TOWARD AN EPISODIC PROCESS OF CORRUPTION:

AN ANALYSIS OF THE STATE INTEGRITY

RISK ASSESSMENT TOOL

by

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ABSTRACT

Objective: This dissertation evaluates and critiques a widely-cited scale that seeks to measure governmental susceptibility to corruption. The Center for Public Integrity in Washington, DC, formulated a risk assessment scale and then applied it to all 50 states. This dissertation examines that scale's conceptual, methodological, and statistical aspects and suggests ways to improve it. *Method*: The indicators from the assessment's scales are broken down conceptually, in terms of both historical and contemporary relevance, and the data are analyzed to determine their reliability and validity. *Results*: Many indicators used to assess risk of corruption are not justifiable conceptually or statistically. Deficiencies stem largely from simplistic and archaic understandings of how corruption occurs, as well as substantial problems of reliability and validity. For example, defining redistricting processes as a substantive predictor of corruption is untenable in a contemporary setting. *Conclusions:* Future risk assessment tools should be refined to place greater emphasis on procedures leading to corruption, while paying less attention to evaluating levels of transparency.

I. INTRODUCTION AND LITERATURE REVIEW

What is Corruption?

Recently, FIFA, the organization behind the World Cup, has seen many of its leaders come under indictment for scandalous behavior including bribe taking and vote purchasing in the awarding of Qatar with its prestigious soccer tournament in 2022. This is one recent example of prominent allegations of corruption that often characterize global news coverage, and FIFA now finds itself in the nefarious company of organizations like WorldCom, Fannie Mae, and the Thai government as groups that have been accused of being fundamentally corrupt. Corruption seems to be an inevitable part of coordinated human behavior, and while information technologies have given greater exposure to instances of it, it is not a new phenomenon. The particular means and reasons why specific governments, organizations and individuals have failed their stakeholders are various and complex, but the risk for corruption is present within all types of organizations.

Corruption has always existed, and history is rife with examples of its impacts, both positive and negative. Corruption itself is rarely beneficial to any save those who perpetrate it (Dreher & Gassebner, 2013), but it has been the catalyst for widespread positive social reforms. For example, the Protestant Reformation came about largely due to public perceptions of corruption within the Catholic Church, and efforts to refine anti-corruption efforts are ongoing throughout the world (Holmes, 2015). Given that history, it should come as no surprise that the definition of corruption has been subject to debate (Lessig, 2013; Noe, 2014), and our collective inability to agree on what corruption is has

substantially undermined efforts to control it. It is difficult to combat a problem that confounds specificity.

<div align="center">The Etymology of "Corruption"</div>

One useful approach for defining corruption is to look to the etymology of the word itself. As with many English words, "corruption" comes to us from the Latin, and its component parts "co" and "ruption" tell us important things about the concept. "Co" indicates mutual dependency among numerous actors, meaning that corruption, in whatever form it takes, requires more than one participant (Yue & Peters, 2015). This may seem obvious, but acknowledging the conspiratorial nature of corruption separates it from acts that are simply improper, immoral, or illegal. Corruption *can* be any of those things, but it retains particularity despite the diversity of its manifestations. The second part of the word, "ruption", derives from "rupture", which means a parting or schism. In this case, the rupture is between licit and illicit conduct. Thus, we see that "corruption" entails interdependent and often reciprocal participation in illicit behavior among at least two agents.

A further inference that one can draw from an etymological understanding of corruption is that, because the rupture referred to by the word is between licit and illicit conduct, corruption's existence depends upon the existence of legitimacy within the broader context of the environment in which corruption is perpetrated (Yue & Peters, 2015). What this means is that for practical purposes, the notion that corruption is timeless and immutable is untrue (Graycar & Villa, 2012) because what is considered corrupt depends upon what is considered legitimate at any given time and place. Corruption exists within an evolving social framework, and is beholden to advances in

government and law, and it has risen in prominence as our systems of government and communication have advanced.

To illustrate this point, it is not "corrupt" for a Mexican drug cartel to distribute cocaine to street level drug dealers in the US, because the objective itself is illicit. Contrast that with the hiring of one's brother-in-law over more qualified applicants for a position to see the difference between an act that is illegal, taking place in an environment of lawlessness, versus the abuse of an otherwise legitimate system of hiring. Nothing about filling a position is inherently illegitimate, but it is possible to use corrupt means to do so.

Corruption Defined

Having thus disposed of the notion of corruption as simple immorality or illegality, it is useful now to turn to more contemporary definitions. In modern scholarship, corruption is commonly defined as "the abuse of public office for private gain", and for most purposes, this is a practical definition (Graycar & Villa, 2012; Peisakhin & Pinto, 2010). However, by restricting corruption to the behavior of public servants and officials, this definition explicitly fails to encompass corrupt behavior on the part of private sector actors and organizations. This failure prevents understanding corruption as a potential feature of organizations of all stripes.

Further, the lines between "public" and "private" are becoming blurred in the contemporary American setting. For example, prison administration has traditionally been the purview of public officials and has been publicly funded. However, the advent and proliferation of privately administered prisons is an example of a public service being provided by private contractors, and this is but one instance of obfuscation among many

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(Holmes, 2015). Similarly, the notion of "private gain" can be limiting. A direct bribe paid for special consideration is an instance of corruption wherein obvious private gains are obtained; but decision makers can also use their discretion to illegitimately benefit their party or organization without reaping any direct personal benefits. It is reasonable to suggest that such behavior should still be considered corrupt even in the absence of individual enrichment.

So, corruption is best understood to be a phenomenon that is continually evolving and is codependent on legitimacy for its definition at any given place and time. Further, it requires more than one person to propagate corruption, and it involves seeking some benefit for either an individual or group via illicit means. Therefore, a functional definition of corruption is the illegitimate trading of one's position or authority to obtain personal or organizational benefits (Graycar, 2015; Piquero & Albanese, 2011), and that is the definition that will frame this research.

<center>Grand Corruption</center>

Having defined corruption as the illegitimate trading of one's position or authority to obtain personal or organizational benefits is a necessary first step, but definitions alone do not tell us very much about how corruption is perpetrated. In order understand corruption, it is necessary to describe its various forms. Because popular attention is drawn most toward instances of financial corruption on the part of societal elites, it may be useful to begin with the types of corruption that characterize those types of scandals (Graycar & Villa, 2012).

Sensational corruption cases most often fall under the category of what is known as "grand" corruption, involving high-level politicians and executives who do egregious

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things which entail widespread consequences (Graycar & Villa, 2012). Arguably, the case that was the impetus for much of the contemporary scholarship on corruption in the US was the Enron scandal of 2002, wherein high-ranking executives conspired with accounting firms to exaggerate the value of their assets and thus deceive stakeholders regarding the company's financial health (MacLennan, 2005). It is not the purpose of this research to recount the details of the Enron scandal, but the cogent fact was that loopholes in regulations were exploited in a systematic and deliberate way as a means of perpetrating a fraud on investors while enriching highly placed executives within Enron and its subsidiaries. What this indicates is corruption on a grand scale, the consequences of which were sufficient to erode consumer faith in regulators and accounting practices, to the point that industrial scale change was implemented, and the accounting practices of Wall Street were overhauled (MacLennan, 2005).

Grand corruption is necessarily the purview of elite members of organizations and governments, and it is difficult to envision lower level members of society being able to perpetrate corruption to the extent necessary to unbalance regulatory agencies and bring down multi-national corporate conglomerates (Graycar & Villa, 2012). However, despite the elite nature of the co-conspirators responsible for the Enron scandal (and others like it), their behavior was nevertheless the product of human culture and the interactions which inform and are informed by it (Ionescu, 2013). Specifically, the Enron scandal was made possible, in part, by the corporate culture and leadership structure that existed within the company at the time.

The essence of the Enron scandal was that a few highly-placed executives made decisions for the company which served to enrich the leadership financially while

bolstering their power within the organization via fraudulent business practices which ultimately destroyed the company and cost investors and consumers dearly. The result of the behavior of Enron's leadership was devastating to the organization and culminated in its effective destruction. One question posed by the Enron case, which entailed the dissolution of an organization following from executive decisions made by leadership is how such an outcome could happen. Plainly, the majority of Enron's employees were hurt by actions which had been orchestrated by a handful of powerful leaders, so how did the leadership's priorities come to diverge so drastically from those which were originally intended to guide the company?

<center>The Iron Law of Oligarchy</center>

One possible answer comes to us from the German social scientist and political theorist Robert Michels, who proposed the "Iron Law of Oligarchy" in 1915 (Shaw & Hill, 2014). The iron law of oligarchy has been among the more influential theories of governance to emerge from its period of origin, and it is relevant to understanding grand corruption. The iron law of oligarchy was envisioned as a means of explaining the behavior of Italian political parties which were active during the era of its formulation, and was an attempt to explain Michels' observation that, as democratic bureaucracies increased in complexity and size, they began to behave in less democratic ways (Shaw & Hill, 2014). In short, Michels observed that people came into power via democratic electoral mechanisms, then, once in power, behaved in ways that were inconsistent with the ideals of democracy.

Michels posited two things. The first component of his iron law was structural, and he claimed that as organizations evolve, a few professional leaders emerge who

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monopolize the decision-making processes in the organization. These leaders' influence

essentially invalidates the power that should be wielded by lesser authorities lower in the

organizational hierarchy. Hence, organizations often begin as democratic entities but

swiftly come to adhere to an oligarchic "rule of the few" instead (Leach, 2005). The

second part of the iron law is the organizational goal transformation which proceeds from

oligarchic control, specifically that the influential few will develop interests for the

organization that diverge from the interests of the wider membership (Shaw & Hill,

2014). For example, they will seek to cement their powerbase and perpetuate the

organization's (and thus their own) influence, causing the goals of the organization to be

altered from those which were originally intended. Essentially, highly placed bureaucrats

are motivated to perpetuate the organization however they may, potentially undermining

the group's original purposes.

Further, the iron law says that, once in power, organizational leaders are

reluctant to surrender their positions, and are privileged to have advantages over

challengers (McGovern, 2010). They can control the flow of information to the rest

of the organization, such that their own opinions are granted an implicit legitimacy *by*

their position, which has the effect of delegitimizing dissent. Further, those in power

can organize themselves more effectively compared to potential challengers, who

may come from different factions within the lower organization. Finally, oligarchs

benefit from the "apathy of the masses", which means that people who are lower on

the organizational hierarchy are either uninterested in challenging the existing power

structure or are grateful to the people who are currently in charge for whatever

successes have been achieved under their stewardship (McGovern, 2010).

Michels famously said that "whoever says organization, says oligarchy" (Michels, 1915), and while subsequent scholars have questioned the absolutism of his sentiment (Leach, 2005), his argument about oligarchy remains persuasive. If one is willing to accept that power concentrates at the top of bureaucracies while simultaneously becoming entrenched, it becomes easier to see how the Enron scandal and other sensational cases of grand corruption became possible.

The iron law of oligarchy indicates that corruption often characterizes the privileged sector (MacLennan, 2005), and it is a good starting point for discussing the causes of sensational corruption cases. Given the organizational nature of oligarchy, espousing an understanding of corruption that casts it only in terms of personal avarice or individual greed is shortsighted, and when we see powerful people utilizing corrupt means to propagate and expand their already vast powerbase, we find evidence of systemic and institutionalized attitudes favorable to corruption. Cultural and subcultural norms are a vital component of corrupt behavior, and the behavior of Enron is an example of the grand corruption that is popularly viewed as being most problematic for society.

Petty Corruption

While the grand corruption described above is the type most likely to garner headlines, it is by no means the only type of corruption, and grand corruption is also not the most widespread. Two other types of corruption are "petty" corruption and "state capture" corruption, and petty corruption is probably the type practiced by the greatest number of people (Graycar & Villa, 2012). Petty corruption describes instances in which low-level personnel commit minor corrupt acts as a means of evading consequences or

"greasing the wheels" of bureaucracy (Dridi, 2013). Bribery is a common manifestation of petty corruption, especially if the amount is small and the favor procured by it is minimal. There are countless examples of petty corruption, and the designation as "petty" is dependent upon the scale and stakes of the transaction.

State Capture Corruption

Another type of corruption is what is known as "state capture" corruption, and this refers to people who are not formally in power directing the mechanisms of power in such a way as to benefit themselves. Examples of this include business leaders who have politicians "in their pocket", or who may benefit from deals and contracts because of their informal and unofficial influence on political leadership (Graycar & Villa, 2012). State capture corruption is among the most insidious types of corruption, because it is even more clandestine than other types, and directly interferes with the functioning of government. Because of this, state capture corruption can have an especially pernicious effect on public trust in state institutions when it is exposed, and therefore represents an elevated threat to the rule of law.

Corruption in Rich and Poor Countries

It is reasonable to suspect that there are intersections between the foregoing types of corruption and the economic conditions favorable to them at the national level, and research has indeed shown that corruption of various types proceeds quite differently depending on the level of economic development prevailing in different parts of the world. Put simply, rich countries and poor countries do not experience the same types or levels of corrupt conduct on the part of their officials (Graycar & Monaghan, 2015). Despite citizens of both developed and underdeveloped countries reporting generally high

levels of perceived corruption, it is only in poor countries that citizens commonly report having directly experienced it. In developing nations, corruption commonly manifests in ways that disparately impact the poorest citizens, as they are often brazenly forced to pay more to participate in markets and obtain services (Graycar & Monaghan, 2015). This is not the case in wealthy countries, where corruption tends to consist of more subtle manipulations designed to advantage the societal elite.

In addition to economic factors, culture also impacts how corruption is perceived in different parts of the world. Just as corporate cultures can impact corrupt behavior, culture also impacts how victims of and participants in corruption understand their situations and justify their actions. That which is considered routine in Thailand would be shocking and egregious in the US, and so it is not advisable to draw equivalencies between corrupt conduct in the two countries (Graycar & Monaghan, 2015). Corruption must be understood as a local phenomenon because it is constrained by the societal and cultural norms of *places.*

<div align="center">Syndromes of Corruption</div>

The relationship of national wealth and development to corruption is a complex one, and difficult to parse. Notably, Michael Johnston sought to identify various "syndromes" of corruption which described linkages between things such as state power, economics, and social institutions to the kinds and levels of corruption prevalent in different societies (Johnston, 2005). Proceeding from the premise that impoverished and developing countries are rife with illicit opportunities in ways that wealthy countries are not, Johnston pointed out several distinctions between the two kinds of nation. For one, developed countries with market economies and democratic leadership are substantially

similar, but there is great variation in nations which are ruled by dictators and characterized by deprivation. Another is that developed countries took many years to reach the levels of transparency and accountability that their citizens now take for granted, and so the expectation that developing countries will be able to emulate them quickly is unrealistic (Johnston, 2005).

Johnston identified four syndromes of corruption, two applying generally to rich countries, and two applying more aptly to poor ones. In rich countries, the two syndromes which typically obtain are known as Mature States Corruption and Elite-Network-State Corruption. Mature States Corruption involves the trading of wealth as a means of influencing decision-making, which can be evident in lobbying. Elite-Network-State Corruption takes places when corruption is controlled by the most highly placed members in a society. Here, longstanding and entrenched social networks exist with the goal of maintaining the status quo and the social standing of the already powerful (Graycar & Monaghan, 2015; Johnston, 2005). A nation that purportedly suffers from Mature States (or Influence Market) Corruption is Japan, while South Korea is characterized by Elite-Network-State Corruption (Johnston, 2008).

In poorer countries, corruption is characterized with respect to two different syndromes. The first, Weak Transnational States Corruption, applies to nations which have recently been subject to substantial political and/or economic turmoil, which contributes to institutional insecurity and thus facilitates opportunities for corruption (Graycar & Monaghan, 2015; Johnston, 2005). The second, known as Weak Undemocratic States Corruption, applies to nations in which corrupt individuals have sufficient power to put the machinery of the state itself to personal use, which describes

countries ruled by dictators of various stripes (Graycar & Monaghan, 2015; Johnston, 2005).

Lobbying: Illustrating the differences between Rich and Poor Countries

It is important to understand the differences between rich country and poor country corruption because of the temptation that exists to draw erroneous equivalencies between the two, especially with respect to policymaking. To illustrate the gulf between developed nations and their less wealthy neighbors regarding corruption, it is useful to examine the phenomenon of lobbying (Graycar & Monaghan, 2015). Lobbying is a common, legal, and potentially essential practice in contemporary democracies, yet remains a clear corruption risk, in part because it intrinsically shares similarities with corruption. Indeed, the line between lobbying and corruption can be indistinct because both involve the exchange of favors, with some suggesting that lobbying "exists on the fringe of corruption" (Graycar & Monaghan, 2015, p. 590).

The fear among scholars and policymakers regarding lobbying is that it can easily morph into what is known as "gaming the system", which is a phrase that describes using legal means to subvert the rule of law to gain an advantage. Sometimes called "legal corruption", an example of gaming the system is when the water in West Virginia was heavily contaminated by the coal industry, whose influence was sufficient to undermine the careers of politicians who sought to regulate the industry. It is legal to lobby, but in this case, the influence of the coal producers on politicians was such that public safety was compromised (Graycar & Monaghan, 2015).

When one considers the undue influence on policymakers exerted by a given industry and its lobbyists, it is easy to see why this is a rich country issue. In developing

countries, especially those ruled by dictators or kleptocrats, there is no need to game the system because their authority is ubiquitous. Indeed, in India, lobbying is considered to *be* corruption (Gvozdecky, 2012).

The current research pertains the United States, and thus rich country corruption and the manifestations common to the developed world should be kept in mind going forward.

<div align="center">TASP: A Framework for Understanding Corruption</div>

Categories like petty, grand, and state capture are useful ways to classify corruption, but they fail to illuminate the various means by which corruption can be perpetrated, in the sense that classifications do not reveal anything about specific corrupt actions. Therefore, it is necessary to move beyond mere categorization to arrive at a framework through which to understand corrupt actions and the settings in which they occur. The TASP model, which stands for Types, Activities, Sectors, and Places (Graycar & Prenzler, 2013), is one such framework. The first segment of corruption, types, comprises the methods by which corruption is perpetrated, and examples of types include bribery, extortion, and cronyism. The second component, activities, describes objectives pertaining to a given corrupt behavior, such as purchasing, construction, or administration. The third component, sectors, speaks to which part of society corruption occurs in, and includes things like legal systems, corporations, military administrations, or state governments. Finally, instances of corruption should be thought of as having a spatial component, such that it can be analyzed with respect to regions, workplaces, countries, etc. (Graycar & Prenzler, 2013).

Types of Corruption

Bribery and extortion are among the most common types of corruption (Dridi, 2013; Graycar, 2015), which can be used in furtherance of petty, grand, or state capture corruption. For example, it is not hard to imagine an average citizen paying a small bribe to escape minor consequences, but neither is it difficult to see the utility of bribery on a larger scale while pursuing grand or state capture corruption. While common, bribery and extortion do not encompass all corrupt conduct (Dai, 2013), and it is useful to have some understanding of types of corruption that extend beyond simple bribery. In corruption that is aimed directly at personal financial gain, fraud and graft are also common. Fraud, essentially, is trickery which aims to relieve someone of assets so as to assume control over those assets (Dai, 2013), while graft is using official political power to expand personal financial holdings (Dai, 2013; Georgiev, 2013). Each of these activities vary in the specifics of how they are perpetrated, but all are common tactics employed in corrupt stratagems.

There are also a pantheon of corruption types that are less explicitly illicit, but arguably equally deleterious, and these are employed on a more routine basis and are subject to much less official and scholarly scrutiny (Dai, 2013). Routine types of corruption, as they might be called, are nepotism, clientelism, and favoritism. Nepotism generally refers to giving preference in contracts or hiring to relatives, and is not viewed as especially deviant, save by those who are excluded from opportunities because of it. Clientelism describes an exchange whereby goods and/or services are traded for political support, and which benefits all participants to the detriment of those who are excluded. Similarly, personal favoritism and preferential treatment exist when benefits are extended

to friends or allies, and instances of these behaviors are also often not seen as explicitly

illicit (Dai, 2013).

<div align="center">Corrupt Activities</div>

Having briefly discussed various types of corrupt conduct, it is necessary to

explore the activities in which corruption can flourish. "Activities", in this case, refers to

the enterprises in which corrupt tasks can be perpetrated. For example, if bribery is

considered a corrupt task, it needs to be performed in the course of some activity.

Activities that can be pursued in a corrupt manner include purchasing, construction,

licensing, and administration, among others. Obviously, those activities are not

inherently corrupt, and are in fact necessary facets of organizational behavior, but they

are also actions which are typically prone to accommodating the tasks of corruption.

<div align="center">Sectors of Corruption</div>

Having thus described corruption as consisting of various types which are

perpetrated in pursuit of given activities, it is beneficial to remark upon the most common

sectors in which corruption flourishes (Matei, 2013). As the Enron and WorldCom

scandals illustrate, one sector of corruption is within private enterprise (MacLennan,

2005), and to detail the myriad examples of private sector corruption is well beyond the

scope of this paper.

However, public sector corruption is marginally easier to comment upon, as it can

be more easily broken down into subsectors that are commonly associated with corrupt

practices. One sector of public corruption exists at the tax collection level, and while this

sector for corruption is not among the most problematic in the US, tax collection provides

lucrative opportunities for corrupt actors abroad (Matei, 2013). Many countries' tax

regulations are such that official tax officer participation is required to exact the "correct" amount of taxes from citizens and business owners, which fosters the possibility of illicit gains being sought by those officials (Matei, 2013). This sector for corruption is one of historical significance, as public animosity for tax collectors is a stereotype, which is largely owing to suspicions that tax officials pocket the money that they collect.

Public procurement is another public sector that frequently plays host to corruption. Public procurement is when a government agency contracts with a private company to provide goods or services (Matei, 2013). This arrangement is one that is susceptible to corruption, as bribery is often the engine that drives the selection of which company's bid is selected by the government, especially in underdeveloped and developing nations (Matei, 2013; Vogl, 2012). Corruption in public procurement resembles state capture corruption in that one of its dangers is the erosion of public trust in government. Corruption in public procurement bears directly on assets conferred by governments on private enterprises, and if those transactions are suspect, the perception of state legitimacy is likely to suffer (Matei, 2013).

Corruption in Places

Understanding the tasks, activities, and sectors of corruption is necessary, but there are geographical and spatial components to be considered as well (Lash & Batavia, 2013). Corruption, like all deviance, is something that exists in time and space, which is the final component of the TASP framework. This can refer to specific workplaces or offices in a micro sense, but corruption can also be analyzed at the level of counties, states, or nations. Corruption can also be transnational (Lord, 2013), but there are always geographical components to consider.

In short, corruption is a phenomenon that requires multiple actors for its commission, who collude with one another for mutual benefit in such a way that their influence or position are traded upon in an illicit manner. Further, various types of corruption exist, which are used in furtherance of corrupt activities in diverse sectors, and which can be studied spatially.

Corruption Research

The Measurement of Corruption

Having recognized that corruption is a potential feature of various tasks and activities, which are set specifically in sectors of society and depend in part on spatial considerations, it is necessary to make some attempt at quantifying corruption. Unfortunately, corruption is difficult to measure (Goel & Nelson, 2011). As has been discussed, pinpointing a definition for corruption is difficult, and concepts which are difficult to define are also difficult to operationalize.

Attempts to measure corruption are most often reliant upon criminal convictions and measures of public perception, both of which entail reliability issues. For example, measuring corruption by looking at criminal convictions suffers from the same liability that measuring any crime through conviction data is subject to, namely that only crimes that are brought to the attention of authorities can be included in the analysis (Goel & Nelson, 2011). Corruption measures that depend upon surveys of the public seek to mitigate the limitations which follow from reliance upon official statistics, but public perception of corruption is obviously distinct from corruption itself (Ionescu, 2013). A third category of corruption research uses experiential surveys, which ask participants about their own experiences of corrupt conduct rather than what their general perceptions

of corruption are (Holmes, 2015). Experiential surveys of corruption are also imperfect, however, as they are prone to the same recollection and reliability issues related to respondent honesty that attend any survey-based methodologies.

Despite these issues pertaining to common methodological attempts at quantifying corruption, perception surveys, experiential surveys, and investigation/conviction Figures remain the best means we have of understanding its scope. Corruption is clandestine, and often benefits all participants. Thus, there is often no reason for participants in corruption to divulge their involvement (Holmes, 2015), and therefore there is no reason to expect or demand the direct quantification available for crimes like burglary or car theft. Corruption is far from a victimless crime, but the participants in it are not always or even usually among its victims.

The Importance of Corruption Quantification

Ultimately, the importance of quantifying corruption outweighs the limitations of attempts to do so. Measuring corruption is crucial for two reasons. One, the relative presence or absence of corruption serves as a barometer for how well a government is functioning with respect to serving its citizens (Graycar & Prenzler, 2014). If corruption is rife within a nation or society, governance is likely to be inefficient and potentially abusive. The second reason that accurate measurement of corruption matters is that, in the absence of such measurement, it is impossible to institute and evaluate the effectiveness of anti-corruption legislation and policies. As will be outlined shortly, efforts to contain and combat corruption have been ongoing for centuries, and those efforts depend on advancing the quantitative study of corruption, which in turn relies upon researchers continuing to innovate.

The Generational Concept of Corruption Measurement Tools

It must be stressed, at this point, that corruption research currently exists in a primitive state relative to other types of crime research (Holmes, 2015), and it is beneficial to think of the state of corruption research as having progressed with respect to three "generations" of measurement tools (Graycar & Prenzler, 2014). Proposed in 2011 by Heinrich and Hodess, the generational concept of corruption measurement tools classifies efforts to study corruption over the past two and a half decades, with the first qualifying measure appearing in 1994 (Heinrich & Hodess, 2011). The first generation of corruption measurement tools is posited as having had the goal of "putting corruption on the map" (Graycar & Prenzler, 2014; Heinrich & Hodesss, 2011). Efforts to put corruption on the map were undertaken by Transparency International, with their Corruption Perception Index (CPI) first being compiled in 1994 (Heinrich & Hodess, 2011). Following from that, the World Bank's Governance Indicator (WBGI) was first released in 1996, and contained measurements of corruption control efforts. Both indicators utilized common methodologies, including public perception surveys, interviews with businesspeople, and expert ratings to quantify how much corruption existed within various countries in order to provide a basis for international comparisons.

The First Generation of Corruption Measurement Tools

The first generation of corruption measurement tools was largely successful in achieving its aim of drawing the attention of policymakers and academics to the problems of corruption, but scholars took issue with its methodological reliance on perception surveys and also questioned whether the aggregation methods were appropriate to the task at hand. Essentially, some segments of the studies' audience were dubious as to

whether the methodologies were sufficiently diverse and robust to justify the conclusions of the research (Heinrich & Hodess, 2011). Further, the mission of drawing attention to corruption as a damaging phenomenon was, though necessary, not an especially auspicious or sophisticated goal. Given the methodological questions attendant to and the modest objectives of first generation corruption measurement tools, a new wave of research sought to expand upon earlier work, and the second generation of corruption measurement tools followed.

The Second Generation of Corruption Measurement Tools

The second generation of corruption measurement tools expanded the methodological focus of the field to include the experiential surveys mentioned earlier to validate the results of preceding perception studies (Graycar & Prenzler, 2014; Heinrich & Hodess, 2011). The goal of second generation measurement tools was to "benchmark corruption across time and place", and researchers focused on evaluating the level of transparency, accountability, and anti-corruption measures taken within countries in addition to their use of experiential surveys (Heinrich & Hodess, 2011). The overarching purpose of this generation of measurement tools was to determine the extent to which people's experience of corruption was consistent with their perceptions of it. It is important to know how people feel about corruption levels, but it is more important to know how accurate those feelings are.

The Third Generation of Corruption Measurement Tools

Corruption measurement tools of the first and second generations have been largely fruitful in their respective attempts at drawing attention to corruption and allowing us to benchmark its pervasiveness across time and place. The third and current

generation of corruption measurement tools seeks to build upon those successes by shifting emphasis to corruption risk within local settings (Graycar & Prenzler, 2014; Heinrich & Hodess, 2011). Earlier corruption research was substantially concerned with corruption and its risks within countries, and prioritized international comparisons. Contemporary work continues to investigate corruption at the national level, but the focus is increasingly on smaller units of analysis. Clearly, corruption is a complex phenomenon, and the nuances of corruption risk can be obfuscated if research focuses too heavily on national aggregations.

In addition to prioritizing smaller units of spatial analysis, third generation corruption measurement tools embody a philosophical shift from their forebears. Specifically, early corruption research was explicitly informative, and was not overtly driven by advocacy. While it is undeniable that corruption measurement tools of any generation are driven, in part, by the motivation to combat it, third generation tools make advocacy an explicit priority (Henrich & Hodess, 2011). In short, the goal of contemporary corruption research is not simply to inform, but to reform.

There are numerous iterations of corruption measurement tools which can be considered part of the third generation, and so the most useful way of compartmentalizing them is to look to their units of analysis. Frequently, *institutions* are looked at in detail, with an eye toward understanding how governmental institutions interact with one another to promote or constrain corrupt practices. *Legislation* is also a common unit of analysis for third generation corruption measurement tools, since laws and policies need to exist and be implemented in order to combat corruption. *Governmental subsystems* comprise a third unit of analysis for current corruption research, and focusing on things

like public procurement or campaign finance can contribute to our understanding of how corruption occurs in practice. Finally, various sectors of society are examined using current corruption measurement tools, including public and business sectors, service delivery, and things like transportation and forestry.

The most recent research on corruption utilizes more advanced methodologies than earlier efforts to "put corruption on the map", but the effectiveness of assessing risks for corruption depends upon the local settings themselves. No level of methodological sophistication can overcome an environment that is antagonistic to the goal of exposing and eliminating corruption. For corruption risk to be measured and mitigated, it is first necessary that there be some political will to do so, and then that prevailing systems of governance have at least a modicum of existing transparency. Recall that policy advocacy is at the heart of contemporary corruption research, and therefore the third generation of measurement tools cannot succeed in the absence of public support for them.

The Harms Inflicted by Corruption

The Scope of Corruption

Irrespective of which generation of research one looks to, the findings of researchers indicate the common belief that nearly all public institutions are corrupt (Ionescu, 2013), though more developed nations report less mistrust of public institutions. The finding that public institutions are commonly perceived as corrupt is troubling, particularly considering the impact that the perception of corruption has been shown to have on corrupt behavior itself. Research has suggested that the perception of corruption as being widespread in society increases the likelihood that civil servants will behave in a

corrupt manner (Johannsen & Pedersen, 2012). In other words, people can become desensitized to corruption to the extent that their own ethics are compromised.

Arguably the most prominent organization dedicated to global research on corruption is Transparency International, and beginning as part of the first generation of corruption research, they utilize various metrics to evaluate and rank countries along a continuum of corruption. Their findings are likely the best reference for understanding corruption on a global scale (Lash & Batavia, 2013). The Transparency International corruption scale ranges from zero to ten, with zero being highly corrupt, and ten being highly clean (Lash & Batavia, 2013). Transparency International claims that 57 of 178 countries suffer from serious corruption, while 73 of 178 experience *rampant* corruption (Lash & Batavia, 2013). As a point of reference, Denmark is ranked as the least corrupt country in the world, while the US is the 19th least corrupt. Somalia, Afghanistan, and North Korea are all tied for the most corrupt country in the world by Transparency International (Matei, 2013).

The Financial Cost of Corruption

Corruption is a widespread phenomenon that takes diverse forms throughout the world, but to understand why its proliferation matters, it is necessary to know about the various harms that corruption inflicts. Just as corruption as a crime is often conceptualized as being financial in nature, its costs can also be quantified financially. Corruption is often claimed to be an epidemic, and that diagnosis is supported when we associate dollars with the harms caused by corruption. For example, corruption in the worldwide construction industry costs approximately 340 billion dollars annually, and that is a Figure that is restricted to a single industry (Tabish & Jha, 2012). Extrapolated

to encompass the overall financial cost of corruption, it has been estimated that corruption entails a financial cost of approximately $2.6 trillion annually (Sikka & Lehman, 2015).

