

Section 1. Awareness-raising Activities to Maintain Ethical Standards**1. Thorough Familiarization with the Ethics System and Public Relations Activities**

To secure adequate implementation of the Ethics Act and the Ethics Code, it is important that the contents of the Act and the Code be fully understood not only by public employees to whom they apply, but also by private enterprises that come into contact with public employees. In view of this, the Ethics Board implemented the following measures in FY 2007:

- (1) The Ethics Board held a meeting, inviting personnel in charge of ethical affairs at Cabinet Office and Ministry headquarters, to explain the application of the Ethics Act and the Ethics Code, citing the Ethics Board's replies to individual inquiries recently made by the Cabinet Office and Ministries.
- (2) The Ethics Board set up a Public Service Ethics Hotline to receive information on behavior in breach of public service ethical standards (which was originally set up in June of FY 2006), held a lecture meeting for personnel in charge of ethical affairs at the Cabinet Office and Ministries, and carried a feature article on public service ethics in the NPA's PR periodical, the National Personnel Authority Monthly Report.

Furthermore, the Ethics Board invited the Ethics Supervisory Officers (administrative vice ministers, etc., of the Cabinet Office and Ministries) to give lectures on public service ethics for personnel in their own organizations and to send an e-mail message stating their opinions on public service ethics to all such personnel.



Lecture on public service ethics

2. Training on the Maintenance of Ethical Standards Related to Official Duties of Public Employees

The Ethics Board, based on the provisions of Article 11-4 of the Ethics Act, conducts overall planning and coordination of training programs for employees to maintain ethical standards related to their duties. The Ethics Board also plans and provides training programs itself when deemed appropriate.

In FY 2007, the Ethics Board implemented the following measures:

(1) The Ethics Board held explanatory meetings to promote familiarization with the ethics system and develop ethics training instructors at the Cabinet Office and Ministries in nine regional blocks nationwide for officers in charge of ethical affairs at Cabinet Office and Ministry headquarters and officers in charge of personnel management at regional offices, and explained the Ethics Act and the Ethics Code, citing cases on which inquiries were received.

(2) The Ethics Board held seminars on public service ethics in Fukushima and Kanazawa, and arranged for intellectuals to give a lecture and for the Secretariat of the Ethics Board to give an explanation on the system for personnel at regional offices of the Cabinet Office and Ministries, etc., as well as for personnel in these municipalities who have opportunities to come into contact with personnel at regional offices of the Cabinet Office and Ministries.

(3) In FY 2006, the Ethics Board created a follow-up version of the DVD case study

training materials called Learning the Ethics Act and the Ethics Code Based on Case Studies, which had been created for collective training at the Cabinet Office and Ministries, and distributed copies to the Cabinet Office, Ministries, etc.



Seminars on public service ethics

Section 2. Reporting System

1. Outline of the Reporting System

The outline of the reporting system is as follows:

(1) The System for Reporting Receipts of Gifts and Other Benefits and the System for Requesting Permission to View Such Reports

A. When officials of the rank of Assistant Director or above at a Ministry headquarters receive gifts or benefits from business entities or others exceeding 5,000 yen in value, they must submit a quarterly report on the receipt of such gifts and benefits to the head of the relevant Ministry or Agency or to any other designated person.

The head of each Ministry or Agency or the designated person must then send a copy of any report on the receipt of gifts and other benefits submitted by an official of the rank of a Designated Service or above to the Ethics Board.

B. Furthermore, from the perspective of preventing the giving and receipt of inappropriate gifts and benefits and ensuring transparency in relationships between the officials concerned, business entities and others, a system has been established whereby anyone can request permission to view reports on gifts and benefits that exceed 20,000 yen in value.

(2) Reports on Stock Transactions and Other Transactions

Each official of the rank of Deputy Director-General or above at a Ministry headquarters must submit a report on stock transactions and/or other transactions if he/she has purchased or transferred stocks or similar items during the previous fiscal year. The report must be submitted to the head of the relevant Ministry or Agency or to any other designated person during the period of March 1 to March 31 each year.

The head of each Ministry or Agency or the other designated person must then send copies of such reports to the Ethics Board.

(3) Reports on Income and Other Matters

Each official of the rank of Deputy Director-General or above at a Ministry headquarters must submit a report on his/her income, etc., earned during the previous fiscal year. The report must be submitted to the head of the relevant Ministry or Agency or to any other designated person during the period of March 1 to March 31 each year.

The head of each Ministry or Agency or the other designated person must then send copies of such reports to the Ethics Board.

