

*Volume 2*

*Activities of the National Public Service  
Ethics Board*

To cope with severe criticism from society regarding a series of scandals caused mainly by executive officials, the Ethics Act was established in Aug. 1999 and fully enforced in Apr. 2000 with the aim of ensuring people's trust in public service by preventing acts that cause public suspicion or distrust towards the fairness in the execution of duties.

In addition to general ethics principles concerning the duties that should be observed by officials, the Ethics Act stipulates the establishment of a Cabinet Order (the Ethics Code) specifying the necessary matters to maintain ethics in consideration of general ethical principles, various reporting systems (rules for reporting) to secure transparency in dealings between officials and business operators, the establishment of The National Public Service Ethics Board (hereinafter referred to as the "Ethics Board") which is an organization in charge of matters concerning the maintenance of ethics pertaining to the duties of officials, and establishment of ethics supervisory officers (Administrative Vice-Ministers of the Cabinet Office and each ministry, etc.) to administrative institutions.

Furthermore, along with the general standards of ethical conduct in consideration of the general ethics principles of the Ethics Act, the Ethics Code clearly sets the scope of the people who have interests in the duties of officials, including those seeking permission and authorization and those who obtain subsidies as interested parties, and stipulates "Code of Conduct" of prohibitions and restrictions on conduct, such as receiving gifts and accepting entertainment from interested parties that might cause public suspicion or distrust.

The Ethics Board was established within the NPA under the National Public Service Act and the Ethics Act. The Ethics Board is composed of a president and four board members, and under the purpose of the Ethics Act, which is to ensure citizen's trust in the public service, takes charge of business concerning the maintenance of ethics pertaining to the duties of officials, including the submission of opinions concerning the establishment, revision or abolition of the Ethics Code, inspection of various reports, implementation of investigation and disciplinary procedures in cases of suspected violation of the Ethics Act and the Ethics Code, and approval of disciplinary actions. Specifically, the Ethics Board ensures the proper operation of the Ethics Act and the Ethics Code. In addition, the board implements various measures to maintain ethics pertaining to the duties of officials highlighting the three main goals, i.e. "Cultivation of Employees' Ethics Awareness", "Creation of an Ethical Organization Environment" and "Strict and Expeditious Actions towards Violations of the Ethics Act." The Ethics Board has a secretariat to carry out its administrative affairs. The operations of the Ethics Board require its resolution. In FY2019, the Ethics Board held 23 meetings, and it has held a total of 504 meetings since its foundation.

Based on the Ethics Act, the Ethics Supervisory Officers are posted at each ministry and each agency engaged in administrative execution and are responsible for maintaining ethics pertaining to the duties of personnel in their organizations together with the heads of ministries and agencies, in cooperation with the Ethics Board.

## **Chapter 1. Cultivation of Employees' Ethics Awareness and Creation of Ethical Organization Climate**

### **1. Cultivation of Employees' Ethics Awareness**

It is essential to raise employees' awareness through training on a regular and continuous basis in order to cultivate their ethics awareness. Therefore, the Ethics Board encourages executive officials and personnel in charge of ethics administration of the Cabinet Office and each ministry to raise awareness of the employees in their organization. In addition, the Ethics Board supports planning and implementation of training/educational activities carried out by the Cabinet Office and each ministry and implements cross-ministerial training and educational activities. The Ethics Board implemented the following measures in FY2019.

- (1) Understanding of Current Conditions and Promotion of Measures by the Cabinet Office and Each Ministry
- (2) Support for Training Planned and Implemented by the Cabinet Office and Each Ministry
- (3) Implementation of Cross-ministerial Training and Educational Activities
  - i) Awareness-raising Activities in National Public Employees' Ethics Month
  - ii) Holding Public Service Ethics Seminars