The financial costs of corruption exacted by inefficiencies and poor service delivery are also virtually incalculable on a global scale, but data from the US indicates that the cumulative costs of local government corruption are substantial, to say nothing of national government corruption. Local government corruption is estimated to cost approximately 550 million dollars annually in the US alone (Ionescu, 2013). Bearing in mind that the United States is among the twenty least corrupt nations in the world (Matei, 2013), the costs of local government corruption worldwide is obviously massive.

Further evidence of the prevalence of corruption can be found by examining the fines paid by corporations that have been found guilty of corrupt business practices. For example, in 2012 alone, corporations such as Wal-Mart, Johnson & Johnson, DaimlerChrysler, IBM, and Monsanto (among others) paid more than 250 million dollars' worth of fines to the SEC stemming from corrupt business practices (Choudhary, 2012). It is necessary to bear in mind that that Figure represents fines paid out during a single year which were levied by a single regulatory body in one country. Further, the companies paying those fines were not obscure fraudsters operating from within the shadows of underdeveloped nations. The companies mentioned above are some of the biggest, best known, and most influential corporations on the planet, and the list included here is far from comprehensive. While it may not be possible to assign a precise Figure to the total global financial cost of corruption on an annual basis, the facts that we do

have are damning. It is inarguable that corruption entails enormous economic costs to nations around the world.

<div align="center">The Impact of Corruption on Wealth Building</div>

Framing the harm caused by corruption in financial terms is a good way to begin a discussion of the consequences of corruption, because doing so is an effective way of making the issue concrete. However, the opportunities that corrupt infrastructures rob citizens of is also an important point to consider (Us Swaleheen & Stansel, 2007). Economic growth, investment, and corruption are said to be jointly determined in the sense that each of the three variables impacts the other two (Us Swaleheen & Stansel, 2007). This is a complicated relationship to parse, but many scholars point out that more corrupt nations also suffer from poor economic growth, which is partially attributable to reluctance on the part of investors to risk their capital in highly corrupt environments (Ionescu, 2013; Lash & Batavia, 2013).

In addition to impeding economic growth on the national level, high levels of corruption are also correlated with impeding the acquisition and accumulation of personal wealth (Ionescu, 2013). Increasing personal prosperity is obviously a motivation for participating in corrupt activities, but when sufficient numbers of people do so, the per capita effect is to reduce the rates at which personal finances grow (Ionescu, 2013). So, between costing corporations and governments untold amounts of money in lost efficiency and fines, and impeding both national and personal economic growth, corruption carries a heavy financial cost globally.

Corruption and Governance

However, despite the clear and enormous financial costs associated with it, it is certain that corruption harms governments in even more fundamental ways. For example, confidence in the state is undermined by corruption, and focusing only on the economic consequences of corrupt conduct ignores its impact on governance (Ionescu, 2013; Vogl, 2012). When public trust in state institutions is undermined by corrupt practices, the rule of law and the state's legitimacy are both called into question. Frequently, the enforcers of the rule of law are often the ones soliciting and accepting bribes, and their conduct is in turn often reflective of that of their superiors. Corrupt leadership at the higher levels of government thus impacts the conduct of lower level representatives of the state (Tabish & Jha, 2012). Widespread mistrust of governments and skepticism regarding their legitimacy could serve to further destabilize governments, which in turn could make conditions ripe for yet more corruption. It is possible, then, that after sufficient harm is done to the state by corruption corroding public trust, that a self-sustaining cycle of escalating corruption and diminishing governmental effectiveness could threaten the viability of entire nations.

The Humanitarian Cost of Corruption

The cost in dollars and public trust that governments incur due to corruption cannot be overstated, but even such enormous costs as those may pale in comparison to the cost in human lives and suffering that corruption inflicts upon nations in which it runs rampant (Vogl, 2012). Corruption is responsible for widespread death, and some have gone so far as to classify it as a crime against humanity because of its impact on citizens in underdeveloped countries (Vogl, 2012). The people of The Democratic Republic of

the Congo, for example, have suffered 5.4 million deaths that resulted directly from local warlords contracting with businesses for access to the mineral wealth of that country (Vogl, 2012). Those contracts were not subject to any oversight, and represent corruption on a grand scale (Graycar & Villa, 2012), as they effectively diverted the wealth of a nation into the pockets of criminal oligarchs. The absence of that wealth has caused starvation, a lack of medical care, and contributed to a sufficiently chaotic environment that millions have died of disease and starvation while thousands more have been raped (Vogl, 2012).

The problems of underdeveloped nations are most typically thought of as stemming from lack of access to things like clean water, food, and medical care. What is frequently ignored in scholarly literature and popular culture is the fact that the suffering of those countries' people is largely attributable to aid being diverted into the private accounts of the "public servants" who are responsible for its provision (Vogl, 2012). In other words, more prosperous countries routinely seek to relieve the suffering of people living in less developed nations, and those attempts go for naught because the aid provided is stolen by corrupt officials within governments, leading to hardship and death that would not exist in the absence of their corruption (Vogl, 2012).

Another often unremarked cost of corruption is the connection between corruption and human rights abuses (Vogl, 2012). Some of the most downtrodden and victimized populations in the world are citizens of resource wealthy countries such as Angola and Myanmar (Vogl, 2012). Angolans and Myanmarese live in squalor and deprivation because of corrupt governments that ensure that their countries' wealth is funneled into personal accounts. What is worth noting here is that a non-corrupt (or a less corrupt)

government would ostensibly be able to amply provide for these people, but corruption ensures that widespread suffering will persist (Vogl, 2012).

A consequence of entrenched, high-level corruption is that leaders who wish to steal from their countries fear exposure and citizen revolt, and therefore strip their citizens of human rights and attempt to stifle free expression so they can persist with their graft. This leads to further exploitation, and again we find evidence that a self-sustaining cycle of corruption is a tangible risk once corruption becomes institutionalized to a sufficient degree (Vogl, 2012). Rampantly corrupt governments rob their people of not just money, but also of food, medical care, and basic human rights. In this way, corruption is not merely a financial crime. It can be massively harmful to citizens in a *physical* sense, and to understand the cost of corruption, it is necessary to acknowledge that one way to measure that cost is in human life (Vogl, 2012).

Corruption Cost Conclusion

Corruption entails high costs, across a variety of different measures. The financial cost of corruption around the world is so vast as to be incalculable (Ionescu, 2012), and takes place at all levels of government and throughout the private sector. Government corruption threatens sustainability and stability, and can be said to "profane the rule of law itself" (Giorgiev, 2013) by destroying citizen confidence in the legitimacy of governments. Further, human rights violations frequently follow in the wake of widespread corruption, and highly-placed criminals within the governments of underdeveloped nations have contributed to millions of deaths, thousands of rapes, and immense human suffering (Vogl, 2012). The reason that corruption research matters is because corruption inflicts catastrophic harm, globally.

The Fight against Corruption

The Department of Investigation

Given the enormous costs of corruption and its pervasiveness throughout the world, it is not surprising that efforts to combat it have been ongoing since at least the 1870s. One of the oldest anti-corruption agencies is the Department of Investigation (DOI) of New York City, which was established in 1873 to act as a watchdog on the city government of New York (Graycar & Villa, 2012; Hearn, 2011). The DOI was created in response to city official William Boss Tweed and the pervasive corruption that he fostered during his time in office. Adjusted for inflation, Tweed bilked the city out of approximately $200 million dollars through various corrupt schemes, and the DOI has been active since bringing Tweed to justice (Hearn, 2011).

The DOI currently operates with an annual budget of approximately $20 million dollars, and is comprised of over 200 full time employees, including New York City detectives (Hearn, 2011). The DOI has jurisdiction over all city agencies, employees, officials, vendors, and anyone receiving benefits from the city. Also, DOI agents can employ expanded investigatory powers, including the power to perform background checks and to issue subpoenas (Hearn, 2011). DOI agents can confiscate the books of any city agency and provide witnesses with immunity. Further, their existence as a "charter" agency within the city government prevents the possibility of the DOI being disbanded, save by mayoral and city council consensus (Hearn, 2011).

New York City's response to corruption in the 1800s has proven to be an effective one in the intervening years, as the DOI has flourished in the decades since, and has expanded its reach and power throughout that time. Further, the DOI has ramped up its

efforts in recent years, and has demonstrated quantifiable results in their fight against corruption. For example, in the past twenty years, the DOI has made over 6500 arrests, but what is more notable is that over 4000 of those arrests have been made *since 2002* (Hearn, 2011). It is likely not a coincidence that the marked increase in the numbers of arrests coincided with the Enron scandal and the increased public scrutiny of corporate and public officials that attended it. In terms of financial impact, the DOI recovered $27 million in stolen assets in 2009 alone (Graycar & Villa, 2012).

The Foreign Corrupt Practices Act

In addition to the local corruption enforcement in NYC, combatting corruption has become a higher priority for the US Department of Justice in recent decades as well (Witten & Koffer, 2009), and that priority is pursued largely by prosecuting violations of the Foreign Corrupt Practices Act of 1977 (FPCA) (Choudhary, 2012). The FCPA was enacted as a response to international corporate bribery, which led to funds not being accounted for and was used as a means of swaying foreign governments.

The reasons for the enactment of the FCPA were many, and one argument in favor of it was that the international bribery taking place was hurting business by creating an environment that rewarded corruption over efficiency. Companies were profiting by bribery rather than by delivering quality products at reasonable prices, which served to undermine confidence in the free market and resulted in cumulative damage to the US economy (Choudhary, 2012). Also, corruption was alleged to force ethical companies to lower their standards to remain competitive, and widespread bribery had effectively altered the marketplace in such a way as to prevent the best companies from being the most successful (Choudhary, 2012). Finally, bribery was thought to make US companies

look bad to foreign investors, and so the FCPA was enacted to eradicate the international

corporate corruption that was prevalent at the time.

The FCPA sought to combat international corporate bribery by forbidding

corporations from giving anything of value to a foreign government official for the

purposes of maintaining or expanding business, and its jurisdiction extends beyond

American companies to any company that sells stock in the United States (Witten &

Koffer, 2009). Further, businesses are mandated to maintain accurate accounting records

of their transactions and to have an auditing process in place to detect violations.

The FCPA was and remains a useful tool for the US Department of Justice to

detect and prosecute corrupt corporate activity, but it is not flawless. For example,

exceptions to the FCPA proscriptions against payments to foreign officials apply if they

are made for things like permits, visas, and cargo shipments, and it is possible to

circumvent the Act by manipulating bookkeeping (Witten & Koffer, 2009). Further,

payments and gifts that are lawful within foreign governments are permitted within the

FCPA, as are expenses relating to marketing.

Violations of the FCPA carry stiff penalties. The parameters of criminal

sanctions are up to $2 million for each instance of bribery, while individuals can face

fines of over $5 million and face up to twenty years of incarceration per violation (Witten

& Koffer, 2009). In part because of expanded use of the FCPA, anti-bribery prosecutions

in the US and elsewhere increased 400 percent between 2000 and 2009, and hundreds of

millions of dollars' worth of penalties have been levied against companies found to be in

violation of the Act (Witten & Koffer, 2009).

Enforcement of anti-bribery and anti-corruption laws is also on the rise in Europe,

Asia, and elsewhere, and the global emphasis on combatting corruption has increased the

risk for prosecution for corrupt corporations and individuals (Witten & Koffer, 2009).

Further, the consequences of being convicted of bribery extend far beyond the sum of

fines or years of incarceration that can result. Professional disaster can result from even

having been investigated for corruption, and could include things like injury to

reputation, disruption of business, diminishing stock values, and losses stemming from

legal fees (Witten & Koffer, 2009). Ultimately, businesses lose more money because of

being prosecuted for bribery than they do in the course of the bribery itself. It is

estimated that a company prosecuted for foreign bribery loses approximately 9% of their

share value, and for large companies, that Figure can be in the hundreds of millions of

dollars (Choudhary, 2012).

<div align="center">The UN Convention against Corruption</div>

Corruption is fought at the local and national levels, but also on the global stage,

notably through the UN Convention against Corruption (UNCAC) (Joutsen & Graycar,

2012). This convention went into effect in 2005, and is the only global convention

regarding the prevention and control of corruption (Joutsen & Graycar, 2012). The

UNCAC is aimed at the prevention and elimination in corruption in developing parts of

the world, where corruption has been proven to have a strong foothold (Hochman et al.,

2013; Joutsen & Graycar, 2012), and mandates the criminalization of bribery,

embezzlement, and money laundering.

Joutsen and Graycar refer to "kleptocratic" government officials who

systematically and habitually rob their people, and posit that kloptocracies are the actual

governing structures of many developing nations. Their perception of government in

underdeveloped nations is not unique, as evidenced by the 159 nations who have ratified

the UNCAC (Joutsen & Graycar, 2012). However, despite the popular multinational

support demonstrated by widespread ratification of the UNCAC, its implementation is

nevertheless left up to individual states, and there is wide variation with how effective

such implementation has been. Unfortunately, it is easy to sign a piece of paper to

proclaim opposition to corruption, but actively combatting it is a much more challenging

endeavor (Joutsen & Graycar, 2012).

The legal opposition to corruption is manifested by various organizations and in

multiple levels of government. The DOI in New York City is probably the best example

of a local enforcement body directed against corruption, while the FCPA of 1977 is the

most widely used national legislation that the US employs to combat corrupt practices

(Choudhary, 2012; Hearn, 2009). The fight against corruption is also global, because

international cooperation is necessary to effectively criminalize corruption in a global

economy (Ionescu, 2012). However, there are also alternative measures being employed

to fight corruption, and Anti-corruption agencies and offices of inspectors general are

among the most prevalent today.

<p align="center">Anti-Corruption Agencies</p>

Anti-corruption agencies (ACAs) were an innovation that first gained prominence

in the fight against corruption in the aftermath of World War II, as defeated European

powers sought to install new governments which would embrace rebuilding in such a

way as to sever association with the defeated regimes (De Sousa, 2010). These agencies

had some success in curbing the trend toward corruption that is often evident in periods

of transition, but, perhaps unsurprisingly, they failed to endure once the immediate crisis had passed (De Sousa, 2010).

Generally, ACAs are defined as "public bodies of a durable nature, with a specific mission to fight corruption and reduce the opportunity structures propitious for its occurrence in society through preventive and repressive measures" (De Sousa, 2010, p. 5). Anti-corruption agencies are intended to compensate for failures of traditional law enforcement and courts to corral corrupt behavior, and they employ investigation and research to not only prosecute corruption, but also to prevent it (De Sousa, 2010). Ideally, ACAs are meant to be well funded and staffed by experts who can conduct research directed at corruption prevention while maintaining independence from other agencies. In other words, ACAs have different staffing requirements than other enforcement agencies, and cannot properly exist within the confines of a pre-existing body. An ACA cannot exist as a division within a police department, for example (De Sousa, 2010).

Upon their inception, ACAs were greeted with optimism and high expectations. It was encouraging that nations were taking an initiative to prevent corruption before it could take root, and the emphasis on research and other alternative means of combatting corruption was perceived as being an optimistic departure from the traditional reliance on detection and prosecution (De Sousa, 2010). However, the novelty quickly wore off, and ACAs proved to be unreliable means of combatting corruption.

ACAs were, in some sense, a failed attempt to implement general tactics that are frequently touted as being anathema to corruption. ACAs' attempts to employ research to fight corruption is likely their most saving grace, and that strategy has borne fruit since

it was initially proposed in the 1940s. What research has revealed about effective anti-corruption strategies is that they must employ multiple tactics to achieve their aim, which unfortunately remains a somewhat novel concept today (Graycar & Villa, 2012).

As has been demonstrated, corruption is as much a product of culture as it is of individual avarice, and from an organizational perspective, culture is proposed as flowing from the top down (Mulgan & Wanna, 2011). Therefore, fostering integrity in organizational and government leadership is commonly thought to be one of the most important bulwarks against widespread corruption, and proceeds from the premise that leaders with integrity will serve as examples to their subordinates, and thereby have a substantial dampening effect on corruption levels within their organizations (Mulgan & Wanna, 2011).

Offices of Inspectors General (OIGs)

ACAs have been differentially successful in their efforts to control corruption, depending on their design and implementation. The same is true of another popular innovation in the quest for greater government accountability and less public corruption, known as offices of inspectors general (OIGs). An OIG is intended to oversee the behavior of a government agency or agencies by providing independent supervision of agency behavior, with an eye toward enhancing agency accountability. In terms of OIGs, accountability is defined as "a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgment, and the actor may face consequences" (Kempf, 2015, p. 138). Here, the "actor" is a government official, and the "forum" can be higher level government officials, legislative bodies, courts, and/or the public. In short, OIGs put

some official in place who observes the behavior of agencies and the members, then reports on those behaviors to someone else, who in turn is able to take action based on what they learn.

OIGs were originally conceived as being a way to improve efficiencies within the US Military, but the model has since been applied to government agencies of numerous types. Largely stemming from the Inspector General Act of 1978, signed into law by President Jimmy Carter, OIGs are purported to have saved the federal government billions of dollars in recovered money and more efficient spending in the intervening years (Apaza, 2014). While there is some debate as to whether OIGs enhance fiscal efficiency, there is nevertheless reason to examine the means by which they attempt to do so, and there is an agreed upon ideal construction of these bureaucracies.

Archetypical Design of OIGs

To act as "watchdogs" to governmental agencies, OIGs are meant to be designed in accordance with four elements to conform to "archetypical" construction. The first component of the archetypical OIG is that such offices should have a firm legal footing in the form of a statutory mandate (Kempf, 2015). The correspondence of an OIG to a statute makes it more difficult to restructure or eliminate it, giving it permanence. The second component is that OIGs should have the ability to perform both audits and investigations. Audits are proactive, in that they actively seek out inefficiencies and potential wrongdoing while investigations are performed reactively as a response to complaints or suspicious behavior.

The third component of archetypical OIG design is authority, which takes many forms. Included in OIG authority should be full access to the subaltern agency's records,

the ability to subpoena witnesses and take testimony, as well as an array of law enforcement powers such as the power to make arrests (Kempf, 2015). Finally, to conform to archetypical design, OIGs must be independent from the agency that they oversee, and this independence should be preserved by having the hiring done by either the governor or someone else *more* highly placed than the head of the agency being overseen, with stipulations that the IG can only be fired for cause during a term of office of five years (Kempf, 2015). Also, the funding for the OIG is meant to come from a given percentage of the overseen agency's annual budget so that no retaliation is possible for politically disadvantageous outcomes stemming from the Inspector General's work. Lastly, the OIG is meant to report its findings to the head of the agency, the appropriate governmental leadership, *and* to the public. Reporting to all three of those forums is hoped to ensure independence by disseminating findings as widely as possible.

Potential Problems with OIGs

Plainly, the four tenets of archetypical design of OIGs are well justified, but are nevertheless flouted for various reasons, both benign and otherwise (Feldman & Eichenthal, 2013; Kempf, 2015). An example of a benign reason to contravene archetypical design would be to establish an OIG without statutory backing to have it become operational as quickly as possible. However, there are numerous and obvious reasons that such offices would be, in a sense, designed to fail. The establishment of such an office could have potentially disastrous consequences for a government agency or its personnel if widespread or egregious misconduct was unearthed, and any agency so afflicted would be reticent to empower a proposed OIG to the fullest extent. Thus, undercutting OIGs in the design phase is disturbingly common, with research indicating

that many OIGs are empowered to perform only investigations and not audits, while

nearly half operate without the hiring protections suggested by archetypical design

(Kempf, 2015).

Even if a given OIG is designed and implemented in accordance with archetypical

design, there may remain structural and mission-based reasons that it may not be

effective. One such impediment to effectiveness concerns the archetypical requirement

to report to the heads of overseen agencies, in that such reporting potentially undermines

the Inspector General's loyalty to either other officials or to the public. In 2007, for

example, the OIG of the Securities Exchange Commission was accused of protecting

officials from investigations instead of pursuing those investigations (Feldman &

Eichenthal, 2013). Another potential problem may present regarding goal conflict.

Specifically, OIGs have mandates to both criticize and strengthen the agencies under

their oversight, and this entails the problems that one might expect. Some refrain from

"headline seeking" behavior so as not to embarrass their agencies, while others so

zealously publicize embarrassing things that their agencies can become compromised

(Feldman & Eichenthal, 2013). Balancing the two goals is inherently difficult.

<div align="center">Proliferation of OIGs</div>

Despite the difficulties that attend and the criticisms leveled against OIGs, there

remain reasons to be optimistic about their future. A recent study of the OIG that

oversees the Department of Homeland Security (DHS) found that it did not contribute to

inefficiencies and that it was effective in curbing and prosecuting misconduct (Apaza,

2014). It was also able to save the DHS substantial amounts of money by identifying

deficiencies in its surveillance operations and recommending effective means of redressing them.

Ongoing efforts to make reforms with an eye toward rooting out corruption have caused some to say that increasing government accountability has become an "obsession" in contemporary America (Kempf, 2015, p. 137), and the proliferation of OIGs is evidence of that. The original Inspector General Act mandated only 12 Inspectors General, but subsequent amendments have increased that tally to 67, not including OIGs that have been incepted outside the purview of that legislation (Apaza, 2014). Currently, there are 73 OIGs operating at the federal level, and 31 states feature at least one (Kempf, 2015). The trend toward more is likely to continue.

<div align="center">Anti-Corruption Conclusion</div>

For corruption to exist, three things must precede it, which are discretion, financial stakes, and the perception of low detection risk (Tabish & Jha, 2012). Given those necessities, anti-corruption strategies should be directed at eliminating at least one of them. Efforts can be directed at increasing oversight on actors' discretion, thereby diffusing responsibility and making discretionary abuses less likely, and anti-corruption measures can also take the form of increasing the actual and perceived risks of detection (Tabish & Jha, 2012). It is also possible to take steps toward reducing the financial benefits that may proceed from corrupt activity, but interfering with the financial stakes of corruption is likely the most difficult type of anti-corruption measure because of the number of variables involved (Tabish & Jha, 2012).

When considering effective anti-corruption measures, it is also important to bear in mind that corruption is best contained via prevention rather than by trying to root it out

after it has been established (Tabish & Jha, 2012). As the foregoing pages have demonstrated, corruption and the circumstances that propagate it can become self-sustaining after pervading the cultural environment, and relying on regulations and enforcement to change cultural attitudes is a dubious proposition, at best. Therefore, education and training can be useful tools to prevent corruption from gaining a foothold within organizations, though unfortunately the effectiveness of such curricula will likely be limited when they are implemented within organizations with longstanding histories and preexisting favorable attitudes toward corruption (Tabish & Jha, 2012).

Finally, it is advisable for policymakers to give credence to the notion of fear as a tool that can be used to mitigate corrupt practices. It has been empirically demonstrated that the costs of detection for corrupt actors extend well beyond the immediate consequences of official sanction (Witten & Koffer, 2009), and agencies would do well to publicize this fact. Fear drives the effectiveness of any coercive regulation, and should be employed liberally as a means of corruption deterrence (Witten & Koffer, 2009).

Maintaining awareness of general strategies which have been empirically shown to contain corruption will allow contemporary ACAs and OIGs to avoid the mistakes of their predecessors, and there is reason to believe that proper program implementation and organizational perseverance will cause future policy evaluators to look more favorably upon ACAs than contemporary scholars do.

One of the purposes of this research is to influence anti-corruption strategies by carefully evaluating those things which we currently perceive to be contributors to high corruption risk in the public sector. Various failures of anti-corruption efforts have been outlined here, along with some reasons for optimism. However, for that optimism to

ultimately be justified by improved results, outdated or incomplete perceptions of corruption risks must be displaced by better conceived and more contemporary risk assessment tools, and this research is an attempt to move toward that.

How Corruption Happens

Trust Violation and Corruption

The efforts to constrain and combat corruption have been laudable, but have fundamentally failed, as is evident by the current extent of corruption and the harms which continue to escalate around the world because of it. It may be tempting to dismiss the persistence of corruption by considering it as an unavoidable phenomenon that can never be eradicated, but it is a mistake to conclude that the current prevalence of corruption is inevitable or immutable. Attempts to mitigate corruption thus far have proven insufficient to the task at hand, but that fact does not imply that corruption is categorically impervious to efforts to control it. The question facing reformers and policymakers at this point is how to adapt their tactics to meet the challenges they face in combatting corruption.

This research posits that one beneficial way that the necessary policy adaptations can be discovered and implemented is to shift the way that corruption is conceptualized. Traditionally, corruption has been viewed two ways. The first way is to see corruption as being episodic, which is to say that incidents of it have been looked upon as events. For example, sensational cases of corruption are described as "scandals" (Wagner et al., 2014), casting the narrative of corruption in terms of events that have occurred. The view of corruption as event is intuitive, but this conceptualization implicitly ignores the process that any individual incidence of corruption is the culmination of. The second

way that research has analyzed corruption is with respect to its antecedents (Nieuwenboer & Kaptein, 2008), especially the individual characteristics of perpetrators or organizational factors pertaining to the wider culture in which corruption occurs.

Scholarship devoted to the processes of corruption has largely been concerned with organizational behavior (Moore, 2008; Pellissery, 2007). Specifically, trust violation has been posited as an important component of corrupt behavior by members of organizations, as has moral disengagement. With respect to trust, it is suggested that behavior conforming to organizational expectations affirms the trust that organizations place in their members, such that adherence to those expectations is implicitly seen as not being corrupt (Nieuwenboer & Kaptein, 2008). By contrast, departure from organizational priorities, at least initially, is believed to potentially foster corruption.

Thus, trust violation is thought of as an antecedent to corruption, and organizational members who become trust violators are said to require three things before transgressing against their groups (Nieuwenboer & Kaptein, 2008). The first requirement for trust violation is pressure, which here refers to the perception of a problem as being unique to the potential violator which is not or cannot be shared with fellow organizational members. The second requirement is rationalization, which is to say that language is adapted by violators to internally legitimize the trust violation. Essentially, they need to convince themselves that what they are doing is justified. The final condition necessary to turn a potential trust violator into a practicing one is the opportunity to betray.

The decision to violate the trust of an organization and thereby to initiate a potentially corruptive process is claimed to be rooted in social identity theory. According

to social identity theory, people derive self-esteem from their perceptions of themselves as being members of a group, which in turn has a relationship to other groups in terms of social status and prestige (Nieuwenboer & Kaptein, 2008; Pellissery, 2007). Further, group members evaluate their standing within the group with reference to the respect they have earned within the group and how that respect is expressed by their fellows. In short, people derive self-worth from being members of elite groups, as well as from their social standing within those groups.

Given the importance of maintaining group membership to self-worth posited by social identity theory, it would seem as though violating organizational trust would be self-sabotaging. However, when sufficient numbers of group members successfully advance themselves within organizations via rule-breaking or corrupt conduct, the effect is to change the norms of the organization itself such that corruption comes to characterize the organizational culture (Nieuwenboer & Kaptein, 2008). This normative shift puts pressure on the rest of an organization's members to embrace trust violation and degrades the power of organizational administration to control the behavior of its membership. The net result is suggested to be the creation of a culture which can incentivize corruption.

<center>Moral Disengagement and Trust Violation</center>

Violation of organizational trust is also predicated upon moral disengagement, which here refers to the tendency of violators to cognitively position their actions in such a way as to minimize the harms caused by those actions while mitigating personal responsibility (Moore, 2008). This moral disengagement allows people to initiate corruption by mentally insulating themselves from the moral implications of their

behavior, allowing them to place their own interests above any others. Further, it facilitates corruption by undermining moral awareness in a progressive way, such that it erodes over time, making corrupt decision-making easier. Finally, moral disengagement perpetuates corruption by allowing corrupt behaviors to be rewarded by organizations via the establishment of a corruptive culture (Moore, 2008).

The concurrence of trust violation and moral disengagement speaks to a process of corruption which focuses on the progression of individuals toward corrupt behavior, relying on social identity theory to explain corruption. Here, we have a procedural explanation for corruption that transcends understanding corruption a simply an event, and instead looks to the evolution of personal motivations for embracing corruption. Specifically, people derive self-worth from maintaining their standing in elite groups, and so rationalize their willingness to succumb to personal pressure when given the opportunity to do so while disengaging from the moral strictures that initially constrained them. This, then, is a process of moral erosion leading to corruption, and is a useful way to understand how corruption comes to characterize organizational cultures.

II. THE EPISODIC PROCESS OF CORRUPTION

Introduction

As valuable as it is to understand the processes by which organizational members become morally compromised and how this can foster corruption, that process is nevertheless limited in explanatory power by its moralistic viewpoint. The illegitimate trading of influence for personal or organizational gain does not necessarily entail a departure from organizational culture, and moral judgment is too fraught with subjectivity to encompass every instance of corruption. Similarly, discussing corruption

in purely episodic terms depicts instances of corruption as being only tenuously related, to the point that the elementary task of defining corruption has been plagued with unnecessary difficulty. This research suggests an amalgamation of the two approaches, and posits an episodic process of corruption that, in concrete terms, describes how virtually any instance of corruption comes about.

Figure 1: The Episodic Process of Corruption.
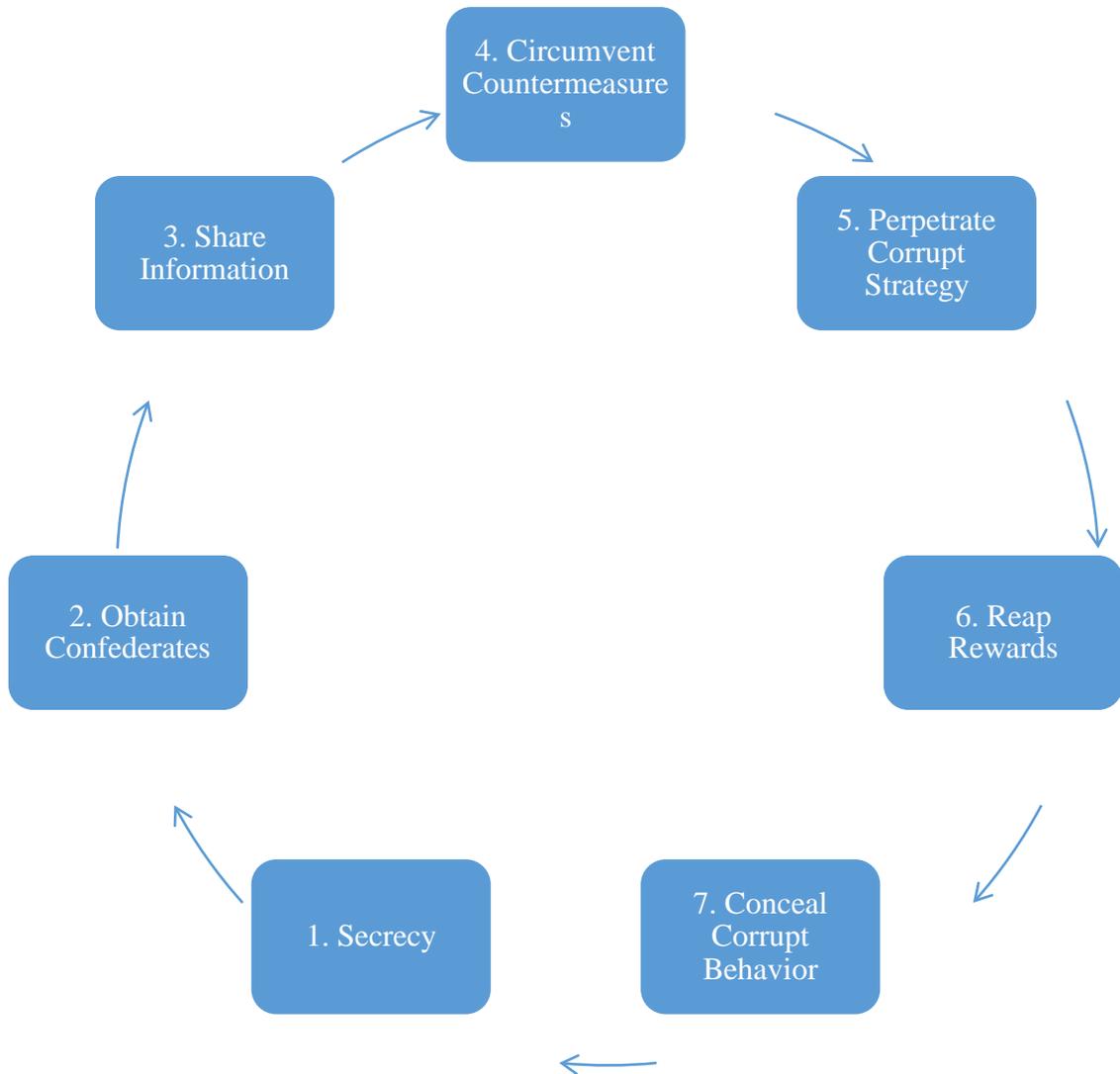
The Episodic Process of Corruption-Steps

Secrecy

To arrive at an episodically procedural explanation of corruption, it is necessary to begin with the pre-condition of secrecy that is the focus of so much of our anti-corruption efforts. Corruption, by its nature, is clandestine (Relly, 2011). It cannot flourish under conditions of easy scrutiny. Thus, without belaboring the point, secrecy is the first "step" in the episodic process of corruption.

