerawat Pimpan, 2013)

It was stated by Chandej Weerakul, Director of Auditing (Land Auditor, Senior professional level) of the OAG (Regional Special Audit Office No.5 Ubon Ratchathani) that the NACC deals with the problem differently by transferring experienced auditors to the NACC provincial office which causes delay in dealing with 10,000 cases in the central NACC office.

The NACC process is delayed even when there are experienced auditors working on it. To transfer those auditors to the NACC provincial office would delay those 10,000 cases in the central NACC office. Further, the auditors have to face local political intervention when recruiting the Provincial Anti-Corruption Committee. As you can see, even though there are new auditors working for the NACC, they are inexperienced and it would slow down the investigations. (Chandej Weerakul, 2013)

The NACC provincial office is not responsible for the inquiry or investigation committee. The NACC provincial (Ubon Ratchathani) office also has a problem in recruiting the Provincial Anti-Corruption Committee.

By the Organic Act on Counter Corruption B.E. 2542 (A.D. 1999), as amended by No. 2 B.E. 2554 (A.D. 2011) Section 103/10, it is provided that for the Provincial Anti-Corruption Committee, the board of the committee should have at least 3 members but not more than 5 members.

The Provincial Anti-Corruption Committee is obliged by duty to prevent and combat corruption offenses. In this regard, the Provincial committee must create mechanisms to facilitate active involvement and public participation. The Provincial committee shall have a duty to establish mechanisms to encourage participation by people or in collaboration with stakeholders from all sectors in prevention and counter corruption. To this extent, the Provincial committee has to cooperate with the government sector to promote the values of honesty as well as to disseminate knowledge about the prevention of corruption. Also, the Provincial committee may propose corruption prevention recommendations, which would be useful in the fight against corruption, to the NACC. Additionally, the Provincial committee can lighten the work load of the NACC. For example; in the preliminary stage of conducting a fact-finding inquiry concerning allegations against a state official; gathering the preliminary evidence to inform the NACC for consideration; and inspecting the accuracy and the actual existence of or the change of the assets and liabilities of a person that has a duty to submit an account (showing particulars of their assets and

liabilities) to the NACC. In this respect, the NACC shall set the criteria and procedures in relation to such duties for the Provincial committee to conduct.

Pursuant to the Constitution of the Kingdom of Thailand B.E. 2550 (2007), there shall be members of the Provincial Anti-Corruption Committee. The qualifications, selection process, and powers and duties of the Provincial members shall be as prescribed by the Organic Act on Counter-Corruption.

Under the new Organic Act, the Provincial body shall consist of not less than three members but not more than five members as determined by the NACC. The Provincial body comprises the President and other qualified members appointed by the NACC. Provincial members shall hold office for a term of four years as from the date of their appointment, and shall serve for only one term. Furthermore, there shall be the Selection Committee of nine members, which consists of representatives of provincial agencies or provincial organizations.

Members of the Provincial Anti-Corruption Committee shall be persons of apparent integrity as well as with the same qualifications and without any of the same prohibitions as those applicable to members of the NACC. However, the qualifications for the Provincial members shall be adjusted to suit the members' duties at provincial level and to encourage people participation and service delivery. Thus, the qualifications for members of the Provincial Anti-Corruption Committee are:

- 1) Being, or in the past, having been a person holding a position of not less than divisional director or its equivalent upwards, or
- 2) Being a qualified person who is experienced and knowledgeable, or has produced works that are widely recognized and acceptable which could be useful instruments for prevention and counter-corruption, or.
- 3) Being a person that has been working for a private development organization or professional organization that is certified by law, and continually working at such organization for not less than 10 years.

However, to select the Provincial Anti-Corruption Committee (Ubon Ratchathani) which had begun recruiting from 24 June to 2 July 2013, a list of nominees comprising 10 persons was submitted to the central NACC to reduce the number to 5 persons to be the Provincial Anti-Corruption Committee. Before the process ended, there was a complaint that the NACC Selection Committee included a

relative of one nominee so that they had to select a new batch and then send the list to the central NACC to recruit 5 people.

Chanchai Ponsri, Director of the NACC provincial office (Ubon Ratchathani) disagreed with requiring all 9 members of the Selection Committee to be representatives of agencies or organizations in each province. He pointed out that, even if it is a good idea to allow people to participate, the real situation was that there was lobbying and bribing to be on the Selection Committee.

He proposed a solution as replicating the selection committee process of the central NACC Board according to the Organic Act on Counter Corruption B.E. 2542 (A.D. 1999), Section 7, whereby it is appointed to have a selection committee consisting of 5 members being the President of the Supreme Court, the President of the Constitutional Court, the President of the Supreme Administrative Court, the President of the House of Representatives, and the Leader of the Opposition in the House of Representatives. A chairman and members would be voted within the group and the members are responsible for recruiting and providing a list of 9 members to the President of the Senate.

The replication should consist of the Chief of the Provincial Court, a Provincial Court Judge, a provincial attorney, the Director of the NACC Provincial office, the OAG Regional Inspector, the Director of the Provincial Election Commission and the Provincial Governor. They would be the selection committee so as to prevent vote buying or lobbying and to resolve existing complaints. (Chanchai Ponsri, 2013)

Teerawat Pimpan, Anti-corruption Officer, (Practitioner Level), the NACC Provincial Office (Ubon Ratchathani) believed that the Provincial Anti-Corruption Committee, when selecting candidates, has not considered previous work but might have considered familiarity with which he did not agree and he suggested that the selection rules might be edited to let judges, directors of courts and the provincial governor be the selection committee. (Teerawat Pimpan, 2013)

Apart from issues related to the appointment of the Provincial Anti-Corruption Committee, Chanchai Ponsri, Director of the Office of NACC Provincial Office (Ubon Ratchathani) also proposed a solution for the pending cases at the NACC as:

1) Recruiting more NACC officers since there are only 2 anti-corruption officers in Ubon Ratchathani

2) Fixing the system / procedure in operating cases faster since the NACC uses a different accused system from that which the police uses as the police are able to collect all the evidence and put the charge directly; in contrast the NACC provincial Anti-Corruption Committee could only gather evidence and submit it to the central NACC for forwarding a charge to an attorney.

Suvinai Janthip, Chief of the Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani Province, Wanchai Janporn, Director of the Provincial Office for Local Administration, Sisaket Province (former chief of laws and regulations and director of the law unit of the Department of Local Administration) and Kritchai Silaparaya, Local Administration Promotion Officer (Senior Professional Level) Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani suggested solutions to the NACC's slow investigations.

The Provincial Anti-Corruption Committee has the authority to investigate. A resolution indicating fault to be sent to prosecutors to consider filing it is a good scenario because the case is more rapid. There are many cases of at the NACC waiting for more than 10 years for a resolution to be passed indicating guilt. However, the proposed new Provincial Anti-Corruption Committee selection process requires the candidates to go to the Selection Committee and then the central committee of the NACC confirms. To appoint a Nominating Committee NACC organizations elect not to send a representative to the Committee. It may be Patron-Client Relationship system in recruiting board NACC. (Suvinai Janthip, 2013)

Provincial Anti-Corruption Committee should be empowered to vote indicating guilt to complete the case more quickly. The Prosecutor can then file for a court hearing, and the court will consider taking up the case more quickly. Witness evidence is finally

considered centrally, The Office of the Provincial NACC is responsible for gathering information which is then sent to the central NACC for consideration. The lawsuit is then pending centrally because the Provincial Anti-Corruption Committees are spread across the country. (Wanchai Chanporn, 2013)

I agreed with providing the Committee with the authority to indicate fault in cases in the province so that the case is dealt with very fast. If it is a criminal case, it must be submitted to the prosecutor to consider charges. The existing order needs to change the way of selection the Provincial Anti-Corruption Committee to get all parties to agree so that selection is on merit and not from politics or lobbying. (Kritchai Silpraya, 2013)

In summary, the key issue of the NACC provincial office/ the Provincial Anti-Corruption Committee, Ubon Ratchathani is that it is only responsible for gathering primary evidence and basic facts or data and submitting them to the central NACC. To investigate, the NACC would conduct all investigations and it would take action only if there are complaints.

In addition, the NACC provincial office still needs officers to work for it and some of them are inexperienced, and there is a problem in the selection of the Provincial Anti-Corruption Committee.

### **6.2.3 Problems Found on Inspecting Issues from the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province)**

The Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province) area 5 including Ubon Ratchathani, Amnat Charoen, Sisaket, Yasothon, Mukdahan, and Nakhon Phanom has been authorized as follows;

- 1) To inspect the procurement plans and projects and give comments on whether the activities go by the rules and regulations and if they are worth the budget and cost savings.

2) To receive and consider action on the complaints and investigation of data.

3) To check if there is a reasonable background to believe that there will be corruption from the data which they are inspecting, or from other sources.

4) To study and comment on the proposed plans and projects that will have any impact on budgeting.

5) To check specific cases according to orders from the State Audit Commission and the Auditor-General.

6) To inspect budget spending and other assets of the unit and to give comment on whether the activities go by the rules and regulations and if they are worth the budget and cost savings.

7) To study and comment on the proposed projects and plans in the area of responsibility which will have an impact on budgeting.

8) To inspect budget spending and other assets including inspecting the working process according to orders from the State Audit Commission and the Auditor-General.

9) To cooperate and support the operations of government, and other related work or assignments (Office of the Auditor General of Thailand, 2013)

Verification by the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani) will be annually only for the PAO and the municipalities. The Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani) will not inspect annually the SAOs, but will only check randomly or if there are complaints since there are many SAOs, especially in Ubon Ratchathani where there are up to 195 SAOs with many more SAOs in Amnat Charoen, Sisaket, Yasothon, Mukdahan, and Nakhon Phanom. (Currently, the Regional Special Audit Office has been incorporated into the OAG provincial office (Provincial Special Audit Office) so that it is easier to conduct the audits)

The Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani) will report corruption cases in local administrative organizations from the following 3 sources:

1) Other OAG regional offices if they find some evidence and report to the investigation sector;

- 2) Complaints; and
- 3) News

There will be some need to check in order not to damage evidence; for example, the news about interference in the price of shallots in Sisaket province so that they could not be distributed for sale on time. As a result, the shallots were rotten and there was over 500 million THB of damage; in some cases where the evidence is still there, it may have to be preserved. Inspection by the OAG will focus on projects that are at risk from corruption, particularly procurements. (Chandej Weerakul, 2013) However, if the OAG found that there is corruption in the local government, it will submit the evidence to the central NACC.

Aphiphu Chanawathi, Auditor Officer (Professional Level), The Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani) concluded that the OAG has no tool like the NACC or the Department of Special Investigation. In some cases, the OAG had already audited but the evidence was not strong enough so that the cases had to be dismissed. There was an attempt to try to edit the draft Organic Act on the Auditor General to make the investigation process faster because, at present, the OAG has to send cases to the NACC or other regulatory agencies for examination, but the draft was dismissed in the Abhisit Vejjajiva, Prime Minister period. (Aphiphu Chanawathi, 2013)

Porntip Wannatawee, Director of the Division of Finance, Yangkheenok SAO, Khueang Nai District, Ubon Ratchathani Province confirmed that the OAG (Regional Special Audit Office) randomly auditing SAOs is true unlike the auditing of the PAOs or municipalities and that, when the audit has been done, there will be feedback and suggestions provided immediately. (Porntip Wannatawee, 2013 and Chaiwat Sawasdisri, 2013)

The Auditor General of Thailand (Regional Special Audit Office) will audit on 3 aspects

- 1) The assessment of the risks to the organization
- 2) Cutting the cash
- 3) The petition system – reimbursement

Verification by the Auditor General of Thailand (Regional Special Audit Office) will be annually only for the PAO and the municipalities. The Regional Special Audit Office (No.5 Ubon Ratchathani) will not inspect SAOs annually the, but will only check randomly or if there are complaints since there are many SAOs. If the OAG found that there is corruption in the local government, it will submit the evidence to the NACC.



### ข้อสังเกตประกอบการตรวจสอบ

สำนักงานการตรวจเงินแผ่นดินได้ตรวจสอบงบการเงิน \_\_\_\_\_ องค์การบริหารส่วนตำบลนาสะไม  
อำเภอ ตระการพิชผล จังหวัดอุบลราชธานี แผนก องค์การบริหารส่วนตำบล ประจำปีงบประมาณ ๒๕๕๕  
ตั้งแต่วันที่ ๑ ตุลาคม พ.ศ. ๒๕๕๔ ถึงวันที่ ๓๐ กันยายน พ.ศ. ๒๕๕๕ เสร็จแล้ว

สำนักงานตรวจเงินแผ่นดินจังหวัดอุบลราชธานี ได้ตรวจสอบงบการเงินขององค์การบริหารส่วนตำบลนาสะไม (อบต.) อำเภอตระการพิชผล จังหวัดอุบลราชธานี เฉพาะประจำปีงบประมาณ ๒๕๕๕ ส่วนประจำปีงบประมาณก่อน ๆ มิได้ทำการตรวจสอบ ในการตรวจสอบได้ถือยอดยกมาวันที่ ๑ ตุลาคม ๒๕๕๔ เป็นหลัก มีข้อสังเกต ดังนี้

#### ๑. รายงานการเงิน

งบทรัพย์สินประกอบงบแสดงฐานะการเงินประจำปีงบประมาณ ๒๕๕๕ มีมูลค่ารวม ๑๐,๓๗๔,๕๙๓.๐๐ บาท ประกอบด้วยอสังหาริมทรัพย์ มูลค่า ๒,๘๑๗,๓๖๘.๐๐ บาท และสังหาริมทรัพย์ มูลค่า ๗,๕๕๗,๒๒๕.๐๐ บาท จากการตรวจสอบงบทรัพย์สินกับทะเบียนพัสดุแล้วปรากฏว่าทรัพย์สินประเภทสังหาริมทรัพย์ไม่ตรงกันจำนวน ๕ รายการ (รายละเอียดแนบ ๑)

#### ข้อเสนอแนะ

ให้แต่งตั้งคณะกรรมการตรวจสอบข้อเท็จจริงกรณีดังกล่าวเพื่อหาสาเหตุที่งบทรัพย์สินกับทะเบียนพัสดุไม่ตรงกันและปรับปรุงให้ถูกต้องตรงกันตามข้อเท็จจริงต่อไป และกำชับเจ้าหน้าที่ผู้รับผิดชอบอย่าให้เกิดกรณีเช่นนี้อีก

#### ๒. รายจ่าย

๒.๑ เบิกจ่ายเงินหมวดเงินอุดหนุน โดยไม่ได้ปฏิบัติตามหนังสือกระทรวงมหาดไทย ส่วนมากที่ มท ๐๘๐๘.๒/ว ๗๔ ลงวันที่ ๘ มกราคม ๒๕๕๓ เรื่องการตั้งงบประมาณรายจ่ายและการใช้จ่ายงบประมาณหมวดเงินอุดหนุนขององค์กรปกครองส่วนท้องถิ่น จำนวน ๑ หน่วยงาน คือสำนักงานการท่องเที่ยวและกีฬา ซึ่งหน่วยงานที่ขอรับเงินอุดหนุนไม่ได้รายงานผลการดำเนินการให้ อบต.ฯ ทราบ และอบต.ฯ มิได้ติดตามผลการดำเนินการของหน่วยงานดังกล่าว

#### ข้อเสนอแนะ

สั่งการให้ผู้รับผิดชอบปฏิบัติให้ถูกต้องตามหนังสือสั่งการดังกล่าว และแจ้งให้หน่วยงานที่ขอรับเงินอุดหนุนรายงานความคืบหน้าของโครงการ เมื่อดำเนินงานตามวัตถุประสงค์ของโครงการแล้วเสร็จพร้อมคืนเงินเหลือจ่าย (ถ้ามี) และหากพบว่าหน่วยงานที่ขอรับเงินอุดหนุนไม่ได้ดำเนินการตามวัตถุประสงค์ที่กำหนด อบต.ฯ ต้องเรียกคืนเงินจากหน่วยงานที่ขอรับเงินอุดหนุน เพื่อส่งคืนคลัง อบต.ฯ ต่อไป และกำชับเจ้าหน้าที่ผู้รับผิดชอบให้ปฏิบัติให้เป็นตามระเบียบหนังสือสั่งการที่เกี่ยวข้องด้วย

ลับ

แผนกแผนยแพร่พระบรมราชโองการ เฉลิมพระเกียรติพระบาทสมเด็จพระเจ้าอยู่หัว เนื่องในโอกาสพระราชพิธีมหามงคลเฉลิมพระชนมพรรษา ๗ รอบ ๕ ธันวาคม ๒๕๕๔

**Figure 6.7** A Sample Document of Feedback on Auditing by the OAG (Regional Special Audit Office No.5 Ubon Ratchathani) (The Audit Case of Nasamai SAO, Trakan Phuet Phon District, Ubon Ratchathani Province)

ลับ

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๒.๒ ปีงบประมาณ ๒๕๕๕ อดต.๖ ได้ตั้งรายจ่ายรอจ่าย รายการเงินประโยชน์ตอบแทนอื่น เป็นกรณีพิเศษ (โบนัส) เป็นเงิน ๗๔๗,๕๑๗๔.๘๑ บาท และเบิกจ่ายแล้วในปีงบประมาณ ๒๕๕๖ ตามฎีกา เลขที่คลังรับ ๑๑/๒๕๕๖ ลงวันที่ ๒๔ ตุลาคม ๒๕๕๕ จำนวนเงิน ๗๒๘,๒๓๕.๙๖ บาท ซึ่งการเบิกจ่ายดังกล่าวเป็นการจ่ายเงินโดยไม่มีกฎหมายหรือระเบียบใดกำหนดให้จ่ายได้ และกรณีดังกล่าวสำนักงานคณะกรรมการกฤษฎีกาได้วินิจฉัยข้อหาหรือแล้ว ตามหนังสือสำนักงานคณะกรรมการกฤษฎีกา ด่วนที่สุด ที่ นร ๐๙๐๑/๐๒๖๘ ลงวันที่ ๘ กุมภาพันธ์ ๒๕๕๖ เรื่อง การหรือการจ่ายเงินประโยชน์ตอบแทนอื่นสำหรับข้าราชการหรือพนักงานส่วนท้องถิ่นเป็นกรณีพิเศษ สรุปได้ว่า องค์กรปกครองส่วนท้องถิ่นเป็นองค์กรที่มีกฎหมายจัดตั้งองค์กรปกครองส่วนท้องถิ่นแต่ละประเภทกำหนดรายได้และรายจ่ายไว้อย่างชัดเจนเพื่อให้ องค์กรปกครองส่วนท้องถิ่นมีรายได้และรายจ่ายในกรอบที่กฎหมายกำหนด ดังนั้น การจ่ายเงินขององค์กรปกครองส่วนท้องถิ่นจึงอยู่ภายใต้กรอบรายจ่ายที่กฎหมายจัดตั้งองค์กรปกครองส่วนท้องถิ่นกำหนดไว้ โดย องค์กรปกครองส่วนท้องถิ่นจะกำหนดให้มีรายจ่ายนอกเหนือไปจากที่กฎหมายกำหนดมิได้ ดังนั้น เมื่อ กฎหมายจัดตั้งองค์กรปกครองส่วนท้องถิ่นในปัจจุบันไม่มีบทบัญญัติที่กำหนดให้เงินประโยชน์ตอบแทนอื่น สำหรับพนักงานส่วนท้องถิ่นอันมีลักษณะเป็นเงินรางวัลประจำปีเป็นรายจ่ายขององค์กรปกครองส่วนท้องถิ่น ไว้ องค์กรปกครองส่วนท้องถิ่นจึงไม่อาจจ่ายเงินเพื่อการดังกล่าวได้