2. Reports Submitted in Recent Years

(1) Mandatory Reports on the Receipt of Gifts and Benefits

A. FY 2006 Reports

The total number of FY 2006 reports on the receipt of gifts and benefits submitted by officials of the rank of the Designated Service and above are as follows:

	FY2006 Reports (rate)
Gifts of money, goods, etc.	119 cases (5.5%)
Offering of food and drink	509 cases (23.6%)
Compensation (for lectures, manuscripts, etc.)	1,530 cases (70.9%)
Total	2,158 cases (100.0%)

The number of employees who submitted reports was 535, indicating that approximately four reports were submitted per person on average.

Major “gifts of money, goods, etc.” shown in the table include tickets for plays, sporting events, etc., and flowers, while major “compensation payments” include payments for writings, book royalties, and payments for lectures and participation in discussion meetings. The major providers of “food and drink” were incorporated foundations and associations, mass media organizations, foreign governments and international organizations.

The Ethics Board reviewed the reports on the receipt of gifts and other benefits submitted by officials of the rank of a Designated Service and above in FY 2006 from the perspective of whether or not the officials concerned had received gifts or other benefits that might raise suspicion or distrust among the people, such as being excessive gifts of food or drink, or being presented with gifts by specific business entities repeatedly. The Ethics Board concluded that there were no violations of the Ethics Act, etc., regarding this matter in FY 2006.

B. FY 2007 Reports (April-December)

The number of reports on the receipt of gifts and benefits submitted by officials of the rank of a Designated Service and above in FY 2007 (from April to December) are as follows:

	FY2007 (Apr-Dec) Reports	(rate)
Gifts of money, goods, etc.	72 cases	(4.3%)
Offering of food and drink	498 cases	(29.5%)
Compensation (for lectures, manuscripts, etc.)	1,117 cases	(66.2%)
Total	1,687 cases	(100.0%)

The Ethics Board reviewed these reports from the same perspective as noted above, and concluded that there were no violations of the Ethics Act, etc., regarding this matter in FY 2007.

(2) Mandatory Reports on Stock Transactions and Other Transactions

Fifty-seven reports on stock transactions, etc., conducted in FY 2006 were submitted by Ministerial officials of the rank of Deputy Director-General and above at

headquarters.

The Ethics Board reviewed copies of these reports on stock transactions, etc., from the perspective of whether or not the officials concerned had received, under inappropriate conditions, stocks, etc., from business entities, etc., that have an interest in their duties, and whether or not stock transactions that might raise suspicion or distrust among the people had been conducted. The Ethics Board concluded that there were no violations of the Ethics Act, etc., regarding this matter in FY 2006.

(3) Mandatory Reports on Income and Other Matters

A total of 1,280 reports on income, etc., earned in FY 2006 were submitted by Ministerial officials of the rank of Deputy Director-General and above at headquarters.

The breakdown of income indicated 827 cases (64.6%) in which income consisted solely of regular pay and 453 cases (35.4%) in which income included income other than regular pay. The main categories of income other than regular pay were miscellaneous income and real estate income.

The Ethics Board reviewed copies of these reports from the perspective of whether or not the officials concerned had received, under inappropriate conditions, gifts, compensation, etc., from business entities, etc., that have an interest in their duties, which might raise suspicion or distrust among the people. The Ethics Board concluded that there were no violations of the Ethics Act, etc., regarding this matter in FY 2006.

Section 3. Investigations and Disciplinary Action for Suspected Violations of the Ethics Act, etc.

1. Outline of Investigations and Disciplinary Procedures

Pursuant to the National Public Service Act and the Ethics Act, appointed authorities and the Ethics Board respectively reserve the right to investigate cases and take disciplinary action concerning any violations of the Ethics Act or any other related regulations under that Law. NPA Rule 22-1 (Standards for Disciplinary Action Taken for Violations of the Ethics Act or Orders Based on the Act) stipulates the standards for disciplinary action for cases involving violations of the Ethics Act, etc. Rule 22-2 (Procedures for Investigations and Disciplinary Action Related to Violations of the Ethics Act or Orders Based on the Act) stipulates detailed investigation and disciplinary procedures for cases involving violations of the Ethics Act, etc.

Based on these rules, when an appointed authority suspects there has been a violation of the Ethics Act, etc., a preliminary report on the case will be submitted to the Ethics Board and the appointed authority will investigate the case. When necessary, the appointed authority and the Ethics Board will jointly investigate the case. When a special need is recognized, the Ethics Board may independently investigate the case.