To illustrate this point, it is useful to examine the existence of so-called "secrecy jurisdictions", which describes financial markets around the world which exist in a state of low or no taxation, poor regulation, and limited judicial oversight (Christensen, 2012). Barbados is an example of a secrecy jurisdiction which enables and encourages illicit transactions, facilitating global financial crime, including the processing of proceeds from corrupt endeavors. Secrecy jurisdictions are an obvious manifestation of secrecy's importance to corruption because the proceeds of corrupt activity must be usable in legitimate markets. Secrecy jurisdictions allow for the reabsorption of illicit money into legitimate revenue streams, providing the functionality necessary for corrupt actors to benefit from their conduct. Secrecy jurisdictions, also called "tax havens" (Hebous & Lipatov, 2014), are part of the "supply" side of corruption, in the sense that the existence of secrecy jurisdictions produces corruption (Christensen, 2012; Sikka & Lehman, 2015). When bureaucracies exist purposefully to obscure ownership and the flow of money, corruption flourishes, not as an unintended consequence, but as the designed result.

A counterpoint to secrecy jurisdictions which also underscores the importance of secrecy to corruption is the fact that access to information, or transparency, is so

commonly emphasized by efforts to control and prevent corruption. The goal of transparency is pursued because it is anathema to secrecy, and anti-corruption initiatives have pursued it from their earliest incarnations. The thinking is simple: transparency dissolves secrecy, and is thus necessary to prevent corruption (Relly, 2011). However, as H. L. Mencken is reputed to have said, "For every complex problem, there is a solution that is simple, neat, and wrong" (Uttl & Uttl, 2009), and focusing on transparency as a panacea for corruption is a plausible manifestation of that sentiment.

Nevertheless, we begin with secrecy. One of the reasons that anti-corruption initiatives have been unsuccessful is because they often end with it. Transparency is an obviously beneficial condition to pursue when attempting to end corruption, but it is also not feasible to eliminate secrecy entirely. The destruction of secrecy entails also the destruction of privacy, and autonomy along with it. No bureaucracy or organization, public or private, could persist if its entire membership was denied all discretionary power, and nothing short of that could annihilate all vestiges of secrecy. Secrecy, privacy, autonomy, and discretion are all related, and at least three of them need to exist for an organization or government to maintain functionality. Therefore, not only is it impossible to eliminate secrecy, it is also undesirable.

Figure 2: The Assumed Relationship between Transparency and Corruption Risk

Transparency

Corruption
Risk

Conspiracy
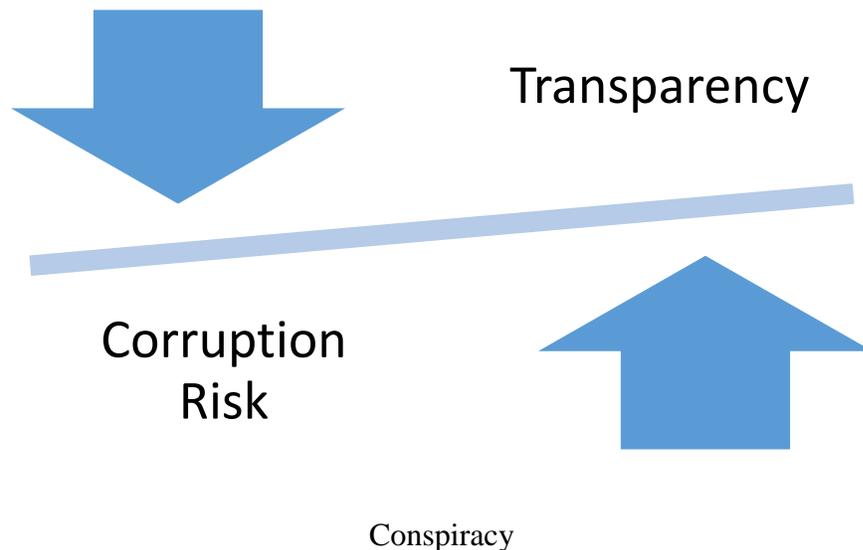
If one is willing to assume that baseline levels of autonomy, discretion, and privacy are necessary for the preservation of organization and government, then it is necessary to acknowledge that there is more to corruption that the mere existence of secrecy. Therefore, the second step in the episodic process is for would-be perpetrators of corrupt acts to obtain confederates. Often, corruption charges contain the word "conspiracy" (Kessler et al., 2012; Li, 2014), as is appropriate. The substance of any conspiracy charge is fundamentally consistent with corrupt behavior, as, again, corruption requires the participation of multiple people.

Information Sharing

At this point in the process, a conspiracy has been incepted in an environment of secrecy. The third step in the episodic process of corruption is for the newly accorded co-conspirators to share information with one another. Just as anti-corruption strategies can shed light on how secrecy can facilitate corruption, we can also look to efforts to constrain corruption to illustrate the importance of information sharing. In the fight

against corruption, information sharing has been repeatedly proffered as a means of eliminating excessive discretion on the part of regulators and other officials, and anticorruption policy entrepreneurs often employ information sharing with the public in the course of their reform advocacy (Barth et al., 2009; Navot & Cohen, 2015).

To see how information sharing is used to combat corruption, it is useful to look to the banking industry. Bank lending is a primary means, worldwide, of propagating business and acts as a catalyst for the building of personal and national wealth. However, corruption in this sector is an enormous problem, particularly in developing and transitional nations. It is therefore necessary to identify the things that can lead to corruption in bank lending, and information sharing among prospective lenders has been identified as a means of limiting the chances for corruption (Barth et al., 2009). Briefly, it has been suggested that better information sharing among banks regarding the risks for default on a given loan will constrain loan officer discretion, which in turn reduces the opportunity for such officers to solicit bribes in exchange for the granting of loans. If an institution knows more about a prospective loan, an officer within that institution has less autonomy to act, and curbing bribery is posited as a likely result.

It is apparent that information sharing, when employed by regulators and anti-corruption reformers, can be useful as a means of enhancing transparency. However, the corollary to information sharing being essential to constraining corruption is that corrupt actors must also communicate in the course of their offending. Conspiracies, by their nature, entail information sharing among those who conspire. Each participant in a corrupt endeavor will have some knowledge or position which facilitates corrupt transactions, and it is impossible for that facilitation to occur if information is not shared.

Circumvention of Countermeasures

Thus far, anti-corruption initiatives have been used to describe the episodic process of corruption by inferring from them the means of corruption that they seek to eliminate. Taken in conjunction with the preceding section on anti-corruption agencies and the legal fight against corruption, it is plain that governments and law enforcement agencies are aware of the problems of corruption, and are in an ongoing fight against it. In other words, countermeasures are in place to prevent the enacting of corrupt strategies. Therefore, in order for corrupt actors to proceed, they must avoid being discovered by enforcement agencies or impeded by obstacles. Circumventing countermeasures is, therefore, the fourth step in the episodic process of corruption. The importance of circumventing countermeasures is obvious, but it can be made even more clear by looking to the link between weak legal structures with the propensity of corruption going undetected (Chatterjee & Ray, 2014). Put simply, weak legal structures imply fewer countermeasures to circumvent, thus making it easier for corrupt actors to be successful.

Perpetrating Corrupt Strategies

We have now arrived at an episodic process of corruption in which corruption proceeds from an environment of secrecy, which in turn allows for the creation of a conspiracy, allowing for co-conspirators to share information with the intent of circumventing countermeasures. Given those conditions, it is useful to look to the literature on environmental criminology to describe the next step in the process. Routine Activities Theory tells us that crime is dependent upon the convergence of three things. First, there must be a motivated offender. For crime to happen, someone must commit it, and while victimless crime may be possible, "offenderless" crime is not. Second, there

must be a suitable target. A thief, for example, cannot steal a car if no car is present to be stolen. Finally, the third element necessary for crime to take place is a lack of capable guardianship. In other words, the bulwarks against crime must be insufficient to preventing it (Felson, 2002).

The fifth step in the episodic process of corruption is perpetrating corrupt strategies, which derives from the need for motivated offenders. There is little need to fatigue the point, but it is clear that if corruption is not attempted, corruption does not occur. So, if at some point prior to enacting their plans, co-conspirators are dissuaded from their chosen course, they will desist from putting their plans into action.

Reaping Rewards

If corrupt strategies are enacted, the sixth step in the episodic process is to reap the rewards of those strategies. The license is granted and used, the profits are amassed, or the appointment is secured. Corruption is here defined, again, as the illegitimate trading of one's position or authority in order to obtain personal or organizational benefits, and those benefits are obtained toward the end of the corrupt process.

Concealment of Corruption

Finally, having reaped the rewards of corruption, the actors responsible for it will conceal their behavior, both to preserve their illicit gains and also to propagate the environment of secrecy that enabled the process from the beginning. Basu observed that "the very nature of crime entails not being detected by law enforcement (Basu, 2014, p. 217), and the same holds true for corruption. The purpose, for corrupt actors, is not to briefly control some asset, but to prosper in a permanent way from their activity. This is not possible if their corruption is uncovered, and so steps will be taken to ensure that it is

not. Beyond allowing corruptly obtained resources to remain in the hands of those who have illegitimately claimed control over them, effectively concealing corrupt behavior also propagates an environment of secrecy, thus enabling further corrupt conduct.

<center>Episodic Process Summary</center>

The episodic process of corruption consists of seven steps, and culminates in not only corruption itself, but in the perpetuation of conditions favorable to corruption. Beginning with secrecy, corrupt actors seek out confederates with whom they share information, largely relating to circumventing countermeasures. Having successfully done so, corrupt strategies are perpetrated, resulting in the reaping of rewards by corrupt actors, who then conceal their behavior (and often the profits deriving therefrom), contributing to the preservation of an environment of secrecy. To see an example of this process, it is useful now to look at the case of William J. Jefferson.

<center>The Episodic Process of Corruption in Action: The William J. Jefferson Case</center>

Having thus described an episodic process of corruption, it is beneficial at this point to provide an example of it in action. This research posits said process as consisting of seven steps, and the case of Congressman William J. Jefferson can be taken as evidence of the legitimacy of those steps. No instance of public corruption can be understood as being "typical", as the specific goals and methods of corrupt schemes will vary. Nevertheless, the case of Congressman Jefferson was a recent and wide-ranging scandal that serves as a good illustration because it was both largely successful *and* successfully prosecuted. Further, the case is closed, which makes it preferable for these purposes to any ongoing investigations because it is unlikely that fundamental truths about the case will emerge to shift the narrative of the case from its current cast.

Background

William J. Jefferson was elected to represent the 2nd Congressional District of

Louisiana in 1990, beginning service the next year (House of Representatives, 2010). At

the time of his first election to the US House of Representatives, he had been a fixture of

New Orleans politics, serving in the Louisiana state senate and unsuccessfully running

for mayor. He was well educated, earning advanced law degrees from both Harvard and

Georgetown University, and was well-liked by his constituency. These facts matter not

because the biographical details of William Jefferson's life are germane, but because they

highlight some of the personal and relational qualities that allowed Jefferson to embark

upon his later lawlessness. In short, he was trusted and subsequently protected by his

constituents and associates, who contributed to the environment of secrecy that he would

begin to abuse in 2000, during his service in the 106th Congress.

Fourteen years after beginning his career as a Congressman, the FBI became

privy to intelligence indicating that Jefferson had been abusing his position to seek

"hundreds of millions of dollars for himself and his co-conspirators" by facilitating

governmental approvals/licenses for numerous companies in both the U.S. and Africa

(FBI, 2013). Acting on this intelligence, the FBI opened an investigation into his

dealings in 2005 that ultimately found that Jefferson had indeed been instrumental in

various conspiracies that both sought and paid bribes, as well as wasting federal funds

and resources on foreign trips to facilitate those exchanges.

The FBI investigation utilized informants, "consensual monitoring" (taped

conversations), electronic surveillance, and document analysis to conclude that Jefferson

himself profited over $400,000 from bribery, paid a bribe to an African official of

$100,000 in another, and overall was involved in many different instances of bribery and wire fraud (FBI, 2013), among other things. The result of the FBI's investigation was that Jefferson was eventually charged with 16 counts of corruption, and convicted on 11 of them (Stout, 2009). He is currently federal prisoner number 72121-083, serving a 13-year sentence (Federal Bureau of Prisons).

Secrecy

The existence of an environment of secrecy around Congressman Jefferson that was fostered and later abused is obvious in this case. As mentioned above, Jefferson had a pristine reputation within political circles in his home state, and the esteem in which he was held by his constituents was borne out by his re-election to the House in 2006 after it had become well known that he was under investigation for corruption (Nossiter, 2008). Indeed, it was seen by many as a shocking upset that he was eventually unseated in 2008 despite having come under actual indictment by that point. He was described as being a "powerhouse" by the national press (Nossiter, 2008), and had served for nearly two decades at the time of his ouster. It would be unreasonable to suggest that his reputation among his constituents played no part in his success at avoiding scrutiny because they were themselves largely *uninterested* in scrutinizing him.

Further, the corruption charges against him and the convictions that those charges resulted in came, in part, from his lobbying the congress on behalf of numerous companies, including a technology organization called "iGate", as well as various sugar and mining concerns. The companies that he spoke on behalf of stood to gain financially by his advocacy, and he did not disclose his own financial stake in their success while he used his position to advance their interests (Stout, 2009). It is plain in this instance that

Jefferson operated in an environment of secrecy that existed both because he was well-liked by his public and because he knowingly and intentionally disregarded disclosure protocols with respect to his stakes in various concerns for whom he lobbied during his time as a Congressman.

Conspiracy and Information Sharing

The inception of a conspiracy and the information-sharing that attends it are two distinct but related steps in the episodic process of corruption. The order in which they occur, however, can be difficult to discern, and they are included under the same sub-heading here for that reason. It may be the case that information is shared to obtain confederates, but conversely confederates may be "felt out" and recruited by a ringleader prior to being briefed on relevant details regarding a proposed scheme. In the case of Congressman Jefferson's corruption, the timing of recruitment and information sharing is not clear, but what is obvious is that both occurred.

Jefferson was convicted of charges related to racketeering and money laundering as well as bribery. Racketeering is, briefly, the use of "legitimate organization(s) to embezzle funds" (FindLaw), and money laundering is the concealment of the source and/or destination of illicit funds (Cornell Law). Neither can be done by an agent acting alone, and Jefferson was involved in multiple conspiracies during his career as a corrupt politician.

The conspiratorial nature of Jefferson's activities was a major reason why he was eventually convicted. The evidence that would lead to Jefferson's incarceration largely relied upon two prominent witnesses who pled guilty to charges of paying bribes to a government official and conspiracy to commit bribery. The first of those witnesses was

Brett M. Pfeffer, who had served as an aide to the Congressman, and was also the president of an investment company based in Virginia (Department of Justice, 2009). Pfeffer sought and received political support from Jefferson in exchange for putting one of Jefferson's daughters on the payroll of his investment firm and for granting Jefferson a stake in a Nigerian internet company with which he was involved (Department of Justice, 2009). The second witness was Vernon Jackson, the CEO of iGate, a technology firm. Jackson pled guilty to offering between $400,000 and $1 million in bribes to Congressman Jefferson, and a condition of his plea deal was his cooperation in the prosecution of Jefferson (Department of Justice, 2009).

These two witnesses were by no means the only people involved in Jefferson's corrupt conspiracies, but they are the two most prominent in his downfall. Jefferson was involved, again, with numerous companies and schemes to use his influence for personal profit, and since the purpose of this research is not to exhaustively detail the Jefferson case, let them stand for all the others. William J. Jefferson was convicted of nearly a dozen counts of corruption, and conspiracy and information sharing played major roles in his crimes.

Circumventing Countermeasures

Jefferson broke many laws during his criminal career, and he got away with it for a period of *years* before coming under investigation and later being prosecuted. His corrupt actions were finally revealed to have been both brazen and habitual, and in retrospect it may seem odd that he was able to operate like that for such a long time. However, Jefferson's criminal longevity is simple to explain. He was successful in

circumventing the countermeasures that existed to prevent actions like his from taking place.

First, there are congressional disclosure rules regarding the financial holdings of Representatives (House of Representatives), requiring them to declare their personal assets and liabilities. Representatives are said to have a conflict of interest if their private interests "conflict or appear to conflict with the public interest", and corruption in the House is defined as existing when "an official uses his position to influence or enhance his own financial interests" (House of Representatives). Jefferson did not comply with the disclosure rules so that he could exploit his conflicts of interests in a corrupt manner.

Second, Jefferson and his counsel zealously opposed much of the evidence that accumulated against him, seeking to invalidate it and have it thrown out of court. Some of the most powerful deterrents to corruption of all types are investigations and prosecutions, and Jefferson embarked on a political, legal, and public crusade against both. The biggest point of contention concerned evidence obtained during the so-called "Saturday Night Raid", in which the FBI raided the Congressman's office and obtained documents that would later help to convict him (Eggen and Murray, 2006). The immediate aftermath of the raid was met with controversy, with both Democrats and Republicans characterizing it as overly aggressive and potentially in violation of the Constitution. The objections to the raid centered around the argument that it constituted a breach of the separation of powers, with the executive branch unduly encroaching on the legislative by effectively "intimidating" a sitting member of Congress (Eggen and Murray, 2006).

The raid was justified by the FBI in part because a previous attempt by them to get documents from Jefferson's home had been thwarted by his "surreptitious removal" of relevant materials (Reckless Justice, 2006). The case went back and forth, with Chief Judge Thomas Hogan of the Washington, D.C. District Court finding that the raid was legal, but Thomas's finding was subsequently overturned on appeal. The Supreme Court would go on to refuse to hear the case, and after all the legal wrangling, Jefferson was permitted to review the documents obtained in the raid before they entered evidence.

The relevant point here is that there are countermeasures against corruption that exist to prevent it, and those safeguards exist before, during, and in the aftermath of corrupt behavior. Jefferson did not comply with disclosure requirements during the course of his corruption, and enthusiastically sought to contravene investigation and prosecution after he was caught.

<center>Perpetrate Corrupt Strategy</center>

The public record shows conclusively that several corrupt strategies were perpetrated by Representative Jefferson, spanning an array of shady business dealings with various co-conspirators over a period of years. It is not necessary to further rehash the particulars of his transgressions here. The official record does not dispute that Jefferson enacted this step of the episodic process of corruption, and the Supreme Court made ten of his eleven convictions final on November 26, 2012 (Federal Bureau of Prisons).

Reap the Rewards of Corrupt Behavior

This case in an interesting one because Jefferson succeeded in reaping many benefits of his corruption before being stopped. He didn't complete the episodic process of corruption, but he came very close.

As outlined above, Jefferson was very ambitious, and his goal was to obtain millions upon millions of dollars via corruption, and while he was not able to fully realize those objectives, the audacity of his plan was remarkable. Still, the fact that he didn't profit to the degree he hoped to is not to say that he gained nothing from his behavior. First, one of his daughters secured a $5,000 a month income for some time through her "work" as part of Brett Pfeffer's investment company (Department of Justice, 2009), and Jefferson also secured a minority stake in at least one technology company as part of the same interaction. Second, the FBI estimates that he received nearly $500,000 in proceeds from his corrupt activities between 2000 and 2005 (FBI, 2013).

Rather infamously, Jefferson was also given a briefcase full of $100,000 in cash that he had planned to use to bribe an African official. The problem for Jefferson in this instance was that the money had come from the FBI itself, and had been delivered to him by a co-conspirator who had turned informant. $90,000 of that money would ultimately be recovered by the FBI, who found it wrapped in aluminum foil in his freezer during a raid (FBI, 2013; Markon, 2009). While Jefferson did not permanently "reap" the benefit of these funds, he did possess them temporarily. The point here, again, is a simple one. William J. Jefferson obtained hundreds of thousands of dollars from his corruption, and thus fulfilled the sixth step in the episodic process.

Concealment of Corruption

The goal of corruption is gain, but the entirely successful corrupt scheme will result in a return to secrecy. In other words, it would be impossible to describe the events of a completely successful instance of corruption because it would remain unknown. Representative Jefferson's corrupt machinations were not completely successful, but they came close enough to fulfillment that his case clearly embodies the first six steps. Also, he arguably did succeed completely, at least for a time. He came under investigation in 2005, but was proven to have been engaged in corruption since at least 2000, meaning that for at least a few years his plotting did complete the entire process.

William J. Jefferson: Concluding Comments

Assistant US Attorney Mark Lytle said that William Jennings Jefferson "conducted his congressional office as a criminal enterprise" and that his was "the most extensive and pervasive pattern of corruption in the history of Congress" (Markon, 2009). His punishment was appropriately harsh, as he was sentenced to 13 years in prison, which is the longest sentence ever handed down to a Congressman for corruption. It is in part for those reasons that his case was chosen to illustrate the steps in the episodic process of corruption. Jefferson's corruption was widespread and complicated, but by understanding it as a process, it becomes more approachable. It is not the purpose of this analysis to recount the minutia, legal and otherwise, of this complex case, but rather to simplify it by identifying it as an archetypical instance of public corruption in the US. Other famous cases of public corruption in the US involve the attempted sale of a Senate seat (Rod Blagojevich) and the trading of sentencing for kickbacks ("Kids for Cash"). While the strategies and the goals of corruption are diverse, the essential process by

which corruption unfolds is much more consistent than the particular ways in which the steps in that process manifest.

It is worth reiterating here that the understanding of corruption resulting from a process is proffered as a promising means by which to frame our thinking on corruption, and that applying such an understanding may be beneficial to developing innovative techniques to curb corrupt behavior by both public and private actors. The FBI holds corruption by public officials to be their "highest priority among criminal threats" (FBI, 2013), and thus understanding the processes underlying corruption is of correspondingly high importance, whatever they may be.

III. RESEARCH QUESTIONS, HYPOTHESES, AND METHODS

State Integrity Subscale Overview

To reiterate, the third generation of corruption measurement tools are more refined than their predecessors, and focus on specific risks for corruption. In order to quantify those risks, third generation measurement tools investigate institutional behavior, especially legal frameworks and how the law is applied in practice to reduce corruption and foster an ecology of accountability. The State Integrity Investigation is an example of a third generation measurement tool, and is the subject of the current research.

The stated goals of the State Integrity Investigation include "examining states' commitment to integrity", "persuading state officials to improve their laws and practices", and "inspiring the public to become invested in ensuring honest…government". State Integrity hopes to achieve these goals by calculating and publicizing score cards for each state for fourteen categories that are thought to be related

to the risk for public corruption. In short, high scores on the scales are alleged to correlate with lower risks for corrupt behavior by state agents and representatives.

The principal contention of this research is that the methods of the State Integrity Investigation proceed from incomplete and sometimes erroneous assumptions about the things that factually relate to corrupt behavior on the part of state officials. This is because the State Integrity Investigation is too deeply rooted in the elementary assumptions that informed the corruption measurement of earlier generations of corruption measurement tools, especially a restrictive focus on "transparency". Further, corruption appears to be conceived of as incidental rather than procedural for the researchers at the State Integrity Investigation.

The current work posits corruption as being a process consisting of seven steps. Those steps again, are: secrecy, obtaining confederates, sharing information, circumventing countermeasures, perpetrating corrupt strategies, reaping the rewards of those strategies, and concealing corrupt behavior.

The State Integrity Investigation breaks its attempt to evaluate states' risk for public corruption into fourteen subscales. These subscales can be thought of as belonging to one of several categories. The first category is accountability, and State Integrity specifically looks at judicial, executive, and legislative accountability in three of its subscales. The second category is disclosure of information, which includes lobbying disclosure, state budget processes, political financing, and public access to information. The third category is governmental behavior, and includes procurement, redistricting, and internal auditing. Finally, the fourth category is state management, and is comprised of

state civil service management, state pension fund management, state insurance

commissions, and ethics enforcement agencies.

<center>Research Overview</center>

Four of the fourteen subscales utilized by State Integrity have been selected for

review and analysis in the course of this research, and they are the subscales on

redistricting, internal audit, public procurement, and public access to information. The

focus here is on government behavior, ultimately, and this is why all three of the

subscales relevant to that topic were selected for examination, while internal auditing is

among the most prominent countermeasures employed by both public and private

agencies to combat corruption (among other things).

The first research question, then, is does the State Integrity Investigation address

any of the steps in the episodic process of corruption beyond mere secrecy? It is

hypothesized that the State Integrity Investigation's subscales focus primarily on the

secrecy condition that necessarily precedes the rest of the proposed corruptive process,

essentially casting into doubt the efficacy of their variables in combatting state

corruption, per se. If the measurement fails to address anything other than secrecy, then

it is invalid to the extent that secrecy exists in spite of attempts to constrain it.

The second research question is whether the subscales are appropriate to the goal

of predicting corruption risk. To substantiate the hypothesis that the State Integrity

Investigation needs to be refined to reflect a procedural understanding of public

corruption, the issue addressed by each chosen subscale will be subject to a literature

review which is intended to highlight both the conceptual strengths and weaknesses of its

inclusion as a measure of the risk for state corruption.

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The third and final research question is whether the indicators appearing in each subscale are valid and distinct from one another. To investigate this, descriptive statistics will be run on the results of each scale to determine the extent to which variation exists in the measure. Finally, correlations will be done among the indicators in each subscale to identify and establish any validity issues that may exist.

The State Integrity Investigation's risk assessment scale is an example of the cutting edge of corruption measurement tools, and seeks to establish the risk in each US state for public corruption. The purpose of this research is to evaluate how conceptually appropriate and quantitatively valid this assessment scale is, and to offer a procedural understanding of corruption as an alternative to the incidental understanding of corrupt behavior that is hypothesized to have informed the State Integrity Investigation's methodology. Corruption research is primitive in some respects, and only by rigorously evaluating current research can we hope to improve upon it in the future.

Research Methods

What is the State Integrity Investigation?

The current research is concerned with evaluating the State Integrity Investigation's risk assessment tool, which purports to quantify the extent to which each US state is at risk for public corruption. Public corruption is here defined as the illegitimate trading of one's public position or authority in order to obtain personal or organizational benefits (Graycar, 2015; Piquero & Albanese, 2011), and State Integrity utilized a survey of journalists in each state to determine the extent to which that state had left itself open to corrupt behavior of the part of its officials and representatives. The risk assessment scale evaluated here consisted of 330 individual indicators which were broken

into fourteen subscales concerning the legal landscape of states, the effectiveness of the laws making up those landscapes, and public access to information, among other factors. What follows is a brief description of how the analysis of the State Integrity Investigation will proceed.

<div align="center">The Goals of the State Integrity Investigation</div>

The State Integrity Investigation is a project begun in 2011 at a cost of $1.5 million designed to "expose practices that undermine trust in state capitols", and to publicize states which are both egregious and exceptional in their laws and practices regarding corruption and accountability (State Integrity Investigation, 2012). There are three goals that the State Integrity Investigation is pursuing. The first goal is to "examine states' commitment to government integrity and to shine light on what is and is not working" (State Integrity Investigation, 2012). Put differently, the first purpose of the State Integrity Investigation is to determine the extent to which governmental transparency is a priority within each state and to publicize their conclusions. The second goal concerns advocacy, in keeping with the third generation of corruption research, and State Integrity seeks to convince officials to improve their laws and practices to enhance accountability and to thereby prevent corruption. Relatedly, fostering grass-roots advocacy is the third goal of State Integrity, and they hope to "inspire" the public to become more involved and interested in interacting with their own states' officials to apply pressure for reforms.

<div align="center">Partners in the State Integrity Investigation</div>

State Integrity partnered with three groups to pursue their goals. The first, the Center for Public Integrity, is an investigative news organization begun in 1989 in order

to expose abuses of power and corruption by public and private institutions, and who

employs diverse professionals to do so, ranging from journalists to data analysts (The

Center for Public Integrity, 2008). The second partner, Global Integrity, is a research

organization that aims to create better technologies to facilitate research which is then

disseminated at the local level to give reformers tools to make them more effective in

their collaborations and advocacy (About Global Integrity, 2008). The third partner

involved with the State Integrity Investigation is Public Radio International, which is a

non-profit media company founded in 1983, the aim of which is to use journalism to

"affect positive change in people's lives" (Public Radio International, 2010). Thus, the

State Integrity Investigation has access to technological and professional resources

through its partnerships that are designed to facilitate the goals of identifying and

exposing lax integrity practices in state governments in order to convince state officials to

improve those practices while encouraging citizens to become involved in reform efforts.

The Methods of the State Integrity Investigation

Deciding on Indicators

Given an understanding of the State Integrity Investigation's three primary goals,

it is necessary to describe their means of pursuing them. First, State Integrity had to

decide on what to measure. The entire investigation is comprised of 330 indicators for

corruption risk, and to arrive at what those items should be, the Center for Public

Integrity and Global Integrity interfaced with approximately 100 state-level groups who

were involved with reform and good governance (State Integrity Investigation, 2012).

Employees of these state-level organizations were asked what issues were most relevant

in their state regarding the risk of public corruption, and their answers identified a list of

indicators which were incorporated into the State Integrity Investigation's risk assessment scale. Further, drawing from previous research (States of Disclosure, Global Integrity Report, and Local Integrity Initiative) within their own organizations, the Center for Public Integrity and Global Integrity incorporated indicators which they had used before when researching the question of corruption risk.

Having generated their indicator matrix, State Integrity asked journalists within each state to answer each indicator's question. To do so, reporters are said to have employed "extensive desk research" alongside "thousands of original interviews" with representatives from state government, local government, and the private sector.

Indicator Categories

After completing their research and interviews, the respondents to the State Integrity Investigation answered two kinds of questions/indicators. The first, "in law" indicators, were designed to provide a description of whether legal codes, regulations, rights, and institutions exist. So, "in law" indicators say nothing about implementation or enforcement, but simply categorize something as existing or not, and are therefore answered with either a "yes" or a "no", resulting in scores of either 0 or 100. The second type of indicators are categorized as "in practice", and allow for more nuanced responses. Increasing in specificity from dichotomous to categorical, indicators pertaining to practices answer questions about effectiveness, citizen access, and enforcement, and allow for scores of 0, 25, 50, 75, and 100. In rare instances, "in practice" indicators revert to dichotomous coding.

Peer Review

Once scores were reported for each indicator, State Integrity vetted their results by a process of peer review, and respondents were required to substantiate their scoring decisions in accordance with multiple sources, including interviews, reports, laws, and institutions. Peer reviewers were selected based upon their "expertise and independence", and their reviews were blind, meaning that they were not aware of whose work they were reviewing. Reviewers were tasked with considering questions of factual accuracy, unaddressed concerns, fairness, consistency of purpose, the presence of controversy in responses, and issues of reliability (State Integrity Investigation, 2012). In their evaluations, reviewers were granted four options with respect to how much they agreed with the indicator scores. They could agree with the score, offering no further comment, and they could also agree, but with qualifications. They could also disagree with the score, in which case they were required to explain their reasons for disagreeing and to suggest how the score should be improved. Finally, reviewers could recuse themselves based on a lack of qualifications for reviewing a particular indicator.