#### ข้อเสนอแนะ

ขอให้นำเงินจำนวน ๗๒๘,๒๓๕.๙๖ บาท ส่งคืนคลัง อดต.๖ โดยเร็ว พร้อมทั้งแต่งตั้ง คณะทำงานเพื่อตรวจสอบรายการเบิกจ่ายก่อนปีงบประมาณ ๒๕๕๕ หากพบว่ามี การเบิกจ่ายเงินประโยชน์ ตอบแทนอื่นเป็นกรณีพิเศษดังกล่าวอีก ให้ นำเงินส่งคืนคลัง อดต.๖ ทุกรายการ

#### ๓. การบริหารพัสดุ

อดต.๖ ได้แต่งตั้งคณะกรรมการตรวจสอบพัสดุประจำปี ๒๕๕๕ ตามคำสั่งองค์การบริหาร ส่วนตำบลนาสะไม ที่ ๒๔๖/๒๕๕๕ สังกัด วันที่ ๖ กันยายน ๒๕๕๕ จากการตรวจสอบรายงานผลการ ตรวจสอบพัสดุประจำปี ๒๕๕๕ ของคณะกรรมการฯ พบว่า

๓.๑ คณะกรรมการฯ ได้รายงานผลการตรวจสอบพัสดุประจำปี ๒๕๕๕ ให้ผู้แต่งตั้งทราบ เมื่อวันที่ ๓๐ พฤศจิกายน ๒๕๕๕ ซึ่งเป็นการรายงานล่าช้าไม่เป็นไปตามระเบียบกระทรวงมหาดไทยว่าด้วย การพัสดุของหน่วยการบริหารราชการส่วนท้องถิ่น พ.ศ. ๒๕๓๕ และที่แก้ไขเพิ่มเติมข้อ ๑๔๘

๓.๒ ผลการตรวจสอบข้างต้น คณะกรรมการตรวจสอบพัสดุ รายงานผลการดำเนินการให้ ผู้มอบหมายทราบตามบันทึกลงวันที่ ๓๐ พฤศจิกายน ๒๕๕๕ ว่ามีพัสดุครุภัณฑ์ที่ชำรุด เสื่อมสภาพ แต่ อดต. ยังไม่ได้แต่งตั้งคณะกรรมการสอบหาข้อเท็จจริง เพื่อตรวจสอบสาเหตุของการชำรุดเสื่อมสภาพ และ ดำเนินการตามขั้นตอนที่ระเบียบที่เกี่ยวข้องกำหนดต่อไป จึงเป็นการไม่ปฏิบัติตามระเบียบ กระทรวงมหาดไทยว่าด้วยการพัสดุของหน่วยการบริหารราชการส่วนท้องถิ่น พ.ศ. ๒๕๓๕ และที่แก้ไข เพิ่มเติมข้อ ๑๔๙

ลับ

คณะกรรมการแพรวพระบรมราชาไหววาท เจริญพระเกียรติพระบาทสมเด็จพระเจ้าอยู่หัว เนื่องในโอกาสพระราชพิธีมหามงคลเฉลิมพระชนมพรรษา ๗ รอบ ๕ ธันวาคม

Figure 6.7 (Continued)

ลับ

-๓-

**ข้อเสนอแนะ**

(๑) ตามข้อ ๓.๑ ขอให้สั่งกำชับเจ้าหน้าที่ผู้ได้รับแต่งตั้งปฏิบัติตามระเบียบดังกล่าว โดยเคร่งครัด และหากพบว่ายังละเลยต่อหน้าที่ให้พิจารณาดำเนินการตามควรแก่กรณีและรายงานให้ทราบ

(๒) ตามข้อ ๓.๒ ให้ อบต.๑ แต่งตั้งกรรมการสอบหาข้อเท็จจริงเพื่อตรวจสอบหาสาเหตุของการชำรุด เสื่อมสภาพ และดำเนินการตามขั้นตอนที่ระเบียบกำหนดไว้ต่อไป

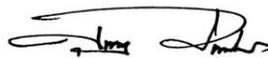
**๔. เงินโครงการส่งเสริมอาชีพของสภาตำบลและองค์การบริหารส่วนตำบล (หมู่บ้านละ ๑๐๐,๐๐๐ บาท) (เงินทุนโครงการเศรษฐกิจชุมชน)**

เพียงวันที่ ๒๗ มีนาคม ๒๕๕๖ มีลูกหนี้เงินทุนโครงการเศรษฐกิจชุมชนที่ครบกำหนดชำระแล้วแต่ อบต.๑ ยังไม่ได้รับชำระคืน จำนวน ๓ ราย รวมเป็นเงิน ๑๕๐,๐๐๐.๐๐ บาท (รายละเอียดแนบ ๒)

เป็นการไม่ปฏิบัติตามระเบียบกระทรวงมหาดไทยว่าด้วยการดำเนินงานโครงการเศรษฐกิจชุมชน พ.ศ.๒๕๔๑ ข้อ ๒๔ และ หนังสือกรมการปกครอง ด่วนที่สุด ที่ มท ๐๓๑๘/ว ๒๙๙๙ ลงวันที่ ๒๘ ธันวาคม ๒๕๔๓ เรื่องแนวทางการดำเนินงานตามโครงการส่งเสริมอาชีพของสภาตำบลและองค์การบริหารส่วนตำบล(หมู่บ้านละ ๑๐๐,๐๐๐ บาท) ข้อ ๙

**ข้อเสนอแนะ**

ให้เร่งรัดกลุ่มอาชีพหรือเกษตรกรชำระหนี้ที่ครบกำหนดพร้อมดอกเบี้ยจากการผิดนัดชำระหนี้คืน อบต.๑ โดยเร็ว และหากไม่ชำระหนี้หรือชำระไม่ครบถ้วน ให้ อบต. ตั้งงบประมาณเท่าจำนวนที่ทางราชการเสียหายชดใช้คืนเมื่อมีการตั้งงบประมาณและดำเนินคดีตามกฎหมายอย่าให้ขาดอายุความกับกลุ่มที่ไม่ยอมชำระหนี้ และสั่งการเจ้าหน้าที่ผู้รับผิดชอบปฏิบัติให้เป็นไปตามระเบียบ และหนังสือสั่งการดังกล่าวโดยเคร่งครัด



(นางสาวสุพัตรา ศรีนุชศาสตร์)

ผู้อำนวยการกลุ่ม รักษาราชการแทน

ผู้อำนวยการสำนักตรวจเงินแผ่นดินจังหวัดอุบลราชธานี



(นายก้องเกียรติ แก่นทิพย์)

นักวิชาการตรวจเงินแผ่นดินชำนาญการ

สำนักตรวจเงินแผ่นดินจังหวัดอุบลราชธานี

วันที่ ๒๗ มีนาคม ๒๕๕๖

ลับ

Figure 6.7 (Continued)

#### **6.2.4 Problems Found on Inspecting Issues from Other Organizations**

At the provincial level, there are several organizations that will serve the auditing purpose such as the Good Governance Commission (Ubon Ratchathani Provincial), groups of local journalists, and good governance institutes in many educational institutes. In addition, in some areas there are public sectors which are called The International Verification Authority and the Thai Government Watchdog. They would like SAOs to provide documents relating to corruption cases such as in Na Sa Mai SAO (Figure 6.8 and 6.9)

Tuanjai Sintuwanik, former Director of the National News Bureau of Thailand's Public Relations Department's Plan and Policy Bureau, Prime Minister's Office of Inspector General, District 13), the Chairman of the Good Governance Commission (Ubon Ratchathani Provincial), pointed out that the Good Governance Commission consists of representatives of civil society, representatives of local councils, and representatives of the private sector. The duties are:

- 1) To monitor the deeds of organizations and government officials so as to maintain good governance (good governance promotion);
- 2) To notify the provincial governor, head of the office of the provincial governor or other agencies if there are failures to comply with laws, rules, regulations, or fraud; and
- 3) To encourage organizations and government officials to perform their duties in accordance with ethics and good governance

Suvinai Janthip, Chief of the Group of Legal Affairs and Petitions, Provincial Office for Local Administration, and. Kritchai Silaparaya, Local Administration Promotion Officer (Senior Professional Level) Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani reflected on the idea:

The Good Governance Commission (Provincial) is like a paper tiger. It sets policy every year but there is no sincerity because the occurrence of corruption comes from senior politicians. Some members of the committee had lost elections at a local level so they became members to fight back at their opponents. (Suvinai Janthip, 2013; Kritchai Silaparaya, 2013)

Sommart Malila, The Good Governance Commission, Ubon-Ratchathani Provincial (who had been nominated as a member of the Provincial Anti-Corruption Committee (Ubon Ratchathani) in the 10 people round) did not deny the allegation that this organization is just “a paper tiger” but suggested a curriculum on anti-corruption in the education system by focusing on morality and obligations. (Sommart Malila, 2013)

Prof. Dr. Medhi Krongkaew, a former member of the National Anti-Corruption Commission (2006-2010) noted that,

What are assumptions underneath the set up of the provincial committees of The Good Governance Commission (Provincial), Provincial Damrongtham Center, District Damrongtham Center, etc.? How could we make sure that these committees know everything and are able to handle the cases since they have never handled any national cases before? At a national level, there is a supreme selection of people who are going to do this job but there are still questions on those people. How well do you think that those who work at the provincial level could do the work? (Medhi Krongkaew, 2013)

In summary, the organizations that serve to inspect government agencies at the provincial level, such as The Good Governance Commission (Provincial), The International Verification Authority, the Thai Government Watchdog, groups of local journalists, the institutes of corporate good governance committees at affiliated institutions, etc. have no role in auditing the government although there is much empirical work that some organizations are set up to cater for political reasons. Some organizations are set up to audit other organizations, but no law explicitly supports organizations such as The International Verification Authority or the Thai Government Watchdog.

Some of the inspecting organizations called for extra financial support from the local government executives such as in the case of Rainoi SAO, Mueang Ubon Ratchathani District, Ubon Ratchathani. Umnuay Suwamart, Chief Executive of the SAO said that there was a threat from the local press that if the SAO did not help in

buying space for advertisements, there would be an exposé of corruption cases in its newspaper. (Ummuay Sawamart, 2013)

Another case occurred at Thatnoi SAO, Khueang Nai District, Ubon Ratchathani Province. A local reporter came to ask for money when the Rocket Festival was being held and threatened to complain that there was gambling at this festival if he was not paid. (Chang Fakathong, 2013)



# องค์การตรวจสอบอำนาจรัฐ

## THAI GOVERNMENT WATCHDOG

เลขที่จดแจ้ง ๔๘/๒๕๕๓ สำนักงานสถาปนากาเมือง สถาบันพระปกเกล้า (โทร.๐๒-๑๔๑๖๒๑๑)

ที่ อ.ต.ส.อป.๐๐๑/๔๙

องค์การตรวจสอบอำนาจรัฐ

๑๑๓ ถนนอุบล-ตระการ ตำบลในเมือง

อำเภอเมืองอุบลฯ จังหวัดอุบลราชธานี ๓๔๐๐๐

4 เมษายน พ.ศ. ๒๕๕๕

องค์การบริหารส่วนตำบลนาสะไม

เลขที่ ๖๒๙

วันที่ 10 เม.ย. ๕๕

เวลา 1๖.๐๐

เรื่อง ขอมูลราชการ (เรื่องเดิม)

เรียน นายกองค์การบริหารส่วนตำบลนาสะไม

อ้างถึง หนังสืออบต.นาสะไม ที่อบ.๘๒๖๐๑/๒๘ ลว ๒๘ มค. ๕๕

สิ่งที่ส่งมาด้วย ๑.สำเนาหนังสือ อบต.นาสะไม 3 ชุด

๒.สำเนาหนังสือนำส่ง อตส. 1 ชุด

ตามที่องค์การตรวจสอบอำนาจรัฐ จังหวัดอุบลราชธานี ได้ส่งหนังสือขอมูลจาก อบต.นาสะไม ตามความละเอียดดังเอกสารที่แนบ

เนื่องจากทางอบต.นาสะไม ได้ส่งข้อมูลให้องค์การตรวจสอบอำนาจรัฐ จังหวัดอุบลราชธานี เมื่อวันที่ ๒๘ มกราคม ๒๕๕๕ นั้น แต่ยังคงขาดเอกสารอีกหลายอย่าง ยังไม่ครบตามจำนวนที่ขอ ทาง อตส. จ.อุบลฯ จึงเรียนมาอีกครั้ง เพื่อให้ตรวจสอบรายละเอียดตามคำขอและเอกสารที่เกี่ยวข้องทั้งหมดและจัดส่งให้เป็นการด่วนจักรขอบพระคุณยิ่ง

เรียน นายก อบต.นาสะไม

เพื่อใช้เรียนมาเพื่อโปรดพิจารณาดำเนินการ

เพื่อโปรดพิจารณา

๑๑๓๓ (๒๕๕๕)

นางสาวเนาวรัตน์ (นางสาวเนาวรัตน์)

(นางสาวเนาวรัตน์ นาสา)

ผู้ช่วยเจ้าพนักงาน

ฝ่ายตรวจสอบ

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นายพัฒนา คำ  
นายกองค์การบริหารส่วนตำบลนาสะไม

ขอแสดงความนับถือ

นายสตีลย์ สุขโกศล

ผู้อำนวยการฝ่ายตรวจสอบ



(นางนวินา ประดา)

**Figure 6.8** A Sample Document of the Private Sector (the Thai Government Watchdog) which Participates in Inspecting Local Administrative Organizations in Ubon Ratchathani



### **6.3 Auditing System Issues at the National Level**

The Constitution of the Kingdom of Thailand B.E. 2550 (2007) provides that the Office of the National Anti-Corruption Commission (NACC) is the main organization to prevent and counter corruption in the bureaucracy of the country whether in the central, provincial, and local government agencies. However, from the document analysis, problems were found as follows:

#### **6.3.1 Issues of Delay in the Implementation of Inquiries and Vote on Indicating Guilt**

From inspecting and reporting the performance of the NACC (Annual Report) since the year 2000-2011, it was found that in the year 2011, the NACC Commission has 9,166 pending cases (as at December 2013, there is no Annual Report for 2012 yet) (Office of the National Anti-Corruption Commission, 2000; Office of the National Anti-Corruption Commission, 2001; Office of the National Anti-Corruption Commission, 2002; Office of the National Anti-Corruption Commission, 2003; Office of the National Anti-Corruption Commission, 2004; Office of the National Anti-Corruption Commission, 2007; Office of the National Anti-Corruption Commission, 2008; Office of the National Anti-Corruption Commission, 2010; Office of the National Anti-Corruption Commission, 2011)

Especially, after the 2006 coup, it was found that:

In 2007, there were about 14,407 cases in total. The considered cases were 8,755 and the pending cases were 5,652.

In 2008, there were about 8,681 cases in total. The considered cases were 3,089 and the pending cases were 5,592.

In 2009, there were about 8,371 cases in total. The considered cases were 1,964 and the pending cases were 6,407.

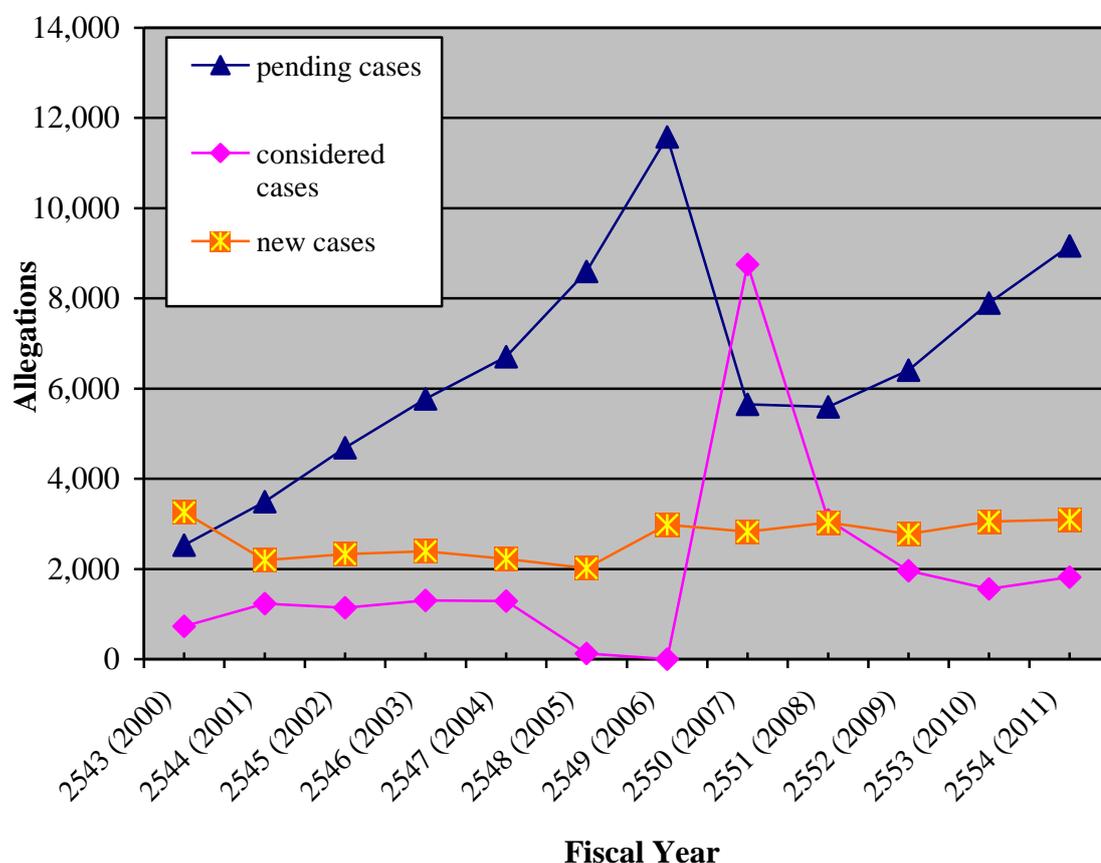
In 2010, there were about 9,456 cases in total. The considered cases were 1,560 and the pending cases were 7,896.

