# CORRUPTION PREVENTION CONCEPTS: CONFLICTS OF INTEREST

Australian Government
Australian Commission for Law Enforcement Integrity

The mismanagement of, and failure of employees to declare, conflicts of interest may leave law enforcement agencies vulnerable to corruption.

ACLEI investigations have shown that the manner in which conflict of interest declarations are notified and recorded, and appropriate employee training and awareness, are important components of a successful conflict of interest regime.

## Conflicts of Interest

Managing actual and perceived conflicts of interest is an inherent requirement for law enforcement officers and public officials[1]. Similarly, the declaration of actual, potential and/or perceived conflicts of interest is a key mechanism used by many public sector agencies to identify the risks facing employees and their ability to effectively perform their duties[2].

The robustness of any conflict of interest declaration framework hinges on the ability of officers to recognise and report instances giving rise to potential or actual conflicts of interest.




Instances requiring declaration may include familial and social relationships, professional and personal associations, membership of certain clubs and organisations, and regular attendance at higher-risk locations where there may be a known or potential conflict.

ACLEI defines the personal/private nexus as the correlative relationship between the official duties of a law enforcement officer and the decisions/actions taken in their private/personal lives. Some decisions/actions taken may be inconsistent with the professional responsibilities of the officer and may heighten the risk of corrupt compromise of the officer and law enforcement operations.

Conflicts of interest may give rise to corrupt conduct where they are undeclared, concealed, understated, mismanaged or abused[3].

**What you need to know:**

### High risk area — the personal/private nexus:

Conflicts of interest can arise when officers are 'off-duty'. Decisions and actions taken by officers in their private lives may impact on their ability to effectively perform their duties and uphold the law[4]. For example, an officer engaging in the personal use of illicit substances is engaged in illegal activity and will likely be exposed to criminal entities to facilitate their behaviour[5].

Decisions and actions which run counter to an agency's integrity expectations may ultimately heighten the risk of corrupt compromise.

Secondary employment may also increase the risk of corrupt compromise due to actual or perceived conflicts of interest[6]. Officers engaged in secondary employment which draws on their law

[1] OECD 2005 - https://www.oecd.org/gov/ethics/49107986.pdf
[2] APSC 2009 - https://www.apsc.gov.au/sites/default/files/whoseinterest.pdf
[3] NSW ICAC 2019 - https://www.icac.nsw.gov.au/ArticleDocuments/232/Managing-conflicts-of-interest-in-the-nsw-public-sector_June-2019.pdf.aspx
[4] ACLEI 2019 - https://www.aclei.gov.au/corruption-prevention/key-concepts/glossary
[5] ACLEI 2019 - https://aclei.govcms.gov.au/sites/default/files/acl5508_personal_private_nexus_final_web.mp4
[6] QLD CCC 2018 - https://www.ccc.qld.gov.au/sites/default/files/Docs/Publications/CCC/Prevention-in-Focus-Conflicts-of-interest-2018.pdf

enforcement skills, knowledge, experience and access to information and methodologies may be at particular risk of compromise as the boundaries between their official duties and secondary employment may be blurred[7].

Using official resources for secondary employment, or engaging in secondary employment while on duty, are also likely to cause a conflict of interest[8].

Officers who are considering secondary employment should be mindful of the potential for conflicts of interest between their law enforcement duties and their other commitments, and seek advice and approval from their agency prior to commencing secondary employment.

## High risk area — relationships and associations

Criminal entities may seek access to law enforcement through intimate relationships, family connections, professional associations or cultural and social links[9]. Long-term relationships between law enforcement officers and members or associates of criminal organisations may represent a significant corruption vulnerability if they are not declared[10].

Criminal entities may attempt to compromise a law enforcement officer's loyalty to their agency by exploiting a relationship or association and creating a conflict of interest[11].

Undeclared relationships between work colleagues, particularly between an employee and the employee's manager, may give rise to claims of favouritism and nepotism[12].

Conflicts of interest may also occur where the parties to a relationship find their loyalty to one another is inconsistent with the integrity expectations of their agency[13], for example, in cases where one of the parties to the relationship engages in misconduct and the other party decides not to report it.

During an ACLEI investigation into a suspected inappropriate relationship between a law enforcement officer and a member of an organised crime group, it was determined that the officer initially self-assessed the relationship did not meet the threshold for declaration. While the officer ultimately declared the relationship, this only occurred after the officer became concerned for their safety and subsequently reported their concerns to their manager.

## High risk area – officers attempting to self-manage risk

Self-managing risk involves officers attempting to deal with integrity issues alone and failing to report matters or seek assistance through management or their agency's integrity framework. Self-managing risk exposes staff to compromise, and denies the employer the opportunity to understand, appreciate and deal with risk holistically[14].