The Report Card

The culmination of the peer reviewed reporter responses was a "report card" which provided each state with a "grade" regarding their adoption of laws and policies aimed at enhancing transparency and accountability, as well as their implementation of said policies in accordance with fourteen subscales. The subscales of the state integrity investigation are public access to information, executive accountability, judicial accountability, state civil service management, internal auditing, state pension fund management, state insurance commissions, political financing, legislative accountability,

state budget processes, procurement, lobbying disclosure, ethics enforcement agencies, and redistricting (State Integrity Investigation, 2012).

A state's grade on each subscale emerged by averaging each indicator's score within it's subscale, giving each state one of eleven "grades", ranging from A to F, with pluses and minuses accounting for variation within each letter tier. This grading system was also used to arrive at an overall grade for risk of public corruption for each state, whereby the subscale scores were averaged to reach an overall result, also corresponding to eleven possibilities. Ultimately, the purpose of grading each state was to measure the existence of public integrity mechanisms, the effectiveness of those mechanisms, and citizen access to them (State Integrity Investigation, 2012). Since the initial research was conducted in the summer of 2011, the resulting grades are purported to be valid as of September 15, 2011.

It is important to note that the grades generated by the State Integrity Investigation are meant to measure a state's risk for corruption rather than corruption itself. At no point is the effectiveness of the risk assessment evaluated with respect to actual incidences of corruption in any state, and it must be stressed that this is not a shortcoming of State Integrity's research, as measuring corruption was not among their purposes, and it is not among the purposes of the current research either.

<center>The Current Research</center>

<center>No Winners?</center>

The tagline for the State Integrity Investigation's website, built to disseminate their findings, is "fifty states and no winners". This paints a discouraging picture of the risk for corruption in the United States, and belies the variation evident in the results of

<center>69</center>

the Investigation's research. If taken at face value, the notion of there being "no winners" in states' efforts to constrain corruption proceeds from a highly optimistic threshold for success. The highest grade administered to any state by State Integrity is, oddly, New Jersey, whose overall grade was a "B+", having been attributed an "A" grade for six of the fourteen subscales comprising it. Leaving aside the popular impression of New Jersey as being highly corrupt and the counterintuitive finding that a state with a history so rife with scandal would be at least risk for corruption, it is still necessary to question why the conclusion of the State Integrity Investigation is that there are "no winners" when some states have plainly, if not universally, met their criteria for success better than others have.

Their "no winners" contention provides justification for examining the entirety of the State Integrity Investigation, because by tacitly dismissing the highest scores on their instrument by suggesting that they are only marginally better than the lowest scores, State Integrity calls into question the utility of their enterprise. When winners don't exist, everyone is a loser. One goal of the State Integrity Investigation is to "spotlight the states that are doing things right", and this cannot be done when no such states are discovered to exist.

Subscales' Pertinence to the Episodic Process of Corruption

If the reasoning demonstrated by their conclusion was also evident in their research design, then the State Integrity Investigation may have proceeded from erroneous assumptions about the nature of corruption. Therefore, one of the primary purposes of the current research is to investigate the extent to which the most important subscales of their index correspond to the episodic process of corruption, as well as

evaluating each of the indicators contained therein. After having devoted substantial attention to the makeup and utility of selected indicators, a concluding chapter will infer from the resulting analyses the extent to which the State Integrity Investigation accounts for steps in the episodic process beyond secrecy.

To reiterate, not all of the fourteen subscales which comprise the investigation will be included for analysis. There are several reasons for this. One, there is substantial overlap in terms of questions asked regarding accountability, whether it be as applied to executives, legislators, or the judiciary. Second, the impact on corruption is greater for some subscales than for others, and it is reasonable to focus primarily on those selected subscales whose topics are most relevant for public corruption and governmental behavior. Finally, the considerations of scope must be accounted for, and the major contentions of this work regarding the importance of developing an episodic understanding of corruption would not be sufficiently better served by an exhaustive examination of each subscale. At some point, brevity matters, and there is a risk that comprehensive evaluation of each scale would detract from the broader points being investigated here. As such, at the beginning of each subscale evaluation chapter, there will feature a brief comment on why that subscale was chosen, not necessarily in comparison to others, but on its own merits.

It is hypothesized that the overarching focus of State Integrity's risk assessment tool focuses too heavily on the secrecy condition which is necessary for that process to unfold, and that by substantially ignoring any other step, the assessment tool becomes less successful than it would otherwise be. Put simply, this research will evaluate the State Integrity Investigation to answer the research question of whether this instrument

tends to address any of the steps in the episodic process of corruption beyond secrecy, and whether the dimensions it seeks to quantify are germane to its purpose and operationalized appropriately.

Indicator Utility

Proceeding from the evaluations, the next goal of the current research is to determine whether the selected subscales included in the report card scores are appropriate to the task at hand. The relevant research question is whether the selected subscales included within the Investigation are conceptually relevant to the prediction of corruption risk. For example, should we expect that internal audits and the rules governing them would provide us with an effective barometer for corruption risk? It is necessary to closely evaluate subscales to garner an overall impression of how well the State Integrity Investigation was conceptualized.

Indicator Validity and Distinction

Finally, having evaluated the State Integrity Investigation's assessment tool with respect to the episodic process of corruption and delving into the appropriateness of selected subscales to their purposes, this research will examine each of the indicators contained within each of those subscales to answer the question of whether they are internally valid and conceptually distinct. The evaluation of the indicators will consist of breakdowns of statistical frequencies as well as the creation of correlation matrixes, which will then be explained and analyzed to determine their legitimacy within their subscales. In short, the subscales will be evaluated for fitness within the bigger mission of State Integrity, then the indicators contained therein will be evaluated in terms of their

utility for the subscales in which they appear and in accordance with their validity and distinctness from one another.

Upon completion of the analyses, improvements to the subscales will then be suggested.

Organization of the Analysis

Subscale Categories

The State Integrity Investigation, again, breaks its attempt to evaluate states' risk for public corruption into fourteen subscales. These subscales can be thought of as belonging to one of several categories. The first category is accountability, and State Integrity specifically looks at judicial, executive, and legislative accountability in three of its subscales. The second category is disclosure of information, which includes the subscales of lobbying disclosure, state budget processes, political financing, and public access to information. The third category is governmental behavior, and includes subscales on procurement, redistricting, and internal auditing. Finally, the fourth category is state management, and is comprised of subscales describing state civil service management, state pension fund management, state insurance commissions, and ethics enforcement agencies.

Figure 3: Subscale Category Scores' Relationship to Corruption Risk
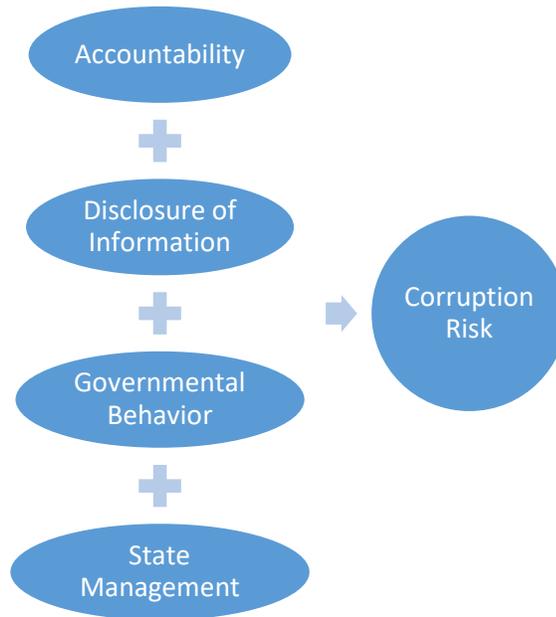
Literature Reviews

A full evaluation of each subscale and indicator is beyond the scope of this research, so several especially relevant subscales will be selected based upon their prima facie significance to the issue of public corruption risk. For example, the history of corruption in redistricting will be discussed because of how contentious the topic is, which will substantiate and/or contradict the reasons for its inclusion by State Integrity. Further, contemporary issues of redistricting corruption will also be included to verify its relevance to the modern discussion of corruption in the US. Before delving into statistical analyses, it is first necessary to explain and describe the issues identified by State Integrity as being important for corruption risk by examining their historical and modern interactions with corrupt conduct. In short, literature reviews on the relevant topics will follow explanations of why a given subscale was chosen as introductions to the evaluative chapters contained herein.

Sections of the Analysis

The subscales chosen for analysis will dictate the organization of this research. As mentioned above, the analyses will begin with the topic of redistricting and the subscale used by State Integrity to quantify it. As will become clear, redistricting has major implications for the functioning of our democracy, and the impact that corrupt redistricting can have on delegitimizing the electoral process justifies it as an appropriate subscale to dissect in detail.

The following chapter will depart from redistricting to examine a governmental behavior that serves as one of the most theoretically important barriers to corruption in virtually all government activities, that of internal auditing. Auditing is often cited as being among the best means by which organizations (governmental and otherwise) can detect illicit transactions and identify the parts of their operations that are at greatest risk for corrupt behavior.

Next, the analysis will move on toward public procurement, which is arguably the public sector which involves the greatest amount of resources and which is unquestionably rife with corruption worldwide. Public procurement has a simple goal, that of obtaining goods and services for governments, but its processes are complicated and they create unique risks for corruption, and these nuances are deserving of attention.

The final subscale under specific consideration here will be public access to information, because it is unequivocally the case that the secrecy component of the episodic process is addressed by the State Integrity Investigation, and public access to information is the subscale which most directly seeks to measure transparency. In other

words, it is worthwhile to evaluate whether State Integrity ably quantifies the dimension of corruption risk with which it is ostensibly most concerned.

IV. REDISTRICTING

Introduction

Justification

The subscale of redistricting is the first selected for individual analysis. The reasons for this are straightforward. First, the subscale itself is the simplest, and features only six indicators. It is hoped that that simplicity will assist the reader in understanding the manner in which these analyses will proceed, and the redistricting subscale serves as a good introduction. Second, the potential harms inflicted on our democracy itself that exist within the purview of corrupt redistricting make it potentially more impactful on the everyday life of the general citizenry than many of the other subscales. Redistricting is a good place to start because it is easy to understand the nuances of the statistical analyses and because corruption within redistricting practices can have a substantial impact at the macro-level.

Chapter Overview

To analyze the fitness of the State Integrity Investigation for the task that it sets itself and to evaluate the extent to which it accounts for corruptive processes, it is useful to begin by looking at the behavior of government. In other words, various categories of government activity can provide the setting for public corruption. One notable behavior of State Governments that has long been suspected of being corrupt is the periodic redrawing of the boundaries of congressional districts within states, and it is to the subject of redistricting that this research now turns. This section includes a brief

literature review on the topic of redistricting as it pertains to corruption as well as how the State Integrity Investigation measured redistricting. A correlation matrix is included, as well as a discussion on the overall appropriateness of this subscale to the mission of State Integrity. Finally, a critique of the indicators that they employed will conclude this section.

<center>Review of the Redistricting Literature on Corruption</center>

Often overshadowed by flashier, more headline-ready instances of corruption, the alteration of electoral districts, known as redistricting, has historically been a troublesome activity for corruption in the United States. Redistricting is mandated to take place nationwide in the aftermath of the census, when current population data become available to states. States must then amend electoral districts to account for changes in population density so as to preserve the representational nature of congressional power. In the absence of effective redistricting, influence within the US House of Representatives and state legislatures can lose sync with constituencies, leading to less populous areas exerting more influence than is appropriate while emerging population centers are denied a proportional voice in government. The *stated* purpose of redistricting is to create electoral districts that are of equal population, thus ensuring that government is representative.

The importance of continual redistricting was brought to the attention of the US Supreme Court in *Baker vs. Carr* in 1962, in which the Tennessee Secretary of State was sued because the state's legislature had not redistricted since the turn of the century (Griffin & Newman, 2012), resulting in gross imbalances in that state's congressional representation. In *Carr*, the Court found that redistricting was an issue that was

resolvable by jurists, which was a departure from the Court's earlier reluctance to become entangled in the matter. The *Carr* decision was a landmark case which touched off a series of Supreme Court decisions made in the early sixties which culminated in the mandate that states must redistrict in the aftermath of the decennial census.

The importance of equal population numbers within electoral districts seems self-evident, as it is a clear prerequisite for fair governance that each individual be represented in equal measure. The "one person, one vote" ethos is supported when each representative speaks on behalf of a roughly equal number of people, and prior to *Carr*, that was not the reality of American politics (Griffin & Newman, 2012). However, by mandating redistricting while requiring that numeric equality be the only signpost for fair representation, the Court opened the door to electoral profiteers who sought to manipulate the system to their political advantage.

Given the reliance on raw population as the sole determinant for representational fairness, numerous strategies became available to legislators to divorce the practice of mandatory redistricting from the spirit that inspired it. Ideal redistricting is meant to foster equal population distribution among districts while also preserving community cohesion, such that the entirety of a given neighborhood be included in the same district. Representational government is compromised when the influence of a neighborhood is artificially split, but redistricting can be (and often is) manipulated to do exactly that. For example, one of the best ways to gerrymander in the contemporary environment is to put rural or suburban constituencies into the same district as urban ones, thereby diffusing the political alignment of urban districts and altering how voter preference is perceived. This practice is under constant legal scrutiny, and while redistricting lawsuits are always

plentiful, the tendency of contemporary courts is reflective of earlier attitudes of nonintervention.

An obvious problem with gerrymandering is that minority voters will be systematically disenfranchised by it. Due to the advancement of Geographic Information Systems and other technologies, it has become much easier to manipulate districts along political lines, and the worry that redistricting will be abused to effectively silence minorities is relevant to modern debates on how redistricting should be practiced, monitored, and legislated. Questions about redistricting are questions about the use and abuse of power, and corruption in redistricting is a tangible threat to the legitimacy of our government.

State Integrity Scale on Redistricting

Given the stakes of redistricting in ensuring representational government at both the state and federal levels, it is no surprise that there are innumerable interested and conflicting parties, which sets the stage for corruption of various types. Recently, Wisconsin has been a redistricting battleground, with that state's Republican leadership coming under fire for signing secrecy pacts to obscure their redistricting efforts and to exclude the public from participation in the redistricting process (Kirkby, 2012). Corruption is notable for its clandestine nature, and Wisconsin legislators are worthy of suspicion on that account.

Wisconsin's redistricting troubles are among many recent instances of state level leaders being impugned and indicted on charges relating to redistricting (Ansolabehere & Leblanc, 2008), and so at first blush it is appropriate that redistricting is among the indicators of corruption risk in the State Integrity Investigation.

In their attempt to quantify the risk for corruption at the state level, the State Integrity Investigation employed six indicators in their redistricting subscale, including (1) whether public meetings were held during the most recent redistricting phase, (2) whether public input on district maps was solicited at those meetings, (3) whether meeting schedules were publicly available, (4) whether the government accepted redistricting plans from the public, and (5) whether there was a website or online resource dedicated to redistricting available to the public. The final indicator was an overall score, comprised of the other five (State Integrity, 2012).

The goal of the State Integrity scale on redistricting was to quantify how open and transparent the redistricting process was in each state, based upon the notion that corruption is more likely in an environment of secrecy and that the participation of the public in redistricting serves as a bulwark against gerrymandering. Accordingly, all of their indicators pertain to the extent to which redistricting is reviewable and informed by the general public of each individual state.

The State Integrity Investigation's decision to include a subscale on redistricting is justifiable given the deleterious consequences for representational government that gerrymandering can entail. However, the scale itself fails to capture or account for the nuances of politically motivated redistricting. Redistricting, for the State Integrity Investigation, merits only six indicators, one of which is a composite of the other five. In essence then, there are only five distinct items that the Investigation deems relevant to preventing gerrymandering, all of which pertain to public access to meetings/information and the opportunity to submit suggestions. Further, the few indicators that exist often lack distinction. For example, the question about meeting schedules being made public,

if answered in the affirmative, entails that meetings do, in fact, take place. Also, it is not apparent that accepting suggestions from the public should correlate to a more "transparent" or "open" redistricting process. If suggestions or proposals are solicited or accepted but not taken seriously or even read, then it is doubtful that such provisions have any impact on redistricting.

The State Integrity Investigation, in the case of their redistricting subscale, focuses exclusively on the availability of information and the possibility of public discourse. It makes no provision for the extent to which available information is actually accessed by the public, nor does it account for any administrative use to which public suggestions are put. Are legislators or policymakers expected or required to review suggestions by the public? Does the public attend the meetings? How much traffic do websites get? These are practical questions that the State Integrity Investigation excludes from their assessment tool, but which on their face matter more than the items that are included. It doesn't matter how clear a window is if nobody looks through it.

Statistical Analysis

To illustrate the lack of distinction in the State Integrity redistricting subscale, it is useful to observe the correlations among the indicators that they identified as being important to quantifying the risk of corruption in redistricting. These correlations along with descriptive statistics are displayed in Table 1.

Table 1: Redistricting Correlation Matrix and Descriptive Statistics

		Overall Score	Meetings exist	Public input sought	Schedules made available	Submissions accepted
Overall Score						
Meeting Exists	Correlation	.878				
Public Input Sought	Correlation	.944	.839			
Schedules made Available	Correlation	.811	.650	.715		
Submissions Accepted	Correlation	.711	.603	.748	.448	
Website Exists	Correlation	.704	.524	.565	.546	.308

	Mean	S.D.
Overall Score	67.4	26.99
Meeting Exists	69.5	31.65
Public Input Sought	63.0	33.97
Schedules made Available	75.5	31.74
Submissions Accepted	51.5	35.86
Website Exists	77.5	30.82

Calculated from the State Integrity Investigation, 2012

Obviously, the overall score correlates highly with each of the other five indicators, as it is a composite score of those five. However, we also see moderate to strongly positive correlations among all other indicators. Further, with the exception of the indicator of states' willingness to accept citizen redistricting submissions, the mean scores of the indicators are all relatively high. We are left with no indicators that skew low, meaning that states, on average, are reasonably diligent at holding meetings which solicit citizen input and which are advertised. Further, online access to redistricting resources are also typically available, and it is only when it comes to the acceptance of public redistricting submissions that states falter.

Table 2: Redistricting Crosstabulation of Overall Score and Meeting Existence

		Meetings Exist					
		.00	25.00	50.00	75.00	100.00	Total
Overall	5.00	1	0	0	0	0	1
Score	10.00	0	1	0	0	0	1
	15.00	1	0	0	0	0	1
	25.00	0	1	0	0	0	1
	30.00	0	1	0	0	0	1
	40.00	0	1	2	0	0	3
	45.00	1	1	1	0	0	3
	50.00	0	0	5	3	1	9
	55.00	0	1	0	0	0	1
	60.00	0	0	1	0	0	1
	65.00	0	0	1	1	0	2
	70.00	0	0	0	3	0	3
	75.00	0	0	0	0	1	1
	80.00	0	0	0	2	2	4
	90.00	0	0	0	2	3	5
	95.00	0	0	0	0	4	4
	100.00	0	0	0	0	9	9
Total		3	6	10	11	20	50

Calculated from the State Integrity Investigation, 2012

Table 2 contextualizes the broader trends illustrated in Table 1, and specifies the importance of the existence of meetings on redistricting to the overall state scores on redistricting. This is to be expected, as there is little reason to think that the absence of meetings would influence redistricting in a positive way. It is also noteworthy that well over half of US states feature redistricting meetings, with only three suffering from their total lack. Again, there is little variation in play here.

<div align="center">The Validity of the Redistricting Scale</div>

The State Integrity redistricting scale is successful in measuring the extent to which states hold public meetings and make information about redistricting available online. However, redistricting and the problems pertaining to it are far more complicated than the State Integrity instrument would indicate. The implication of this redistricting subscale is that the existence of public meetings and online information are, by themselves, sufficient to prevent gerrymandering. They are not.

First of all, the scale fails to (and probably cannot) acknowledge the complex relationship of policymakers and voters to district manipulation. Redistricting has long been the purview of state legislators who have a well-documented history of gerrymandering, and reform is necessary in order to alter this trend. This scale never mentions redistricting reform. Legislators, regardless of political alignment, routinely express principled support for the notion that districts should be drawn without reference to the political preferences of the constituencies contained therein, but do not behave in accordance with those views (Tolbert et. al., 2009).

One reason for this is because maintenance of the status quo is built into the system. Those who become politically "elite" are, by definition, those who have been

victorious in elections and therefore have a stake in maintaining the structures which have benefitted them. Conversely, the losers of elections are often vocal and active in their calls for redistricting reform, but their supporters are in the minority and their power is less.

Relatedly, voters themselves are, by proxy, winners and losers as well (Tolbert et. al., 2009). Supporters of a winning candidate typically view themselves as victorious, and have demonstrated a similar reluctance to reshape districts or call for reforms because their positions may become more tenuous by doing so. This means that the greatest calls for redistricting reform are made by adherents of the losing side, which by extension means that they are likely to be in the minority. Political elites and the voters who confer that status upon them march in lockstep in this respect. Those who have the power to pursue redistricting reform have a built-in reason to avoid it.

Beyond ignoring mechanisms for reform and failing to account for the complexity of the relationship of voters and legislators to redistricting, the State Integrity redistricting subscale also takes the knowledgeability of voters for granted. Quite simply, most voters do not care about redistricting, or even know what it is (Tolbert et. al., 2009). Again we see that exclusively focusing on transparency is a mistake, despite the intuitive appeal of its allegedly being a panacea for corruption. If the electorate remains largely ignorant of the importance of redistricting and the mechanisms by which it is done, no amount of meetings or websites can effectively impact gerrymandering.

Does Redistricting Matter?

The validity and effectiveness of the State Integrity redistricting subscale in quantifying redistricting as a risk for corruption is deficient in a number of ways, but the

question remains as to whether redistricting has an impact on the outcome of elections in the ways predicted by those who are fearful of gerrymandering. In essence, the fear of gerrymandering is that it will cause elections to become non-competitive affairs that are essentially decided before votes are cast. Is that fear being manifested in contemporary American politics?

The short answer is yes. House elections have become less competitive in the past five decades, reaching an all-time low in the early 2000s. 99% of incumbents were elected in the years 2002-2004, and only 7% of such elections were within 10 percentage points. Incumbents were winning their elections very consistently, and by wide margins (Abramowitz et al., 2006). *The New York Times* and other newspapers have asserted that both parties have succeeded in protecting themselves from competition through the redistricting process. They claim that the vast majority of districts are essentially uncontested, leaving only 17% of House races decided by a margin of less than 20%. Landslide victories are commonplace, and these uncompetitive contests are consistent with predictions made by the "redistricting hypothesis" (Abramowitz et al., 2006), which states that gerrymandering to concentrate voter allegiance has compromised the electoral process.

This evidence seems damning, and indicates that gerrymandering may indeed have eroded the legitimacy of our elections. However, gerrymandering has two goals, and they are oppositional. On the one hand, districts can be redrawn to protect an incumbent, strengthening his or her hold on office by increasing the tenure of their service and bolstering their familiarity in the minds of voters. On the other hand, districts can also be manipulated to maximize the reach of a party by changing the landscape to

earn the greatest number of House seats. It is impossible, however, to do both simultaneously. You must take away votes from an incumbent if you want to give them to a different district in a manner consistent with earning more seats for the same party, so it is possible that redistricting actually increases competition in some cases (Abramowitz et al., 2006).

Further, there are other factors in play that call into question the conclusions of the redistricting hypothesis. Two notable ones are the partisan polarization hypothesis and the incumbency hypothesis. Briefly, the partisan polarization hypothesis suggests that Americans are becoming more extreme in their politics, such that Republicans have moved to the right and Democrats to the left, at both the individual and district levels. In this view, then, competitiveness is diminishing in our elections because of more zealous personal politics which encourage politically enthusiastic people to physically move into areas where others share their beliefs (Abramowitz, 2006). Meanwhile, the incumbency hypothesis suggests that simply being in office confers enough of an advantage on a candidate that their victory becomes almost certain. This is because sitting legislators have the ability to amass a much greater "war chest" for campaigns than challengers do, but also because they do not need to convince voters of their ability to hold the office (Ansolabehere et al., 2000).

Another interpretation of contemporary American politics that contravenes the partisan polarization hypothesis while also calling into question the redistricting hypothesis has to do with the influence of political parties themselves. Gerrymandering relies on party influence for its effectiveness, and becomes unreliable when voters cannot be counted on to vote along party lines, and this is where the appeal of individual

candidates comes into play (Welch & Hibbing, 1997). There is reason to believe that success in elections has become more focused on individual candidates and that the power of political parties has waned in recent decades. Political party affiliation has been supplanted by personal characteristics as the most important voting consideration in the minds of many voters, and this is relevant to the conversation on redistricting (Welch & Hibbing, 1997). In short, it is possible that redistricting should be seen as a lesser threat in the modern political landscape because it is less effective when employed in an electoral environment that favors charisma and personal history over party affiliation.

The weakening power of party affiliation is also apparent with respect to the "undecided" voter. This archetype is continually referenced during presidential election cycles and in reference to "swing states". While not bearing directly on congressional or state redistricting, the idea that undecided people are the ones holding the keys to office does underscore the notion that the personal appeal of candidates may be more important than the "D" or "R" next to their names.

Finally, it is necessary to examine gerrymandering in a legal sense, and it is in the law that we find the biggest reason to question whether redistricting matters within the context of a risk-assessment tool geared toward preventing corruption. It is true that corrupt activities need not be illegal to be classified as "corrupt". Nepotism and favoritism are both widely regarded as being corrupt behaviors, despite being ostensibly legal. However, when examining redistricting, we are looking at something with vast breadth that likely requires consistent legal controls if we are going to designate some form of it as corrupt with any clarity.

In 2006, the Supreme Court revisited the issue of redistricting in *League of United Latin American Citizens vs. Perry*, wherein Texas governor Rick Perry (among others) was sued due to redistricting which was claimed to be unconstitutional and which was alleged to disenfranchise Hispanic voters. The Court's finding in that case was twofold. One, the Court said that states could redistrict as much as they wanted. The mandatory redistricting in the aftermath of the census was a baseline rather than a limit, and so ongoing redistricting efforts were deemed acceptable. This was a striking development, but nowhere near as impactful as the Courts other ruling that "redistricting done for partisan gain is not inherently unconstitutional" (Tolbert et. al., 2009). In short, the Court decided that states could redraw their districts whenever they wanted (provided that it happen at least once a decade), and that redrawing those districts in an attempt at gaining partisan advantage was constitutionally acceptable. There is no question that legal challenges regarding redistricting will continue in the aftermath of the *Perry* ruling, but gerrymandering is at least a quasi-legal proposition.

Suggestions for Scale Improvement

Assuming that redistricting should be maintained as a subscale of the State Integrity risk assessment at all, there are several steps that are necessary in order to make it more effective and to better reflect political realities. First, the problem of voter ignorance needs to be addressed, such as by including an instrument gauging whether voters are familiar at all with redistricting and the processes behind it. Again, a bevy of meetings and online resources will be of scant use to an electorate that remains unfamiliar with the issue at hand. Second, there need to be some measures indicating how citizens use the resources mentioned in the existing instrument. The attendance at public

meetings and the amount of traffic websites generate are both more important questions than whether such things exist. Third, redistricting reform needs to be accounted for in the instrument. The absence of any indicator regarding reform efforts or legislative control of redistricting is egregious, and makes the scale less impactful. Finally, while it is probably impossible for a scale like this to account for partisan polarization, it would be a simple matter to include a measure of incumbency advantage. In order to demonstrate the possible risks for corruption that a state's redistricting process entails, some measurement of incumbent electoral success would be helpful.

However, even if these amendments to the instrument were implemented, we would still be left with a scale that measures a phenomenon that is only tangentially related to corruption. Gerrymandering is an institution in this country, and redistricting has long since become synonymous with it. The highest court in the land has deemed the practice to be constitutional, and those who object to it do not do so on principle. Objections to gerrymandering are made in response to specific instances of it by those whose interests have been harmed. These objectors do not denounce gerrymandering out of a desire to see it ended but hope only to turn its use to their own purposes.

Redistricting Conclusion

As is often the case with anti-corruption "strategies", lip-service to a lofty goal often displaces legitimate attempts to curb corruption, and in this case a certain dogmatism seems to have influenced the State Integrity Investigation to fall into that trap. Gerrymandering has disenfranchised citizens and compromised our electoral process, but it has been institutionalized and normalized to such a degree that including it as a metric of corruption may be a stretch.

V. INTERNAL AUDITING

Justification

Having thus described the area of redistricting as an area of governance in which

risks for corruption are rife yet the complexity of which is substantially overlooked by the

State Integrity Investigation, this research turns now toward one of the most widely used

and commonly recognized countermeasures against corrupt conduct, which also falls

under the purview of governmental behavior. Internal auditing is recognized by the State

Integrity Investigation as being a relevant metric for the measurement of the risk of

government corruption, and with good cause. Organizations of all types and size often

turn to internal audit to accomplish a host of objectives, of which corruption prevention

and detection is among the most prominent. From fortune 500 companies to small local

businesses and including every level of government agency, internal auditing is a practice

that diverse types of organizations embrace.

So, the first reason for the selection of internal auditing as a subscale deserving of

a more detailed examination is that it is a very widespread practice, and is much more

familiar to people than are the specifics of state budget processes or the vagaries of ethics

enforcement agencies. Second, while many people are generally familiar with internal

auditing, at least to the extent that they have a sense of what it is and that it is common,

there is nevertheless a common misunderstanding of all it tries to do. To understand how

auditing relates to the risk for corruption and how it serves to deter it, it is necessary to

have more detailed knowledge of internal auditing than that which is generally

characteristic of the public and most researchers. Ultimately, internal auditing was

chosen as the subject of a detailed analysis because it is among (if not the) most

widespread means by which organizations of all types combat corruption, and while it is generally known to exist, most people's understanding of internal auditing is rudimentary. This analysis will reveal the extent to which that diagnosis of simplicity also applies to the architects of the State Integrity Investigation, and will shed light on the benefits and liabilities of the means that they used to measure it as an anti-corruption mechanism.

Literature Review

What is Auditing?

Auditing is considered an integrity mechanism, which is to say that it exists as a means by which to evaluate the degree to which an operation adheres to legal, ethical, financial, and moral principles (Graycar & Prenzler, 2013). Audits can be and are performed by both private and public organizations and institutions, and while the focus of this work is on the internal auditing of governmental organizations, the principles of auditing are similar for both. Further, an audit can focus on either finances or performance, though for the purposes of detecting fraud and corruption, financial auditing is the type that matters more (though the purposes of auditing extend far beyond fighting corruption, as will be made clear in the next section).

When applied to the government, the purpose of internal audits is "to monitor, ensure and appraise the accountability of government" (Liu & Lin, 2012, p. 164). Internal auditing has been the subject of definitional debate in much the same way that "corruption" has, with some experts focusing on who has an interest in its outcomes (management, board members, other stakeholders), and others prioritizing how audits are organized and the decisions that inform that organization (Varchuk et. al., 2016).

Nevertheless, no matter how complex a definition one chooses to adhere to, all have the common feature that *auditing is principally an evaluation of compliance*. The specifics of an audits purpose vary widely, but the central question that audits try to answer is always simple: are we doing what we are supposed to be doing? (Varchuk, et. al., 2016).

What does Auditing try to do?

In keeping with the complexity of a task designed to evaluate compliance, internal auditing has been described as a "jack-of-all-trades tool" because of the diverse problems it is used to detect and solve (Westhausen, 2016). It is meant to detect corruption, which obviously matters here, but it also has a role in agency compliance with laws and policies, risk management, and data protection. Internal auditing is a big task.