In 2011, there were about 10,988 cases in total. The considered cases were 1,822 and the pending cases were 9,166. (Table 6.1 and Figure 6.10)

**Table 6.1** Statistics on Pending Cases, New Cases and Considered Cases in Fiscal Years of B.E. 2543-2554 (2000-2011)

<b>Fiscal Year</b>	<b>Balance</b>	<b>New Cases</b>	<b>Total</b>	<b>Considered Cases</b>	<b>Pending Cases (Balance in total)</b>
2000	-	3,256	3,256	730	2,526
2001	2,526	2,195	4,721	1,231	3,490
2002	3,490	2,333	5,823	1,137	4,686
2003	4,686	2,390	7,076	1,305	5,771
2004	5,771	2,223	7,994	1,291	6,703
2005	6,703	2,020	8,723	125	8,598
2006	8,598	2,980	11,578	-	11,578
2007	11,578	2,829	14,407	8,755	5,652
2008	5,652	3,029	8,681	3,089	5,592
2009	5,592	2,779	8,371	1,964	6,407
2010	6,407	3,049	9,456	1,560	7,896
2011	7,896	3,092	10,988	1,822	9,166

**Source:** Office of the National Anti-Corruption Commission (NACC), 2011: 83.



**Figure 6.10** Statistics on Pending Cases, New Cases and Considered Cases in Fiscal Years of B.E. 2543-2554 (2000-2011)

**Source:** Office of the National Anti-Corruption Commission (NACC), 2011: 83.

Problems of delayed cases severely affect the efficiency and effectiveness in countering corruption, especially in SAOs such as the duplicated checks case in Khoksaard SAO, Nam Khun District, Ubon Ratchathani Province. 11,450,000 THB was embezzled by duplicated checks and this had happened since 2010, but up until the end of 2013, there was no justice even though the OAG (Regional Special Audit Office No.5 Ubon Ratchathani) inspected this issue and reported to the provincial office for local administration and district office for local administration. It appears that, over the next four years, the case did not reach the NACC Commission and that

the chief executive is going to be a candidate again. (On Hatho and Prapatsorn Sophawong, 2013)

In such a case, if the NACC Commission reached the verdict of guilty, the chief executive of the SAO or the members of SAO council shall be removed from their duties and are ineligible for being candidates in local elections according to the Local Government Elections Act, B.E. 2545 (A.D. 2002) and the Sub-district Council and Sub-district Administration Organization Act, B.E. 2537 (A.D. 1994), as amended by No. 6 B.E. 2552 (A.D. 2009), Sections 58/1.

Prof. Dr. Medhi Krongkeaw, former member of the National Anti-Corruption Commission (2006-2010) also agreed that the delays in the decisions of the NACC cause severe damage. He has explained that the delays are necessary because the NACC has to take care of the entire country and that, according to the law and economics theory, to process the cases faster may have helped to cause fear. Nevertheless, people may not be afraid because corruption is worth the risk (economic rent).

The NACC is slow, but there are several key reasons. The most important thing is the method of inquiry, few personnel, limited budget, or lack of management skills, etc. The NACC was trying to overcome those problems but it did not work out.

I think justice in the NACC is acceptable. The NACC may work on cases slowly but each resolution is strong and solid. I agree that "delay is an injustice," but carefulness is able to maintain justice also.

However, to blame the NACC for its slow process when there is no solid evidence might not be correct because:

- 1) There are many organizations that the NACC has to take care of and having many government offices possibly causes a high corruption rate also.

- 2) To say that the NACC works slowly and does not cause people to be afraid may not be entirely right. Processing cases faster might not make any change because the benefits gained from the

corruption might have enough value to commit the crime. Alternatively, it is worth taking a risk on committing corruption because, from the economics aspect and the ease of corruption, the benefits (payoff) outweigh the penalties.

To process the cases faster may have helped to cause people to be afraid. Nevertheless, people may not be afraid because corruption is worth the risk. To remove someone from their position may not be enough of a penalty. It might need other punishment such as a criminal penalty. (Line of Perfect Disgorgement), (Medhi Krongkeaw, 2013)

Klanarong Chanthick, the National Anti-Corruption Commission, Office of the National Anti-Corruption Commission (NACC) admitted to the delays in the decisions of the NACC, but claimed that the government takes care of a lot of organizations and there are many complaints about SAOs:

We have to admit that there are many complaints about SAOs because the number of local government organizations such as the PAOs, city municipality, town municipality, sub-district municipality and SAOs.

When a lot of complaints come in, they try to distribute the work to many organizations. The NACC has to work hard but now there are NACC provincial offices to help on the cases, so that if there are cases in the area, the NACC provincial office will quickly begin primary inspection which is faster than waiting for the central NACC.

Secondly, we have strategies to solve problems on the human resources shortage since we plan to recruit 3,000 officers, but now there are only 1,400. It is the same in the NACC provincial offices; the expected number of officers is 1,700 but now there are only 400, so we recruit temporary staff to work with us first. (Klanarong Chanthick, 2013)

Chandej Weerakul, Director of the Investigation Group (Auditor Officer, Senior Professional Level), Office of the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province), who is responsible for auditing, submitting data to the central NACC Commission, and testifying in court reflected that the NACC is like a bottleneck as there are limited human resources; as a result, local governments are not afraid since cases are pending and have been delayed for years; for example, some chief executives of SAOs who are suspects still stand as candidates in local elections because the NACC has not reached verdicts yet. Further, sometimes auditors could not recall cases since there are too many to handle. Some have to reread all of a case to be a witness and the case may fail since the auditors could not remember all the information, which is a huge weakness. He concluded that “slow justice is injustice” because defendants are not afraid of committing crimes since they see that the justice process is too slow and there are no effects; as he said in a part of the interview:

The major problem is the problem of auditing systems with fewer personnel, particularly specialists. Some organizations handle all corruption. Nevertheless, it is necessary to have the account auditor also; I did not catch some fraud because of a lack of expertise in the accounting and finance. There should be more coordination.

Commissioners serve to determine any evidence found by the NACC if it detects that there is corruption, as defined by law. There is enough corruption to see that the NACC has become a bottleneck because of the limit in the number of personnel who are capable, although the numbers are increasing. Yes, it is possible to gather quality evidence, but justice is so long in coming. The OAG is the agency that is responsible for providing information to the NACC and has provided it in many cases, but it appears that the NACC has fallen behind.

In focusing on serving and the lost power for non-officials. The problem is that the local governments are not afraid. The chief executive of a local administrative organization, involved in a case in

which there is an investigation of complaints about corruption, can stand as a candidate in another election because the NACC has not yet resolved that there is an indication of fault. In some cases where the data point to guilt, it will take the NACC about 5-7 years to resolve them. It appears that some cases have been sent to court more than 10 years ago, and some witnesses have died or because of the delay do not remember anything from then. Because, if the case was started 10 years ago, even the investigating officer in the case has to focus himself to recognize the data itself. Additionally, some personnel have retired or some evidence has been destroyed. Because government agencies keep documents for a 10-year period, witnesses may be invited to give such evidence, but may not remember it as well as the director of the regional focus group investigations in the provinces. Sometimes I have to read all the new investigations and reexaminations to prepare to testify in court when the defendant might not remember. These weaknesses will result in: 1) cases of corruption increasing steadily because the offenders cannot be punished to set an example; and 2) the offenders' lawsuits being dropped simply because the witnesses could not remember or are unwilling to travel or inspectors who gathered evidence may have retired.

"Justice delayed is not justice". Justice is slow so offenders are not afraid and some people see that other people do not know about the case. So, they are not adversely affected or punished because the trial is delayed; they might be complacent and make some mistakes.

In all cases, investigators will check with the court to testify quickly. When that happens, the case may have started 4-5 years ago, but in the majority of cases it is 10 years, and in some an even longer ago; then the court has to read all the new briefs, because each year there are more and more cases overlapping. I cannot remember them all but, if the case went to the court within the last year, I remember what happened.

There is evidence, however, that the OAG is trying to solve the crimes and to resolve the NACC delays in over 10,000 cases by an OAG proposal of the draft Organic Act on the Auditor General. During the years 2009-2010 it was proposed by the Democrat Party but when the government of Abhisit Vejjajiva, was defeated the proposed legislation was lost. The essence of the contents of the proposed act would empower the Auditor General to take disciplinary action against an offender. In addition, a judge could order the attorney general to prosecute in a criminal case without the NACC. However, politicians not in the Democrat party did not approve because of the fear that there may be an overlap with the NACC and officials would have faced difficulties in working.

Government and local governments in the provinces are more afraid of the OAG than the NACC, because the OAG (Regional Special Audit Office) will review annually and more thoroughly than the NACC with its fewer personnel. It is far better for the government and local governments that the NACC determine when there is a complaint because of the delay in the process.

The focus on the NACC serving to detect corruption will not be news in over 1,000 cases where there was silence, but when the NACC announces it, it would be news. (Chandej Weerakul, 2013)

### **6.3.2 Auditors' Attitude Issues**

Besides the slow justice process of the NACC, audit practitioners also reflect the negative attitude at the local government level, especially in the SAOs where people still are not ready to govern themselves, Executives are uneducated, local government grows faster than its potential (of safety capacity). In addition, that should be a gradual decentralization and opposition to local government budgets being subsidized at the budget rate of not less than 35 percent of government revenue according to the Act on Determination of Plans and Proceedings on Decentralization to Local Administration Organization, B.E. 2542 (A.D. 1999), as suggested in the interviews with Klanarong Chanthick, of the National Anti-Corruption Commission,

and Prof. Dr. Medhi Krongkaew, formerly of the National Anti-Corruption Commission.

In considering corruption characteristics of local governments they are still not ready to handle budget issues and workloads, but we make them grow faster while they are not ready yet. Thus, we see that the village headmen have problems also. Meanwhile, the local governments' budgets have been set up and already distributed but we also have found that executives and employees, especially the chief executives of the SAOs and the chief administrators have conflicts because those chief administrators graduated with legal qualifications but the chief executives of SAOs often have not graduated. That is why there are conflicts between those people. (Klanarong Chanthick, 2013)

Decentralization policy using the budget as a key is a good intention and a good thing, but “the safety capacity” (often called “the capacity cushion”) is a problem of local potential and local ability to be able to handle financial matters or not; there needs to be a built-in safety capacity.

I do not agree with distributing 35% of the budget all at once; it should be done gradually. The government should not keep the money itself. To be fair, if local government is not ready, we have to help them to get ready and not try to hold onto the money.

The concept of decentralization has too much emphasis on public administration. There is no element (inputs / units) on economics as there should be, and this is regarded as one of the weaknesses of the work. (Medhi krongkaew, 2013)

In summary, the auditing system according to national constitutional law requires that the NACC is the main organization to prevent and counter corruption in the bureaucracy of the country (political corruption and bureaucratic corruption).

There are major issues affecting the prevention and countering of corruption such as a serious delay in the investigation process and resolution. Moreover, by the end of 2011, there were 9,166 pending cases. Finally, there is also a negative attitude towards local government as people still are not ready to govern themselves, the executives are uneducated, and local government grows faster than its potential.



**Figure 6.11** Interview with Mr. Klanarong Chanthick, The National Anti-Corruption Commission, September 14, 2013.



**Figure 6.12** Interview with Prof. Dr. Medhi Krongkaew, Former Member, The National Anti-Corruption Commission, September 14, 2013.

## 6.4 Summary

The overall view of the auditing system of local administrative organizations found that they now have a stronger auditing system. There is now an auditing system at the local, provincial, district and national levels. However, the research results showed that there are problems in the auditing system of local administrative organizations especially in the SAOs, in 3 levels as follows:

### 1) Auditing system issues at the Local Administrative Organization level

The study shows that the SAOs' Councils' are unable to take any actions in inspecting the administration sectors, because the Councils' power weak and, therefore they are unable to dismiss anyone but only propose a censure debate.

The internal auditing system and its auditors are unable to solve corruption problems since auditors do not have power to inspect executives. Moreover, the recent data at the end of 2013 reported that the SAOs in Ubon Ratchathani recently recruited internal auditors for 5 SAOs. These staff will be under the chief administrator of the SAOs. In general, the internal auditors are responsible for auditing and evaluating on

management process and its outcome. Further, the staff would audit the finance and accounting which has to be in accordance with the local legislation (Sub-district's legislation). Those who are internal auditors must expert in finance, accounting, and management.

The internal auditing helps to know the number of each section's duties, and the problems or weaknesses of each duty in order to seek solutions, but it is not related to preventing corruption; it is just a self-auditing. The internal auditor is each section takes control of the section's own weaknesses by observing, inspecting, and solving.

The chief executive of the SAOs' group, government officials, government employees, and staff who are the interviewees also agreed that elections can partly help filter the chief executive and members of the SAO Council. They did not deny vote buying but it was discovered that money is not an NSC to help candidates win the election.

Most spenders may not be elected. If there are complaints about a particular candidate, corrupt deeds or no work done, people would not choose that candidate even if he is supported by politicians. However, locals would carefully consider the family background of a candidate, his personality and traits, unlike in national elections in which locals have no chance to get close to the candidate and his background. It was also found that the auditing system that local politicians are afraid of is not the OAG or NACC, but the voters since they are afraid that they will not be elected again.

2) Auditing systems issues in local administrative organization, SAOs, district, and provincial levels

There was less consideration for district chief officers as the executives, officials, and employees of SAOs are getting stronger; besides, some SAOs' staff are in networks of national politicians so the district chief officers do not dare to monitor them because they are afraid of being transferred. The current situation on monitoring SAOs is reactive rather than proactive because the chief of the district office for local administration is not under the command of the district chief officer so that there is a lack of connectivity. Further, the district chief officer cannot punish an SAO directly. Penalties will occur when the board of the NACC has to reach a verdict; in fact, the

district chief officer has the authority only to approve the sub-district's legislation (local legislation). In the case of complaints, the district chief officer is able to call for the executives, employees, and documents to investigate and then report to the governor; additionally, it takes time to report those investigations to the NACC.

Moreover, the district has to rely on budget support from SAOs to operate various projects, especially during festivals and traditions because the district budget is insufficient. The result is only partial monitoring of SAOs.

Nonetheless, the governor and district chief officer, the district office for local administration and the provincial office for local administration cannot fully supervise local administrative organizations because the province and district still ask for extra budget support from local administrative organizations to carry out projects or activities.

Asking for extra budget support is against the role of the governor, district chief officer, district office for local administration and provincial office for local administration which are supposed to monitor local administrative organizations not to commit any corruption, but the district office for local administration and provincial office for local administration play the main role in being directly corrupt; for instance, ordering the operation of activities even when against the regulations or approving the SAOs' recruitment quotas without considering the needs and further expenses.

A problem for the NACC provincial office/ the Provincial Anti-Corruption Committee, Ubon Ratchathani is that it is only responsible for gathering primary evidence and basic facts or data and has to submit such evidence, facts or data to the central NACC. To investigate, the NACC would conduct all the investigation and it would take an action only if there are complaints.

Further, there is a shortage of officers and inexperienced officers are also a problem for the NACC provincial office and there is also a problem of selection for the Provincial Anti-Corruption Committee.

Verification by the OAG (Regional Special Audit Office No.5 Ubon Ratchathani) will be done annually. Only for the PAOs and the municipalities will the audit be annual. The SAOs will be randomly checked or checked only when there are

complaints since there are many SAOs. If the OAG found that there is corruption in local government, it will submit evidence to the NACC.

At the provincial level, there are several organizations that will serve an auditing purpose such as The Good Governance Commission (Provincial), The International Verification Authority, the Thai Government Watchdog, groups of local journalists, institutes of corporate good governance committees at affiliated institutions, etc. These organizations have no role in auditing government and there is much empirical work that some organizations have been set up to cater for political reasons. Some organizations have been set up to audit other organizations, but there is no law explicitly supporting organizations such as The International Verification Authority or the Thai Government Watchdog.

Some of these inspecting organizations have called for extra financial support from local government executives.

3) The auditing system according to national constitutional law requires that the NACC is the main organization to prevent and counter corruption in the bureaucracy of the country (political corruption and bureaucratic corruption). There are major issues affecting the prevention and countering of corruption such as serious delays in the investigation process and arriving at resolutions. Moreover, by the end of 2011, there are 9,166 pending cases. Finally, there is also a negative attitude towards local government as people are still not ready to govern themselves and the executives are often uneducated, Local government grows faster than its potential.

## **CHAPTER 7**

### **ANALYSIS ON RECOMMENDATIONS FOR RESOLUTIONS OF CORRUPTION PROBLEMS IN SUB-DISTRICT ADMINISTRATIVE ORGANIZATIONS (SAOs)**

This chapter provides recommendations for resolutions to the corruption problems in SAOs by synthesizing data from policy practitioners. This data is from pending allegations and complaints that were investigated by the National Anti-Corruption Commission (NACC) during 1998-2013. There are 102 corruption cases in Northeastern SAOs (data are as at August 1, 2013) as mentioned in Chapter 5. The first rank is the procurement corruption cases with 66%, and the second rank is corruption in recruitment, appointment, transferring, and contract renewal with 17%.