When, as a result of an investigation, the appointed authority decides to take disciplinary action against an employee who has been charged in relation to any conduct in violation of the Ethics Act, etc., the appointed authority must obtain the approval of the Ethics Board in advance. The Ethics Board strictly reviews the details of the violation and determines the appropriateness of the disciplinary action proposed by the appointed authority. When the Ethics Board has independently investigated a case, it may take disciplinary action itself.

The Ethics Board receives information on alleged violations of the Ethics Act, etc., by mail, phone, and through other means. The Board is also informed through communications with the Cabinet Office and Ministries, as well as via press reports. The Board examines such information and, when necessary, conducts preliminary investigations either by itself or by entrusting appointed authorities to confirm the details of alleged violations. When the result of any such investigation confirms the allegation of conduct in violation of the Ethics Law, etc., an investigation will be initiated and disciplinary action may be carried out in accordance with the Ethics Law, etc.

2. Status of Investigations and Disciplinary Action for Suspected Violations of the Ethics Act, etc.

During FY 2007, 34 new cases involving alleged violations of the Ethics Act, etc., were investigated, while 6 ongoing investigations were carried over from the previous fiscal year. Of these cases, disciplinary action was taken for 27 cases (involving 83 employees) due to violations of the Ethics Act, etc., while admonishments or serious warnings (hereinafter referred to as “corrective measures”) were issued for 14 cases (involving 76 employees) under the internal rules of the Cabinet Office and Ministries. (Nine cases which involved more than one employee and for which both disciplinary action and corrective measures were taken are counted in both categories. The above numbers of employees for whom disciplinary action or corrective measures were taken

include 3 employees scheduled to be subject to such measures after they return to the office.) Investigations into six cases were carried over to FY 2008.

Compared to FY 2006, the number of cases of new investigations increased by 2 and the number of cases of disciplinary action increased by 6, while the number of corrective measures taken increased by 5.

During the period from April 2000 to the end of FY 2007, disciplinary action was taken against a total of 273 employees (44 dismissals, 18 suspensions from duty, 58 reductions in remuneration, and 153 reprimands), and corrective measures were taken for a total of 287 employees for violations of the Ethics Act, etc.

• • • • • Disciplinary Action for Violations of the Ethics Act, etc. • • • • •

Rule 22-1 stipulates standards for disciplinary action for violations of the Ethics Act, etc. committed by employees.

○ This Rule stipulates the standards for disciplinary action according to the type of violation concerned. It is stipulated that the disciplinary actions shown in the right-hand column of the table below shall be taken for the types of violations described in the left column. The type of disciplinary action to be taken is determined according to the nature of the violation, its impact both inside and outside of public service, the responsibilities of the employee, the attitude taken by the employee both before and after the violation, etc. In any case where an employee has accepted hospitality or been provided with a financial benefit by an interested party as a bribe, or where, using his/her position, an employee has made another employee accept hospitality or accept a financial benefit from an interested party as a bribe at the request of the interested party, the type of disciplinary action taken is dismissal or suspension from duty.

Examples of Disciplinary Actions

Receiving a gift of money or goods from an interested party	dismissal, suspension from duty, reprimand or reduction in remuneration
Receiving a loan from an interested party	reprimand or reduction in remuneration
Receiving services for free from an interested party	dismissal, suspension from duty, reprimand or reduction in remuneration
Accepting hospitality (provision of food and drink) from an interested party	reprimand or reduction in remuneration
Accepting hospitality from or being provided with a financial benefit by a business entity, etc., other than an interested party, beyond the bounds of socially accepted limits	reprimand or reduction in remuneration

○ Depending on the circumstances, the penalty actually imposed when disciplinary action is taken may be made heavier or lighter, and depending on the circumstances, no disciplinary action at all may be taken. (However, when

no disciplinary action is taken, corrective measures such as the issuance of an admonishment or serious warning are usually taken, in accordance with the internal rules of the Cabinet Office or Ministry concerned.)

When an appointing authority intends to take disciplinary action against an employee in relation to any charge involving conduct in violation of the Ethics Act, etc., the appointing authority must obtain the approval of the Ethics Board in advance. In accordance with the above Rule, the Ethics Board strictly reviews the details of the violation and determines the appropriateness of the disciplinary action proposed by the appointing authority. Ten years have now passed since the Ethics Act, etc., came into force. Disciplinary action has been taken against a total of 273 employees (44 dismissals, 18 suspensions from duty, 58 reductions in remuneration, and 153 reprimands).