The crucial purpose of auditing is to assess the financial health of an organization and inform stakeholders on how to improve that health. Detecting corruption only one component of that goal. Another major objective of audits is to foster confidence in the operational integrity of a given organization, governmental or otherwise (Malagueño et al., 2010). Absent auditing, organizational accountability to stakeholders is diminished, which entails a corresponding lack of stakeholder confidence, which includes citizens as stakeholders in governments. Also, assets can be appropriated or otherwise misused without effective auditing, and management can act against the interests of stakeholders while furthering their own.

To further understand the goals of internal auditing, it is useful to place it within a wider context of organizational control. Internal auditing attempts to ensure accurate and transparent accounting, help manage risks, and hold organizational leadership accountable, among other things. However, no single tool can be relied upon to

accomplish such an array of diverse and vital tasks, so internal auditing exists within a broader ecology of control systems. These systems are thought of as comprising what is known as the "three lines of defense" model of internal control (Anderson, 2016; Institute of Internal Auditors, 2013).

Managing and controlling risk involves internal auditors, compliance officers, internal control specialists, quality inspectors, and fraud investigators, among potential others (Institute of Internal Auditing, 2013). It is necessary to coordinate the efforts of these personnel in such a way as no area of control is absent, while also ensuring that there are not extraneous redundancies in controls (redundancies may improve controls, but are most frequently not justified with respect to their costs in money and time). The adoption of the "three lines of defense" model helps to streamline the process of optimizing the work of many different specialists, and by understanding this model one can better appreciate the role of internal auditing and the auditors who are responsible for it.

The first line of defense is known as operational management, and there are no organizations that exist without it. There can be no organization without management, and the managerial role in internal control cannot be overstated (Institute of Internal Auditors, 2016). It is management that crafts policies and makes initial decisions on how those policies should be implemented, and in an organization of sufficient size (such as exists within government agencies) there will be a defined managerial hierarchy that is organized to route information and oversight in a well-defined way. The auditor does not play a substantial role within operational management. Here, we are talking about overseeing everyday compliance with organizational policy and performance along with

the reporting of deficiencies that that entails. An internal auditor is not necessary for a supervisor or manager to sanction an employee who is found to be in violation.

After operational management, the second line of defense is less specific but more diverse, and is known as "risk management and compliance". While eventually auditors will monitor both risk management and compliance, their role is not to be found here. What this line of defense consists of are those things in place within a company to help managers with their task. It is "everything else" that is outside of management and not within the purview of internal audit. For example, a whistle blower who draws attention to corruption would probably be located here. This line bolsters the first, and the mechanisms that exist here report directly to management and, crucially, *are not* independent from management (Institute of Internal Auditors, 2013).

The third and final line of defense is where we find internal auditors. Here, we have the highest level of organizational independence of any internal control, as internal auditors do not report to most levels of management, they are to some degree insulated from managerial influence (Institute of Internal Auditors, 2013). The independence of internal auditors and their ostensible objectivity is not to be found within the first two lines of defense. A manager at any level will have their own personal objectives, as will a whistle-blower. Theoretically, an internal auditor will not have the same biases, and so they exist to not only evaluate the performance of an organization at large, they also check and assess the effectiveness of the first two lines of defense within the model. Internal auditing can catch things that were missed before, and that is one of the reasons for its value.

The functions of intra-organizational management (lines one and two) and auditing (line three) are two means by which agencies attempt to prevent corruption, and should be understood as oppositional, in some senses (De Chiara & Livio, 2017). The supervisory role of management entails that personnel be hired and trained for the purposes of overseeing employee conduct, including how they use agency resources. The problem with supervision is that it is susceptible to being compromised by extortion and collusion. Collusion here is when there is a bribe paid to a supervisor to falsely report on an employees' activities (for example), and extortion is when the supervisor falsely reports with the intent to obtain benefits offered by the agency in exchange for preventing corruption ("I caught someone doing something wrong and want rewarded for it", when no wrong conduct occurred). Auditing "always" outperforms the supervisory function of managers, at least as far as collusion is concerned (De Chiara & Livio). It is impossible to "catch" corruption when the person investigating it is a participant, so auditing is the only thing left.

The importance of internal auditing as a third (and arguably last) line of defense against malfeasance and inefficiency should now be clear. Auditing is both complicated and valuable, and the array of problems it is used to address is only increasing. In recent years, auditing has had to tackle the ever-evolving issues pertaining to cybersecurity, which had obviously not been a concern for most of history, for example. Further, the financial meltdown of the late 2000's and increasing public interest in corruption have elevated the level of scrutiny that auditors face as well as public interest in their findings. The conditions of internal auditing are such that old problems never disappear, and new ones regularly emerge (Anderson, 2016).

Auditing Process, Outcome Influences and Rectification

The auditing process is a series of actions that are shaped by discretion, with all of the difficulties that that entails. Auditing is often conceptualized by the layperson as being a highly mechanical process, but the decision-making of audit designers, sovereigns, and auditors themselves are all impactful variables in how an internal audit proceeds (Malagueño et al., 2010). The potential problems with discretion in auditing will be more fully addressed in the section on problems with auditing, but it is important to keep in mind that auditing is a very human, even artistic process, despite its bureaucratic nature (Flint, 2005).

The decisions of audit planners and internal auditors themselves proceed roughly along the following sequential decision points. First, it must be decided what to audit and when to perform it. Will the audit be focused on finance or performance? Having made that determination, the audit designers must decide on the specifics of how the audit will proceed, including decisions on whether to outsource any or all of the work (Neu & Rahamen, 2013). Remember, internal auditing is meant to be independent, but that does not preclude the use of an organization's own personnel in performing one.

Having dispensed with these preliminaries, the audit work stage can begin, wherein the relevant information is gathered and analyzed. This is the most substantial and lengthy part of the internal auditing process, for obvious reasons. After completing the work, the draft report stage unfolds, which describes the creation of a preliminary report and editing its contents. After editing, the results of the audit are formally reported in the final report stage. Lastly, and after a period of time, the follow-up stage will commence (Neu & Rahamen, 2013), whereby auditors will check back to see if the

recommendations made in their final report are being adhered to (Shari, 2016). The follow-up stage is often considered to be part of a broader stage known as rectification, which will be described shortly.

Whatever the particulars are of internal audit design and implementation, there are many factors which may influence its outcomes. First, the scope of an audit matters. How much money is being audited or how complicated are the performance metrics being evaluated? Volume matters because the number of irregularities will vary in proximity to how much overall money is involved and/or how nuanced performative evaluation is (Liu & Lin, 2012). Controlling for other factors, the more money and the greater complexity of an agency being audited, the more irregularities should be discovered by the audit.

Beyond the scope of an internal audit's infrastructure, the most important factor for auditing outcomes is the internal auditors themselves. The individual auditors, and their corresponding discretionary decisions, matter more than any other one thing. Here, we care about things like how many auditors there are collaborating on a given audit, what their level of training is, and how independent from the agency being audited they are. An audit being run by enough people with sufficient experience will be better able to detect irregularities and make suggestions as to how any problems might be rectified later. It is very difficult to study this, and sheer numbers are often used as a proxy: quantity over quality as a measurement strategy. It is better than nothing, but far from perfect (Liu & Lin, 2012).

Two more factors that influence internal auditing outcomes are the quality of reporting and the financial solvency of the government or organization involved. The

importance of reporting is obvious, as the number and quality of reports to stakeholders is the "voice" of the audit. The findings do not matter if they are not conveyed. The financial solvency of governments/organizations is a consideration that is not as immediately apparent, but agencies and organizations are expected to act on the recommendations of audit reports and financial constraints are a common reason why they do not (Liu & Lin, 2012; Wadho, 2016). In short, a government or firm whose financial limitations interfere with their capacity to finance auditing recommendations will be one least likely to benefit from having done the audit in the first place.

Auditing itself is vital to ensuring organizational accountability along many metrics to both stakeholders and the public, and the ability/willingness of an organization to adhere to auditing recommendations is an important part of that. Auditing, however, cannot be effective by itself. An audit alone can only detect problems. It cannot solve them. To effectively deter wrongdoing and help to solve any problems that auditing detects, there needs to be a sanctioning mechanism involved. This mechanism is known as rectification, and it can encompass any or all of several different methods (Liu & Lin, 2012).

First, auditors can be empowered to impose penalties directly as part of rectification. The simplest way for rectification to unfold is to grant auditors the ability to sanction organizational members for misconduct and inefficiencies uncovered, such as by issuing write-ups, suspensions, or terminations (Liu & Lin, 2012). Second, auditors may refer personnel to another body for punishment, such as by cooperating with outside authorities like police. Third, a milder approach during rectification is for auditors to act in an advisory capacity, which would include things like alerting higher level bureaucrats

and officials and other stakeholders about problems discovered with the expectation that those actors will level appropriate sanctions. A fourth potential component of the rectification process is to make more general recommendations and to later check to see if/how well those recommendations have been followed.

Whatever combination of these strategies is used, what should be emphasized is that what happens after the audit itself is at least as important as anything that happens during it, especially for the purposes of addressing fraud and corruption.

Auditing and Corruption

The importance of government auditing is recognized by virtually all developed nations and most of the developing world as well, and supreme audit institutions are the Auditor General Offices of nations (this is the Government Accountability Office in the US). These institutions are not seen as explicitly anti-corruption because they have other functions such as reporting on overall efficiency and making policy evaluations and suggestions, but they do serve a major anti-corruption function (Tara et al., 2016). One of the most impactful effects of supreme audit institutions is to reduce the public *perception* of corruption within government, and they have been found to suppress actual corruption as well (Ionescu, 2014; Tara et al., 2016).

The purpose of internal government audits in combating corruption is to "remove privileges and fortify government responsibility" (Ionescu, 2014, p. 122). Internal government audits attempt to preserve the stability of public power by monitoring the conduct of those people and agencies who wield it. The idea is that there will be a record left of corrupt transactions, and auditing can discover those transactions and apprise stakeholders of what has occurred (Özbirecikli et al., 2016). In the case of governments,

the public at large is the most important stakeholder. Auditing strikes at the secrecy necessary for corruption to flourish, and in addition to detecting and aiding in its possible prosecution, the existence of robust auditing practices forces would-be corrupt actors to become more sophisticated in their schemes (Dusha, 2015).

Though internal government auditing has been shown to positively impact both actual and perceived levels of corruption, it is nevertheless possible for audits to be used as "window dressing". That is, discrepancies can exist between the supposed vigor of anti-corruption efforts and their actual heft. With respect to internal audits and corruption, the "Anti-Corruption Maturity Model" has been incepted as a means of differentiating between actual and supposed anti-corruption efforts, and this model has several "tiers" (Morrison, 2016) that can be applied to agencies and organizations of various size and complexity.

The first and lowest tier of the anti-corruption maturity model is called "Basic", and it "accepts elevated levels of risk". Auditing in this tier would apply to smaller organizations whose leadership accepts that bribery, etc. is relatively commonplace, and whose entrepreneurial characteristics tolerate higher levels of risk for corruption. Groups in the Basic tier dislike tightly structured internal controls (Morrison, 2016). The second tier is known as the Reactive tier, and this tier has a low tolerance for corruption, but does still tolerate it. A small internal audit contingent exists to monitor relatively lax internal controls.

There is a marked increase in the potency of this model at the third tier, called the Advanced tier, which entails zero tolerance for corruption. Here, internal controls are strong and established. There is an involved managing board that identifies operational

areas of risk for corruption and a strong and well-resourced internal auditing department (Morrison, 2016). The fourth tier, Optimized, also espouses zero tolerance for corruption. The difference here is in the complexity of the anti-corruption model. In the optimized tier, there is a compliance board reporting to an auditing committee, as well as designated executives who are independent from other management who oversee both. This is a proactive tier as well, with personnel dedicated to studying the law and emerging regulations to make sure that existing laws are hale and that full compliance is achieved with respect to any emerging regulations (Morrison, 2016).

There are also several components to Anti-Corruption Maturity Models, which apply differentially depending upon the tier being utilized for a given organization. The first of these components is oversight by the independent executives and administrative boards. Also, employee awareness of anti-corruption programs is verified by oversight (Morrison, 2016). A second component of these models has to do with resources. Simply put, there must be enough resources for the anti-corruption program to run, and it should have its own budget. The resources should be adequate given the organizations size and revenue.

Risk assessment is also conducted annually within anti-corruption maturity models, at minimum, and includes all parts of the organization, especially any foreign operations. Risk assessment is itself a complicated task, and requires training for the people doing it. These models also mandate that agencies must have policies and standards regarding behavior., and employees must be aware of those policies. Business partners must also be made aware and certify their compliance with them. These policies

should address gifts, entertainment, and political/charitable contributions and include

bans on retaliation against whistle blowers (Morrison, 2016).

Controls and monitoring are also part of anti-corruption maturity models, part of

which are mandates that suspicious transactions be reviewed, and any activity that is not

normal needs to be justified after the fact or approved before proceeding. Examples of

this include various forms of financial disclosure and restrictions on the opening of

foreign bank accounts (Morrison, 2016). It is also necessary for entities outside of a

given agency or organization to be put under scrutiny if corruption is to be effectively

combatted, which means that due diligence must be applied to third parties with whom

the agency interacts or does business. The history of third parties with respect to

investigations and/or prosecutions for corruption need to be accounted for, and personnel

affiliated with those entities must be scrutinized so as to detect anyone who may be

ethically, legally, or politically compromised (Morrison, 2016).

Finally, ongoing training is required by anti-corruption maturity models, which

entails various means of schooling personnel on potential red flags for corruption to look

for and recognize when found. Often, regular testing is employed in this effort to

substantiate that staff is current with their understanding, and all staff will be trained in

the optimal tier, including external business partners (Morrison, 2016). If internal

auditors implement these components, they will be much more effective in detecting and

preventing corruption in any given tier within an anti-corruption maturity model.

The development of anti-corruption maturity models has been a boon to internal

auditors in their fight against corruption, but there are external factors which influence

governmental corruption that are largely proof against innovations in how auditing is

done. The relevant point here is that anti-corruption maturity models should not be viewed as promising any kind of organizational immunity to corruption, and further that auditing by any method has been shown to uncover differential levels of corruption for reasons that have nothing to do with auditing design or auditor proficiency.

The first of these external factors influencing corruption levels is the level of market development. The better developed the market environment of a nation is, the less likely its government is to be corrupt (Johnston, 2005; Liu & Lin, 2012), and there is also a negative correlation between corruption and education/income levels among the population. There is also a notion that government agent pay is related to corruption levels, which is known as "high wage for transparency" (Liu & Lin, 2012). Here, the suggestion is that well-paid public officials will be dissuaded from engaging in corruption because their economic need is less. A low wage encourages stealing, in other words, and this includes auditors themselves (the problem of corrupt auditors will be addressed in the forthcoming section on auditing problems). Finally, the size and openness of governments influences the likelihood that auditing will uncover corrupt practices, with research suggesting that larger and more open countries suffer from less corruption within their institutions. Government size is self-explanatory, but "openness" refers here to the extent to which there are substantial barriers to international trade. Obviously, international trade is itself an arena in which corruption can flourish, but often barriers to it are the product of corrupt officials establishing them to enrich themselves and local merchants (Liu & Lin, 2012). Trade restrictions are a common mechanism to facilitate price gouging (spiking the prices in the local market by eliminating international competition, in this case).

In summation, internal governmental auditing is a vital way for the integrity of power to be monitored and sustained, and anti-corruption maturity models provide a guide to auditors for how to elevate their effectiveness in these pursuits. Though auditing practices are not the only things that shape the impact and outcomes of audits, it is encouraging that auditing bodies are continually working to improve their methods even in the face of powerful external influences on their endeavor.

<p style="text-align:center">The Benefits of Internal Audit</p>

The goals of internal audit are laudable, and there are empirical reasons to believe that internal auditing accomplishes them, at least to a degree. It is important at this point to emphasize those things that auditing does exceptionally well because context is required for the discussion of its flaws that will follow.

One of the most important benefits to internal auditing is in the benefits to public perception that it offers, and especially in the changes to behavior that increased perceptions of organizational integrity entail (Chen, 2016; *Journal of Accountancy*, 2002). The increase in public trust in organizations which are subject to rigorous internal audit is well documented (Chen, 2016; Ionescu, 2014; Malagueño et al., 2010), and that might be considered as a meaningful benefit in itself. However, it also contributes to what is known as the "spillover effect", which is a term used to describe the practice of investors adjusting their valuation of a company to account for "undiscovered misconduct". In other words, companies are assumed to have some level of misconduct that goes undetected, which impacts the valuation of that company by investors (Chen, 2016) such that the assumption of more undiscovered misconduct diminishes the monetary value attached by investors to a given company.

Companies are not ignorant of this spillover effect, and will pay high premiums to avoid being diminished by it (Malagueño et al., 2010). This is most evident in the continued trust placed by entities all over the world in the so-called "Big 4" accounting firms of Earnst & Young, Deloitte & Touche, KPMG, and PricewaterhouseCooper. Investors have been shown to pay higher prices in exchange for lower returns when putting money into companies who have been audited by a Big 4 firm prior to their IPOs, which can have a meaningful cumulative effect of national economies. Corruption siphons off money that could be used to drive economies forward, and that corruption makes investors reluctant to spend in suspect marketplaces (Malagueño et al., 2010).

While the spillover effect is typically applied to understanding private companies, it is not unreasonable to extrapolate from it an application to government agencies as well. For example, if investors assume a level of undiscovered malfeasance within companies, citizens may well assume the same of government agencies. Accordingly, if internal auditing increases trust in companies by investors, it is reasonable to suggest that internal auditing will increase trust in governments by citizens.

Morality and the Culture of Auditing

Despite its plausible deterrent effect on corruption and the monetary advantages of internal auditing, the financial crisis of the last decade, involving companies like Enron, WorldCom, and Nortel among many others, happened in large part because of audit failures. Recounting that era's history is not the purpose here, but it is useful to be aware that auditing is an endeavor that is as vulnerable to catastrophic failure as any other human undertaking. In fact, every single major public accounting agency has been involved in massive audit failure as of 2005 (Flint, 2005). This is partially attributable to

corruption/malfeasance on the part of auditors themselves, and this issue is one of several problems with internal auditing that needs to be addressed.

Moral and ethical inadequacies are often pointed out as reasons for the failures of internal auditors (Chira, 1979), including those who work for major firms, and the profession at large is aware of its problems in those respects. Accordingly, the professional ethics regulations espoused by professional organizations within the field of accountancy and auditing are robust (Flint, 2005). There is a heavy emphasis on rules throughout the profession, which is commensurate with auditors' role in ensuring rule compliance in others. However, mere training, or the acquisition of better legal and technical knowledge/expertise, is insufficient to regulate conduct in the auditing profession. Those things are necessary, but they must be bolstered by character training such that "moral and spiritual" characteristics are fostered (Flint, 2005).

One of the reasons why even a powerful and consensus-driven framework of ethics guidelines is unable to adequately restrain auditors from malfeasance is thought to be the culture in which they work. There are numerous problems within the professional culture of auditing and accountancy, the first of which relates to the time that such personnel are expected to devote to their jobs. While being overworked and "burnt out" are common complaints among professionals of many kinds, the field of auditing is particularly notable for them. This is because workers are expected to put in many hours, averaging 49 hour weeks, and upwards of 60 during peak times (Flint, 2005). Firms gauge employee value by how well they function under the highest levels of stress. The result of this evaluative criteria is that people who are considered "Type A" personalities are perceived as being of the greatest value, and while such people are effective in

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working long hours in part because of their high motivation, they are also often antagonistic, cynical, and reactive (Flint, 2005). The qualities that make one able to persevere in highly stressful environments are not necessarily the ones that make one a good or ethical collaborator, which can impact the success of audits.

Further, auditing requires attention to detail, the capacity for which can be diminished over time with stress. The high workload and commitment to the profession necessary to work as an auditor can have the consequence of stifling the development of important personality characteristics that would serve to improve auditing (Flint, 2005). For example, it is necessary to interface with higher level personnel to seek guidance, instructions, and answers, but burnt out, depressed, and aggressive auditors are bad at all of those.

Another problem that impacts the ability and/or willingness of auditors to conform to the high ethical standards that are supposed to guide them is the reliance in the industry on cheap labor. Again, complaints about pay are among the most common objections workers in any profession make, but the structure of pay in the auditing profession is nonetheless a plausible driver of auditor malfeasance. Public accounting firms operate by allowing "articling students" to do much of the work for them (Flint, 2005). These students are paid relatively poorly, usually making less than 30,000 a year, which is dramatically less than more senior personnel who can make between 150,000 and 500,000 annually. Despite these pay discrepancies, articling students are expected to work the same lengthy hours. This has been likened to "indentured servitude" and it is a common practice among accounting firms who use it in part to cull their workforce. They use overwork as a means of determining "who really wants it". The problem is that

articling students are not only less qualified and experienced, they are also under substantially more stress than their more senior counterparts, yet are often made to do the lion's share of the work of auditing. Ultimately, inexperienced and overworked novices are not likely to be the most ethically compliant or effective auditors (Flint, 2005).

As is the case in other professions, the combination of long hours and low pay has a deleterious effect on auditor performance, which very much incudes their adherence to professional ethical standards. For example, the first principle of what are known as the GAAS (Generally Accepted Auditing Standards) states: "The work should be adequately planned and properly executed. If assistants are employed they should be properly supervised." (Flint, 2005, p. 120). This principle is routinely ignored by auditors because of the enormous time commitment that their jobs require. In short, they cut corners to save time, and they begin with the *first* standard identified by their profession. In fact, public auditing firms dispense with the expectation of supervision by providing truncated training sessions to personnel who are not even certified to do that work. This is explicitly forbidden by professional standards, but is de facto policy in many firms.

The second GAAS says that auditors must have a sufficient understanding of their client's control system before planning the audit. Auditors routinely ignore this as well. It is plainly necessary to know about the systems being audited to plan an audit of them, but auditors are frequently expected to do this due diligence on their "own time", which is to say that they are meant to do the work without logging or being compensated for it (Flint, 2005). Obviously, many auditors choose to forego doing this uncompensated labor, which also compromises audit effectiveness.

Auditors and auditing firms are mired in a professional culture that makes a major point of having rigorous ethical and professional standards while undermining those standards when the time comes to accomplish their actual work. This is a major problem, and compromised auditors will perform auditing work that is substandard.

<center>"Turning off" Auditing</center>

Even when auditors adhere to the ethical and professional standards set forth to guide them, auditing effectiveness can be stymied by organizational elites who can "turn off" internal and external controls. This deactivation of control mechanisms has been said to be "the most important thing in successful corruption" (which is a rephrasing of the importance of circumventing countermeasures identified by the Episodic Process) (Jávor & Jancsics, 2016, p. 546). Control deactivation includes the manipulation of official records, including their destruction, and alteration of the avenues by which information flows through an organization. Routing information into more opaque channels can frustrate auditing, such as by communicating via secure, external phone connections or e-mail servers. Eliminating internal regulatory checks on spending (such as by requiring various levels of approval) is also a good way to "deactivate" internal controls and create less evidence of where funds went (Jávor & Jancsics, 2016).

The creation of "professionally corrupt networks" also undermines auditing. By moving money through a network of nonprofit organizations, charities, and partner companies, auditing can be effectively deactivated as a means by which to detect corruption. Such networks can also include prosecutors, judges, and investigators, so if there are corruption-prone officials in the ambit of an organization or agency, auditing can be compromised (Jávor & Jancsics, 2016).

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These networks, when mature, can be understood as a business venture that essentially sells corrupt services to crooked consumers.

These corrupt networks depend upon intermediaries and the involvement of such agents is increased when the costs associated with obtaining licenses and permits is high enough. When the costs of doing business legally is high, more rigorous auditing *encourages* the use of intermediaries to facilitate bribes. In other words, auditing can become self-defeating when there exists means by which to frustrate it (Dusha, 2015). The argument here is that the combination of high business costs when combined with rigorous auditing protocols creates an illicit market for intermediaries who facilitate corruption that theoretically would not exist if either business costs or auditing rigor were diminished.

That said, the frequency of audits makes any given intermediary less likely to be able to participate in the corrupt exchange, at least without an elevated risk for detection. However, what this does, rather than diminish the participation of intermediaries, is to drive their prices higher to compensate for the risks involved. If it is cheaper to pay an intermediary for illicit gains than it is to obtain them legally, auditing can provoke their use (Dusha, 2015). Thus, it may be a better anti-corruption strategy to lower the costs of legally obtaining licenses and permits than it is to raise the amount or even quality of auditing. Further, auditors are inevitably constrained by the resources at their disposal, so the scope of their investigations into potentially corrupt activity is limited. It is reasonable to suggest that detecting corruption facilitated by intermediaries may be prohibitively high, and auditors might refrain from doing so for that reason.

It is fair to characterize the deactivation of internal controls by organizational

elites constitutes bad management, and various management issues are among the most

common causes to which corruption identified by auditing are attributed (Westhausen,

2017). Beyond management who are actively corrupt, these managerial issues include

things like simple incompetence and the setting of poor examples, and extend to an

effective absence of internal control protocols. It is striking, however, that nearly half of

all detected frauds result from elites overriding controls that do exist (Westhausen, 2017).

Whether those overrides were themselves the result of legitimate reasoning or examples

of something more illicit, the fact remains that auditing is not the only control mechanism

that can be turned off.

Compounding these issues of mismanagement, auditors themselves can be

complicit in the degradation of their own role. One way that this occurs is by the

encroachment of self-perception bias into their thinking (Westhausen, 2017). Self-

perception bias exists for everyone to some extent, and refers to the tendency of people to

overestimate their own competence, and auditors are not immune to it. In short, auditors

think they are better at their jobs than they are (Westhausen, 2017). For example, only

6% of anti-fraud auditors are formally trained in the complexities of detecting fraud, yet

60% report that they know enough to do the job well, and a quarter of them label

themselves as "anti-fraud experts". Another way that internal auditing can be

compromised by those responsible for doing it is by auditors rejecting the importance of

fraud detection/prevention as a priority. Despite the high esteem in which many auditors

hold themselves regarding their abilities to detect fraud, a second group (about 17% of

auditors) report that they have zero duty to prevent fraud (Westhausen, 2017). Stranger

still, 12% of auditors deny that there is even a responsibility to detect it after the fact.

So, auditors themselves can be problematic for audit effectiveness, both because

of the ethical compromises accepted in the culture of their jobs and because of their own

apathy and/or professional vanity. It is worth reiterating here that those problems exist

for auditors who are not explicitly corrupt. When knowing and intentional corruption is

factored in, auditing is fraught with personnel (and personal) problems.

<div align="center">Politics, Discretion, and Auditing: A Case in Point</div>

As the preceding discussion has shown, auditing is a field in which the human

element cannot be overstated, and auditor discretion is a major reason why. Every point

in the planning, development, and execution of an audit, including rectification, depends

upon the decisions made by auditors, stakeholders, and other external sovereigns. What

this means is that one of the biggest issues for internal audit effectiveness is politics, the

relevance of which is implicit in the auditing of government agencies. To demonstrate

the impact of politics on discretionary behavior and why it matters for internal auditing, it

is useful to consider the case of the Canadian Federal government's sponsorship program,

which was an advertising initiative in the 1990's (Neu et al., 2013).

The Sponsorship Program was enacted by the Liberal party in Canada to sway

public opinion against the idea that Quebec should secede. Work was contracted out, and

the government was billed for "little or no work" by outside parties. Further, monies

were funneled out of the program and into the war chests of Liberal Party officials. In

this instance, 50 million dollars of an allocated 338 million went missing. In the

investigation that resulted, auditors were found to have allowed political considerations

into their discretionary behaviors, effectively defeating the purpose of the auditing (Neu et al., 2013). There was no way to "detect" corruption when the auditors themselves didn't want to. The problem in this case, as elsewhere, is that governmental auditing takes place under circumstances that favor political discretion and the notion of influence trading is accepted. True auditing is compromised by those things.

Auditing takes place within a wider setting of so-called "influence-markets", which is to say that politicians and the parties they belong to must continually seek financial backing for electoral efforts, and they are willing to "sell" their influence in exchange for that backing. It is within this context that discretionary behavior creates a catch-22 situation whereby the existence of discretion allows for influence-peddling to happen yet discretion is necessary for any decisions to be made (Neu et al., 2013). The issue here is not overt acts of corruption, such as bribes and kickbacks (at least in developed countries). Influence peddling encompasses more circumspect things like awarding contracts, funding a program, and granting tax exemptions. Those things all must happen in governance, but such discretionary decisions can be unduly influenced in a potentially corrupt manner. Thus, discretion lets government function while also opening the door to abuses.

With respect to auditing, discretion allows for invested parties such as politicians and bureaucrats to interfere with an audit, making it less likely that wrongdoing will be uncovered. This means that corruption can flourish even in the presence of ostensibly "rigorous" auditing, especially in the government sector. The reason for this is, essentially, that the

auditing itself becomes part of systemic corruption. People get used to making political trade-offs, and auditing is not exempt from that (Neu et al., 2013).

Auditors are very aware of the political context in which their work is done, and so decisions about when to do an audit, what specifically to audit, and how to disseminate the information discovered are all influenced by prevailing political concerns. It is typically easy to access the official findings of an audit, but often virtually impossible to get any meaningful insight into how the audit itself was conducted. Even FOI laws (which will feature prominently in the chapter on public access to information) do little to alleviate this problem (Neu et al., 2013). So, we know that political considerations factor into auditing, but usually don't know precisely how.

Another relevant fact is that politicians themselves are not subject to internal audit. They are described as "above" such things, as they are the ones who direct and oversee the audits themselves. A Governor, for example, is not going to be personally subject to an internal audit (though his office may be), and it is through the influence of such officials that auditing itself can be compromised. Further, politicians do not like audits. There is a lot of rhetoric employed using buzzwords like "accountability" and "transparency", but those do not seem to be reflective of genuine interest in auditing or in the findings of audits becoming widely known. The fear among politicians is that their own discretion will be eroded and they will become subservient to auditors. Also, by being theoretically displaced by auditors, their power to craft policy will shift to people who are not aware of the nuances of policy when auditors get to "audit everything". (Neu et al., 2013, p. 1226). Ultimately, audits are seen as threats, in part because they may invite public criticism and thus harm future electoral prospects.

If some line of inquiry within an audit is perceived by senior bureaucrats as being especially risky, it can be planned around and preemptively stopped. If something gets found that is a problem, the wording of reports can be manipulated to provide a veneer of legitimacy to illegitimate behavior, etc. The "successful" audit is compiled in such a way as to avoid problems, and a component of this is allowing for "open secrets", which are things that everybody knows are true but cannot be said (Neu et al., 2013). Senior auditors rather than their junior staff are responsible for making an audit "successful", so their political discretion is much more important.

Auditors know all of this, and perceive the necessity of knowing what the priorities are of the leadership of whatever thing they are auditing, as well as having an awareness of the political context of what they are looking at. That doesn't make them slaves to those priorities and politics, but they are not wholly independent from them either.

There are bulwarks against rampant partisanship though. There are professional norms that auditors must adhere to, some of which have been described, and their findings need to be defensible, both in courts of law and in front of professional discipline committees (Neu et al., 2013). The constraints of normative behavior limit the array of options available for auditors' discretion, and they also provide a framework for defending the decisions that did get made. The lesson here is that auditors have an inherent conflict that attends their work. That conflict arises between the political and the professional, and that itself is one of the best checks we have on the integrity of auditing.

Ultimately, internal audit is "by no means independent" (Neu et al., 2013, p. 1245) because it exists within the same power relationships that characterize the political

environment in which it happens. The suggestion that robust internal audit mechanisms will forestall corruption is appealing, but there is reason to doubt its veracity. Lower level auditing personnel can do their jobs professionally and ethically, and still be complicit in a compromised process when their superiors obfuscate their work to be commensurate with the political priorities of officials who are above that process.