The data are consistent with the information from Chanchai PonSri, Director of the NACC Provincial Office (Ubon Ratchathani) that from October 1, 2012 to August 31, 2013, there were 35 corruption cases reported to the NACC provincial office (Ubon Ratchathani) which divided them into 25 cases of corruption in local administrative organizations (LAOs) (from 239 office of LAOs in Ubon Ratchathani) and 10 cases of corruption in other organizations. The 25 cases or 90% of the corruption cases occurred in the SAOs and were procurement corruption cases and corruption on recruitment, appointment, transferring, and contract renewal. (Chanchai Polsri, 2013)

Therefore, the researcher sought to find weaknesses or loopholes in the regulations that may be associated with the corruption as mentioned above. The information used contains:

- 1) Details of procurement corruption in the SAOs;
- 2) Details of corruption on recruitment, appointment, transferring, and contract renewal in the SAOs; and
- 3) Solutions for solving corruption by the recruiting officers of the SAOs.

## **7.1 Procurement Corruption in SAOs**

### **7.1.1 Procurement Corruption in Local Administrative Organizations**

Corruption issues in SAOs are mostly connected with procurement. The important law that relates to this issue is contained in:-

The Act on Offenses Relating to the Submission of Bids to State Agencies B.E. 2542 (A.D. 1999) defines the procedures in cases of allegations of infringement of the procurement regulations as well as applicable penalties. The term “bid” refers to submission of a proposal with the object of acquiring the right to enter into a contract with a state agency pertaining to purchase, contracting for works, exchange, lease, asset disposal, concession, or receipt of other rights. The Act covers and punishes the actions of the bidder, the state officials who received the advantage, and any intermediaries. The main concept is that any bid which is not done fairly shall be punished accordingly.

The Regulations of the Ministry of Interior on Procurement by Local Administrative Organizations B.E. 2535 (A.D. 1992), as amended by No. 9 B.E. 2553 (A.D. 2010) and Regulations of the Office of the Prime Minister on e-Government Procurement B.E. 2549 (A.D. 2006). According to these regulations, as amended by No. 9 B.E. 2553 (A.D. 2010), section 12 appoints that the purchasing or contracting for works may be carried out in any of the following 5 methods:

- 1) The price agreement (negotiating) method shall apply in the case of a single contract of not more than 100,000 THB);
- 2) The price inquiry (selective tendering) method shall apply in the case of a single contract of more than 100,000 THB, but not more than 2,000,000 THB);
- 3) The competitive bidding (open tendering) method shall apply in the case of a single contract of more than 2,000,000 THB); and
- 4) The special (limited tendering) method.

The method of purchasing by the special method applies in the case of contracts that are of more than 100,000 THB each, and shall apply only under any of the following circumstances:

(1) the materials are sold by public auction by a government agency, government body established under the law on local administration, or other units set up by law with the status of a local administration, state enterprise, international organization or foreign agency,

(2) the materials have to be purchased urgently, where delay may cause detriment to the government agency,

(3) the materials have to be purchased directly from abroad or managed through an international institute,

(4) the materials of which the brand names have to be specified due to the utilizing nature or technical limitation include spare parts, cars for senior officers, and drugs not categorized by a generic name in the List of National Major Drugs,

(5) the materials which are land or buildings are necessary to be purchased in specific areas,

(6) the materials are those which have been attempted to be purchased by other methods but without successful results,

(7) the materials are those more of which are needed for use in a necessary or urgent situation, or for the benefit of a government agency and it is necessary to repeat an order.

The method of contracting for works by the special method is that of more than 100,000 THB each, and shall apply only under any of the following circumstances: 1) Work requiring a genuine handicraftsman or a person of special skill, 2) Work which has to have all parts taken out for checking before estimating the repairing cost i.e. the repair work for a machine, etc. 3) Work which has to be performed urgently and its delay may cause detriment to the government agency, 4) Work for which the contracting by other methods has been conducted but without successful results, 5) Work of which more is needed to be contracted for in a necessary or urgent situation, or for the benefit of the government and it is necessary to repeat the order.

5) The special case method.

The purchasing or contracting for works by the special case method is the purchasing or contracting for works from a government agency, government body

established under the law of a local administration, or other units set up by law with the status of a local administration or state enterprise. It shall be carried out under the following circumstances:

(1) The materials or works which are manufactured or carried out are manufactured or carried out by the government agency itself and the Prime Minister approves it,

(2) The law or the Cabinet's resolution specifies it be carried out by this method. Other government units also stipulated by law or the Cabinet's resolution shall carry out the purchasing or contracting for works by this method.

On 29<sup>th</sup> November 2005, the Council of Ministers by consensus appointed that the government, public enterprises and other government organizations who wish to proceed on procurement from 1<sup>st</sup> January 2005 shall proceed via the e-Government Procurement (e-GP) or e-Procurement which has set two approaches; first, using the e-shopping method in order to make a general procurement; second, using the e-auction method for a procurement with high values or price according to the Regulations of the Office of the Prime Minister on e-Government Procurement B.E. 2549 (A.D. 2006); the regulations will be immediately effective on 1<sup>st</sup> February 2006.

Early in operating by e-Auction in the e-GP system, it defines that the government sectors, public enterprises, public organizations and every government organization shall announce the prices for the auction to be publicly known in the Comptroller General's Department website ([www.gprocurement.go.th](http://www.gprocurement.go.th)) for the purpose of demonstrating transparency but any progress in the procurement procedure is unable to be tracked. Subsequently, the Comptroller- General's Department has developed the procurement procedure in the e-GP system, for the government sectors and private sectors to access the information accurately, completely, and instantaneously, at any stage of the procurement relating to the progress, including the sources that link to any related information. Thus, the Comptroller-General's Department proposed to the Council of Ministers on 7<sup>th</sup> April 2010 that the Council of Ministers consensus of 29<sup>th</sup> November 2005 be revoked, and the Council agreed to dismiss the Regulations of the Office of the Prime Minister on e-Government Procurement B.E. 2549 (A.D. 2006) resulting in the disablement of the e-Shopping

Procurement, and requiring all public sectors to undertake prices auctions by the e-GP Procurement method.

The Electronic Government Procurement method (e-GP) is the system that applies to the public and private sectors to enable them to access the procurement information instantaneously. It is able to track all the data of the buying and selling unit. This system is the prototype of an e-auction which covers the whole process of procurement. The major objectives are to increase transparency, decrease corruption, reduce operational regulations errors, reduce the duplication of data records, enable the management sectors to track the information in real time online, and increase efficiency in the speed of tracing budget spending.

The Department of Local Administration (DLA) announced rules on e-auction procurement on 30<sup>th</sup> September, 2010, rule no.5 states that if each procurement budget is over 2,000,000 THB, it should be done via e-auction except procurement by the special (limited tendering) method, the special case method, the engagement of consultants (the employment of services, excluding the employment of design and supervision for building constructed by government budget), contracting for design and work supervision (employment of services from a juristic person or an individual who provides services on design and supervision for a building constructed by government budget). On the other hand, if these exceptions could not be done by the methods mentioned, the competitive bidding (open tendering) method is allowed. The method of purchasing or contracting for works by the competitive bidding method shall apply in the case of a single contract of more than 2,000,000 THB.

The requirements in the e-Auction have determined the use of the “Sealed Bid Auction” in which the winner is the lowest price bidder and there is no minimum price bid. On each bidder’s screen, it will show only his/her bidding price. In the case that the bidder has bid the lowest price, the hammer symbol will appear on the screen. For the auction committee, the screen will display the bidding prices of all the bidders, the current lowest price, and the bidding time under the following conditions:

- 1) The auction date would be during business hours;
- 2) An auction starting price in cases of the general procurement, except for construction procurement, spending under the budget, existing prices,

standard rates at current market prices, and cases of construction works using listed price.

3) The duration of the auction is 30 minutes only and, 5 minutes before the auction ends, the system will not show the status of the bidder, (hide the hammer symbol)

4) In the case of there being a minimum price bid from many bidders, the first bidder wins the auction.

5) Bidders are able to offer a price anywhere except at the office of e-auction markets.

6) In the case of offering a new price, the bidder must quote a lower price than the prior offer.c

However, results from interviews with constructors, entrepreneurs, auditors on corruption in LAOs, directors of provincial offices for local administration, chiefs of district offices for local administration, chief executives of the SAOs, and government officials, employees, and staff of SAOs found that the procurement by electronic auction is inefficient to curb corruption in the LAOs. According to Boonmee Nadom, (Contractors Group) of Meechai Construction Shop, Na Suang Subdistrict, Det Udom District, Ubon Ratchathani, currently working on more than 100 construction projects, mainly relating to road construction, in the municipality and SAO areas of Det Udom, Ubon Ratchathani, the average budget in each year is about 20 million THB, out of 100 million THB from the district budgets for all projects. The information given from about 10 constructors is that most of the projects have been subject to a conspiracy to fix the price among the constructors who come to an agreement as to who will take which project. Furthermore, the e-auction will make it even easier for constructors to arrive at an agreement, because relatively few would provide a warranty. During an auction price hammering (offer), they all offer the same price from the same room and then finally split the savings among themselves.

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few would provide a warranty. During an auction price hammering (offer), they all offer the same price from the same room and then finally split the savings among themselves.

If the negotiation is successful then they pay a slice of the savings as bribes; in the case of them not getting the project, other constructors will be paying bribes from their savings too.

The bribes depend on the kind of job and positions. It is not always a percentage; some pay a generous compensation as is traditional. The profit would amount to 100,000 THB out of 1 million THB, and the profit is shared with the chief executive of the SAO and the other constructors who do not get the project.

An e-auction is inefficient to curb corruption in LAOs. Most contractors will be corrupt by the conspiracy to fix the price, and an e-auction helps the contractors to make a price agreement even easier. There are relatively few contractors who would make a warrant. The compensation is divided between each one at the end.

The original bid is the opening submission to attract people to come to the auction and it is announced in several places; the old style of an envelope offer was a much more difficult method to use than the new method.

The costs of an electronic e-auction are higher. The people attending the auction are charged an attendance fee. The regulations state that in a price up to 100,000 THB the attendance fee is 6,000 THB. This results in fewer people attending auctions.

To obtain a bidding document requires a payment of 5% of the project budget, so that a project for 1 million THB requires a payment to get a bidding document from a bank in the amount of 50,000 THB; which is equal to the interest payable. In the case of getting a project, bribes needs to be paid. (Boonmee Nadom, 2013)

This is in agreement with the conclusion of Jariyaporn Karin, Chief Administrator of Jikdu SAO, Hua Taphan District, Amnat Charoen Province, who

agreed that an e-auction makes it even easier for contractors to conspire by colluding in the bidding. The prior auction system was more controllable by the government sectors, but the new auction system is controlled by the constructors themselves and the government has no way to control them. She proposed a resolution to this issue by balancing the authority to control both sides. (Jariyaporn Karin, 2013)

Chanchai Ponsri (2013), Director of the NACC Provincial Office (Ubon Ratchathani), Sommart Malila (2013), The Good Governance Commission, Ubon Ratchathani Provincial, Sattaya Kamolruak (2013), Director of the Technical Division, Yangkheenok SAO, Khueang Nai District, Ubon Ratchathani, Ratreer Pratarn (2013), Chief Administrator of the Nong-Om SAO, Thung Si Udom District, Ubon Ratchathani, Paiboon Pimrath (2013), Chief Executive of the Don Mot Daeng SAO, Don Mot Daeng District, Ubon Ratchathani, Thongsai Sang-Uthai (2013), Deputy Chief Executive of the Laodang SAO, Don Mot Daeng District, Ubon Ratchathani, Sawangjit Seub-Bhut (2013), Kampha Chur-Khung (2013) former Chief Executive of the Thung Thoeng SAO, Det Udom District, Ubon Ratchathani, Kongsoon Saiweaw (2013), former Chief Executive of the Phaeng Yai SAO, Lao Suea Kok District, Ubon Ratchathani, Kumdaeng Getchat (2013), former Chief Executive of the Huayyang SAO, Khong Chiam District, Ubon Ratchathani, Boonlert Phonglasri (2013) former Deputy Chief Executive of the Banthai SAO, Khueang Nai District, Ubon Ratchathani, and Personnel Officer, Laobok SAO, Muang Sam Sib District, Ubon Ratchathani, Anusitd Saikeaw (2013), Civil Works Chief Technician, Lamduan SAO, Krasang District, Buriram, Jakkrapat Suttikarnpakorn (2013), Deputy Chief Executive of the Nadee SAO, Mueang Surin District, Surin, Suphenporn Namwat (2013), Finance and Accounting Technical Officer, Pradu SAO, Samrong District, Thap Surin, Duangporn Mounng-On (2013), Acting Education Technical Officer, Sawai SAO, Mueang Surin District, Surin, and Chaiwat Sawasdisri (2013), Chief of the Office of the SAO, Office of the Chief Administrator of the Nasamai SAO, Trakan Phuet Phon District, Ubon Ratchathani agreed that an e-auction allows contractors to connive even more easily in the bidding by colluding on the price. The new regulations are unable to solve the issue of a conspiracy to fix the price and all the constructors have room for negotiation even before the government auction. In the auction for each project there will be around ten associated constructors, and before

the auction the constructors' group will discuss and reach agreement on which constructor would take the project; just 5 minutes before the end of the auction the constructor will try to bid his price (the hammer bid price to get the project). In the case of an unsuccessful negotiation among themselves, at least five constructors will submit a competitive bid. In addition, the research has found that the government sector and the group of e-Auction collaborate in corruption.

Chaiwat Sawasdisri (2013), Chief of the Office of the Chief Administrator of the Nasamai SAO, Trakan Phuet Phon District, Ubon Ratchathani has given more information that the government procurement by the e-GP approach is causing a lot of issues and damage because computer experts can hack into the government system and view the lists of all the constructors that join the auction, their bid prices for the projects for which they have conspired to fix the price, and who will take which project.

Resolutions proposed by Chaiwat Sawasdisri (2013), suggested that, to the new regulations, there should be added supplies/parcels/packages rules to enable the free downloading of the procurement documents through the website; and the cancellation of the open selling at the government organizations which reveal other constructors that are also trying to bid for projects, and, therefore, create more chance for constructors to negotiate among themselves.

### **7.1.2 Corruption in Procurement in SAOs by Members of the House of Representatives, Ministries, Sub-Ministries, and Departments**

The research results found that the major issue was as announced by the Department of Local Administration (DLA) concerning procurement by e-auction on 30<sup>th</sup> September 2010, that due to the criteria defined by the DLA to bid by e-auction, the projects must value the procurement (purchasing/contracting for works) over 2,000,000 THB. However, each year in the SAOs in the Northeast, the budget to develop the infrastructure and for construction of the projects is approximately only 1-3 million, so only a very few constructors would provide a warranty. The other budget is mainly for spending on the usual expenditure such as wages, salaries, the government implementation programs, pensions for the elderly, disabled people, AIDS patients, milk for schools, the lunch for students program, etc. To receive such

low budgets has the effect that corruption in the SAOs is limited by the amount of lower bribes and funds.

The infrastructure construction development projects of SAOs with a total budget of 2,000,000 THB, are mostly coordinated projects that were requested by local members of the House of Representatives, ministries, sub-ministries, and departments that own projects; there is often widespread corruption by members of the House of Representatives whose are seeking to use the funds. Furthermore, most of the projects are not related to the major issues of the local populations; in other words, the projects are only tools for civil officials to claim the credit from their performance, especially from the sufficiency economy or other project that is not in response to what communities need. In such projects it is easier for corruption to occur than in the projects which community require. An example occurred in Thammueang SAO, Don Mot Daeng District, Ubon Ratchathani, where Samarn KeawWong, the chief executive requested projects from members of the House of Representatives or members of the PAO council, even though, the projects were not consistent with the local public issues, as the interview indicates:

In 2013, there was approximately 600,000 THB left for development projects, so I requested projects from members of the House of Parliament, or members of the PAO council, even though the projects were not consistent with the local public issues. In addition, when the time came the members of parliament took control of the project management itself, including finding a contractor to do the project. I was only responsible for the procurement and acceptance of the work. (Samarn Keawwong, 2013)

In the case of Yang Yo Phap SAO, Muang Sam Sib District, Ubon Ratchathani, Jittakorn Pimpakdee, Chief Executive of the SAO, explained that, if the project is from the central government, the SAO will be the one to process the procurement and acceptance of the work. In the part about determining the procurement process, negotiating with the contractors will be the duty of the members

of the House of Representatives or members of the PAO council, and they will ask for the budget for the project procedure.

I've tried running the budgets from members of the House of Representatives. Sombat Ratthano, was asking for a 4 million THB budget for 2014 for water dredging and also to improve reinforced concrete for roads. He was the coordinator of the project and the SAO is responsible for procurement and acceptance of the work. Moreover, he works alone. Negotiations with the contractor are recorded to determine the budget and the performance. (Jittakorn Pimpakdee, 2013)

Somnade Weawkhum, Chief Executive of Pa-Ao SAO, Mueang Ubon Ratchathani District, Ubon Ratchathani and Somkit Kairmaram, the Deputy Chief Executive summarized that to have a limited budget leads to asking for extra financial support from members of the House of Representatives or the DLA. In their particular case, the member of the House of Representatives who this SAO asked for support from was Mr. Witoon Namboot of the Democrat Party.

The SAOs' problem is a limited budget. This SAO has an overall balance of 15,000,000 THB which is divided into: 1) the budget that the government has distributed to operate its projects for the senior citizens, disabled people, and HIV patients' pensions project, the school milk project, and the students' lunch project which total 6,000,000 THB and the other 9,000,000 THB was for expenses on salary, wages, and compensations and; 2) there is only 2,000,000 – 3,000,000 THB left for infrastructure development projects so that the SAO has to ask for financial support from outsiders such as members of the House of Representatives. In this case Mr. Wutthiphong Namboot of the Democrat Party is supporting a tourism project, and the building of roads and playgrounds or projects from the Department

of Local Administration (DLA). (Somnade Weawkhum and Somkit Kairmaram, 2013)

Tien Plangrit, Chief Executive of Yangkheenok SAO, Khueang Nai District, Ubon Ratchathani also mentioned that budget the of SAO is insufficient to help locals so that it has to ask for assistance for projects from ministries and departments.