Senior and experienced officers may be particularly vulnerable if they decide to self-manage conflicts of interest given their ability to influence agency decision making[15]. Undeclared conflicts of interest may add weight to allegations of improper conduct and bring the validity of key decisions into question.

## High risk area — ineffective notification, recording and training processes

Public sector agencies, including those in law enforcement, must maintain a suite of integrity measures to address the risks posed by actual and potential conflicts of interest.[16] However, corruption vulnerability may increase where these integrity measures are not fit for purpose[17].

For example, law enforcement officers should be made aware of potential conflicts of interest and their reporting obligations involving attendance at higher risk locations – that is, locations such as

[7] NSW Police Force 2016 - https://www.police.nsw.gov.au/__data/assets/pdf_file/0020/301475/10_COI_Procedures_437417_15Sep2016_.pdf
[8] ibid
[9] Strategic Centre for Organised Crime 2015 - https://www.gov.uk/government/publications/individuals-at-risk-of-being-drawn-into-serious-and-organised-crime-a-prevent-guide
[10] ibid
[11] Davids 2008 *Conflict of interest in policing: problems, practices and principles*. Institute of Criminology Press: Sydney.
[12] VPSC 2018 - https://vpsc.vic.gov.au/html-resources/managing-consensual-personal-relationships-practice-guide/2-conflict-interest-relationships/
[13] USQ 2018 - https://www.usq.edu.au/hr/empcond/conflicts/conflict-examples
[14] ACLEI 2019 - https://www.aclei.gov.au/corruption-prevention/key-concepts/glossary
[15] APSC 2018 - https://www.apsc.gov.au/sect-411-conflict-interest
[16] ibid
[17] ACLEI 2019 - https://www.aclei.gov.au/corruption-prevention/key-concepts/what-best-approach-early-intervention

licensed premises[18] and gyms which may be frequented by criminal entities seeking to establish social relationships for illegitimate means[19] [20].

Without the necessary infrastructure in place – including through the implementation of clear policy, regular training and appropriate record keeping[21] – agencies are at risk of producing a work environment which is perceived as both reluctant and unable to manage conflicts of interest. In turn, this may leave the agency and its officers vulnerable to corruption.

*ACLEI Case Study Example*

During an ACLEI investigation into the potential leaking of operationally sensitive information, it was identified that the officer subject to the allegation had failed to declare potential conflicts of interest in relation to their partner communicating with criminal entities at a high risk location.

The officer's involvement in the investigation of associates of these criminal entities placed them at increased risk of compromise.

The investigation also showed that the officer was likely unaware of their conflict of interest reporting obligations and may not have completed relevant conflict of interest training.

## What should you do?

### For agencies:

- Make it easy for staff to report integrity matters, including actual and potential conflicts of interest.
- Regularly remind employees of their obligations to declare conflicts of interest, particularly in circumstances where a failure to declare may lead to an increased risk of corrupt compromise.
- Ensure mechanisms for recording and reporting on conflicts of interest are fit for purpose – including by ensuring records are held centrally and confidentially.
- Make sure officer training and awareness programs remain contemporary and align with agency expectations regarding the declaration of conflicts of interest.

### For managers:

- Reinforce agency expectations regarding when and how conflict of interest declarations should be made.
- Consider the potential conflicts of interest which are likely to arise in your work area and take steps to minimise or mitigate the possibility of a conflict of interest remaining undeclared.
- Foster an environment where your team are empowered to ask questions, seek advice, and raise concerns.

### For employees:

- Trust the system and don't try to self-manage risk. It is your agency's responsibility to know and treat its risks - reporting an actual or potential conflict of interest to your agency as soon as possible will minimise your risk of compromise.
- Know where to go for help and advice within your agency – your integrity and professional standards area or your manager are good places to start.

### Further information and resources:

- Watch the ACLEI Corruption Prevention Concepts Video: Personal/Private Nexus
- ACLEI Corruption Prevention Posters: available for download from the ACLEI website
- ACLEI Case study: failure to disclose associations

[18] Queensland Police Service 2016 - https://www.publications.qld.gov.au/dataset/2370ab47-b1c2-4b71-bd61-9ff75099ae5f/resource/79db37f1-38a2-4602-bdfd-07af5dcabb1f/fs_download/submission7.2queenslandpoliceserviceinquiryarea7.pdf
[19] Australian Institute of Criminology 2014 - https://www.aic.gov.au/publications/tandi/tandi473
[20] ACLEI 2018 - https://www.aclei.gov.au/sites/default/files/corruption_prevention_concepts_-_protect_yourself.pdf?v=1549852655
[21] ICAC SA 2019 - https://icac.sa.gov.au/system/files/Troubling_Ambiguity_Governance_in_SA_Health.pdf



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