Auditing is very good at detecting wrongdoing, but not necessarily adequate at reporting what is found, and this owes largely to politics. Auditors and officials are notoriously reluctant to testify about the reasons for the decisions they made, and even legal compulsion is not necessarily effective in ameliorating this problem. The "backstage" part of auditing, which is to say the discretionary behavior that it relies upon, has been described as a "shadow activity", and this is something that both facilitates and frustrates effective auditing (Neu et al., 2013). Like other efforts at transparency, auditing is not a silver bullet to the heart of corruption, and corruption can indeed permeate auditing and flourish in its presence.

State Integrity Scale on Internal Auditing

The goals of internal auditing of checking the behavior of organizations and identifying areas of risk are key, but as the foregoing section demonstrates, achieving those goals can be enormously complex. The discretionary behavior of sovereigns in designing audits and influencing the reports that result from them impact how auditors themselves behave, and the professional culture of internal auditing can be problematic as well. Given those complexities, it is no surprise that the State Integrity Investigation employs an ostensibly more robust scale, compared to that used to assess redistricting, to measure the effectiveness of internal auditing in each state. Recall that in the

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redistricting subscale, only six variables were employed. The scale on internal auditing employs sixteen independent variables, which again inform an overall score.

The internal auditing subscale is not amenable to analysis as a collective, and is better conceived of as consisting of three parts. The first part is comprised of general questions, of which there are three. First, State Integrity asks if an auditing institution exists which covers the entire public sector for each state. Second is the question of whether such supreme audit institutions are effective. Finally, State Integrity addresses whether audit reports are accessible to the public.

The second type of variable that contributes to states' overall internal auditing scores concerns the legal landscape of states. State Integrity addresses the law three times, and starts by asking if a supreme audit institution is legally mandated. From there, the legal protections of audit institutions from political interference is addressed. Finally, the legal right of citizens to access auditing reports is accounted for.

The third and final subsection of the internal auditing subscale is concerned with practicality. The "in practice" family of variables in this subscale includes ten indicators, which address topics ranging from the support that auditing institutions receive from states to whether audit recommendations are followed. The first four variables here measure structural elements of the auditing institution, including protections from removal afforded to the heads of auditing institutions, the existence of a professional, full-time staff, whether that staff is likely to have conflicts of interest, and whether the agency makes regular public reports. These are followed by variables which measure whether the government follows the recommendations outlined in such reports, as well as whether auditing agencies have the authority to initiate their own investigations. The

final component of auditing "in practice" concerns the availability of reports to citizens, and measures whether such reports can be obtained at a reasonable cost, within a reasonable amount of time, and via the internet.

The analysis of State Integrity's subscale on internal auditing will proceed in accordance with the three variable types identified above. It will begin with an assessment of the General Variables of the existence of a supreme audit institution, the effectiveness of those institutions, and the accessibility of auditing reports to the public. Following that, the legal variables will be addressed, followed by a discussion of the "in practice" indicators used by State Integrity.

<div align="center">General Variables</div>

There are three indicators used by State Integrity that explicitly do not fall within the purview of the law or practicality, per se. They are instead general questions about whether supreme institutions exist (whether they are legally mandated to or not), whether those institutions are "effective", and whether citizens have access to reporting made by such institutions. The correlations and descriptive statistics of general auditing variables are presented in Table 3.

Table 3: Internal Auditing General Variable Correlation Matrix and Descriptive Statistics

		Internal Auditing Overall Score	Is there an audit institution or equivalent agency covering the entire state's public sector?	Is the supreme audit institution effective?	Mean	S.D.
Internal Auditing					88.85	9.496
Is there an audit institution or equivalent agency covering the entire state's public sector?	Correlation	.749			98.00	14.142
Is the supreme audit institution effective?	Correlation	.863	.454		80.56	15.685
Can citizens access reports of the supreme audit institution?	Correlation	.475	.008	.271	88.00	9.178

Calculated from the State Integrity Investigation, 2012

Table 3 shows that these variables are all important contributors to the overall score that State Integrity has assigned to each state in terms of internal auditing. Each is strongly and positively correlated to that overall score. Further, what is notable here is that each of these general variables has a high to very high mean score, as does the overall mark, meaning that State Integrity reports that internal auditing is commonplace, robust, and effective across the country, with citizens having widespread access to the reporting which results from it. In other words, internal auditing is generally an area of high performance for almost all states, and thus should theoretically be effective in detecting and preventing corruption in those states. Accordingly, it makes sense to investigate the legal environments of states to determine if the strength of internal auditing proceeds from its foundation in the law.

"In Law" Variables

As was the case with the "general" variables in this subscale, there are relatively few measurements by state integrity of what exists within the law itself. First, they ask whether there is a supreme audit institution to cover the entirety of states mandated by the law. Next, they look to legal protections of such institutions from political interference. The final "in law" variable is concerned with citizens' legal right to access auditing reports. The correlation matrix and descriptive stats are displayed in Table 4.

Table 4: Internal Auditing "In Law" Variable Correlation Matrix and Descriptive Statistics

		Overall Score	Is there a supreme audit institution?	Is the supreme audit institution protected from political interference?	Mean	S.D.
Overall Score					88.85	9.496
Is there a supreme audit institution?	Correlation	.749			98.00	14.142
Is the supreme audit institution protected from political interference?	Correlation	.423	.254		76.00	43.141
Can citizens access auditing reports?	Correlation	.199	-.029	-.115	96.00	19.794

Caculated from the State Integrity Investigation, 2012

A similar trend as existed for the general variables is evident here as well, with relatively to very high mean scores for each variable, though in this case citizens' legal right to access reports is less impactful on the overall state scores for internal auditing. Furthermore, the existence of provisions within the law pertaining to citizen access is negatively correlated with legal mandates for the existence of supreme audit institutions as well as with legal protections for audit institution independence.

The conclusion is that, for both legal and general variables, there is little variation in scoring by state, and evidence is shown here to support the argument that statewide internal auditing is as powerful as it is because of the strong legal framework that underpins it. The remaining variables within the subscale are designated as "in practice", and those variables will be analyzed now.

"In Practice" Variables

The final designation of variable included in State Integrity's subscale on internal auditing is "in practice", and a more numerous and diverse array of considerations are accounted for here. While there were only three each of the general and legal variables, there are ten "in practice" measurements used in the scale. The correlation matrix among these variables and the overall State Integrity score for internal auditing is presented in Table 5, and Table 6 provides descriptive statistics.

Table 5: Internal Auditing "In Practice" Variable Correlation Matrix

		Overall	The head of the audit agency is protected from removal without relevant justification.	The audit agency has a professional, full-time staff.	Audit agency appointments support the independence of the agency.	The audit agency receives regular funding.	The audit agency makes regular public reports.	The government acts on the findings of the audit agency.	The audit agency is able to initiate its own investigations.	Citizens can access audit reports within a reasonable time period.	Citizens can access the audit reports at a reasonable cost.
The head of the audit agency is protected from removal without relevant justification.	Correlation	.526									
The audit agency has a professional, full-time staff.	Correlation	.584	.114								
The audit agency appointments support the independence of the agency.	Correlation	.385	.059	.480							
The audit agency receives regular funding.	Correlation	.609	.208	.489	.235						

Calculated from the State Integrity Investigation, 2012

Table 5 Continued.

		Overall	The head of the audit agency is protected from removal without relevant justification.	The audit agency has a professional, full-time staff.	Audit agency appointments support the independence of the agency.	The audit agency receives regular funding.	The audit agency makes regular public reports.	The government acts on the findings of the audit.	The audit agency is able to initiate its own investigations.	Citizens can access audit reports within a reasonable time period.	Citizens can access the audit reports at a reasonable cost.
The audit agency makes regular public reports.	Correlation	.377	.091	.550	.193	.186					
The government acts on the findings of the audit.	Correlation	.496	.067	.279	.395	.294	.347				
The audit agency is able to initiate its own investigations.	Correlation	.594	.381	.276	.071	.191	.333	.317			
Citizens can access audit reports within a reasonable time period.	Correlation	.306	.120	.410	.254	.048	.423	.203	.286		

Calculated from the State Integrity Investigation, 2012

Table 5 Continued

		Overall	The head of the audit agency is protected from removal without relevant justification.	The audit agency has a professional, full-time staff.	Audit agency appointments support the independence of the agency.	The audit agency receives regular funding.	The audit agency makes regular public reports	The government acts on the findings of the audit.	The audit agency is able to initiate its own investigations	Citizens can access audit reports within a reasonable time period.	Citizens can access the audit reports at a reasonable cost.
Citizens can access the audit reports at a reasonable cost.	Correlation	.147	-.085	.291	.376	.061	.132	.237	-.114	.138	
Audit reports are accessible to the public online in a meaningful and accessible manner.	Correlation	.334	-.083	.258	.060	.161	.167	.213	.033	.134	.249

Calculated from the State Integrity Investigation, 2012

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Table 6: Internal Auditing "In Practice" Variable Descriptive Statistics

	Mean	S.D
Overall Score	88.854	9.49645
The head of the audit agency is protected from removal without relevant justification.	78.000	37.33467
The audit agency has a professional, full-time staff.	87.000	18.37811
The audit agency appointments support the independence of the agency.	87.000	23.81905
The audit agency receives regular funding.	84.500	22.52550
The audit agency makes regular public reports.	92.000	18.51640
The government acts on the findings of the audit.	64.000	23.77617
The audit agency is able to initiate its own investigations.	76.000	30.28774
Citizens can access audit reports within a reasonable time period.	91.500	17.20969
Citizens can access the audit reports at a reasonable cost.	99.500	3.53553
Audit reports are accessible to the public online in a meaningful and accessible manner.	65.000	23.14550

Calculated from the State Integrity Investigation, 2012

We see that the trends of high mean scores and significant positive correlations that existed for the general and legal variables obtain here as well. Strong legal frameworks appear to generally result in potent practical application with respect to internal auditing. Indeed, nearly all fifty states (with the exception of Nevada and Wyoming) score above a 77 overall, and the vast majority score well with respect to each individual indicator along all three types of variable.

Based on these data, it is reasonable to conclude that the legal frameworks underpinning internal auditing are strong in nearly every state, and that those provisions result in beneficial practices. According to State Integrity, internal auditing is a strength throughout the country, and so to the extent that corruption exists, it does so despite internal auditing controls. This is compelling evidence for the notion that State Integrity is either inadequately quantifying the power of statewide internal audit or that internal

auditing itself is woefully insufficient to the task of detecting and deterring corruption in state agencies. It is to those questions that this analysis now turns.

<p align="center">Scale Validity</p>

The State Integrity subscale on internal auditing is far more detailed and diverse than the one they used to quantify redistricting. It is especially attentive to "in practice" variables, which is an improvement, because it is not necessarily the case that legal mandates are obeyed. Fortunately, in this case legal mandates appear to result in practical compliance, and the result is a strong commitment to internal auditing practices nationwide. However, State Integrity advertises its findings as showing evidence of "no winners" in the fight against corruption (State Integrity Investigation, 2012), and so there remain legitimate issues with how they have measured internal auditing.

First, there is only one indicator for whether the recommendations of internal auditors are followed, and so the rectification process that is so crucial to the deterrent function of internal auditing on corruption is given short shrift. Also, that indicator is, without exception, the metric that features the lowest mean score across the states. Indeed, the importance of whether recommendations are followed is such that the low mean score on that indicator could plausibly explain the persistence of corruption in the face of internal audit by itself. As was covered earlier in this chapter, the inability or refusal to adhere to the recommendations of auditors fundamentally compromises the effectiveness of the enterprise.

The second major problem with this subscale echoes an issue that also applied to redistricting, and concerns the degree to which the public actually interfaces with the resources that are made available to them. State Integrity rightly focuses on whether

there are legal provisions for citizen access and also addresses the difficulties that exist

for that access to actually occur with respect to time, financial cost, and online

availability. What is never addressed, however, is whether citizens bother to take

advantage of the access the law mostly guarantees. Again, ease of access is fairly

insignificant if nobody bothers to look at reports "in practice".

A third problem is evident in the Investigation's decision to substantially ignore

the power that supreme audit institutions might wield. The one variable that does this

asks whether they can instigate their own investigations, but what about their ability to

sanction? Can auditing agencies enforce any response to what they discover? The ability

of auditors to levy sanctions directly or to pressure others to do so is highly relevant to

their effectiveness, but it goes mostly unmarked here.

Finally, the culture of internal auditors is not addressed at all, and the professional

environment of auditing, including expectations and pay, has an impact on the quality of

work being done. Again, we see a disjuncture between that which exists and that which

is optimal. The mere existence of internal auditing, if it is done within a corrosive

professional culture, may not result in the anti-corruption and risk-detection benefits that

internal auditing is (partly) designed to provide.

Does Internal Auditing Matter?

Internal auditing clearly matters with respect to corruption, or at least it has the

potential to. It is among the most widely recognized means by which agencies of various

types seek to detect and prevent corrupt conduct on the part of their personnel, and if it is

independent and results in recommendations that are followed, there is little reason to

disregard it. It is an unambiguously appropriate thing to measure when assessing the risk for public corruption.

<center>Suggestions for Scale Improvement and Conclusion</center>

The State Integrity Investigation's inclusion of internal auditing as an important influence on corruption risk is well-considered, but the specific means by which they approach the subject are insufficient in a few important ways. The most substantial improvement to future such scales would likely involve the incorporation of more diverse indicators concerning the extent to which audit recommendations are followed and the sanctioning power of supreme audit institutions to ensure that they are. Examples of possible such indicators might include asking who auditing reports are made available to first, whether incentives to follow recommendations exist, and whether sanctions for noncompliance are available to internal auditors. All such improvements rest on the relevance of the rectification process to the success of internal auditing, and that is a process that is deserving of more attention.

The scale could also be improved with dedicated measurement of *actual* citizen access to reports rather than *possible* access. Provisions for possible access should not be discarded, as it is reasonable to suppose that better ease of access will result in more actual citizen engagement, but as it exists, State Integrity is too focused on what citizens can do at the expense of whether they do it. Plausible such indicators include what kind of traffic online auditing reports get as well as the degree to which the existence of such reports is advertised. People need to be made aware of the resources at their disposal and alerted as to why they should care. Citizens are not intrinsically interested in state auditing reports, and will not become so without direction.

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In the case of internal auditing, State Integrity has made a respectable effort to measure its various dimensions, and its relevance to corruption control is well-supported. However, despite the Investigation's elevated level of attention to this subscale, it is still fundamentally deficient in important ways. If we accept that internal audit is an effective bulwark against corruption, then an instrument claiming that internal audit is as powerful as State Integrity does here should not simultaneously report that most states are highly corrupt.

VI. PUBLIC PROCUREMENT

Justification

Public procurement an area that features substantial risk for corruption, and the costs associated with corruption in this sector are vast. The sums of money in play are huge, and entail not only the risk for financial losses, but also have the potential to harm millions of people, especially within the realms of infrastructure and defense. The process by which public procurements take place are also complicated, and often involve lengthy supply chains which can serve to obfuscate corrupt dealings, and discretionary behaviors of both public and private officials coincide to create and sustain corrupt coalitions. Because of the threats posed by corruption within the arena of public procurement and the intricate means by which such corruption is accomplished, it is an ideal subject for analysis here.

Literature Review

What is Procurement?

Public procurement is an enterprise that is, in some ways, simpler than that of internal auditing. Fundamentally, public procurement is "the process by which

governments and state-owned enterprises purchase goods and services" (Mizoguchi & Van Quyen, 2014, p. 577). The breadth of the materials that are subject to procurement is vast, and it is largely owing to the diversity and scope of public procurement that it is such an important and vulnerable sector for public corruption (Hudon & Garzón, 2016; Ferwerda et al., 2017). Governments and associated enterprises need to obtain materials and services necessary for the operations of rails, waste management, construction, and research and development, among many other things (Mizoguchi & Van Quyen, 2014). Further, defense spending is a major component of public procurement, and defense procurement in the US accounts for 36.6% of global defense procurement (Mizoguchi & Van Quyen, 2014). The scale of procurement in this sector will be explored in further detail later in this chapter, but defense spending is merely among the biggest examples of a more general trend that public procurement involves a massive amount of money regardless of how much corruption characterizes any given instance of it.

While the goals of procurement of obtaining goods and services are simple to understand, the process by which these goals are met and the influences on how those processes are conceived and unfold are more complicated. There are, for example, three considerations that are always in play for an agency seeking to procure something (Hudon & Garzón, 2016). First, procurement entails the expenditure of resources, including cash, and thus the budget for an agency in exchange for a good or service is the first thing that influences how the procurement process unfolds. Second, procurement in government does not happen independent of political realities, and is like internal auditing in that the policy preferences of officials must be considered. This is known as policy coherence, and it matters here. Third, there will typically be due process by which

contracts are supposed to be evaluated and awarded, and this bureaucratic due process exists regardless of how well it is followed (Hudon & Garzón, 2016). In other words, the ideal process tries to result in cost-effective outcomes that conform to wider policy goals while unfolding in a transparent and officially legitimate way.

It is important to note that there is the potential for conflict among these three considerations, and while all are near-universally present, they do not encompass every possible factor that can impact how procurement is accomplished. For example, if speed is of the essence, such as in the aftermath of some disaster, then strict adherence to due process may be justifiably dismissed. Nobody benefits from red tape delaying the replacement of a bridge or other piece of infrastructure harmed or destroyed by a hurricane, for instance. Similarly, it might be good from a policy perspective to contract with a local provider due to economic benefits to the local economy such a contract might entail, but bad from a cost-effectiveness perspective if the local firms charge more (Hudon & Garzón, 2016).

The potential for conflict here, as usual, denotes the importance of discretion. The goals of public procurement are simple, but discretionary behavior on the part of officials in procurement is complicated. As will be explored more in the section on procurement and corruption, there are legitimate and illegitimate means of procuring things and for changing the stipulations of such procurement. Public procurement is an area in which vast sums of money are in play, and illegitimate conduct is not always obvious or even discoverable (Toukan, 2017).

Procurement Scope and Circumstances

One fundamental fact of public procurement is that it is a massive undertaking in which enormous amounts of resources are expended. To appreciate this, it is useful to consider how the European Union spends its money. Procurement spending accounts for approximately 18% of the GDP of the entire Union on an annual basis (Ferwerda et. al., 2017). In the US, procurement spending accounted for approximately 12% of GDP in 2011, and though that is a smaller proportion than exists in Europe, it is still a massive amount of money. Typically, procurement spending accounts for between 11-20% of GDP for most nations each year (Mizoguchi & Van Quyen, 2014).

There are innumerable variations in the circumstances under which the procurement enterprise unfolds, but it is useful to initially consider the ideal situation before thinking of how departures from that ideal might impact the procurement process. Ideally, the government knows exactly what it wants and there are numerous firms who are willing and able to provide the good or service. In those circumstances, the prevalence of corruption is low because corrupt transactions are more easily detectable and sellers are thought to have small incentive to either offer bribes or acquiesce to officials' solicitation of bribes or threats of extortion (Ferwerda et. a., 2017).

In procurement as elsewhere, ideal conditions seldom pertain, and governments rarely know exactly what it is that they want. This isn't to say that governments are searching blindly in pursuit of vague goals, but that there is a major difference between knowing what is needed in a general or specific sense. For example, it is one thing to decide that the army requires a new sidearm but another to know the exact firearm specifications that would meet the army's needs. Further, in some cases, there is only

one firm or very few firms capable of providing what is desired. There is a good reason, for example, that Lockheed Martin and Boeing are always involved in the bidding processes for government aircraft. Namely, they are among the few firms in the world capable of fulfilling such a contract. When the needs of governments are vague or unknown, and/or when there are few firms capable of meeting those needs, corruption is thought to be more probable (Ferwerda et. a., 2017).

It is counter-intuitive to think that a bribe would be paid by a firm which is the sole provider, but bribes paid in such instances can facilitate substantial profit both undermining quality and inflating costs rather than being limited to merely winning the contract itself. This reality and others will be explored forthwith.

Corruption in Procurement

Corruption in procurement shares many of the costs of corruption evident in other areas, but corruption in procurement has an elevated potential to harm citizen quality of life on a remarkably large scale, both because of the sums involved and the scale of the efforts that redistricting is put to. Particularly with respect to infrastructure, poor roads, bridges, and railways harm the lives of potentially millions of people (Popescu et. al., 2016).

The enormous potential costs of corruption within procurement, unfortunately, correspond to tremendous potential gains for the corrupt, and that is among the reasons that the risk for corruption in this sector is so high (Neu et. al., 2015; Popescu et. al., 2016). In other words, when there is much to be gained by corruption, the likelihood of it is accordingly higher (Burguet, 2014). Corruption has been described as "rampant" and

"rife" within public procurement (Hudon & Garzón, 2016; Neu et. al., 2015), and there are many reasons why.

First, the stakeholders are invisible. "Taxpayers" are the financiers of government transactions with providers within the realm of public procurement, and "taxpayers" are anonymous. For procurement officers, the suppliers they interact with earn primacy over taxpayers by being visible. The sources of the money are faceless but the people to whom it is being paid are not (Neu et. al., 2015). Second, the influence market comes into play. Procurement is an activity that exists within a political context, and thus is subject to the forces that act upon politics (Hudon & Garzón, 2016; Neu et. a., 2015). The need of those in power to repay debts, both financial and political, as well as the need to accumulate "war chests" for future political campaigns, incentivize the use of discretion in procurement to market influence. Third, in terms of infrastructure, expected market prices are difficult to determine. It is easy to reference transactional procurements consumer products like books or automobiles, for example, but what does a 100-foot bridge cost? That depends on lots of things, including any mistakes made during construction and the fluctuating costs of material over time. This ambiguity makes procurement an especially ripe area for corruption to take place (Burguet, 2014; Neu et. al., 2015). Fourth, the projects involved are often not only large in scale, but also complex, meaning that there are potentially lengthy supply chains with many transactions. These make hiding corruption easier because there are more places to hide it (Hudon & Garzón, 2016) while simultaneously diluting both individual responsibility and risk (Popscu et. al., 2016).

This fourth point bears examination individually. Public procurement is a phenomenon with multiple steps and decision points along its transactional chain, no matter how long that chain is. Prior to any procurement effort taking place, some assessment of needs must occur. In the example of a new army firearm used earlier, for a government to procure a contract for one they would first have to determine that there is a need for it. This is a decision point, sometimes called "demand determination", that can be compromised by corruption (Popscu et. al., 2016). Having identified some need, the bidding process must unfold, which includes document preparation and project design by prospective bidders, and this process can unfold in a corrupt manner (such as by designing a project that skimps on quality-controls). Following on, the winning bid is selected, the contract is implemented, and the project will be subject to internal audit (Popescu et. al., 2016). Without delving deeply into the nuances of the attendant bureaucracy in these phases, corruption could clearly afflict any or all of them in a procurement effort.

In addition to the issues noted above, corruption in procurement is especially difficult to defeat because its success depends upon the rigor of both public and private sector anti-corruption efforts since procurement nearly always involves relationships between private providers and government agencies (except for state-owned enterprises getting contracts with other parts of the governments). In short, corruption in procurement is not handily categorized as public or private, but instead includes elements of both (Popescu et. al., 2016).

Goals and Methods of Corruption in Procurement

So, public procurement is a complex enterprise with a simple goal, and the same is true of corruption within it. As usual, the goal of corruption in procurement is illicit gain, but the methods of securing that gain can be diverse. To begin, there are generally two types of activity that pertain to corruption within procurement, and they are bribery and extortion (Auriol, 2006; Toukan,2017). Bribes, in this case, involve cash payouts for some consideration and are offered by suppliers to procurement agents either as an overture or in response to a solicitation. Extortion, conversely, is when a procurement agent threatens the prospective supplier with disqualification for considerations if they do not provide payment, which is often derived as a percent value of the contract itself (Toukan, 2017). The payouts here are, again, substantial.

Whether bribery or extortion is in play, a major reason for corruption in public procurement is to prejudice a corrupt official in favor of a supplier seeking a contract. This can manifest in several ways, including the firm being put on a "short list" of potential bid winners, purchasing inside information to assist a supplier in submitting a winning bid, and arranging a procurement official to offer a biased evaluation of a supplier's proposal (Toukan, 2017). Another major way in which corruption can benefit a supplier is to allow them to essentially purchase the ability to inflate production costs or to underdeliver with respect to quality.

Scholars have identified some specific means by which the above-mentioned goals might be pursued via a corrupt strategy, and among the most notable are bid orchestration and bid rigging (Lengwiler & Wolfstetter, 2006; Mizoguchi & Van Quyen, 2014). Bid orchestration is said to be characterized by procurement officials performing

their roles in a collusive manner with bidders prior to bids being submitted. It is a version of price fixing. This allows whichever firm wins the bid to have a guaranteed profit, which will have been shared with the officials, and results in the bidding firms effectively creating a cartel (Mizoguchi & Van Quyen, 2014). This is to say that, together, they have a functional monopoly on contracts. Bid rigging is simpler than bid orchestration, and involves procurement officials favoring a specific bidder by providing them information about rival bids after the fact and permitting them to adjust their bid accordingly. The corrupt bidder thus wins the contract at minimal cost (Mizoguchi & Van Quyen, 2014).

<center>Sweet Deals, Entrepreneurship, and Corruption</center>

To navigate the complex environment of public procurement to obtain illicit gain, corrupt actors must network to a greater degree than is necessary in enacting corruption in other areas. To understand this, it is useful to first recall the differences between hard and soft corruption because they come into play with respect to network oriented corruption strategies. To reiterate, hard corruption involves things like bribes and kickbacks, or anything else that is a concrete transactional payment for something (Hudon & Garzón, 2016). Conversely, soft corruption involves things like nepotism, favoritism, and otherwise "cozy" relationships between participants. Corruption in procurement features opportunities for both.

Examples of hard corruption like bribery and extortion were described above, but in the realm of procurement, the term "sweet deals" has been used to describe arrangements in which soft corruption can flourish (Tkachenko e. al., 2017). "Sweet deals" here refers to business relationships between public agencies and private suppliers

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that feature a few distinguishing characteristics. Importantly, a "sweet deal" requires that the relationship between the entities persist over a lengthy period rather than being a one-off arrangement. In other words, a business relationship is built in which contracts are awarded to suppliers repeatedly. Further, these relationships feature high levels of mutual trust (Tkachenko e. al., 2017).

Sweet deals are not necessarily bad. If executed in good faith, a reliable partnership between two mutually trusting entities can streamline transactions by reducing the perceived risks associated with doing business. The government trusts the supplier to fulfil the contract and the supplier trusts the government to pay (Tkachenko e. al., 2017). A risk exists, however, because of that trust, as repeatedly doing business with the government may entice suppliers to act in bad faith. The supplier may provide shoddy goods, thinking themselves shielded by their good reputation, and they may also overcharge for what they provide for the same reason (Tkachenko e. al., 2017). Sweet deals can be beneficial or harmful, legitimate or illegitimate, and despite the pejorative overtones of the name itself, sweet deals should not be condemned as *automatically* corrupt.

Nevertheless, the existence of sweet deals, especially when such arrangements characterize a government's procurement processes in manner that is widespread and/or well-known, can serve as an enticement toward corruption (Tonoyan et. al., 2010). Sweet deals can have a deleterious impact on perceptions of what is and is not good business, and this is one instance demonstrating the connection between corruption and entrepreneurship. When sweet deals in procurement are the norm, otherwise legitimate businesses may consider corruption as a means of evening the playing field. In short,

sweet deals can serve as a catalyst for corruption even if the deals themselves are executed in good faith by both parties (Tkachenko et. al., 2017; Tonoyan et. al., 2010).

Entrepreneurship can inform the decision to pursue corruption in procurement, but the potential influence of entrepreneurship on corruption in not restricted to procurement.

Entrepreneurship is thought to have five dimensions: (1) autonomy, (2) innovation, (3) risk taking, (4) proactiveness, and (5) competitive aggression (Hudon & Garzón, 2016; Ireland et. al, 2003), and it is not difficult to see the utility of those dimensions to successful corruption as well. Autonomy is, not coincidentally, a component of both entrepreneurship and corruption, so not only does entrepreneurship have the capacity to encourage corruption, the two have similarities in their requirements. Similarly, innovation is a quality that is prized by entrepreneurs of any kind, including those who are corrupt. The successful entrepreneur will be able to identify underserved markets and/or see a better way of solving a problem (Ireland et. al, 2003), and successful corruption also depends upon innovation to identify weaknesses in countermeasures, etc. Proactiveness and competitive aggression are also important to both enterprises, and risk taking is especially relevant to each.

<center>Dark Networks: Corrupt Procurement Coalitions</center>

One of the most important ways that inclinations toward entrepreneurship and corruption intersect is via the creation of so-called "dark networks", which are groups who are said to operate illegally and covertly (Bakker et. al., 2012). Dark networks form and assist with corruption in various governmental arenas (Giolannioni & Seidmann, 2014). Corrupt Procurement Coalitions are a type of dark network that exists to exploit

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the complexities of public procurement for illicit gain. Hudon & Garzón (2016) define coalitions generally as "an interacting group of individuals, deliberately constructed, independent of the formal structure, lacking its own internal structure, consisting of mutually perceived membership, issue oriented, focused on a goal or goals external to the coalition, and requiring concerted member action." (p. 298).

Coalitions thrive when organizational agents have autonomy but lack external resources (creating the need to go find them), have opportunities to interact with prospective members, have discretionary power, and have built coalitions before (Lee, 2000). While coalitions can and do exist to serve legitimate functions, when applied to corruption as dark networks within the field of procurement, they become corrupt procurement coalitions, or CPCs (Hudon & Garzón, 2016). The members of such coalitions can technically leave at any time, but there are risks to leaving a dark network. Dark networks want to foster strong identification with the coalition among their membership.

The entrepreneurial characteristics of proactiveness and competitive aggression manifest here in the need for dark networks to always be watchful against detection and to intimidate or retaliate against agents who threaten them (Hudon & Garzón, 2016). The decision to join such a network entails risk taking, as well as being an example of innovation, which can only be undertaken by someone with a fairly high level of autonomy. To summarize, dark networks exist because people apply the principles of entrepreneurship to illicit gain via the creation of illicit coalitions, and when this happens within procurement, the resulting groups are known as Corrupt Procurement Coalitions.

CPCs are a concrete example of the episodic process of corruption in that they embody the general need to share information during the recruitment of confederates, and they are thought to be comprised of three kinds of representative. First, elected public officials often participate, and the power they wield is instrumental in the success of the coalition. Second, political party representatives join CPCs to serve as intermediaries between elected officials and less prominent network members, among other functions. Third, private sector representatives are needed, as they are the other half of procurement transactions and as such their participation is required (Hudon & Garzón, 2016).

Within CPCs, reciprocity is king. Reciprocity governs interactions and dictates their boundaries, and this reciprocity can be achieved through political, financial, or personal means (Costa, 2017). Once established, CPCs seek to make their members identify with them strongly, resulting in the deterioration of other allegiances such that loyalty to the CPC outweighs competing obligations. In other words, official roles are made subservient to the CPC, and research has shown that things like personal politics and loyalty to private companies are often cast aside by CPC members (Costa, 2017; Hudon & Garzón, 2016). This reconfiguration of member loyalty is all done in the name of secrecy, which also displaces efficiency as a coalition goal. One way to distinguish a CPC from legitimate coalitions is that it values secrecy more than efficiency.

CPCs are elite networks, and low-level functionaries do not typically participate in them because they lack the expertise, authority, or both to be useful. Mid-level representatives are recruited though, largely because of their technical knowledge, which is often in the fields of law or administration. Intermediate members are necessary cogs in the machine, but they don't plan its function (Hudon & Garzón, 2016). Elite officials

and personnel are the ones who essentially design the networks and work most to maintain them, and this also distinguishes corruption within procurement from other arenas in which corruption occurs, as the participation of governmental elites is not necessary for successful corruption in simpler quid-pro-quo arrangements. Each member must be able to act independently of their respective organizations to maintain secrecy, and the overall goal is to inflate the price of contracts and to distribute the excess to members.