To take care of senior citizens, I have to ask for help from the Ministry of Social Development and Human Security; and to deal with electricity, I have to cooperate with the Provincial Electricity Authority (PEA). In 2014, the PEA distributed a budget to the SAO of 500,000 THB to expand electricity use in the area. For building roads, I have to cooperate with members of the House of Representatives who are able to distribute a budget from the Department of Rural Roads, so that in 2014, the SAO has got a 2 kilometers project for building roads. The cooperation is required for reducing the expenses of the SAO.

Moreover, most expenses go on salaries, wages, and compensations which cost 17,000,000 THB (11,000,000 THB from income and 7,000,000 THB from extra support). After spending on the above expenses, there is 1,000,000 THB for infrastructure development. There are many responsibilities in the SAO but the budget is not large enough.

I once asked for some of His Majesty's projects such as lake dredging, electricity expansion, and sufficiency economics projects which are more effective than projects from ministries, departments, and divisions.

Those projects from ministries, sub-ministries, and departments are bought to the SAO by members of the House of Representatives. The SAO chief executive would like projects to work on and does not care how the projects were brought to the SAO. In 2011, the SAO got 1 project which was a sport project of the Bhumjaithai Party brought

by members of the House of Representatives who were responsible for arranging the contractors; the SAO worked on processing the procurement and acceptance of the work under the rules and regulations. (Tien Plangrit, 2013)

Chang Fakathong, Chief Executive of Thatnoi SAO, Khueang Nai District, Ubon Ratchathani confirmed that projects are bought by SAOs from ministries, sub-ministries, or departments. An SAO has to pay 30% if it is a canal dredging project; soil digging projects have to be paid for with 40% cash in order for the project becoming the SAO's responsibility. Since there are 'selling projects' in central organizations, members of the House of Representatives would be paid in cash in order to distribute the projects. This is one of the advantages of being a member of the House of Representatives.

Corruption in SAOs seems small since the payment of commission depends on each project; normally it would be around 10-25%. If the projects are soil digging or canal dredging which are difficult to inspect, the commission would be around 25-30%.

Projects are bought from ministries, sub-ministries, and departments. 30% has to be paid if it was a canal dredging project and, for those soil digging projects which are from divisions, 40% cash has to be paid for such a project to become the SAO's responsibility. Since there are 'selling projects' in central organizations, members of the House of Representatives would be paid in cash in order to distribute projects. This is one of advantages of being a member of the House of Representatives.

Thatnoi SAO has approximately 1,000,000 THB of budget per year. Projects which the SAO buys from ministries, sub-ministries, departments, and divisions and paying compensation to members of the House of Representatives for bringing projects to the SAO take up 30% of the budget plan. I was in this position for 4 years and I was

able to get projects from central organizations totaling 240 million THB. (Chang Fakathong, 2013)

It is consistent with the interview of Thongsai Sang-Uthai, Deputy Chief Executive of Laodang SAO, Don Mot Daeng District, Ubon Ratchathani that

Infrastructure projects of the SAO were mostly taken from related divisions. The chief executive of the SAO, Supachoke Rattano, is a brother of Sombat Rattano, secretary of the deputy minister at the Ministry of Transport so that the infrastructure projects were mainly with the cooperation of the Ministry of Transport. (Thongsai Seang-Uthai, 2013)

Umnuay Suwamart (2013), Chief Executive of Rainoi SAO, Mueang Ubon Ratchathani District, Ubon Ratchathani mentioned that two members of the House of Representatives, Mr. Krieng Kantinan and Mr. Worasit Kantinan, were involved with projects that members of the House of Representatives brought to the SAO. (Umnuay Suwamart, 2013)

Krischai Silaparaya (2013), Local Administration Promotion Officer (Senior Professional Level) Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani pointed out that, in order to ask for extra budget support for every project from central organizations, it is necessary to be familiar with politicians who are able to distribute projects; for some projects 10-20% of the total project's price has to be paid in advance before getting the project to work on. This is corruption and this process occurs in every government. He suggested that there should be a budget distributed to the SAOs directly.

Jariyaporn Karin (2013), Chief Administrator of the Jikdu SAO, Hua Taphan District, Amnat Charoen reflected that asking for extra budget support from outsiders causes conflicts between organizations. Some organizations are supportive but some are not; it depends on their ability to access information or to pull some strings to get projects. She suggested that there should be a fair budget distribution based on the population in each sub-district.

Besides, the chief executive of an SAO cooperates with members of the House of Representatives in asking for projects to work on his/her area at the time of an election. Some SAO chief executives also asked for financial support from members of the House of Representatives; for example, Tien Plangrit, Chief Executive of Yangkheenok SAO was supported financially by a member of the House of Representative, Witoon Namboot of the Democrat Party to an amount around 300,000 THB. When the election ended, the chief executive had to spend the money in distributing projects to members of the House of Representatives and be the politician's bastion at the national level. (Kittiyaporn Sitthitham, 2013)

In summary, the interviewees said that the coordination of projects from members of the House of Representatives for the local area or the ministries, sub-ministries, and departments which own the projects is the most widely used openings for corruption by the members of the House of Representatives who look for the budgets; furthermore, most of the projects are inconsistent with the public's concern with the issues, and the projects are just to boost their office performance.

### **7.1.3 Resolutions of Corruption in Procurement in SAOs by Members of the House of Representatives, Ministries, Sub-Ministries and Departments**

From interviews with people in the provincial offices for local administration, district offices for local administration, and the director of the investigation group (auditor officer, senior professional level) office of the auditor general of Thailand (regional special audit office No.5 Ubon Ratchathani province), there were some suggestions to resolve this issue as follows:

Wanchai Janporn (2013), Director of Sisaket Provincial Office for Local Administration, Sisaket, had a proposal for a solution to budget development as proposed by members of the House of Representatives or pending budget plans at ministries, sub-ministries, and departments. The request for these budgets causes corruption in central government organizations, so government should let special budget support be general budget support in order to allow SAOs to make use of this budget so that they can respond to the locals' needs. This would be better than getting

central projects for each SAO since they might not be what locals need, but at present there is no choice. (Wanchai Janporn, 2013)

Jatuporn Supitchayaporn, the Local Administration Inspector, District Office for Local Administration, Muang Sam Sib District, Ubon Ratchathani serves as a consultant to local governments in the area and, in addition, he is an assistant chief of the district office for local administration. He suggested that the government should distribute budgets to the SAOs directly since projects from central government such as dredging and water supply development might not be relevant to locals' needs. The government would like to generalize the entire country in the same way but each area needs different help in development; 'especially, the Strong Thailand projects were the most corrupt project for which the commission rate was 30-40%,'(Jatuporn Supitchayaporn, 2013)

Further, Suvinai Janthip (2013), Chief of the Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani concluded that the government should allocate 35% of local budgets to local governments to solve the existing problems with the development plan.

Chandej Weerakul, Director of the Investigation Group (Auditor Officer, Senior Professional Level), Office of the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani), also pointed out that ministries, sub-ministries, and departments have embezzled local budgets through policies:

Politicians at national level or ministries, sub-ministries, and departments come and take back support in many forms. The problem was mainly that wrongdoers have not been charged so corruption in SAOs seems less than it is. Politicians should not get involved with budget management because there would be corruption like paying 20-30% commission for projects. An SAO's officers would take another 10-15% and the budget would be left as 50-55%. When the OAG audits it, a project will not be as planned. (Chandej Weerakul, 2013)

In summary, the interviewees proposed that the government allocate 35% of financial support to local governments directly according to the law. It should not be

kept at the ministries, departments, or divisions so that local governments have to propose projects. This creates the possibility of corruption by central organizations and also, local projects were inconsistent with the existing problems.

In contrast, Klanarong Chanthick, of The National Anti-Corruption Commission, explained that those processes mentioned above were not the cause of corruption which depends on human instinct.

To claim that LAOs need to seek extra budgets and have to pay MPs for getting projects, is not, I think, the cause nor an excuse for corruption. Corruption is corruption, no matter what.

The system is not an excuse but it depends on the human instinct and behavior. Even though the system is poor, if people do not want to be corrupt, there would not be corruption. It depends on people, not the system. (Klanarong Chanthick, 2013)

## **7.2 Corruption in Recruiting Officers of Sub-district Administrative Organizations**

From the pending allegations by the NACC Commission from the years 1998-2013, there are only 102 corruption cases in the Northeast SAOs (up to August 1, 2013), which has already been explained in Chapter 5. It was shown that the second most prevalent type of corruption cases involved corruption in recruitment, appointments, transfers, and contract renewals totaling 17%.

The constitution of the Kingdom of Thailand B.E. 2550 (2007) stipulates that local governments are independent in the management of the suitability to and needs of the locality.

By section 283, a local government organization shall have general powers and duties to oversee and provide public services for the benefits of local residents and enjoy autonomy in laying down policies and carrying out administration, public service provision, personnel administration, and finance, and shall have powers and duties particularly on its own part, provided that regard shall also be had to the consistency with the development of a province and of the country as a whole.

A Local Government Organization (LGO) shall be given promotion and support with a view to achieving such strength as to be able to administer its operation autonomously and in a manner efficiently meeting the needs of local residents, develop the local finance system to the extent of providing full public services in accordance with its powers and duties, and establish or jointly establish an organization for the provision of public services in accordance with its powers and duties, in the interest of value for money and comprehensiveness of public services.

By section 288, the appointment and removal from office of officials and employees of an LGO shall be in accordance with the suitability to and the needs of each locality and the personnel administration of LGOs shall be subject to a uniform standard, with possibilities of joint development or reshuffles of personnel amongst LGOs, and shall also be made upon prior approval by the Local Officials Committee as a central body in charge of local personnel administration, as provided by law.

There shall be, in the personnel administration of an LGO, a merit system watchdog agency for local officials, for the purpose of building up systems for the protection of virtue and ethics pertinent thereto, as provided by law.

The Local Officials Committee shall consist, in an equal number, of representatives of relevant government agencies, representatives of LGOs, representatives of local officials, and qualified persons, as provided by law.

Moreover, the Local Personnel Administration Act, B.E. 2542. (A.D. 1999), stipulates that the Central Committee on Sub-district Administrative Organization for Personnel has authority to prescribe criteria relating to personnel administration in SAOs as follows:

- 1) To stipulate necessary qualifications and prohibitions specifically applied to officials of the SAOs;
- 2) To stipulate the number of positions, salary rates and procedure of paying salary and other benefits to officials of the SAOs;
- 3) To prescribe criteria and conditions relating to personnel recruitment, selection, appointment, transfer, level-promotion, salary-raise, investigation, disciplinary punishment, removal from office, appeal, and grievance;
- 4) To lay down regulations relating to administration and performance of duties of the SAOs' officials;

5) To oversee, examine, advise, promote and develop knowledge for the SAOs' officials.

The Local Personnel Administration Act, B.E. 2542. (A.D. 1999), Chapter 3 Personnel Administration in Sub-district Administration Organizations, Section 25 provides that for the SAOs in a province, there must be a central committee of the SAO for personnel administration for all the SAOs in that province. This committee consists of:

1) The provincial governor or the deputy provincial governor appointed as the chairperson;

2) Eight representatives from district chief officers or division heads in that province who are appointed by the provincial governor; if needed in the best interests of personnel administration, the governor can amend the list of related offices from time to time.

3) Nine committee representatives composed of:-

(1) the speakers of the SAOs in the province shall select three representatives from among themselves;

(2) the chairmen of the SAOs in the province shall select three representatives from among themselves;

(3) the city clerks of the SAOs in the province shall select three representatives from among themselves;

4) Nine qualified members selected from those who have expertise in local administration, personnel administration, sub-ministries, administration and management or other fields which benefit personnel administration of the SAOs.

5) In selecting qualified members under (4), the committee under (1) and (2) shall nominate 15 candidates and the committee members under (3) nominate another 15 candidates. The 30 candidates meet and choose 9 from among themselves.

The selection methods of representatives of the SAOs and the expert members have to follow the criteria and conditions specified by the central committee on SAOs for personnel.

The provincial governor is in charge of selecting the speakers of the community councils, the chief executives of the SAOs or the chief administrators of the SAOs, as the case may be, as representatives of the SAOs. The governor appoints

a civil servant or a sub-district officer as the secretary of the committee on SAO for personnel.

Moreover, the Local Personnel Administration Act, B.E. 2542. (A.D. 1999), Section 35 states:

The payment of the salaries, other types of compensation, and wages of local civil servants, employees, and wage earners from the revenue, excluding subsidy, loan, and other kinds of financial sources, cannot be more than 40 percent of the annual expense budget of that LAO.

The researcher has found that the important matter arising from the Local Personnel Administration Act, B.E. 2542. (A.D. 1999) is that the central committee on SAO for personnel has the authority to prescribe criteria relating to personnel administration in SAOs.

In announcing the criteria and conditions, the central committee on SAOs for personnel determines that, in order to recruit individuals for appointment to the positions of district employees, four methods can be used, as following:

- 1) The examination for personnel recruitment for civil officials to be appointed as SAO officers, or for appointing sub-district personnel to take positions in their own line/field in each SAO;
- 2) The special cases of personnel recruitment under which candidates do not have to take the exam to be appointed as sub-district personnel in SAOs;
- 3) The personnel recruitment to appoint the sub-district personnel to serve in a different line/field, or in a higher level in the same area of expertise or as sub-district personnel;
- 4) The personnel recruitment to appoint the sub-district personnel to serve in a different line/field, or in a higher level in the same area of expertise or as sub-district personnel or in a professional position or to appoint those in executive positions to positions in higher levels of the SAOs.

The ability for the SAOs to collaborate with the central committee on SAO for personnel in conducting the sub-district personnel recruitment examination or to

select the sub-district personnel for appointment to positions in higher levels in their fields creates opportunities to commit a lot of corruption, especially in the Northeast where SAOs generally announce recruitment frequently.

The results of the research from interviewing groups conducting audits, the central committee on SAO for personnel, the chief executives of the SAOs, sub-district personnel and employees show that the SAOs have the authority to accept any appointment or transfer. Changes in the line/field cause widespread fraud. In addition, there is a severe impact on the management of SAOs in the future; in particular, the SAOs have budget problems in paying wages, salaries, bonuses, compensation, etc., while the budget to build the infrastructure is inadequate to provide the public with solutions for local problems.

The information from the central committee on SAO for personnel (expert), the directors of provincial offices for local administration, the chief executives, sub-district personnel, employees, staff of SAOs, provides confirmation that the bribes in exchange for appointment as SAO officers in the southern part of the Northeast is divided into 3 levels:

Level 1 includes the officers in these positions:- assistant city law enforcement officer, assistant finance and accounting officer, assistant water supply officer, clerk, data entry operator, assistant public relations officer, assistant community development officer, assistant supplies officer, assistant youth center officer, assistant library services officer, draftsman, civil works technician, electrician, assistant disaster prevention and relief officer, assistant sanitation officer, assistant revenue collecting officer, and city planning technician and surveyor.

Level 2 includes the officers in these positions:- nutrition officer, finance and accounting officer, water supply officer, clerical officer, disaster prevention and relief officer, community development officer, youth center officer, tourism promotion officer, health promotion officer, sanitation officer, library services officer, dental health care technician, chief automotive mechanic, civil works chief technician, city planning chief technician, chief draftsman, community health care officer, supplies officer, revenue collecting officer, chief surveyor, chief veterinarian, and technical nurse.

Level 3 includes:- the officers of these positions: city law enforcement officer, internal auditor, plan and policy analyst, education technical officer, recreation officer, general administrative officer, tourism development officer, community developer, agricultural technical officer, finance technical officer, revenue collecting technical officer, public relations technical officer, sanitation researcher, social worker, legal officer, professional nurse, civil engineer, architect, personnel officer, health promotion technical officer, and finance and accounting technical officer.

Candidates are required to pay bribes or give compensation to the management sections in order to pass the exam and be appointed as officers in SAOs; details of the rates of the bribes in all three levels are as follows:-

Level 1 (C 1) is required to pay 300,000 THB.

Level 2 (C 2) is required to pay 500,000 THB.

Level 3 (C 3) is required to pay 700,000 THB.

The employees on four year contracts are required to pay 150,000 THB. Once every 2-3 months, the SAOs of Ubon Ratchathani province would hold an examination to appoint approximately 22 SAO offices in 3-15 positions / 1 SAO.

For example, Khoksaard SAO, Nam Khun District, Ubon Ratchathani, held an examination during August 2013 prior to the chief executive's term expiring, to appoint a total of 13 officers from level 1 – 3 shown below. (Chaiwat Sawasdisri, 2013; Natkritt Nontawan, 2013; On Hatho, 2013; Prapatsorn Sophawong, 2013)

#### Level 1

Data entry operator	1 Position
Electrician	1 Position
Technician and surveyor	1 Position

#### Level 2

Revenue collecting officer	1 Position
Clerical officer	1 Position
Disaster prevention and relief officer	1 Position

## Level 3

Education technical officer	1 Position
Recreation officer	1 Position
Finance technical officer	1 Position
Personnel officer	1 Position
General administrative officer	1 Position
Agricultural technical officer	1 Position
Public relations technical officer	1 Position

However, the executives of the LAOs which hold the examinations will require bribes in exchange for the candidates being appointed as officers, employees, and staff of the SAOs. In addition, the research also found that the directors of provincial offices for local administration, chiefs of district offices for local administration, and the central committees on SAO for personnel approve the opening rates and would also share in the bribes.

Jariyaporn Karin (2013), Chief Administrator of the Jikdu SAO, Hua Taphan District, Amnat Charoen Province, said that sometimes SAOs have no potential to conduct personnel recruitment for all the positions, but some SAO examinations are set by the committee members even if they might have known about the positions available for appointment.

Corruption issues and the fraud involved in the personnel recruitment examination for appointing SAO officers are very difficult to detect because the tests are conducted according to regulations. However, once someone becomes a member of the SAO personnel, there is no obligation to perform and the person works until retirement which may create budget problems for the SAOs in the long run.

Virojch Vichaiboon, District Chief Officer, Warin Chamrap District, Ubon Ratchathani, said that an analysis of the problems showed that the major problem of SAOs is their obligations to the district which has the responsibility for their areas. From the legal framework of the regulations, the position of SAOs' staff is difficult, so the chief executives of the SAOs try to recruit more employees than they need since they look to the future and see the benefits of increased expenditure. As a result,

the amount that will be applied to the development of the public infrastructure is reduced.

There were not more than 100 people needed but it was also found that the pay of the SAO officers and staff is very high but the other general expenditure amount had not increased. As a result, the amount that will be applied to the development of the public infrastructure is reduced. (Virojch Vichaiboon, 2013)

This confirms the information from Samarn KeawWong (2013), the Chief Executive of the Tha-Mueang SAO, Don Mot Daeng District, Ubon Ratchathani, who reflected on the important issues of the budget. Having more employees than is necessary without considering the potential budget expenditure has resulted in approximately 40 % of total expenses being spent on salaries, other types of compensation, and wages. Under the Local Personnel Administration Act, B.E. 2542, (A.D. 1999), Section 35, salaries, other types of compensation, and wages of local civil servants, employees, and wage earners paid from the revenue, excluding subsidies, loans, and other kinds of financial sources, cannot be more than 40 percent of the annual expense budget of that LGO. The revenue from local taxation is minimal, so SAOs, mostly in the Northeast where most people are engaged in agriculture, lack fiscal capacity in a bad economy.

Porntip Wannatawee (2013), Director of the Division of Finance, Yangkheenok SAO, Khueang Nai District, Ubon Ratchathani, said that the expenditure relating to salaries and wages expenses of the SAOs in Ubon Ratchathani, at current expenditure is about 40 % of total expenses. Sattaya Kamolruak (2013), Director of the Technical Division, Yangkheenok SAO, Khueang Nai District, Ubon Ratchathani, has provided information that there are more personnel in the SAOs than is necessary, and there is a lack of working performance. The public lose benefit because of a lack of infrastructure development, and the income statements of what salary the SAOs pay to an employee in a migrating appointment situation was not morally sound. However, waste of money in the management of the patron-client system confirms that almost all the SAOs in the provinces are in a similar position.

While Kritchai Silaparaya, Local Administration Promotion Officer (Senior Professional Level), Group of Legal Affairs and Petitions, Provincial Office for Local Administration, Ubon Ratchathani who is an expert in laws, regulations, and complaints of the LAOs of Ubon Ratchathani, suspects as follows:

1) Currently, some small SAOs have a personnel recruitment exam for district officers for 7-10 positions but with few roles / duties because they are such small communities. The personnel recruitment exam takes place before the outgoing team finish their terms, so as to increase their funding for the next election;

2) In relation to the central committee of SAO for personnel, Ubon Ratchathani, and the management and regulations sectors, the approval of the opening rates, and the holding of the exam by each SAO, it has been alleged that some of committee of the SAOs have lobbied to get themselves onto the committee;

3) It is suspected that there has been no transparency in the conduct of the exams under all the rules and criteria of the institutions which, in the case of Ubon Ratchathani Province, is Ubon Ratchathani Rajabhat University.'

He went on to explain that there are too many personnel in LAOs, when compared with the work roles. Some small SAOs have 60-70 officers which will affect expenditure and the amount of bonuses the SAOs have to pay about 3-5 times a year. (Kritchai Silaparaya, 2013)

Even Tanachai Tarakajud (2013), of the Central Committee on Sub-district Administrative Organization for Personnel (Expert), Provincial Office for Local Administration, Ubon Ratchathani, admitted that corruption in LAOs is very discreet nowadays, specifically in the audit of the personnel recruitment, selection, appointment, transfer, level promotion, and salary raise.

In summary, except for the corruption in the procurement and acceptance of work, the SAOs also have the personnel recruiting examination corruption whereby some SAOs take on too many personnel in the offices. Some SAOs open more vacancies than are needed, some people are appointed to positions without any duties or where the duties are redundant, so they are not worth the wage budget. The executives took them on just for the compensation / bribes, resulting in most of the budget going on salary payment with a consequent lack of budget for public projects.

Since the announcement of the central committee on SAO for personnel on the criteria and conditions about the SAOs' personnel management in 2002, provinces all over the country have had an opportunity to collaborate with the central committee on SAO for personnel (province office) to conduct personnel recruiting examinations for appointing officers to the SAOs, causing multiple complaints on the issues relating to the conduct of the recruitment examination.

For the SAOs in Ubon Ratchathani, from meeting No. 4/2013 it was found that in June 2013 28 SAOs organised an open personnel recruits' examination for appointing officers to the SAOs.

### **7.3 Solutions on Solving Corruption in Recruiting Officers of SAOs**

Research studies found that the group of audit officers, who have a responsibility for monitoring and filing with the courts the cases for conviction for corruption in LAOs' officials, sub-district personnel, and employees of the SAOs has suggested resolutions in personnel recruitment as follows:

The DLA should cooperate with an educational institute which is reliable and trustworthy to be a center for the recruitment process examination and interview. This institute should have standards and quality assurance on creating, storing, arranging, and grading tests. If the DLA arranges the examination, there would be fewer complaints. When the examination is finished, the SAOs could ask for the list from the department and would not be allowed to ignore the ordered ranking. (Piyamart Tupmongkol, 2013; Phengkamon Marnarath, 2013; Kingkarn Sumnuanyen, 2013)

## 7.4 Summary

Corruption in SAOs in the Northeast, had procurement corruption as the first ranking, followed by corruption in recruitment, appointments, transfers, and contract renewal evaluation

1) The procurement corruption issues in the SAOs:

Procurement and acceptance of work by an e-auction is inefficient in curbing corruption in LAOs, mostly because the contractors will corruptly conspire to fix the price; an e-auction actually helps the contractors to make a price agreement even easier by colluding and being co-interested bidders. There are relatively few contractors who would provide a warranty.

However, the chance for the SAO to have such projects to be bid for by e-auction is rare, due to the criteria, as defined by the DLA, that to be bid for by e-auction, the projects must have a value of the procurement (the purchasing/contracting for works) over 2,000,000 THB. Nevertheless, each year the SAOs in the Northeast would have only a very few contractors would provide a warranty, as the budgets for developing the infrastructure is approximately only 1 – 3 million THB. The rest of the budget goes mainly on the usual expenditure such as wages, salaries, etc. To receive such low budgets results in the corruption in the SAOs being limited as to the lower amount of bribes and funds.

The infrastructure for the developing projects of SAOs with a total budget of 2,000,000 THB, are mostly coordinated projects that were asked for from members of the House of Representatives, ministries, departments, and divisions that own projects, which also results in wide corruption by members of the House of Representatives seeking the funds. Furthermore, most of the projects are not in agreement with the major issues of a local population; in other words, the projects are only tools for civil officials to claim credit for their performance.

To resolve this issue, the government has to allocate full funding directly to the LAOs which, according to the law, is 35% and this funding should not be retained by any ministries, departments, or divisions; this would let the LAOs coordinate in asking for projects. When funding is retained, this provides opportunities for the

central organizations to be corrupt and, as mentioned above, the projects are not in agreement with the major issues of a local population.

2) Corruption in recruiting SAO officers:

It was found that the cost of personnel expenses is very high representing approximately 40% of the total budget in each year, and some of the SAOs had been asked to open more vacancies than needed. Some are appointed to positions without duties or where the duties are redundant. The chief executives of the SAOs only appoint these positions to receive compensation. As a result, most of the SAOs' budgets go on the payment for officers and, thus, there is a lack of budgets that should be pay for the infrastructure construction and on solving issues for the people.

The stakeholders in the corrupt process of appointing officers, includes the management sections in the LAOs who arrange the appointment examination. Candidates will pay bribes in exchange for positions. The district office for local administration (by the district officer for local administration), the provincial office for local administration (by the director of the provincial office for local administration), and the central committee on SAO for personnel, will all receive a slice of the compensation for approval of the unnecessary appointment rates.

The resolutions for the issues mentioned in the prior paragraph are:- First, it is proposed that the DLA associate with a reliable institution to conduct all examinations and interviews and then prioritize the candidates for the LAOs; when the DLA holds the appointment examinations and lists the order of the candidates only the SAOs would be allowed to ask to see the lists and, under the criteria, ignoring the priority of candidates would be strictly prohibited. Only when an SAO is short of personnel would the DLA send newly appointed officers to that SAO.

Secondly, consideration and approval of the appointment rates should be included in the criteria when considering the potential workload of the finance, job description, obligations, office space, the amount of the population in the sub-district, and the necessity for each SAO.

## **CHAPTER 8**

### **CONCLUSION AND RECOMMENDATIONS**

The objectives of the Anti-Corruption Regime and Corruption Resolution in Local Self-Government: A Case Study of Sub-district Administrative Organizations (SAOs) in the Southern Part of the Northeastern Region of Thailand Research were: 1) to study the forms of corruption in Sub-district Administrative Organizations (SAOs), 2) to study the suppression of the anti-corruption regime in Thailand and, 3) to define the difficulties in curbing the anti-corruption regime of a Sub-district Administrative Organization (SAO).

As a qualitative research, the prior method was in-depth interviewing with 63 key informants; the minority method focused on the document analysis of corruption cases, by analyzed and referred to the references of cases from the NACC, which were either cases in the process of making a determination or cases that have already received a verdict. Only the corruption cases of the SAO in the Northeast were considered including all twenty provinces, which are: Kalasin, Khon-Kaen, Chaiyaphum, Nakhon Ratchasima, Nakhon Phanom, Buriram, Buengkan, Maha-Sarakham, Mukdahan, Yasothon, Roi-Et, Loei, Sakonnakhon, Surin, Sisaket, Nong-Khai, NongBua-Lamphu, Udonthani, Ubon Ratchathani, and lastly is Amnat Charoen.

The interview involved 63 subjects who are key informants for this research, and can be divided into 5 groups.

1) The Director of the Anti-Corruption Monitoring Group in Local Administrative Organizations who serves in an important positions as follows: Office of the National Anti-Corruption Commission (NACC), Office of the National Anti-Corruption Commission (NACC) in Ubon Ratchathani, Office of the Auditor General of Thailand (Regional Special Audit Office No.5 Ubon Ratchathani Province), the Good Governance Commission in Ubon Ratchathani Province, etc.

2) The supervisors of SAO groups including the District Chief Officer, Assistant District Chief Officer, Director of Provincial Office for Local Administration and the Chief of District Office for Local Administration

3) The Chief Executives of the SAO Group including the Chief Executive of the SAO, Deputy Chief Executive of the SAO, former Chief Executive of the SAO and the former Deputy Chief Executive of the SAO.

4) Government officers and employees of the SAO including the Chief Administrator of the SAO, Chief of the Office of the Sub-district Administrative Organization, Director of the Division of Technician, Director of the Division of Financial, Financial Administrative Officer, Civil Works Chief Technician, Supplies Officer, Finance and Accounting Technical Officer, Policy and Plan Analyst, Personnel Officer, Acting Education Technical Officer, Personnel Officer, Finance and Accounting Officer, Assistant Finance and Accounting Officer and the Assistant Revenue Collecting Officer.

#### 5) Constructors and Related Organizations

Using specific survey/ purposive or judgmental samplings as a research tool, the focus group will be the one that is accessible to researcher. The focus group must be willing to reveal direct information with evidence such as papers in order to make it reliable and admissible.

## **8.1 Summary of Research Results**

The research results are divided into 3 issues according to the purpose of the study. “The Forms of Corruption in Sub-district Administrative Organizations (SAOs)” and are summarized as follows:

### **8.1.1 Forms of Corruption in SAOs**

8.1.1.1 The Forms of Corruption Cases in SAOs are Analyzed by Conducting a Fact-Finding Inquiry and by Examining the Resolutions Passed by the NACC Commission (the Making of a Determination) (Verdict Cases, Found Guilty).

This research study found that the allegations in cases where a guilty verdict had been reached in corruption cases in Northeastern SAOs by the NACC were as follows; It was found that the first in the form of corruption ranking was “Procurement Law Disciplinary Offence in Purchasing and Contracting for Works, Offered Price Bid, and Granting a Contract for Works.” The second in the ranking was “Procurement Law Disciplinary Offence by Misappropriating the income of SAOs, and Fraudulent Documents to Advance Withdrawal from SAOs.” Lastly, third in the ranking was “Disciplinary Offence by receiving compensation (bribes) in trading in filling an appointment to be SAO subdistrict personnel.”

1) Rank 1: Procurement Law Disciplinary Offence in “Purchasing and Contracting for Works”

There are thirty-four cases out of seventy cases (49%) where it was found that the most common forms of corruption are: 1) To conceal “The Price Bid Competition of Contracting to Design and Works Supervision” Which is divided as follows: to conceal by not posting the price bid competition on the SAO announcement board, and concealment by failing to post the price bid competition to the District Administrative Office according to the “ACT ON OFFENSES RELATING TO THE SUBMISSION OF BIDS TO STATE AGENCIES B.E. 2542 (1999):” (The Act on Offenses Relating to the Submission of Bids to State Agencies defines the procedures in cases of allegations of infringement of the procurement regulations as well as applicable penalties. The term “bid” refers to submission of a proposal with the object of acquiring the right to enter into a contract with a state agency pertaining to purchase, contracting for works, exchange, lease, asset disposal, concession, or receipt of other rights. The Act covers and punishes the actions of the bidder, the state officials who received the advantage, and any intermediaries. The main concept is that any bid, which is not done fairly, shall be punished accordingly). In addition, the Regulations of the Ministry of Interior on Procurement of Subdistrict Administrative Organization B.E. 2538 (1995): and concealment by not informing the price bid competition to all constructors, but only some selected constructors were informed. 2) Obstructing other price bidders by “Action Impeding Fair and Free Competition” to facilitate only some entrepreneurs or constructors. 3) Conducting Fraudulent Distributing Documents (Quotations) to facilitate only a selected bidder to

sign the contracting for works. 4) Disciplinary Offence by failing to inform the lowest bidder in the competition to make a contract for works or a contract of agreement. 5) Levied on the prosecutors as compensation for disbursing government budget as prosecutor wages for a project. 6) Granting a contract for works and disbursing government budget even though the forms of design and work supervision of constructors do not comply with the terms and agreement of the contract. 7) Conducting a fraudulent disbursement of government budget documents that do not comply to a legally rightful form. 8) Splitting purchases and contracts for work processes by avoiding granting the price bid.

2) Rank 2: Disciplinary Offence by Misappropriating Income/ Fraudulent Authority Personnel Signatures for Payable Checks or the Disbursement of Funds from Bank Account for Private Hain

There are twenty-one cases out of seventy cases (29%). This form of corruption was commonly found in the positions as follows: Finance, Accounting, Revenue Collection of SAOs and include the Chief of General Financial Officer, the Revenue Collection Officer, etc.,

Significant forms of corruption were found in terms of Financial matters as follows: 1) Disciplinary Offence by fraudulent authority personnel signatures for payable checks or the disbursement of funds from government, and fraudulent payee name and amount of funds in payable checks. 2) Disciplinary Offence by Misappropriating income, Revenue from Tax Collecting and Supporting Funds.

3) Rank 3: Disciplinary Offence in Appointment Exams, Transfer, and Evaluating to Extend Contract for Works

There are fourteen cases out of seventy cases (20%) that involve Disciplinary Offence by Filling an Appointment, Recruiting of SAOs personnel Exam.

This research-analyzed result found that this is one of the most common forms of corruption that still occurs. A levy is charged on the SAO personnel and officers in exchange for filling an appointment or promotion in various positions by the Chief Executive of the SAO or the Deputy Chief Executive of the SAO. The levy varies from ten-thousand to a hundred-thousand Thai Baht as well as there being

levies on temporary personnel in exchange for passing the performance evaluation to extend and renew their contract for work.

#### 4) The Corrupt Positions of Northeastern SAOs for Whom the NACC has Passed Resolutions Finding Them Guilty as Charged

It was found that persons who work as Chief Executives of the SAO or former Chief Executives of the SAO were often sued (5 of 70 cases). Next is the Director of the Division of Finance, the Financial Administrative Officer, the Finance and Accounting Technical Officer, the Assistant Finance and Accounting Officer and the Assistant Revenue Collecting Officer were sued in 24 cases. The third was the Chief Administrator of the SAO who was sued in 21 cases. The fourth is the Director of the Division of Technician, Civil Works Chief Technician or Mechanics who were sued in 18 cases. The fifth is the members of the SAO Council who were sued in 12 cases. The last is business groups or private sector organizations who were sued in 10 cases and also other organization officers who were sued in 5 cases.

To compare the proportion of cases conducted alone and the cases conducted in-group of Northeastern SAOs that received a guilty verdict, the result was a similar ratio as the cases conducted alone at 51 % of the cases, and other cases at 49 %.

A key finding of this research is that political persons elected to the position of Chief Executive of the SAO or Member of the SAO Council have been labeled as more corrupt positions than those who are government officers and staff. In contrast, the most corrupt position is on the government side. The Chief Executive of the SAO and the Members of the SAO Council were accused 37 times while on the government side; the government officers (subdistrict personnel) are accused at least 76 times.

On the government side (subdistrict personnel), there were 21 cases of document fraud, which is 29 percent of all cases. The persons were involved directly with the case are the Director of the Division of Finance, the Financial Administrative Officer, the Finance and Accounting the Technical Officer, the Assistant Finance and Accounting Officer and the Assistant Revenue Collecting Officer. Major financial frauds are: 1) signature fraud for signing checks or withdrawing money, forging the payee name, forging the amount of money on pay

checks and 2) embezzling wages and income from tax collection or supporting funds. Additionally, corruption cases of Directors of the Division of Technician, Civil Works Chief Technicians or Mechanics and Supplies Officers were rated as the same as the cases of the Director of the Division of Finance, the Financial Administrative Officer, Finance and the Accounting Technical Officer, the Assistant Finance and Accounting Officer and the Assistant Revenue Collecting Officer.

There may be debate about the number of cases for government officers is higher than the officers who are from the political side, so that the ratio of government officer cases should be higher. However, considering the actual ratio, it was found that in some areas, political personnel are had a higher proportion than subdistrict personnel. Therefore, the debate above has to be considered.

If the findings reflect the problem, it is sad that the attempt of solving corruption problem in SAO by focusing only on the political side officers might be unfair since those government officers are familiar with rules and regulations and are in this career path longer than the political side officers.

Nonetheless, it could not be denied that the Chief Executives of the SAO who are the most powerful in the organization have more chances to be corrupt than others. Having authority is not a sufficient condition for corruption but the deed needs other conditions from government officers to be corrupt as it has been found that those guilty cases were systematic conspiracies between the political side and the government side so that the designed problem solving pattern could not fix the problem.