The process of CPCs has three steps (Hudon & Garzón, 2016). First, they must decide who to include and organize members efforts after joining. The founders of the network need to identify who can be helpful to the objective, then find out who among potential candidates is most suitable to approach, requiring the measured sharing of information, and professional meetings and conferences are good venues for doing this (Hudon & Garzón, 2016). Second, having created and used the network successfully, they then must distribute the illicit gains. Simply put, they need to Figure out how much to pay people by assigning value to each member's contribution to the scheme. The third and final step is that control mechanisms need to be evaded, which is where the elite members make their contribution. They steer auditing away from areas of concern, manipulate price estimates, etc. It is reasonable to interpret these three steps as being analogous to some of those described in the episodic process.

<center>Proposed Solutions to Corruption in Procurement</center>

The foregoing sections have demonstrated the enormous complexity and states attendant to both public procurement and the corruption that exists within it. Given all

that, the need for sensible solutions is apparent, and numerous anti-corruption efforts within procurement have been proposed by scholars.

Some proposed solutions are rooted in the professional environment of public procurement, and one such involves the prevailing political culture. Political connections matter for nearly all professions, and the realm of public procurement is no exception. However, some public procurement environments place a greater potential for career advancement on pleasing bosses and political elites than others (Charron et. al., 2017). In some procurement operations, collegiality with one's co-workers is more instrumental to upward career mobility than is glad-handing to the upper administration, and research finds that procurement operations that emphasize interdependence among colleagues are at lesser risk for corruption than are those that prioritize pleasing organizational or external superiors (Charron et. al., 2017). Thus, movement toward bolstering peer-relationships in procurement has been posited as potentially beneficial in combatting corruption. An environment that emphasizes peer relations over loyalty to elites may also be beneficial in preventing the formation of CPCs because it mitigates the influence of the people who are most responsible for creating them.

Another approach proceeding from the professional climate of procurement looks to its bureaucratic nature and suggests that the installation of technological systems into those bureaucracies might provide robust bulwarks against corruption (Miroslav et. al., 2014; Neu et. al., 2015). Sometimes referred to as "luminous arrangements", the intersection of technology, training, and personnel to cultivate transparency includes the tracking of responses on forms and the creation of repositories which gather those responses (Neu et. al., 2015). The premise here is that one of the best way to combat

corruption is to "create" ethical actors within the realm of procurement, and is based on the notion that a procurement officer is not "born" with the necessary ethical knowledge to be prevented from corruption, but that such expertise can be imparted. Clearly, all procurement activities on the part of the government are subject to rigorous and complicated bureaucracy which requires that lots of forms be filled out. The idea here is to encourage procurement personnel to be diligent in how they fill out those forms (Neu et. al., 2015). This is hoped to ingrain a habit of ethical conduct from the ground up such that if personnel are filling out all forms correctly, they will learn via repetition of the importance of what is on those forms, especially the financial information, which will also be collected for easy review later (Neu et. al., 2015).

Such repositories are part of what is known as "eProcurement", which is a term describing procurement protocols that feature electronic records and communication, with the idea being that easier and faster access to procurement documents (solicitations, bids, etc.) will benefit both the government and prospective providers, as well as allowing for greater public access to information (Miroslav et. al., 2014). Eprocurement also includes creating databases of all bidders, their histories of bidding, and the contracts they have been awarded. Essentially, this applies an established principle to new technology, stipulating that people under scrutiny become more trustworthy (Miroslav et. al., 2014).

Market solutions have also been suggested to curb corruption. Mizoguchi and Van Quyen (2014) note that many government contracts include provisions which proscribe firms from selling the things that they produce for the government elsewhere, and that this restriction has the unintended consequence of encouraging the production of

shoddy goods. Their argument is that, if firms could sell their government-contracted wares abroad, they would be encouraged to produce only quality goods since inferior products would not fare well on the open market (Mizoguchi & Van Quyen, 2014).

Relatedly, Taro (2007) identifies cost-effectiveness as a potential barrier to anti-corruption efforts, and advocates for a zero-tolerance approach that eschews it. He makes the argument that anti-corruption efforts, especially in procurement, have been sabotaged by a lenient perspective which holds that there exists some "optimal" level of corruption that promotes efficiency while harming few. In short, he criticizes the ethos that says that any level of corruption is acceptable or beneficial (Taro, 2007). Taro's description of corruption as "an evil that must be fought at any cost" (Taro, 2007, p. 389) firmly positions him as a moral crusader, but also encapsulates his urge to free anti-corruption efforts from being subservient to overarching economic concerns.

Clearly, there is an array of potential solutions that have been offered to combat corruption within public procurement. Some look to technology, others to economics, and still others to morality, among other things. While there is cause for optimism about all of them, there is also cause for skepticism. As Sargiacomo and his colleagues (2015) point out, versions of these solutions are usually implemented in the aftermath of scandals, when political will for change is heightened.

The problem with reactionary reforms is that the passage of time both dilutes the diligence of their application and provides opportunities for corrupt networks to adapt (Sargiacomo et. al., 2015). For example, more rigorous accounting and eprocurement practices may not help in the long term in part because the effort necessary to apply higher standards may not be sustained (Sargiacomo et. al., 2015). Similarly, a "no

tolerance" policy in procurement would entail vast resources and commitment. In short, anti-corruption efforts in the field of procurement, especially those undertaken in the immediate aftermath of a scandal, are likely to become diffused over time and there is the possibility that adoption is undertaken to provide cover to the politicians more than it is to prevent corruption in public procurement (Sargiacomo et. al., 2015).

Red Flags

One way to forestall the tendency to act only in the aftermath of scandal is to be concerned with identifying indicators, or "red flags", that can be used to differentiate corrupt from non-corrupt conduct (Fazekas et. al., 2016; Ferwerda et. al., 2017). The State Integrity Investigation is, in part, one such attempt at this, and one purpose of eProcurement is to make red flag identification easier (Miroslav et. al., 2014). The justification for using red flags stems from the assertion that corrupt conduct requires certain behaviors that are not themselves obviously corrupt, but which exist as "traces" indicating that corruption is likely to have occurred. If these traces are detected, our suspicions should be aroused. The problem with most instruments designed to detect red flags is that they derive only from instances of known corrupt procurement practices, which may be abnormal, and so some have advocated for including a broader sample of procurement efforts which include non-corrupt cases (Ferwerda et. al., 2017) to design the instruments. Proceeding from this premise, Ferwerda and colleagues (2017) identified conflicts of interest, large bids, and lack of transparency as possible red flags for corruption.

Other research has identified a more robust list of red flag indicators for detecting corruption in procurement that includes measures of how bids are solicited, the

procedures for bid submissions, the length of submission period, the length of the decision-making period during which bids are considered, and contract modifications on accepted bids (Fazekas et. al., 2016).

Briefly, what this work found was that when "calls for tender" (government solicitation of bids) were published, more firms entered a bid, which led to less corruption in the process. Conversely, failure to publish tenders had the opposite effect, making corruption more likely (Fazekas et. al., 2016). Further, the bid solicitation procedure was found to matter, such that restricted and invitation-only bidding encourage corruption, in part by making "sweet deals" easier. Temporal considerations also had an impact, and shorter submission periods correlated with a higher incidence of corruption while governments taking longer to decide who won contracts was a hallmark of legal challenges to the process (Fazekas et. al., 2016). Finally, contract modification was found to be enormously important, and the more modifications there were (lengthening contracts, changing their value, and otherwise changing their terms) was discovered to positively correlate with corruption (Fazekas et. al., 2016).

The utilization of red flags is a promising means by which to identify corruption and it is plausible that doing so would encourage reform in procurement without a scandal serving as the impetus. State Integrity, as a risk-assessment tool, incorporates elements of the "red flags" idea in its justification for existing, and we turn now to how it goes about assessing corruption risk in redistricting.

State Integrity Scale on Procurement

To their great credit, State Integrity is highly diligent in the means by which they attempt to measure the risk for corruption in public procurement in each state. Their

measurement in this scale is by far the most sophisticated subscale that has been analyzed in this research thus far, and analysis of their scale will be correspondingly more complicated than those which have preceded it. State integrity accounts well for the complexities of the procurement process, and while their assessment again uses a combination of general, legal, and practical indicators, the conceptual texture of their scale on procurement precludes analyzing their indicators based upon those rudimentary distinctions. Instead, the analysis will group their twenty-four indicators into seven categories. The indicator categories considered for analysis here are: (1) general, (2) conflict of interest, (3) bidding process, (4) bid review, (5) contractor regulation, (6) citizen access in the law, and (7) citizen access in practice.

Each of these categories will be considered separately, and it is reasonable to begin with the indicators designated as belonging to the "general" category.

<p style="text-align:center">General Variables</p>

As the category designation implies, the general variables under review here are broad, and include only three indicators in order to provide a macro-level summary of what State Integrity found. The first indicator used here will be the overall scoring for states on the procurement scale and while it will continue to be used as a reference point in each subsequent category breakdown, it is most relevant here. Following that, the procurement process effectiveness variable is included, as is the score for general citizen access to the procurement process. As before, correlation matrices and descriptive statistics will be presented and discussed for each indicator category, beginning with the general variables in Table 7.

Table 7: Correlation Matrix and Descriptive Statistics for Procurement General Variables

		Overall Score	The procurement process is effective.	Mean	S.D.
Overall Score				81.21	8.53
The procurement process is effective.	Correlation	.834		74.93	12.18
Citizens can access the procurement process.	Correlation	.717	.213	87.50	9.63

Calculated from the State Integrity Investigation, 2012

What we see here is very simple. The overall mean score indicates that states generally do well with respect to having robust safeguards against corruption in procurement, and the procurement process is also generally perceived as being effective in terms of states successfully procuring the things that they seek. Further, citizens have reasonably consistent access to the procurement process, and both procurement effectiveness and citizen access to the process are strongly and positively correlated with the overall score. However, they are only mildly positively correlated with one another, which is an interesting result. It suggests that the legal rights and practical ability of citizens to access the procurement process has relatively little bearing on whether that process produces results, and this stands at odds with scholars who subscribe to the notion that public scrutiny is substantially more likely to produce an effective procurement process.

Conflict of Interest Variables

In a beneficial departure from some of their more simplistic risk assessments, State Integrity devotes a selection of indicators to specific parts of the procurement process that target some of the potential red flags identified by scholars, and their attempt to account for conflicts of interest among procurement officials is the first example of this. Their measurement of conflicts of interest is not itself especially sophisticated, but

the fact that they tried shows that the instrument as a whole is not as simplistic as its most

rudimentary subscales would suggest. In this case, three indicators were employed to

measure how well states regulated and sought to prevent conflict of interest. Two of

these variables were legal, and the other was practical. They asked whether there were

regulations in the law targeting procurement officials' potential conflicts of interest, then

asked whether those laws were enforced. State Integrity also asked whether legal

mechanisms were in place to monitor the assets and spending habits of procurement

officials, which is a wise addendum to their tool. The statistical breakdown is presented

in Table 8 below.

Table 8: Correlation Matrix and Descriptive Statistics for Procurement Conflict of Interest Variables

		Overall Score	Laws regulate procurement officials' conflicts of interest.	Laws regulating conflicts of interest are enforced.	Mean	S.D.
Overall Score	Correlation			.	81.21	8.53
Laws regulate procurement officials' conflicts of interest.	Correlation	.ª		.	100.00	0.00
Laws regulating conflicts of interest are enforced.	Correlation	.231	.ª		82.00	16.78
Procurement officials' assets and spending habits are legally monitored.	Correlation	.376	.ª	.038	18.00	38.81

Calculated from the State Integrity Investigation, 2012

There are a few noteworthy results displayed above, and the fact that there is zero variability in one of the variables is among them. Every state in the union has legal provisions pertaining to potential conflicts of interest on the part of procurement officials. This makes sense from a practical standpoint, and states certainly should have laws governing such potentialities. However, from a methodological perspective, it is not very useful to include an indicator on which there is absolutely no variability. Because the indicator is constant across all states, there is no way of computing its impact on the other variables, and so it is statistically useless. That said, the practical impact of the laws seems to be fairly strong, indicating that they are not mere window dressing, and that is good news.

Where we do see variability in the legal landscape is with respect to monitoring provisions for the financial holdings and behaviors of procurement officials, and while

the mean score on this metric is abysmally low, the states that do make that effort earn

higher overall marks on public procurement. Thus, every state has laws about conflicts

of interest, and most enforce those laws, but some states go further toward monitoring

their procurement officials and it is plausible that they are reaping benefits on account of

that monitoring.

<center>Bidding Process Variables</center>

The positive tendency toward sophistication displayed in the conflict of interest

indicators is even more apparent with respect to State Integrity's procurement bidding

process measurements. Here, there are five relevant variables, and they are listed below.

(1) In law, there is mandatory professional training for public procurement officials.
(2) In law, major procurements require competitive bidding.
(3) In law, strict formal requirements limit the extent of "sole sourcing."
(4) In law, rules exist to avoid "pay to play" conflicts in public procurement.
(5) In practice, "pay to play" rules are effectively enforced.

Here, State Integrity employs four legal and one practical measure, and given the

variance in how states solicit and consider bids, it is appropriate to measure the practice

with an array of indicators. Again, State Integrity is making a better effort here than was

observed in some of their other subscales. The results of their measurements are

presented in Table 9.

Table 9: Correlation Matrix and Descriptive Statistics for Procurement Bidding Process Variables

		Overall Score	There is mandatory professional training for public procurement officials.	Major procurements require competitive bidding.	Strict formal requirements limit the extent of "sole sourcing."	Rules exist to avoid "pay to play" conflicts in public procurement.
Overall Score						
There is mandatory professional training for public procurement officials.	Correlation	.363				
Major procurements require competitive bidding.	Correlation	.193	-.033			
Strict formal requirements limit the extent of "sole sourcing."	Correlation	.288	.014	-.068		
Rules exist to avoid "pay to play" conflicts in public procurement.	Correlation	.248	-.007	-.082	.058	
"Pay to play" rules are effectively enforced.	Correlation	.314	.078	.214	.078	.553

Calculated from the State Integrity Investigation, 2012

Table 9 Continued

		Mean	S.D.
Overall Score		81.21	8.53
There is mandatory professional training for public procurement officials.		42.00	49.86
Major procurements require competitive bidding.		96.00	19.79
Strict formal requirements limit the extent of "sole sourcing."		90.00	30.30
Rules exist to avoid "pay to play" conflicts in public procurement.		86.00	35.05
"Pay to play" rules are effectively enforced.	.553	66.50	27.94

Calculated from the State Integrity Investigation, 2012

Again, we see relative (though this time not total) uniformity with respect to the legal landscape of states. There are high to very high mean scores on legal requirements for competitive bidding, constraints on sole sourcing, and laws preventing pay to play schemes. Among those three indicators, however, laws regulating pay to play are the least prevalent, and the practical enforcement of them is comparatively low. What this suggests is that some states are putting laws on the books that they either cannot or will not enforce, which echoes the sentiments expressed earlier that anti-corruption reforms in procurement may become less effective over time. That is, at least, a plausible interpretation of the discrepancy.

More worrying still is the fact that such low scores were observed regarding legal requirements for the training of public procurement officials. As described in an earlier section, it has been suggested that a promising way to combat corruption in public procurement is to continually train personnel, and this practice is clearly not sufficiently codified in the law. That said, those states that have put legal training mandates in place are positively impacting their overall procurement risk scores, so to the extent that State Integrity is accurately predicting risk, they are benefiting.

<div align="center">Bid Review Variables</div>

State Integrity is less robust with respect to evaluating states' bid review processes, but they do attempt to account for the variance that exists within this sphere. Here, they restrict themselves to the law and eschew the practical, and the variables they use are:

(1) In law, unsuccessful bidders can initiate an official review of procurement decisions.
(2) In law, unsuccessful bidders can challenge procurement decisions in a court of law.

The statistics for bid review are presented in Table 10.

Table 10: Correlation Matrix and Descriptive Statistics for Procurement Bid Review Variables

		Overall Score	Unsuccessful bidders can initiate an official review of procurement decisions.	Mean	S.D.
Overall Score	Correlation			81.21	8.53
Unsuccessful bidders can initiate an official review of procurement decisions.	Correlation	.462		94.00	23.98
Unsuccessful bidders can challenge procurement decisions in a court of law.	Correlation	.026	-.064	94.00	23.98

Calculated from the State Integrity Investigation, 2012

The ability of losing bidders to initiate official review and to legally challenge, strangely, are exactly the same in the aggregate, though there is variation among individual states (which is to say that not every state has the same score on each, though many do). Also, the ability to initiate reviews is far more important to overall scoring on risk for corruption in procurement than is the ability to challenge procurement decisions. This indicates that oversight is more important than any functional ability to force a change, which in turn suggests that transparency in procurement processes can be effective at reducing corruption risk even when the decisions themselves are unlikely to be reversed.

Contractor Regulation Variables

The State Integrity Investigation also covers the issue of regulatory violations, both with respect to firms which have been found guilty of major violations being banned

from placing bids and in a more general sense of regulations existing and being practical

governing contractor conduct. The rundown of the indicators included to measure

contractor regulation are described below:

(1) In law, companies guilty of major violations of procurement regulations (i.e. bribery) are prohibited from participating in future procurement bids.
(2) In practice, companies guilty of major violations of procurement regulations (i.e. bribery) are prohibited from participating in future procurement bids.
(3) In law, there are regulations governing the conduct of state service contractors.
(4) In practice, the regulations governing the conduct of state service contractors are effective.

The purpose of this category of subscale indicators is to determine the degree to

which states are involved with issuing bans on bidders found to have been in violation of

protocols and with having concrete rules in the first place about bidder-conduct. State

Integrity wisely chooses to look at both of these dimensions in legal and practical terms,

the results of which are below, in Table 11.

Table 11: Correlation Matrix and Descriptive Statistics for Contractor Regulation Variables

		Overall Score	In law, companies guilty of major violations of procurement regulations are prohibited from participating in future procurement bids.	In practice, companies guilty of major violations of procurement regulations are prohibited from participating in future procurement bids.	There are regulations governing the conduct of state service contractors.	Mean	S.D.
Overall Score	Correlation					81.21	8.53
In law, companies guilty of major violations of procurement regulations are prohibited from participating in future procurement bids.	Correlation	.158				82.00	38.80
In practice, companies guilty of major violations of procurement regulations are prohibited from participating in future procurement bids.	Correlation	.457	.358			68.00	31.15
There are regulations governing the conduct of state service contractors.	Correlation	.446	.078	.198		74.00	44.30
Regulations are effective	Correlation	.650	.155	.398	.702	56.50	36.70

Calculated from the State Integrity Investigation, 2012

Unsurprisingly, State Integrity reports that while the existence of laws governing punishment for contractor violations and general contractor conduct exist, the mean scores are lower here than for many of their other indicators in both procurement and other subscales. Further, the existence of laws mandating bans on rogue firms is far less impactful on overall procurement scores than is the practical enforcement of such laws. The same trend pertains to laws governing more general contractor conduct, though the existence of such laws is much more important that the existence of laws about bans. The lessons here reiterate those we have seen before, specifically that the enforcement of laws matters more than the existence of laws, but it is worth noting that enforcement is impossible if the laws aren't on the books to begin with, and there is substantial variation in how well states lay the legal groundwork regarding contractor behavior and sanctions of violations.

Citizen Access

Recall that, in a general sense, people are thought to be better behaved when it is easy to scrutinize them in large part because detection of and punishment for wrongdoing increases substantially in proportion to the number of eyes on an actor or transaction. This is inarguably the major reason for the emphasis on transparency in anti-corruption generally, and is also the foundation for why citizen access to the procurement process is given so much attention by the State Integrity Investigation in their attempt to assess risk for corruption in this sector. Simply put, they proceed from the premise that if the public can observe the procurement process and review its results, it will serve an important anti-corruption purpose for both deterrent and retributive reasons.

Given this assumed importance, it is not surprising that State Integrity's procurement subscale devotes more individual indicators to the issue of citizen access than it does any other on dimension of procurement. They evaluate corruption risk by looking at the legal landscape regarding public access, but they give the lion's share of their attention to the level of actual citizen access. This analysis begins with the legal variables on citizen access in procurement.

Citizen Access in the Law

Unfortunately, the trend toward sophistication and variety observed elsewhere in this subscale is mostly lacking in terms of measuring the legal environment of public access to procurement processes. Only two indicators address the issue, and both are fairly simple. First, State Integrity asks whether citizens can legally access procurement regulations, and this seems to be of questionable utility on its face, as in order to prevent such access there would have to exist laws which actively forbit it, and this seems implausible. Second, the Investigation looks at the question of whether state governments are required to publicly announce procurement results (such as who won a bid and for how much). Each of these will be included in the forthcoming analysis along with the general variable asking whether citizens can access the public procurement process. The results are in Table 12.

Table 12: Correlation Matrix and Descriptive Statistics for Procurement Citizen Access Legal Variables

		Citizens can access the public procurement process effectively.	In law, citizens can access the public procurement process.	Mean	S.D.
Citizens can access the public procurement process effectively.	Correlation			87.5	9.63
In law, citizens can access the public procurement process.	Correlation	.[a]		100.00	0.00
In law, the government must announce procurement results.	Correlation	.660	.[a]	78.00	41.84

Calculated from the State Integrity Investigation, 2012

The results here are very expected, especially in terms of the LawAccess variable not actually being a variable since it contains no variability. As most would predict, there are no states that feature preventative laws keeping citizens from knowing what its procurement regulations are. Accordingly, it is impossible to calculate this indicators impact on any other. State laws regarding the requirement to announce the results of bidding, however, do have variation and are substantially positively correlated with the overall citizen access measure. It is unfortunate that the mean scores on this transparency effort are not higher, and the indicator also has a very high standard deviation, which indicates a wide dispersion among states regarding this measure. There is far less consistency in requiring this disclosure than might be hoped.

Citizen Access in Practice

Given the relatively cursory approach that State Integrity takes to quantifying citizen access to procurement in the law, it is fortunate that they are more diligent in measure it in practice. Their approach to the practical elements includes five variables rather than two, and they are presented below. Once again, the overall score for citizen access to the procurement process will be included in the analysis for practicality.

(1) Can citizens access the public procurement process?
(2) In practice, citizens can access public procurement regulations (the rules governing the competitive procurement process) within a reasonable time period.
(3) In practice, citizens can access public procurement regulations (the rules governing the competitive procurement process) at a reasonable cost.
(4) In practice, citizens can access the results of major public procurement bids.
(5) In practice, the results of major procurement bids are accessible to the public online in a meaningful and accessible manner.
(6) In practice, major public procurements are effectively advertised.

What the Investigation is concerned with here is mostly the presence or absence of hurdles to citizens accessing procurement information. These prospective hurdles include commitments of time and money, as well as whether online access is provided by state governments (a dimension of eprocurement). Further the investigation wants to quantify whether the results of procurement are advertised and whether states make it realistically possible to discover those results. In other words, do states make results available and/or encourage citizen involvement with the procurement process by telling them what is available? The answers to these questions are presented in Table 13.

Table 13: Correlation Matrix and Descriptive Statistics for Procurement Citizen Access Practical Variables

		Can citizens access the public procurement process?	Citizens can access public procurement regulations (the rules governing the competitive procurement process) within a reasonable time period.	Citizens can access public procurement regulations (the rules governing the competitive procurement process) at a reasonable cost.	major public procurements are effectively advertised	In practice, citizens can access the results of major public procurement bids.	Mean	S.D.
Can citizens access the public procurement process?							87.50	9.63
citizens can access public procurement regulations (the rules governing the competitive procurement process) within a reasonable time period.	Correlation	.287					97.50	7.58
Citizens can access public procurement regulations (the rules governing the competitive procurement process) at a reasonable cost.	Correlation	.173	.758				98.50	6.00

Table 13 Continued.

		Can citizens access the public procurement process?	Citizens can access public procurement regulations (the rules governing the competitive procurement process) within a reasonable time period.	Citizens can access public procurement regulations (the rules governing the competitive procurement process) at a reasonable cost.	Major public procurements are effectively advertised.	In practice, citizens can access the results of major public procurement bids.	Mean	S.D.
Major public procurements are effectively advertised.	Correlation	.498	.067	.022			93.00	15.19
In practice, citizens can access the results of major public procurement bids.	Correlation	.689	.211	.160	.256		88.50	21.55
In practice, the results of major procurement bids are accessible to the public online in a meaningful and accessible manner.	Correlation	.540	.090	.068	.221	.438	57.00	26.26

The analysis reveals many positive results, and states are generally very good about not allowing instrumental obstacles to afflict public access to the procurement process. There is little support offered here that excessive costs in time and money are preventing citizens from learning about public procurement. Perhaps unexpectedly, states also score highly in advertising the results of major procurement efforts, meaning that citizens are theoretically being kept apprised of what the state is up to because the state wants them to know. Further, citizen's practical ability to access the results of procurement is high, and all of these (of course) are positively correlated with the overall score on citizen access to procurement.

The most unfortunate result of this analysis is that online access is the lowest scoring metric that State Integrity employs, and there is wide variability in how well states are disseminating their results online. This is perhaps unsurprising given that eprocurement is perceived as being innovative, and online access to results is a major component of it. Still, online reporting is a straightforward way to communicate with citizens, and it is strongly positively correlated with whether or not citizens are considered to have practical access to results at all. This is unsurprising, as it is hard to image citizens preferring offline communications about public procurement.

<center>Procurement Scale Validity</center>

The State Integrity scale on public procurement is a substantial improvement on its attempt to measure risk in internal auditing, which was, in turn, far better than the scale measuring redistricting. Here, we see a level of sophistication that is head and shoulders above the other two subscales, and its indicators measure numerous dimensions of public procurement.

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The decision to pay special attention to procurement officials' potential for conflicts of interest and contractor regulation showed State Integrity to be very cognizant of the complexities of procurement on both sides of the equation. Furthermore, on the major issues of the bidding process itself (both with respect to solicitation and review) and public access to the procurement process, State Integrity far surpassed their other efforts analyzed in this research. The utility of indicators can be debated, but the Investigation's subscale on corruption risk in public procurement is a legitimate effort to account for many of the most important dimensions of public procurement.

Does Procurement Matter?

In the case of public procurement, there is little debate about its importance as an area in which corruption occurs. As outlined earlier, the financial and civic stakes in public procurement are massive, and this would be true even if the only procurement taking place was for national defense. State Integrity would have been entirely remiss not to include it here for consideration as a component of states risk for corruption, and it is difficult to imagine anyone arguing otherwise.

Suggestions for improvement

The construction of this subscale is, again, substantially better than that which was evident in either redistricting or internal auditing. That said, the scale is not flawless, and it would be improved by the inclusion of more and more detailed measures of the legal environment in states regarding procurement. For example, State Integrity asks whether regulations exist governing the behavior of contractors, but no specific questions are asked about what those regulations are. Similarly, the question of conflicts of interest is broached in the Investigation's research, but the mechanisms of how the financial

habits of procurement officers are monitored are not. The same dearth of specificity

afflicts questions about legal constraints on prospective contractors and the parameters of

any sanctions resulting from violating those constraints.

Another failing this subscale has is that, like other subscales, its measures of

public accessibility make no allowance for the number of citizens who make use of the

resources they have access to regarding redistricting. The scale indicates that states

generally do a good job of advertising their redistricting activities and results, but it is

reasonable to question whether or not a survey of citizens would support that contention.

This scale makes the most robust effort thus far to quantify as many dimensions of public

access to information, but it is worth reiterating here that having potential access to a

thing that is not actually accessed is of minimal importance. There is an argument to be

made that the existence of public access to procurement processes has value in that

potentially corrupt actors may be deterred by the potential of detection, but those effects

would be magnified in an environment wherein people actively observed their rights to

access information.

A fairly unique failing in this subscale is its use of two variables that included no

variability. Every state has provisions within the law against conflicts of interest for

procurement officials, and no state prevents citizens from having access to procurement

regulations. The decision to incorporate those measures in a risk assessment tool is hard

to defend since uniform scoring precludes them being useful to predict anything. These

measures should be abandoned or replaced with measures that account for more detail

and thus would provide variation.

Conclusion

There is consensus among analysts, policymakers, and academics that public procurement is subject to substantial amounts of corruption around the world and in the US. The sums of money involved entail lucrative rewards for corrupt actors, and the complexity inherent to governments contracting with private agencies to obtain goods and services on an industrial scale create many opportunities for concealment. These opportunities are sought out and exploited by entrepreneurial officials, both public and private, who seek to profit by corruption. The creation of "dark networks" is a major issue within procurement, and attempts to prevent the inception of Corrupt Procurement Coalitions have been largely unsuccessful to this point.

Many suggestions have been put forward to combat corruption in public procurement, and they include market-based, cultural, professional, and legal solutions, among many others. All agree that procurement is routinely hamstrung by corruption, but there is no consensus regarding how to prevent it. One of the biggest obstacles to sustained anti-corruption efforts, within and without public procurement, is the need to maintain the political will to do so, and this difficulty has the potential to frustrate any or all of the solutions proposed thus far. This, coupled with the fact that public procurement involves both public agencies and private enterprise, makes corruption in public procurement one of the most intractable problems facing governments today.

State Integrity makes a laudable and sensible attempt to quantify the state level risk for public corruption within public procurement. Their approach to the myriad component parts of the procurement enterprise is relatively sophisticated, and this subscale is among their best thought out. However, it is flawed, and in need of further

refinement. The instrument lacks specificity, particularly with regard to the legal variables, and also makes no allowance for degree of access, choosing instead to only focus on the potential for it. Finally, the decision to employ two variables with no variation was poorly advised, and should be revisited.

Ultimately, the same problem pertains here as was evident in the State Integrity scale on Internal Auditing. Namely, the states are scoring highly overall with respect to their diligence in ensuring a fair and transparent procurement process, yet State Integrity proclaims that there are no states that are not at substantial risk for public corruption. According to the Investigation's research, procurement in the US should be fairly safe from corruption risks, but it is not, and so more analysis is necessary.

VII. PUBLIC ACCESS TO INFORMATION

Justification

Among all the topics identified by State Integrity as being pertinent to gauging corruption risk at the state level, none so closely adheres to a step in the episodic process of corruption as public access to information does to the overarching secrecy condition necessary for the rest of that process to unfold. As described earlier, issues of transparency are central to questions of corruption risk, and the public having access to information about government is a vital component of transparency. Indeed, there is nothing within the scholarship on corruption that engenders the level of consensus that the proposition that transparency matters for anti-corruption efforts does. As such, there will be no "Does public access to information matter" section to this analysis. It inarguably does matter, and its inclusion for analysis here is justified on its face.

Literature Review

Benefits of Public Access to Information

The conclusion that public access to information is impactful regarding levels of corruption and corruption risk, but it is still beneficial to devote some attention to some of the biggest reasons why that consensus exists. The most obvious benefit to such access is that it can deter corruption in the usual way of elevating the risk level of prospective offenders. Greater public access to information makes the threat of detection more pronounced, and should reasonably be expected to prevent some corruption (Obaidy, 2017). Relatedly, governments cannot be held to account by their citizens if the citizens do not know what the government is doing, so public access to information is important for reasons other than straightforward deterrence (Svärd, 2017). The public being able to access information about government also encourages civic participation and what is learned can facilitate informed policy debate (Obaidy, 2017). One of the ways that citizens benefit from public access to information is via the work of journalists, and reporting also relies on it (Svärd, 2017).

Given the fact that public access to information is a prerequisite to an engaged citizenry and is thus foundational to the functioning of democracy (Svärd, 2017), it is not surprising that nations around the world, developed and otherwise, have instituted various versions of Freedom of Information (FOI) laws (Camaj, 2016). The term "freedom of information movement" has been used to characterize the past two decades of development on this front, during which more than half of global FOI laws have come into existence. However, despite these apparent gains, freedom of the press world-wide is alleged to be at its lowest point in a decade (Camaj, 2016). There are many reasons for

this, most of which relate to poor adherence of governments to their own FOI laws, and this "culture of passivity" (Camaj, 2016) regarding how diligently nations choose to enforce FOI legislation is a massive problem even in wealthy nations, as will be described momentarily.