In summary, the researcher would like to point out that the assumption that Chief Executives of the SAOs are always the cause of corruption might be slightly misleading. The completed cases from the NACC imply that most corruption cases were from government officers such as the Director of the Division of Finance, the Financial Administrative Officer, the Finance and Accounting Technical Officer, the Assistant Finance and Accounting Officer or the Assistant Revenue Collecting Officer, especially distributing fraudulent signature to embezzle a sum of money for their own benefit. Therefore, to prevent and eliminate corruption in SAO, attention should be focused on these experienced government officers too, not focused only on political officers.

The data point out that the majority of guilty cases are both criminal and disciplinary acts, at 57 percent. For the criminal act cases, it is 36 percent and the disciplinary cases represent 7 percent out of 70 cases.

#### 5) The Areas in the Northeastern Provinces that have Corruption Cases in SAOs

Corruption cases could be found in many Northeastern provinces except three provinces: Amnat Charoen, Nong Bua Lamphu and Buengkan. Those provinces are newly established as Amnat Charoen and Nong Bua Lamphu were established on December 1<sup>st</sup> 1993, and Buengkan was established on March 23, 2011. The fact that these provinces are just established did not have anything significance since some wrongful acts that had happened had been categorized as part of the former province.

Therefore, it could be concluded that the corruption is widely spread throughout the Northeast, especially in the lower Northeast as there were 10 cases in Roi Et, 9 cases in Nakhon Ratchasima, 7 cases in Surin, 6 cases in Sisaket, 5 cases in Yasothon, 4 cases in Buriram and 5 cases in Ubon-Ratchathani.

However, the researcher does not mean that where there is a large number of cases the province is the most corrupt because there might be corruption but no one wanted to complain, or agreements were reached or that it was hard to prove.

#### 8.1.1.2 Forms of Corruption Cases in SAO were Analyzed, which was Conducted on the Complaints or Allegations During the Investigation Process, (Pending Cases) by the NACC

The complaints that fit the criteria and were forwarded to the NACC would be considered by the NACC itself or by appointing a subcommittee or officers. There are 102 pending complaints from 1998-2013, (recently updated in August 1<sup>st</sup>, 2013). The first rank is corruption in procurement, at 66 percent. It corresponds to the proportion of completed cases as procurement corruption, which is also in the first rank. The second rank is recruitment/appointing/contract renewal, at 17 percent. The third rank is embezzlement/signature fraud, which is 8 percent. The last one is field trip/workshop corruption, which is 4 percent also there is 5 percent for other causes.

The researcher's purpose is to indicate that since the Central Committee on Subdistrict Administrative Organization for Personnel (Central Committee) announced the criteria and conditions of Human Resources Management in SAOs in 2002 for each province all over the country, which creates opportunities for the SAOs to co-operate with the Central Committee on Subdistrict Administrative Organization for Personnel (Provinces Committee) to arrange the appointment/ recruitment exams to fill appointments in SAOs, causing a rapid increase in the number of complaints and allegations that are related to recruitment exam.

From the pending cases information, after the Central Committee on Subdistrict Administrative Organization for Personnel (Central Committee) announcement in 2002, it was found that there were cases involving levies on SAO personnel in exchange of filling appointments , which have increased in number from 3 cases in 2008 to six cases in 2011.

The researcher's purpose is also to reflect and demonstrate that to create opportunities for SAOs, local administrative organizations have the authority to arrange recruitment exams and to fill appointment for SAO personnel. Therefore, allowing local governments to recruit, select and appoint on its own without a proper monitoring process from a third party like people or related organizations creates one of the corruption channels.

Other forms of corruption are similar. The third rank is signature fraud to sign checks or withdraw money, forged payee namez, amount of check forgery and embezzling wages, tax income, or supporting funds, which is 8 percent of all cases.

The analysis shows that the Chief Executive of the SAO is the most accused position with 80 cases out of 102 cases. The next position is SAO Chief Administrator with 11 cases and the last position is Chief of Finance/Finance and Accounting officer with 8 cases.

The corruption cases of each province in the Northeastern SAOs where there have been allegations and complaints while under investigation (pending cases) by the NACC Commission during 1998-2013, only cases involving corruption in SAOs in all Twenty Provinces were analyzed. It was found that almost all the mentioned provinces had cases involving corruption except for three provinces, which are Nong Khai, Sakonnakhon, Buengkan. However, it does have any significance

since there were some corruption cases in Nong Khai and Sakonnakhon under the former province name.

In conclusion, corruption cases in SAOs, where there were allegations and complaints during the investigation (pending cases) by the NACC Commission during 1998-2013 are widespread in the Northeast with fourteen cases in Nakhon Ratchasima, nine cases in Udonthani, eight cases in Khon Kaen, eight cases in Roi Et, seven cases in Sisaket, six cases in Surin, six cases in Amnat Charoen, five cases in Ubon Ratchathani, NongBua Lamphu, Loei, Maha Sarakham, and Chaiyaphum, and four cases in Yasothon, Buriram, and Kalasin.

However, the researcher does not mean to conclude that provinces with a high number of corruption cases are the most corrupt since it also depends on political conflict factors. If there was a high rate of political conflict, there might be more complaints in the area or if agreementz were reached or if it is hard to prove, there might not be as many complaints to the SAOs or related organizations.

### **8.1.2 The Anti-Corruption Regime in Thailand**

Thailand's Anti-Corruption system can be described by its main characteristics as follows:

#### 1) Development of the Anti-Corruption System in Thailand

The NACC, an organization which is responsible for auditing has been posted as a centralized power with responsibilities for corruption cases. Since it is a centralized organization, delays in case investigations occur, especially in cases involving politicians, both at national and local levels, where those people are in the position for only 4 years. However the investigation takes longer than 4 years. Moreover, the offender can also be a political candidate again if the NACC has not reach a verdict or the case is still continuing.

The Organic Act on Counter Corruption B.E. 2542 (A.D. 1999), as amended by No. 2 B.E. 2554 (2011) Section 103/10, assigned the anti-corruption commission of the Provincial NACC committee, that there should be at least 3 members but not more than 5 members.

The Provincial Anti-Corruption Committee is obliged by duty to prevent and combat corruption offenses. In this regard, the Provincial committee must

create mechanisms to facilitate active involvement and public participation. The Provincial committee shall have a duty to establish mechanisms to encourage participation by people or in collaboration with stakeholders from all sectors in prevention and counter corruption. To this extent, the Provincial committee has to cooperate with the government sector to promote the values of honesty as well as to disseminate knowledge about the prevention of corruption. Also, the Provincial committee may propose corruption prevention recommendations, which would be useful to the fight against corruption, to the NACC. Additionally, the Provincial committee can lighten the workload of the NACC, for example, in the preliminary stage of conducting a fact-finding inquiry concerning allegations against a state official; gathering the preliminary evidence to inform the NACC for consideration; inspecting the accuracy and the actual existence of or the change of assets and liabilities of a person that has a duty to submit an account (showing particulars of their assets and liabilities) to the NACC. In this respect, the NACC shall set the criteria and procedures in relation to such duties for the Provincial committee to conduct.

## 2) Some Inspecting Organizations were Established in Order to be Political Tools

It was found that the inspecting organizations are all associated with legal issues and operational principles, especially the NACC Board, and the Office of Public Sector Anti-Corruption Commission (PACC) of the Ministry of Justice (MOJ). The law empowers the NACC board to have the authority to interrogate and diagnose whether the civil officials from the executives or the civil officers which resigned to serve as a director or equivalent, while the PACC is specifically responsible for the civil official corruption behaviors for those assigned to serve in positions under the executive, and civil officers in positions under the director and other lower positions.

## 3) Expenditure Budget of the Anti-Corruption System in Thailand

In conclusion, there are four main issues: 1) the 2013 Fiscal annual budget of 6 Inspecting Organizations: NACC, OAG, PACC, DSI, AMLO, Ombudsman, have been allocated a similar amount to a small ministry according to the statute of annual budget 2013. 2) It was found that the 6 Inspecting Organizations' allocations have been increasing every year, compared to some ministries who

received a smaller budget from the previous year such as the Ministry of Agriculture and Cooperatives, Agencies under the Ministry of Agriculture and Cooperatives in the fiscal year of 2012 . In 2013 is also decreased. 3) It was found that the Board of NACC received a high annual budget or close in proportion to that of the OAG. Apart from the OAG, the NACC still receives a higher budget than other organizations. 4) The annual fiscal budget of the Anti-Corruption System Commission in Thailand can be divided into two groups. The first group receive the fiscal allocation of over 1,000 million includes the Board of the NACC; the Office of the OAG, the DSI, and part of the reason is the size of the NACC and the OAG. As part of OAG, there are 15 regional offices and there are 9 Provincial NACCs and more offices continue to be located all over the country. By the year 2013, it is expected that the fiscal allocation will be higher than the OAG. The second group that receive the fiscal allocation of 200-300 million include the PACC, MALO, the Ombudsman Thailand, etc.

### **8.1.3 The Problems in the Anti-Corruption System and Corruption Resolutions in SAOs**

The overall view of the auditing system of local administrative organizations found that they now have a stronger auditing system. There is now an auditing system at the local, provincial, district and national levels. However, the research results showed that there are problems in the auditing system of local administrative organizations especially in the SAOs, in 3 levels as follows:

1) Auditing system issues at the Local Administrative Organization level

The study shows that the SAOs' Councils' are unable to take any actions in inspecting the administration sectors, because the Councils' power weak and, therefore they are unable to dismiss anyone but only propose a censure debate.

The internal auditing system and its auditors are unable to solve corruption problems since auditors do not have power to inspect executives. Moreover, the recent data at the end of 2013 reported that the SAOs in Ubon Ratchathani recently recruited internal auditors for 5 SAOs. These staff will be under the chief administrator of the SAOs. In general, the internal auditors are responsible for auditing and evaluating on management process and its outcome. Further, the staff

would audit the finance and accounting which has to be in accordance with the local legislation (Sub-district's legislation). Those who are internal auditors must expert in finance, accounting, and management.

The internal auditing helps to know the number of each section's duties, and the problems or weaknesses of each duty in order to seek solutions, but it is not related to preventing corruption; it is just a self-auditing. The internal auditor is each section takes control of the section's own weaknesses by observing, inspecting, and solving.

The chief executive of the SAOs' group, government officials, government employees, and staff who are the interviewees also agreed that elections can partly help filter the chief executive and members of the SAO Council. They did not deny vote buying but it was discovered that money is not an NSC to help candidates win the election.

Most spenders may not be elected. If there are complaints about a particular candidate, corrupt deeds or no work done, people would not choose that candidate even if he is supported by politicians. However, locals would carefully consider the family background of a candidate, his personality and traits, unlike in national elections in which locals have no chance to get close to the candidate and his background. It was also found that the auditing system that local politicians are afraid of is not the OAG or NACC, but the voters since they are afraid that they will not be elected again.

2) Auditing systems issues in local administrative organization, SAOs, district, and provincial levels

There was less consideration for district chief officers as the executives, officials, and employees of SAOs are getting stronger; besides, some SAOs' staff are in networks of national politicians so the district chief officers do not dare to monitor them because they are afraid of being transferred. The current situation on monitoring SAOs is reactive rather than proactive because the chief of the district office for local administration is not under the command of the district chief officer so that there is a lack of connectivity. Further, the district chief officer cannot punish an SAO directly. Penalties will occur when the board of the NACC has to reach a verdict; in fact, the district chief officer has the authority only to approve the

sub-district's legislation (local legislation). In the case of complaints, the district chief officer is able to call for the executives, employees, and documents to investigate and then report to the governor; additionally, it takes time to report those investigations to the NACC.

Moreover, the district has to rely on budget support from SAOs to operate various projects, especially during festivals and traditions because the district budget is insufficient. The result is only partial monitoring of SAOs.

Nonetheless, the governor and district chief officer, the district office for local administration and the provincial office for local administration cannot fully supervise local administrative organizations because the province and district still ask for extra budget support from local administrative organizations to carry out projects or activities.

Asking for extra budget support is against the role of the governor, district chief officer, district office for local administration and provincial office for local administration which are supposed to monitor local administrative organizations not to commit any corruption, but the district office for local administration and provincial office for local administration play the main role in being directly corrupt; for instance, ordering the operation of activities even when against the regulations or approving the SAOs' recruitment quotas without considering the needs and further expenses.

A problem for the NACC provincial office/ the Provincial Anti-Corruption Committee, Ubon Ratchathani is that it is only responsible for gathering primary evidence and basic facts or data and has to submit such evidence, facts or data to the central NACC. To investigate, the NACC would conduct all the investigation and it would take an action only if there are complaints.

Further, there is a shortage of officers and inexperienced officers are also a problem for the NACC provincial office and there is also a problem of selection for the Provincial Anti-Corruption Committee.

Verification by the OAG (Regional Special Audit Office No.5 Ubon Ratchathani) will be done annually. Only for the PAOs and the municipalities will the audit be annual. The SAOs will be randomly checked or checked only when there are

complaints since there are many SAOs. If the OAG found that there is corruption in local government, it will submit evidence to the NACC.

At the provincial level, there are several organizations that will serve an auditing purpose such as The Good Governance Commission (Provincial), The International Verification Authority, the Thai Government Watchdog, groups of local journalists, institutes of corporate good governance committees at affiliated institutions, etc. These organizations have no role in auditing government and there is much empirical work that some organizations have been set up to cater for political reasons. Some organizations have been set up to audit other organizations, but there is no law explicitly supporting organizations such as The International Verification Authority or the Thai Government Watchdog.

Some of these inspecting organizations have called for extra financial support from local government executives.

3) The auditing system according to national constitutional law requires that the NACC is the main organization to prevent and counter corruption in the bureaucracy of the country (political corruption and bureaucratic corruption). There are major issues affecting the prevention and countering of corruption such as serious delays in the investigation process and arriving at resolutions. Moreover, by the end of 2011, there are 9,166 pending cases. Finally, there is also a negative attitude towards local government as people are still not ready to govern themselves and the executives are often uneducated, Local government grows faster than its potential.

## **8.2 Research Outcome Discussions**

There are 7 articles related to this research as follows:

The first article is by Mazetti and Wilson (2007) regarding “Why Do Corrupt Governments Maintain Public Support?” The article addresses the issue of political corruption. The goal of this study was to examine the hypothesis that support for governments perceived as corrupt is inversely related to the strength of the democratic institutions, by using individual-level data combined with national-level data. The sample included 14 countries (all of the countries in the 1995 wave of the World

Values Study (WVS)): Argentina, Australia, Brazil, Chile, Finland, Germany, Mexico, Norway, the Philippines, Spain, Sweden, Taiwan, the United States, and Venezuela. These countries are located in several different regions of the world and represent very different levels of development and types of political system. Furthermore, this study brings empirical evidence to conclude that people in countries where government institutions are weak and patron-client relationships are strong are more likely to support a corrupt leader from whom they expect to receive tangible benefits by using survey data to demonstrate that support for statistical evidence is consistent with the hypothesis, which also complements some of the recent works on clientelism and institutional development. This has significant implications for scholars and practitioners working on democratic accountability and good governance issues because it shows that as long as corrupt leaders can satisfy their clientelistic networks by manipulating government resources, they are likely to retain political support. This, in turn, questions the assumption that a few administrative repatterns can weed out corruption in countries where formal and informal institutions provide opportunities for this phenomenon to thrive.

In conclusion, this study reflects an interaction between the public support, government institutions, and corruption through previous crooked actions from various cases. Significantly, it succeeded in demonstrating the limitations of government administration repatterns in both developed and developing nations that are ruled by democratic systems. Although the study addresses one piece of the key puzzle regarding the complex interaction among public support, government institutions, and corruption through the patron-client relationships frameworks, there is still considerable work needed to be done. Scholars and policy makers need to provide recommendations to countries struggling with issues of corruption and political reform, so the challenge remains to collect better data (Socio-economic, historical and cultural dimensions data should be collected) during longer periods (whose availability remains limited) so that empirical analyses can yield more precise and theoretically stronger insights on these crucial political issues.

Heywood (1997) explained that political competition is a major factor that leads to political corruption, which means that political competition will stimulate politicians and political parties to seek an income for the cost of political expenditures

which is consistent with the explanation of (Sangita, 1995), who found that the electoral competition, based on money and power as a source, led to political corruption in India. Furthermore, any nominee and replacement of positions in the bureaucracy as well as having too many laws and obsolete laws can also cause corruption.

The researcher noticed that the conclusion of Manzetti and Wilson, Haywood, and Sangita may not be entirely correct. The assumptions above may be correct for politics at the national level; in particular, the election may not be entirely accurate, but not with the elections of the local level where citizens are well acquainted with politicians.

The data were collected from the interviews of the Deputy Chief of SAO Group, Civil Officials, and employees in the local province. Information from the interview indicates that "buying votes" is not the main factor that can make candidates win the election. A competitive election at the local level is not as severe as at national level; in many local elections, there is only one candidate. Even though some try to explain that the intensity of competition makes some candidates try to raise money for buying votes, when one wins the election, he would be corrupt to get the money back. This is also not correct. If corruption is severe and causes complaints or if the auditing system has detected corruption or there is no obvious work as solid evidence, it is likely that in the next election, people would not choose him again. Corruption can occur but it must be in the condition that there is no public reaction against it, which affects a subsequent election.

Even though most people in society generally condemned it, they believe that the Chief Executives of SAO buy votes to win elections. Researchers did not completely reject such an hypothesis, but there is a debate that challenges this assumption from the result of an interview of 12 Chief Executives of SAOs, 4 former Chief Executives of SAOs, 4 Deputy Chiefs of SAOs, and 2 former Deputy Chiefs of SAOs as the biggest spenders in elections do not always get elected.

On the other side, the elections can help to screen the Chief Executives of SAOs and Members of the Council of SAO who may be expecting to be able to gain from corruption to some degree. The researcher does not deny that money exchanged for votes occurs, but it was found that the money factor is not a necessary condition or

a sufficient condition (NSC) that always won the election for candidates. For example, in Yang Yo Phap Subdistrict Administrative Organization, Muang Sam Sib District, Ubon Ratchathani Province, it was found that both parties bought votes, but the one who used to be the Chief Executive of SAO received a lot of complaints, so he was not re-elected, even though he spent more money than the competitors.