Freedom of Information in the US

At the federal level in the US, the most important piece of legislation with respect to public access to information is the Freedom of Information Act, passed in 1966, which was amended in 1996. Understanding how this law works is necessary to grasp the issue of public access to information in the United States, and while it does not apply to state level agencies, every state in the Union has public records laws that fulfill the same functions locally as FOIA does nationally (FOIA.gov, 2016).

Going into effect in 1967, the Freedom of Information Act (FOIA) has since mandated that the public have the right and ability to request information from any federal agency. It is intended to be a fundamental tool for citizens to use to learn about government activities, and it stipulates that agencies must post information online, though the specifics of those mandates vary by agency. FOIA has been heralded by all branches of the federal government as being a cornerstone of our democracy, and their effusive praise for it echoes similar sentiments expressed around the world for similar laws. (Camaj, 2016; FOIA, 2016).

Any person can make a FOIA request, and there is no citizenship requirement for doing so. The process is ostensibly simple, and consists of the submission of a request to an agency's FOIA office, which every federal agency has. There is no official form that must accompany such requests, which appears to make the process more accessible, at

least initially (FOIA, 2016). Also, most agencies accept requests electronically, further streamlining the process.

It is important to note that each federal agency is independent in how they handle FOIA requests, which is to say that there is no overarching bureaucracy to govern all requests. This means that there are approximately a hundred distinct agencies who are subject to FOIA, with several hundred individual offices devoted to compliance (FOIA, 2016).

FOIA Exemptions

At first blush, it seems that FIOA is a broadly accessible tool that should be effective in forcing even potentially recalcitrant agencies to reveal things to the public. However, before delving into the myriad reasons why this may not be so, it is useful to note that exceptions exist which can be cited by agencies to justify their refusal to release records. There are nine such exceptions, and it is best to know all of them in order to properly frame the deficiencies of the law as it is practically applied.

Exception to FOIA exist to protect national interests such as foreign policy and defense, as well as to ensure the privacy of citizens and any proprietary information of businesses, among other goals. These are all reasonable provisions to the law, but agencies are granted discretionary powers as far as when to invoke the exceptions (FOIAdvocates, 2015). Despite the potential for agencies to refuse requests at their discretion, the law demands that they apply the exceptions in a specific way, such that no document can be disqualified for release in its entirety because of some portion of it being exempt. In other words, the agencies must redact the material that is deemed

exempt while releasing information that is not. This is meant to protect against sweeping refusals because of partial exemptions (FOIAdvocates, 2015).

To clarify what these exemptions entail, each will be described in the order that they appear in the law itself. First, any information that is classified is obviously not required to be released as part of FOIA. The reason for this is largely self-explanatory, as matters of national security and defense cannot reasonably be demanded by the public. Second, information that strictly pertains to the internal personnel and practices of agencies is exempt, such that records of an agency's rules for employees and policies regarding things like pay raise schedules and sick leave are not considered to be of legitimate public interest.

The third exemption simply stipulates that if there is some law that restricts the availability of information, FOIA does not overrule that law. Simply put, if there is a statute that says some piece of information is not to be disclosed, FOIA doesn't change that fact (FOIAdvocates, 2015).

Fourth, documentation of trade secrets is exempt, which matters for the procurement process. Bid submissions may contain information that firms would prefer not to become common knowledge, and this provision exists to protect them and by extension, the procurement process (among other things).

The fifth exemption pertains to communications between agencies regarding policy decisions, such as memos detailing conversations about regulatory conformity and reform. The purpose of this exemption is to protect the decision-making processes of federal agencies, which might be stymied if the exemption didn't exist. Nobody wants to speak frankly if their conversations are later going to be revealed to millions of strangers

at some point in the future, at least that is the rationale behind this provision (FOIAdvocates, 2015).

The sixth exemption protects against the disclosure of information that would constitute an unacceptable invasion of personal privacy, such as medical records. The law recognizes that there is a point past which privacy rights supersede the public's interest in information, and so includes this exemption acknowledging so. A caveat here is that this exemption accounts for personal privacy alone, which is not considered to exist for corporations (FOIAdvocates, 2015).

The most complex exemption is the seventh, which applies to the records of law enforcement. The law enforcement exemption identifies six potential "harms" that may result from disclosure, and information must entail risk for at least one of them for it to qualify here. The six types of harm identified by this exemption include as foremost among them anything that would potentially compromise the enforcement mission. This is a broad category, but justifiable nonetheless. The second harm covers information that might undermine an accused person's ability to receive impartial treatment by the courts. People need to be protected from negative publicity biasing the system against them, and that is why the provision exists. The third harm addresses personal privacy a second time, and disqualifies private information collected by law enforcement from FOIA disclosure (FOIAdvocates, 2015). The final harms identified include protecting confidential informants, law enforcement procedures and techniques, along with any information that might endanger someone's life. All six harms are justifiable.

The eighth and ninth exemptions protect financial institutions and oil well data, which require not further explanation and are rarely used (FOIAdvocates, 2015).

The lesson here is that we have a well-crafted law on paper, and part of that craftsmanship includes reasonable exceptions to which information does and does not fall under the purview of FOIA. There is little fault to find with any of the exemptions identified in the law, and on the surface their existence should not compromise the laws effectiveness. However, FOIA does not function as intended, and the problems with it will be outlined next.

<div align="center">Problems with FOIA</div>

FOIA and similar laws are laudable, but as Svärd (2017) points out, they can be easily confounded if the requisite political will to enforce them is lacking. Further, "cultures of secrecy" often exist with the institutions to FOIA and similar laws around the world, which undermines their impact (Camaj, 2016). It has been plausibly argued that the effectiveness of such legislation lies more with the citizenry and the press than with governments. In short, if people do not cry out for access, it is unlikely to be given to them.

So, the general impediments to FOIA-type laws are reluctance to conform to them on the part of agencies and malaise on the part of citizens in demanding they be followed. FOIA itself is not immune to these issues, and the American law is compromised in several ways. The U.S. House of Representatives took up an investigation into the matter in 2016, and their findings were troubling.

To start, excessive delays in processing and fulfilling requests were found to be extremely common (U.S. House of Representatives, 2016). Of greater concern than the simple fact of these delays was the finding that they were often intentional, and the reluctance of agencies to fulfill requests is often both surprising and disheartening,

especially among people who are not experienced with the process (U.S. House of Representatives, 2016). As far as experience requestors are concerned, the investigation indicated that journalists have largely abandoned FOIA requests as a viable means of pursuing stories because by the time responses arrive (if they arrive at all), the situation has changed and the information is either no longer pertinent or has been discovered via alternative means.

The House investigation also found evidence that the executive branch errs on the side of secrecy regarding FOIA requests, preferring to review any that pertain to it and then frequently responding by erroneously invoking one of the exemptions outlined above (U.S. House of Representatives, 2016). Those provisions are, again, reasonable and legitimate on their face, but their discretionary application opens the door wide to abuses. Beyond abuse by the executive branch itself, it also covers for other agencies who are noncompliant with FOIA, falsely assigning them high marks for compliance. One example of this can be found in the Obama White House's evaluation of State Department compliance being exemplary, when in fact the House investigation discovered average wait times for FOIA responses to exceed three months, even for simple requests (U.S. House of Representatives, 2016). This gap is even more egregious when weighed against the 20-day mandatory response window that the law requires in unexceptional circumstances.

Further, this malfeasance was not restricted to the executive branch. Agencies across government were found to frequently misuse exemptions and to purposefully conceal information that should rightly be available to the public. Additionally, they exaggerate fees for fulfilling requests as way to stymie information seekers, and the FDA

charging $1.5 million for a single request is a particularly flagrant example (U.S. House of Representatives, 2016). It is reasonable for fees to be associated with request fulfillment, as it is not free for the agency to fulfill them, but when fees are used as cudgels to constrain requests the law cannot function as intended.

Considering these problems, the House investigation alleged that agencies do not want transparency, both because of the bureaucratic burden associated with fulfilling requests, and because they are fearful of wrongdoing being uncovered (U.S. House of Representatives, 2016). Also, their reluctance to comply with FOIA is facilitated by the lack of uniformity in how requests are processed. The absence of a centralized processing bureaucracy results in substantial variance in how difficult it is to make and track the progress of requests, and to the extent that there is oversight, it is insufficient. The Justice Department of Information Policy has the responsibility of overseeing FOIA compliance, and was itself found to be enormously delinquent in their responses (U.S. House of Representatives, 2016). Nobody, it seems, is diligently following the mandates of this law.

Ultimately, the investigation arrived at grim conclusions about the state of FOIA compliance, saying that "the FOIA process is broken" and has been "unacceptably neutered" ((U.S. House of Representatives, 2016, p. 39). The problems of inappropriate redactions, backlogging, and misusing exemptions has resulted in the law becoming a paper tiger with respect to anti-corruption, and it remains to be seen how, or if, these problems will be fixed.

Proposed Solutions

Improving public access to information is a goal that most governments which are not overtly dictatorial would advertise as a goal, but while the passage of legislation aimed at achieving that goal is often greeted with plaudits, compliance (or non-compliance) rarely receives much fanfare (Svärd, 2017). As the U.S. House identified (2016), the problems with compliance failures are so complicated and fractured as to be almost impossible to understand, let alone solve. It is relatively easy to identify the process as broken, but the causes of and solutions to the breaks are more elusive, as is true of corruption in general. So, the question becomes what can be done?

Several solutions have been proposed, but many are either simple, vague, or both. Xinli (2015, for example, advocates more widespread use of technology to address the matter, which has the potential to help. However, it is not plausible to think that technological infrastructure or practices by themselves would compensate for reluctance on the part of their operators to be transparent. The U.S. Congress was no better in providing details of how to combat the problems, instead promising to pass "more legislation" to deal with them. More legislation is obviously a promising route toward transparency, but since the problem here is that nobody follows the legislation that exists, it is hard to see how more of it would prove curative. Further, the "more legislation" prescription to this ailment is, taken by itself, no more than a rephrasing of "we're going to make it better by making it better". It is a circular conundrum that does not suggest an easy solution.

Frustratingly, it seems that Camaj's (2016) solution is the most persuasive. Namely, that civic engagement and journalistic pressures are the things most likely to

generate the political will necessary to see FOIA and similar laws enforced as intended. There need to be incentives for compliance put into place, as well as sanctions for non-compliance (U.S. House of Representatives, 2016), and for that to happen people must demand it. Thus far, however, FOIA compliance has not been a big enough priority among the electorate for its problems to be resolved.

The purpose of the foregoing discussion was to provide a reference point for how the law can encourage public access to information and how the intentions of the law can be frustrated. Fortunately, it was not intended to suggest that FOIA encompasses the issue of public access to information, nor to imply that it is the only law governing the issue. FOIA does not apply at the state level, and so there may be cause for optimism when the issue becomes more local. State Integrity looks to that very matter, and it is to their findings that this analysis now turns.

<center>State Integrity Scale on Public Access to Information</center>

As before, State Integrity evaluates the matter of public access to information by employing both legal and practical measures, and in this instance, it makes sense to describe and evaluate their findings accordingly. Gone, here, are the complexities that characterized their approach to public procurement, but that is perhaps justifiable given the relatively simpler matter under consideration here. Also, as the House investigation showed, the discrepancies between legal and practical realities are among the most cogent issues pertaining to public access to information. The analysis will begin with the legal environment of public access to information prevailing at the state level.

Public Access to Information Legal Variables

There are five legal variables in this subscale, and the overall score here will be included as well. The issues pertinent to the legal environment, according to State Integrity, have to do not only with the existence of laws, but also the appeals process for denied request and the centrality of oversight for information requests in the states. The variables under consideration are listed below.

(1) Public Access to Information
(2) Do citizens have a legal right of access to information?
(3) In law, citizens have a right of access to government information and basic government records.
(4) In law, citizens have a right of appeal if access to a basic government record is denied.
(5) In law, there is an established institutional mechanism through which citizens can request government records.
(6) In law, there is an agency or entity that monitors the application of access to information laws and regulations.

There is a departure from the general trend observed in earlier subscale analyses of generally high overall scores among the states. The substantial downward trajectory of the scoring on public access to information is likely attributable to similar problems to those identified by the House investigation into FOIA compliance, and those explanations will be explored momentarily. The results themselves are presented in Table 14 below

Table 14: Correlation Matrix and Descriptive Statistics for Public Access to Information Legal Variables

		Overall Score	Do citizens have a legal right of access to information	Citizens have a right of access to government information and basic government records. (	Citizens have a right of appeal if access to a basic government record is denied.	There is an agency or entity that monitors the application of access to information laws and regulations.	Mean	S.D.
Overall Score	Correlation						59.97	16.40
Do citizens have a legal right of access to information	Correlation	.909					72.50	23.28
Citizens have a right of access to government information and basic government records.	Correlation	.[b]	.[b]				100.00	00.00
Citizens have a right of appeal if access to a basic government record is denied.	Correlation	.572	.608	.[b]			92.00	27.40
There is an established institutional mechanism through which citizens can request government records.	Correlation	.795	.809	.[b]	.377	.330	62.00	49.03

Calculated from the State Integrity Investigation, 2012

We begin with a relatively low score on the overall question of the quality of public access to information in each state, and observe substantial variability with respect to the other variable scores. Once again, the problem of utilizing a constant "variable" is in play with this scale, and every state grants the right to citizens to access basic government records. The robustness of that access is not uniform, however, and there are some states that score poorly on citizens having a legal right to access information because of failures along more specific metrics like rights to appeal.

We also see that states are echoing federal problems, with poor mean scores on uniform mechanisms for requesting information and truly abhorrent results for a centralized authority monitoring the environment of public access to information. This should not be surprising given the federal neglect of compliance and their use of decentralized authority and discretion to achieve compliance. The states seem to be taking their cues from federal practices and living down to their example. The news thus far is concerning, as it is hard to imagine that practical effectiveness will result from such inconsistent and largely insufficient legal frameworks. Analysis of the practical variables will illuminate the degree to which these legal failings are overcome by sound implementation, and it is to that question that this analysis now turns.

Public Access to Information Practical Variables

State Integrity's practical evaluation of public access to information at the state level addresses many of the concerns raised by the House investigation of the same thing at the federal level. State Integrity accounts for overall effectiveness as well as financial costs and promptness regarding both initial requests and appeals of refusals. The Investigation goes a few steps further as well, accounting for how well agencies explain

their decisions and whether investigations are incepted or penalties imposed in the

aftermath of enforcement violations. The practical variables considered by State Integrity

and presented below.

(1) Is the right of access to information effective?
(2) In practice, state agencies and government officials are not exempt from access to information laws.
(3) In practice, citizens receive responses to access to information requests within a reasonable time period.
(4) In practice, citizens can use the access to information mechanism at a reasonable cost.
(5) In practice, responses to information requests are of high quality.
(6) In practice, citizens can resolve appeals to access to information requests within a reasonable time period.
(7) In practice, citizens can resolve appeals to information requests at a reasonable cost.
(8) In practice, the government gives reasons for denying an information request.
(9) In practice, when necessary, the agency that monitors the application of access to information laws and regulations independently initiates investigations.
(10)   In practice, when necessary, the agency that monitors the application of access to information laws and regulations imposes penalties on offenders.

It is clear, given the variety of variables employed here, that State Integrity rightly

places more importance on practicality than on what the legal environment dictates. The

findings are presented below, in Tables 15 and 16.

Table 15: Correlation Matrix of Public Access to Information Practical Variables

		Is the right of access to information effective?	State agencies and government officials are not exempt from access to information laws.	Citizens receive responses to access to information requests within a reasonable time period.	Citizens can use the access to information mechanism at a reasonable cost.	Responses to information requests are of high quality.	Citizens can resolve appeals to access to information requests within a reasonable time period.	Citizens can resolve appeals to information requests at a reasonable cost.	The government gives reasons for denying an information request.	The agency that monitors the application of access to information laws and regulations independently initiates investigations.
State agencies and government officials are not exempt from access to information laws.	Correlation	.668								
Citizens receive responses to access to information requests within a reasonable time period.	Correlation	.772	.582							

Table 15 Continued

		Is the right of access to information effective?	State agencies and government officials are not exempt from access to information laws.	Citizens receive responses to access to information requests within a reasonable time period.	Citizens can use the access to information mechanism at a reasonable cost.	Responses to information requests are of high quality.	Citizens can resolve appeals to access to information requests within a reasonable time period.	Citizens can resolve appeals to information requests at a reasonable cost.	The government gives reasons for denying an information request.	The agency that monitors the application of access to information laws and regulations independently initiates investigations.
Citizens can use the access to information mechanism at a reasonable cost.	Correlation	.683	.457	.605						
Responses to information requests are of high quality.	Correlation	.477	.430	.499	.414					

Table 15 Continued.

		Is the right of access to information effective?	State agencies and government officials are not exempt from access to information laws.	Citizens receive responses to access to information requests within a reasonable time period.	Citizens can use the access to information mechanism at a reasonable cost.	Responses to information requests are of high quality.	Citizens can resolve appeals to access to information requests within a reasonable time period.	Citizens can resolve appeals to information requests at a reasonable cost.	The government gives reasons for denying an information request.	The agency that monitors the application of access to information laws and regulations independently initiates investigations.
Citizens can resolve appeals to access to information requests within a reasonable time period.	Correlation	.731	.413	.471	.268	.247				
Citizens can resolve appeals to information requests at a reasonable cost.	Correlation	.731	.381	.425	.264	.133	.650			

Table 15 Continued.

		Is the right of access to information effective?	State agencies and government officials are not exempt from access to information laws.	Citizens receive responses to access to information requests within a reasonable time period.	Citizens can use the access to information mechanism at a reasonable cost.	Responses to information requests are of high quality.	Citizens can resolve appeals to access to information requests within a reasonable time period.	Citizens can resolve appeals to information requests at a reasonable cost.	The government gives reasons for denying an information request.	The agency that monitors the application of access to information laws and regulations independently initiates investigations.
The government gives reasons for denying an information request.	Correlation	.635	.453	.517	.427	.310	.367	.387		
The agency that monitors the application of access to information laws and regulations independently initiates investigations.	Correlation	.407	.010	.130	.295	-.032	.124	.199	.071	

Table 15 Continued.

		Is the right of access to information effective?	State agencies and government officials are not exempt from access to information laws.	Citizens receive responses to access to information requests within a reasonable time period.	Citizens can use the access to information mechanism at a reasonable cost.	Responses to information requests are of high quality.	Citizens can resolve appeals to access to information requests within a reasonable time period.	Citizens can resolve appeals to information requests at a reasonable cost.	The government gives reasons for denying an information request.	The agency that monitors the application of access to information laws and regulations independently initiates investigations.
The agency that monitors the application of access to information laws and regulations imposes penalties on offenders.	Correlation	.442	.119	.228	.293	.009	.204	.267	.210	.322

Calculated from the State Integrity Investigation, 2012

Table 16: Descriptive Statistics for Public Access to Information Practical
Variables

	Mean	S.D.
Is the right of access to information effective?	47.44	15.14
State agencies and government officials are not exempt from access to information laws.	64.00	22.68
Citizens receive responses to access to information requests within a reasonable time period.	58.00	22.27
Citizens can use the access to information mechanism at a reasonable cost	68.00	23.17
Responses to information requests are of high quality.	60.00	16.75
In practice, citizens can resolve appeals to access to information requests within a reasonable time period.	41.50	33.35
Citizens can resolve appeals to information requests at a reasonable cost.	40.00	34.26
The government gives reasons for denying an information request.	70.50	18.69
When necessary, the agency that monitors the application of access to information laws and regulations independently initiates investigations.	16.50	28.40
When necessary, the agency that monitors the application of access to information laws and regulations imposes penalties on offenders.	8.50	16.45

Calculated from the State Integrity Investigation, 2012

For the first time, State Integrity is reporting truly poor scoring along many metrics, which again, should be expected given the shaky legal ground that the practical variables measure the implementation of. Notably, we see that from a practical standpoint, citizens are not getting quick or inexpensive responses, generally, again echoing problems observed at the federal level. Further, the quality of responses to information requests is uneven, as are the explanations given by agencies for their decisions. When considering the time and financial costs of appeals, the numbers drop even further, indicating that what quality exists in initial request consideration quickly evaporates when those decisions are challenged. This trend is immediately explained by considering the scores on investigations and penalties, which are both in the basement. Why would agencies dedicate themselves to timely and cost-effective compliance when investigations are incredibly rare and resulting punishments even more so? There is no incentive for compliance evident here, and so agencies do not comply.

<div align="center">Suggestions for Improvement and Conclusion</div>

State Integrity uses relatively simple variables to quantify the issue of public access to information, but in this case that approach is justified. It is a simple issue. First, there need to be laws for agencies to comply with, and second, agencies need to comply with them. State Integrity measures both, along with quantifying the impediments to public access that have been recognized as the instruments that agencies at the federal level use avoid compliance. It is highly plausible that state level agencies are borrowing from their federal counterparts in crafting a fractured environment for public access to information compliance and then using the federal playbook to avoid the compliance mandates that remain.

Because State Integrity does such a good job here, the only major complaint is their use of a variable that has no variability, but that is not a mistake that generally obfuscates what they have found. Their purpose was clear in the creation of this subscale, and they achieved it. Furthermore, that success at last gives credence to their conclusion that there are "no winners" in states' attempt to free themselves from corruption risk, because in this instance there appear to be very few.

VIII. CONCLUSION

Research in Brief

This research offers a new conceptualization of corruption research that is predicated on a procedural understanding of how corruption occurs, which is a departure from many approaches which focus on why it happens. The reason why people behave in a corrupt manner may be assigned any complexity one cares to along moral lines or in keeping with various iterations of exchange theory, but the objective is always profit. It is not, inherently, a difficult motivation to grasp. Further, most anti-corruption efforts stress transparency as being foundational to detecting, deterring, and eliminating corruption, and the work presented here is intended to suggest that transparency is necessary but not sufficient to accomplishing that task.

Inarguably, transparency has a vital role to play, but it has its best relevance at the inception and conclusion to the episodic process of corruption, which to reiterate are an environment of secrecy at the beginning and the need to conceal corrupt conduct at the end. The needs and abilities of corrupt actors to share information, obtain confederates, circumvent countermeasures, perpetuate corrupt strategy, and reap rewards are far less frequently addressed, at least directly. To investigate and substantiate these points, an

assessment tool of the third generation of corruption research was analyzed which attempts to quantify corruption risk at the state level in the US. This tool was developed by the State Integrity Investigation, along with their research partners, and was comprised of 330 indicators which were categorized into fourteen different subscales. For reasons of concision and conceptual relevance, four such subscales were selected for detailed analysis, and the selected subscales quantified the subjects of redistricting, internal auditing, procurement, and public access to information.

Redistricting is the redrawing of congressional districts to determine who is eligible to vote for political candidates representing them. It was selected because illegitimate tampering with district boundaries has the potential to compromise the democratic process, and redistricting is often considered to be an especially pernicious route through which unscrupulous policymakers can extend and preserve the influence of their political faction in an ethically dubious way. However, redistricting is mandated to occur, and politically motivated redistricting is accepTable under the law. Further, State Integrity focuses exclusively on transparency in their redistricting subscale, which it does not measure well in the first place. In short, it is not clear that redistricting as a topic should even be included in a corruption risk-assessment tool, and the transparency with which it unfolds is essentially meaningless if the citizenry is disengaged from the matter.

Internal auditing was the next subscale analyzed in this research, and it was chosen because internal audit is widely recognized as among the most important and widely-employed countermeasures to corruption. State Integrity's performance on auditing was a marked improvement from the redistricting subscale. More attention is paid to the details of implementation here, though the Investigation's performance is

imperfect. There is little attention given to the power of supreme audit institutions, and the rectification process of auditing, which refers to the process by which auditors compel compliance with their recommendations. The greatest improvement in this subscale's quantification compared to the redistricting subscale is that it is directly measuring one of the most important countermeasures to corruption in terms of auditing processes and agency infrastructure, and is not unduly preoccupied only with transparency.

Public Procurement was the third subject under analysis, and was selected principally due to its scale and complexity. Simply put, public procurement involves many people who wield great discretionary power in determining how to use vast resources for governments to obtain goods and services. The risk for corruption is high in this sector, as are the potential costs to corruption in this sector. The positive trends observed in the internal auditing subscale were expanded upon here, and many dimensions of the procurement process and the regulatory environments governing it were explored. There were some issues with insufficient measurement of legal specifics, and, most notably, there were two indicators which had no variability whatsoever, and those should be replaced and removed. Still, the subscale is strong, and well suited to its purpose. It addresses secrecy, but also directly assesses specific elements of procurement such as conflicts of interest. While the scale is highly concerned with transparency, it approaches the issue in a sophisticated enough way that its inattention to other matters is more justifiable.

Finally, the State Integrity subscale on public access to information was analyzed, and its selection was mandated by it being a purposeful quantification of transparency itself, which to reiterate is the common thread linking most anti-corruption research. The

Investigation's purpose here was to evaluate the existence and effectiveness at the state level of public access to information laws, which have a common purpose with FOIA at the federal level. It was noteworthy that the impediments to public access to information were evaluated, and the results were grim. In that sense, the subscale on public access to information incorporated elements of circumventing countermeasures in an unexpected way, and was not focused exclusively on transparency.

<div align="center">Research Questions and Hypotheses</div>

This research proceeds from the notion that corruption, no matter the particular stakes or methods associated with any instance of it, unfolds according to a particular process. For the process to begin, (1) secrecy must exist, which is a large part of the reason for transparency's preeminence in the anti-corruption literature. In a secretive environment, (2) information is shared among potential confederates to eventually vet and select a group of (2) co-conspirators. Having thus created a corrupt network, (4) countermeasures to corrupt conduct must be identified and circumvented before (5) perpetrating the corrupt strategy. Having done so, (6) the rewards will be amassed and allocated, and finally (7) the conduct will be concealed, preserving the secretive environment necessary at the beginning.

There were three research questions with corresponding hypotheses that were under investigation here. The first was weather the State Integrity Investigation accounted for any steps beyond secrecy and concealment in the episodic process of corruption. It was hypothesized that they were focused primarily on transparency, to the detriment of their instrument's effectiveness. The second question was whether their subscale topics were appropriate to the measurement of corruption risk, and it was

hypothesized that the fitness of topics to purpose would be uneven. The third and final question pertained to the subscale indicators, and their validity and distinction from one another. Again, the hypothesis was that there would be intermittent issues with indicator validity and distinction.

Results

First and foremost, the hypothesis to the first research question that transparency was the overriding concern for the State Integrity Investigation was borne out. As expected, each subscale evaluated here devoted substantial attention to matters of transparency, which is in keeping with virtually all anti-corruption research. That said, it was promising that attention was also frequently paid to procedural variables regarding how government activities unfold, as well as to the countermeasures that eventually need to be circumvented by corrupt actors. In other words, transparency got the lion's share of the Investigation's attention, but their work was not as compromised by narrow focus as had been first suspected. That said, it was the case that the Investigation's research design could be improved by incorporating more and more nuanced variables quantifying both transparency and countermeasures. Conspiracy building, reward receipt, and the flow of information were also poorly addressed or not addressed at all.

Second, the hypothesis that not all of the Investigation's subscales were pertinent to their chosen task. Specifically, the redistricting dimension was not quantified well, and even if it had been, it was not clear that redistricting itself is a valid subject upon which to evaluate state level risk for corruption. Conversely, the subscales on procurement and public access to information were sophisticated and appropriate, and they were both easily justifiable for inclusion in assessing risk.

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Finally, indicator validity and distinction was, as hypothesized, uneven. There were instances of similarly phrased indicators, and in some cases, there was no variability in the indicators at all. Overall, State Integrity should be given high marks for their indicators utility, but there remains considerable room for improvement in any future attempts.

<center>Summary Analysis</center>

To briefly illustrate the overall picture of what this research revealed, Table 16 presents the correlation matrix and descriptive statistics of the overall scores on all variables, and there will follow a short commentary on what those results may mean.

Table 17: Correlation Matrix and Descriptive Statistics for Overall Scores of Selected Subscales

		Redistricting	Internal Auditing	Procurement
Redistricting	Correlation			
Internal Auditing	Correlation	.101		
Procurement	Correlation	-.030	.326	
Public Access to Information	Correlation	.061	.139	.156

	Mean	S.D.
Redistricting	67.40	27.00
Internal Auditing	88.85	9.50
Procurement	81.21	8.53
Public Access to Information	59.97	59.97

Calculated from the State Integrity Investigation, 2012

What is apparent here is that two of the subscales analyzed in this research are relatively high scoring, and two are much worse. To borrow State Integrity's "report card" conceit, there are two "B"'s, one "D", and one "F". Proceeding from the Investigation's premise that there are no winners among the states regarding corruption

risk, corruption is flourishing despite the presence of strong internal audit controls and compliance, and despite the many opportunities for corruption within procurement, the states are generally capable in their application of rules designed to prevent it. Two types of plausible explanations exist for why this might be, and the first is that State Integrity is coming to erroneous conclusions. They may be incorrectly asserting that all states are at high risk for corruption, or they may be overestimating the strength of those indicators. The second way to explain the discrepancy is that internal auditing and procurement are either not related strongly to overall risk, or that high performance in these categories is offset by poor performances elsewhere.

Conversely, the scores on redistricting and public access to information are poor, and again, this could help to explain why state corruption risk is perceived as being uniformly high among the states. Especially regarding public access to information, the argument that corruption will flourish in an environment of secrecy is undisputed, and despite relatively strong laws guaranteeing public access to information, there is a number of strategies that governments employ to circumvent countermeasures against corruption, which the subscale ably demonstrates.

<center>Why this Research Matters</center>

The enormous costs and pernicious nature of corruption make it clear that anti-corruption research is of paramount importance worldwide and in the U.S, and scholars and policymakers are not ignorant of this fact. Nevertheless, all efforts to date to curb widespread corruption have failed, indicating the need for new thinking on the subject. It has proven to be tempting for anti-corruption researchers and advocates to place a heavy emphasis on transparency, and it is well and good that they do so. However, it should be

clear by this point that quantifying transparency and passing laws that ostensibly

strengthen it has been insufficient to accomplishing the anti-corruption mission. What

this research proposes and substantiates is that a more instrumental approach to

corruption should be embraced, which includes the focus on dimensions of corrupt

conduct beyond simple transparency. While it is true that perfect transparency would

likely prevent most corruption, it is also true that putting our hopes on achieving perfect

transparency is naïve. Instead, we need to try to disrupt the process of corruption along

all of its steps if we hope to be effective.

<div align="center">Limitations and Directions for Future Research</div>

Under consideration here was only one risk assessment tool, and it was not

evaluated in its entirety. Thus, generalizability is a major concern. Further, the

instrument itself was the product of a policy cooperative that does not have the highest of

standings in scholarly circles, and so its problems might conceivably not translate to

similar instruments developed by better accredited sources. Nonetheless, the purpose of

this work was not to solve the problem of corruption, but to encourage others to adjust

and expand their approach to corruption research, much more of which is needed.

The depth and breadth of future research directions that might benefit

understanding corruption and the risk for it are enormous, but there are some few that

deserve singling out here. First, others of the fourteen dimensions for corruption risk

identified by state integrity deserve consideration to more fully explain which among

them is most important. The four chosen here are justifiable on their merits, but that is

not to suggest that the remaining ten are unworthy of analysis. Second, the procedural

components of government behavior merit more detailed investigation and quantification

than State Integrity or this research has given them. The legal, cultural, and administrative ecologies pertaining to government behavior intersect with corruption, and more stringent work investigating how that happens is necessary. Third, the effectiveness of individual countermeasures needs to be researched more, as it would likely help in the design of anti-corruption protocols. We already have ample evidence that transparency alone is not a silver bullet, so we need to look for other promising ammunition, and it is hoped that this work can inform that search.

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