The researcher does not reject the hypothesis of Manzetti and Wilson, Haywood, and Sangita but it may not be entirely correct. It could not be denied that some politicians have to spend a lot of money in elections. In contrast, candidates who spend the most probably are not re-elected. If the candidate's background is not good, or people are bored, and they are local politicians rather than national politicians, money is not a factor anymore.

The researcher agrees with the third article of Drury et al. (2006) regarding corruption, democracy, and economic growth. In this article, using time-series cross-section data from 100 countries over a 16-year period it was found, rather intuitively, that corruption has a significant, negative impact on economic performance in non-democracies. With this unique contribution however, it is necessary to explore further these relationships by examining the indirect effects of democracy on economic growth. Scholars have long suspected that political processes such as democracy and corruption are important factors in determining economic growth. This article, however, shows that democracy has only an indirect effect on growth, while scholars generally accept that corruption has a direct and negative impact on economic performance. The authors argue that one of democracy's indirect benefits is its ability to mitigate the detrimental effect of corruption on economic growth. They attempt to enhance the understanding of the indirect effects that democracy has on economic growth.

Although their focus is on just one of these indirect effects, as is clear from the discussion below, it is substantively important and exists worldwide to varying degrees. They concentrate on political corruption, which is present in all systems, albeit at differing levels and are not the first to delve into the role that corruption plays with respect to economic growth. Although some argue that corruption has beneficial effects for an economy, they disagree, and while this disagreement is somewhat intuitive, some findings are unexpected and shed new light on the connection between

democracy and economic performance. It is expected that democracy will mitigate the negative effects of corruption since the electoral mechanism allows citizens to evict politicians that engage in particularly damaging patterns of corruption. Democracy, in other words, may exhibit no direct statistical relationship with economic growth, but it clearly serves to militate against the negative economic effects of corruption.

Although corruption certainly occurs in democracies, the electoral mechanism inhibits politicians from engaging in corrupt acts that damage overall economic performance and thereby jeopardize their political survival. Using time-series cross-section data for more than 100 countries from 1982–97, corruption is shown to have no significant effect on economic growth in democracies; non-democracies suffer significant economic harm from corruption. It is no great insight to proclaim that liberal democracies tend to be wealthier than non-democracies. Since the end of World War II, a great deal of scholarly effort has gone into exploring the relationship between economic growth and liberal democracy, with many pursuing an obvious explanation for their association, namely that democracy facilitates wealth by stimulating economic growth. While intuitively appealing, reality suggests the relationship is more complicated. Indeed, a number of studies find no direct, statistically significant relationship between democracy and economic growth, although democracy appears to have important indirect influences on growth, due to its positive effect on such things as educational expenditure, life expectancy, and political stability. This does not put an end to the matter, of course. It simply suggests that greater understanding is needed of the apparently symbiotic role played between the most robust system of government ever developed and the economic growth and efficiency that appear to sustain it. In sum, this article yields two positions. The first, more traditional and accepted position is that corruption has few virtues: it renders otherwise good government bad and bad government worse, it dissipates resources that could be used productively, generates sufficiently high transaction costs to limit significantly investment. The second view is that corruption serves to create an economic equilibrium in states that are excessively bureaucratic, rationalizing the weakest firms from the marketplace and substituting private-sector economic decision-making for that provided by the state. This second position is problematic

because it does not consider the incentive for all officials to get into the corruption game, the result of which is excessive taxation on productivity.

The fourth article is by Pereirs et al (2009) regarding “The Corruption-Enhancing Role of Re-election Incentives: Counterintuitive Evidence from Brazil’s Audit Reports” who posed two important empirical questions with significant normative implications. They asked, for instance, why would mayors run again for office if their crimes were made public? It also sought to examine the extent to which citizens tend to reward or punish corrupt practices when they are disclosed by watchdogs. Authors’ empirical findings lead to two important mixed normative conclusions regarding the quality of local democracy and accountability in Brazil. This article presents the State of Pernambuco, a panel of 184 Brazilian municipalities and arrives at very distinct conclusions on the governance-enhancing role of re-election incentives between 1997 and 2006. Other type of data come from the electoral operation undertaken by the audit institution during the electoral years of 2000 and 2004. Similarly, the data cover all municipalities in the state.

The large number of observations on all types of irregularity detected by the auditing institution allows them to test the corruption argument. Unlike the contributors, their focus is on corruption, not on the incentives for the provision of public goods. The data set covers the whole universe of municipalities and comes from a single professional auditing institution. Brazil is a good case for such a test because of the existence of a two-term limit for mayors in 2000 and 2004. By focusing on a single country, it would be better able to control for a host of other potential sources of variation of an institutional nature as well as other country sensitive factors. The institutional factors that could affect corruption include electoral rules, federalism, and separation of powers.

They view their findings as complementing existing theories on the effects of re-election commitments. These theories are a subset of a class of theories emphasizing that re-election incentives are primarily determined by the relative costs of corruption. Central to these costs are the degree to which voters are likely to observe corrupt practices, the likelihood of being caught, and the impact of the lack of credible commitments for the provision of public goods, prompting politicians to offer private goods and illegal patrimonial transfers.

The first conclusion is that when corruption is not likely to be detected and the pay-offs involved are very large, local politicians do not respond as the normative theory of democracy would lead us to believe. In other words, they do not align their interests with that of the voters. In fact, the opposite happens: Politicians may have an incentive to engage in corrupt practices when political competition is high (as would be the case of close electoral races), because offering voters these illegal transfers may enable them to stay in office. Moreover, politicians caught engaging in corrupt practices may have an incentive to seek re-election because they are best able to protect themselves from future sanctions from opponents if they are to remain in office.

The second conclusion is that although there is widespread corruption, citizens have been able to vote retrospectively, punishing local administrators who violate their mandates when investigations publicly reveal irregularities of those in office. This is particularly significant in electoral years. These conclusions suggest that enhancing the quality and quantity of information available to citizens is not enough to foreclose the incentive to commit crimes. Both functional audit works and law enforcement capacity are crucial. It remains to be seen how these aspects might emerge endogenously.

The conclusion of Carlos Pereirs, Marcus Andre 'Melo & Carlos Mauricio Figueiredo (2009) reinforces the proposal to solve the corruption issues in SAOs, Thailand. The summary above proposes that local politicians who are corrupt re-elected to serve another term. If society has the perception that politicians are corrupt, the public must acknowledge that corruption occurs and should receive a wide range of information. Therefore, the public will use the electoral punishment mechanism. However, an issue for Thailand is that the complaint investigation process takes too long so that some candidates whose cases are under appeal or in process can still apply as candidates for 2-3 more elections. Because the complaint that is alleged has not been proved at this stage it is neither corruption nor political persecution. For this matter the researcher proposes more decentralized power in the auditing system. The centralization of power at NACC results in a slow corruption resolutions mechanism. In terms of empirical economy analysis comparing between the principle (cost) (the risk of being caught/punished) to the compensation (money/benefits return from the

corruption) it was found that if the auditing system is ineffective, the offenders will not be anticipated because there is a lower risk of getting caught, which s it easier for the offenders to decide to perform an act of corruption.

The Thai articles that the researcher chose to discuss include the first article by Udom Rathamarit (2001) which investigates the political and bureaucratic corruption and its solution. This research shows that the process of corruption in the public sector is a matter of concern for many in the social, political and economic dimensions. Even nowadays, there is a huge effort to resolve corruption, but mainly as an attempt to resolve specific problem areas and thus may not cause the reduction or disappearance of this issue. From an economic perspective, corruption is a matter of gaining economic benefits. Reducing the amount of benefits by increasing production “cost” or by adding “value to see risks” is to be considered, or if there is a reason that anti-corruption is a matter of monopoly. To expand opportunities for competition, as much as possible, may fix the problem.

In terms of the social and political perspectives considering that corruption is a result of differences in the structure of classes in society; it is a matter of monopoly power in the Administration's welfare system. In order to solve the problems in the power of political sub-divisions and the distributions of resources, it is necessary.to instill new and correct values.

In a legal perspective, if you consider that the problem is caused by corruption that cannot be charged with an offense because there is a gap in the law, it is advisable to modify the law so that it is strong and clear.

The research components can divided into two content sections; the first section is to study the causes of corruption and the procurement structures of government, as well as the process of inspection, and the impact of corruption in the procurement process of government and to analyze the problems of, and the obstacles to, the prevention and suppression of corruption in government. The second part is the evaluation of all the studies to detrmine guidelines and proposals to correct the corruption discovered in the research.

1) When considering the overall legal enforcement that is being used in the current bureaucracy, discretion is used as a channel of corruption. For example, whoever is responsible for managing the budget uses discretion extensively in the

case of making political statements or approving procurement by means of a special law or, in the case that there is a limit to the auditing process regarding the standard of proof to prove the offense.

2) One obstacle to the prevention and suppression of corruption is the system that is currently used by both the internal audit system and the auditing of external organizations by independent organizations that does not have sufficient potential, both in terms of the efficiency of the personnel and the effectiveness of the organization to crackdown on criminals. To prevent fraud, there must be sufficient knowledge and understanding of the problems and corruption in each case. Officials who monitor require too long a period of investigation which delays the process. Bringing lawsuits makes the prevention and suppression of corruption problematic and inefficient.

3) In addition to addressing the limitations of the existing detection systems, for governmental systems another important solution could be to turn to the private sector to participate in the prevention and suppression of corruption, which researchers believe is a strategy that is the most important. Corruption may not be fixed, but if an action against corruption was limited to the public sector, particularly the government sector without the attention or participation of the public pressure. Therefore, the prevention and suppression of corruption should be expanded to the private sector enterprise, the mass media and the public as much as possible. It is the only way to build a network system to stop corruption in Thai society.

The researcher supports the study of Udom Rathamarit (2001), who believed that to solve the corruption issues in Local Administrative Organizations, it is necessary to correct the whole system of corruption, whether the auditing system in national, provincial, district or Local Administrative Organization levels. The public need to be participating in auditing politicians and accuse the local politicians of corruption and for not considering the projects prior to it being brought into the area by Ministries, Departments, Members of the House of Representatives. The SAO is just the end in of a system line that are required to ask for projects to put into their own portfolio.

The researcher insists on the argument that any effort to solve corruption only by solving a specific issue is not likely to diminish corruption much, especially in Local Administrative Organizations.

Finally, the articles that the researcher selected reflect the conceptual frameworks of Thai scholars who are trying to solve corruption issues by concentrating only on the aspect of laws, regulations, and rules, and furthermore, to change the governance procurement method. For example, the study of Khemruedee Vanikanikul (2003) focuses on the issue of the structure of corruption characteristics. The purpose of the research was to analyze the structure of corruption characteristics. The case study of the corruption and procurement of the governance aimed study the issues about corruption in government procurement by comparing the original procurement and e-Procurement and the tendency to reduce corruption by using an e-Procurement system.

The results showed that for the corruption issues in the procurement process with the original model, there is a problem of bidders colluding or conspiring together with a 51 percent price for the opportunity to receive information on procurement. 38 percent of the compensation is not official. However, with the e-Procurement system it was 38 percent, which reduces the price of compensation to an artificially low 20 percent.

Khemruedee Vanikanikul also concluded that the present e-Procurement system can cause problems with corruption, as reduced corruption opportunities will cause a change in the behavior of those involved at the same time, which results from the use of this system to create transparency, which produces a fairly competitive price. Reducing the illegal settlements and all prices artificially will result in a reduced total cost in the Government procurement process.

However, the researcher did not agree with Khemruedee who stated that it is accepted that the system e-Procurement can cause more difficult problems with corruption, but in the end, corruption can occur anyway. In particular, local government organizations that are trying to circumvent the rules, such as trying to pare down the budget limit projects to be smaller, so that they do not need to import the e-Procurement system or even by creating other forms of fraud. Scholars also have a scope that is too narrow; that is, a specific study on corruption issues in

procurement, while other studies have found that government agencies, particularly local government organizations have extensive corruption in several important aspects: only one group of corruption is in procurement. The second group of acts of corruption is the appointment (recruitment) of local government employees, and the third group is fraudulent actions and businesses whose interests overlap (Conflict of Interest).

The researcher does not agree with the study of Khemruedee in the regard that adopting the e-Procurement system might reduce the conniving (by colluding/ Co-Interest Bidder) issues by proposing quotations in the first period. However, the conniving in the quotation proposal process will still occur and may be even easier to process than the original procurement as mentioned. The resolution of corruption requires changing the whole system, as corruption cannot only be curbed in the procurement system alone.

### **8.3 Recommendations**

The proposed recommendations are divided into two aspects; the recommendations as policy implications to solve corruption in the Local Administrative Organizations (Subdistrict Administrative Organizations (SAOs)) and the academic proposals for further research.

#### **8.3.1 Recommendations Proposal “Policy Implications” to Solve the Corruption in the SAO**

From the result of this research, it is proposed that to solve the corruption issues in the SAOs in order to make it sustainable, the following important details should be considered,

- 1) The Counter Corruption System needs an urgently reformed by decentralizing the power from the office of the NACC to provide cover for other organizations that are in the local level/stage. Moreover, the organizations whose roles or duties are similar or overlapping should be merged into one organization, for the performance of duties to achieve greater efficiency and effectiveness. For example

there will be no redundancy, delay and wasted of resources in the performance of duties.

The researcher proposes the dissolution the Office of Public Sector Anti-Corruption Commission (PACC) of the Ministry of Justice and a merger with the National Anti-Corruption Commission (NACC). The Office of the Provincial NACC will be merged with the PACC in every province but the NACC will have to decentralize the power to investigate corruption cases and pass on these cases to other organizations that have the ability to perform this duty, for example law enforcement, the police, prosecutors, the courts, or the Office of Provincial NACC and the Office of the Auditor General of Thailand (Regional Inspector) in each province, in order to complete particular cases within its own province. Therefore, the corruption cases will not collect at the central NACC except for some important cases that might have an impact on the national level, The NACC may open some gaps in the law so that they can take such cases back to the main NACC to investigate and deliberate.

2) For the resolution of corruption in appointment examinations and appointee in SAOs, it is proposed that the Department of Local Administration join reliable academic institutions so that both parties will conduct all tests (Writing and Interview) with the power of authorizty to prioritize the candidates for the local governments. When the Department has conducted a recruitment examination, the results should be given to the SAO, so the alteration of the order of the candidates is not possible. Therefore, the SAOs with a shortage of personnel, through the Department of Local Administration, will be authorized to appoint candidates to those SAOs.

3) The government needs to allocate subsidies to the local administrative organizations directly at 35%. According to the law, subsidies should not be divided between the ministries, departments. The local administrative organizations should then be allowed to ask to synchronize projects because it creates possibilities of central corruption. In addition, local project are often inconsistent with local needs.

4) A time frame for the trial period of corruption cases is needed. For example, the corruption cases should have a 2 year limitation starting from the date of each case's complaint because in the final process, the NACC has to forward cases to

the prosecutors to file a commission order. If the process is delayed the case would take approximately 5-10 years, which will cause severe damage, especially in local administrative organizations where in some cases it was found that the Chief Executive of the SAO was already retired for many years, but the case had still not been sent to court to file an order because the NACC is not strict on the time limitation and causes delays. As a result, the new Chief Executive of the SAO would not have any concern, considering that the former Chief Executive of the SAO will not receive any negative consequences.

5) The 2006 coup affected the corruption resolution in local administrative organizations in the Northeast, which was disrupted for many years. Several cases of pending NACC lawsuits have been sent from provincial divisions for consideration by the NACC. The coup severely impacted the auditing system. The research results show that the resolution of corruption in the local administrative organization particularly for the SAOs can be achieved only by democracy. Even though there were allegations of bribery of voters in some areas by the Chief Executive of the SAO, this research indicated that the leaders / politicians who bribe voters without any empirical evidence of good performance or clearly performed corrupt behaviors, would not be re-elected for a subsequent term of office.

### **8.3.2 Recommendations for Further Research**

The recommendations for further research are as follows:

1) The study of the relationships between the public perceptions towards corruption issues and also the level of corruption in Local Administrative Organizations is needed. It would also be advisable to conduct research to determine whether increased local awareness of political and corruption issues would affect the selection of the management section (Chief Executive) in Local Administrative Organizations.

2) The study of issues, problems, and obstacles are needed in order to encourage participation in the auditing system by the people in Local Administrative Organizations at every level. In addition, a study of the regulations and laws / legal issues both contributing and not contributing to participation in the auditing system is advisable. The study of variables such as attitudes, culture, beliefs and factors that

affect the level of public participation in the auditing system should also be conducted.

3) The study of the anti-corruption system in Thailand as a whole system is needed. The strengths, weaknesses, cost-effectiveness analysis (CEA), outcomes and various obstacles of anti-corruption system reform in the bureaucratic system of Thailand to make it genuinely effective need to be assessed.

4) This research chose to study the Local Administrative Organization of SAOs, but the forms and behaviors of corruption might be different in Provincial Administrative Organizations (PAOs), City Municipalities, Town Municipalities or other special forms of Local Administrative Organization that are larger.(The City of Pattaya, Bangkok Metropolitan Administration (BMA)) Therefore, to study the forms and behaviors of corruption in larger Local Administrative Organizations is needed in order to compare the results with SAOs.

5) The study of related research from other countries is needed or in the case of Thailand, the results should be compared with other regions, such as, Southern, Western or Northern Thailand in order to gain an overview of the auditing system and corruption issues, specifically aiming at the analysis of cultural, social, political and economic factors.

6) The study of the forms of corruption, auditing systems, and problems in auditing process of the government sector in other regions compared to Local Administrative Organizations is needed such as the corruption in academic institutions from primary, secondary, vocational to higher level education (tertiary).

7) The study of legal issues and law enforcement is needed to contribute to development. Improving law enforcement is necessary to encourage efficiency effectiveness, and social equality, and avoid discrimination or the persecution of opponents.

8) A study of personnel, the viability of fiscal (monetary) policy, the duties of each positions in Local Administrative Organizations is necessary to determine the number of personnel proportional to the duties. Personnel viability should be determined including, process, method, and problems in appointment examinations or transferring/ receiving of personnel trade if the personnel level is

higher than necessary, which can unnecessarily increase the burden of the wage and salary budgets.

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