### **2. Creation of Ethical Organization Climate**

#### **◎ Establishment of the Consultation and the Reporting System**

Currently, the existing consultation and reporting system for public service ethics include the "Public Service Ethics Hotline" established within the Ethics Board and the hotline developed in the Cabinet Office and each ministry. The latter is made up of the hotline that the Cabinet Office and each ministry established within their organizations (for internal reporting) and the one established outside their organization, for instance, by utilizing law firms (for external reporting). The hotline for internal reporting has been provided in the bureau or department in charge of personnel management of all the ministries, but the hotline for external reporting is not yet complete in some ministries. The Secretariat of the Ethics Board provided the ministries that had not established the hotline for external reporting yet with explanation on the significance of the hotline and advice for establishing the system and requested individual ministries to develop it. As a result, four ministries launched the hotline for external reporting in FY2019. With this, all the existing ministries, including the Cabinet Office, have completed the establishment within the fiscal year. Afterwards, with the establishment of a new organization within the government in Jan. 2020, 49 out of the 50 ministries, which have ethics supervisory officers, offer the hotline as of Mar. 31, 2020.

### **3. Public Relations Activity and Opinion Hearing Concerning Public Service Ethics**

It is a matter of course that employees themselves should straighten up on their own in relation to public service ethics. But raising awareness of business operators who work with employees facilitates operational management both of employees and business operators. Therefore, the Ethics Board has been conducting public relations activities targeting business operators.

## **Chapter 2. Status of the Reporting System under the Ethics Act**

### **1. Outline of the Reporting System**

Three kinds of reporting systems are established in the Ethics Act to secure transparency of relations between national public employees and business operators, etc. The outline of each reporting system is as follows.

#### **(1) System for Reporting Receipts of Gifts, and System for Requesting Permission to Inspect Such Reports**

- i) When officials at the rank of assistant director and above at the HQ receive gifts from business operators exceeding 5,000 yen in value, they must submit a quarterly report on the receipt of such gifts to the heads of each ministry and agency (Article 6 of the Ethics Act). The heads of each ministry and agency must then send copies of such reports submitted by an official at the rank of Designated Service to the Ethics Board.
- ii) Furthermore, from the perspective of preventing the receipt of inappropriate gifts through ensuring transparency in relationships between officials and business operators, the system has been established whereby anyone can request permission to inspect reports on gifts that exceed 20,000 yen in value (Article 9, Paragraph (2) of the Ethics Act).

#### **(2) Reports on Share Dealings, etc.**

Each official at the rank of deputy director-general and above at the HQ must submit a report on share dealings, etc., if he/she has purchased or transferred shares during the previous year. The report must be submitted to the heads of each ministry and agency during the period of Mar. 1 to Mar. 31 each year (Article 7 of the Ethics Act).

The heads of each ministry and agency must then send copies of such reports to the Ethics Board.

#### **(3) Reports on Income, etc.**

Each official at the rank of deputy director-general and above at the HQ must submit a report on his/her income earned during the previous year. The report must be submitted to the heads of each ministry and agency during the period of Mar. 1 to Mar. 31 each year (Article 8 of the Ethics Act).

The heads of each ministry and agency 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, etc.

The total numbers of reports on the receipt of gifts, etc. submitted by officials categorized as Designated Services from FY2014 to FY2018 are as follows.

**Table 1 Reports on Receipts of Gifts, etc. (FY2014-2018)**

FY	Category	Gifts of Money, Goods		Offering of Food and Drink		Rewards		Total
		No. of cases	%	No. of cases	%	No. of cases	%	No. of cases
FY2014		93	2.1	2,610	59.7	1,671	38.2	4,374
FY2015		95	2.8	2,552	74.9	761	22.3	3,408
FY2016		75	2.3	2,464	75.5	724	22.2	3,263
FY2017		53	1.6	2,680	78.9	663	19.5	3,396
FY2018		65	1.9	2,897	82.4	552	15.7	3,514

The majority of “gifts of money, goods” shown in the table include tickets, food/alcohol, and books. The major providers of “food and drink” are incorporated foundations, incorporated associations, private enterprises, and mass media. The majority of “rewards” include payments for writing, royalties on books, and payments for lectures and editing.

The number of officials who submitted reports in FY2018 was 815.

### (2) Mandatory Reports on Stock Dealings, etc.

The total numbers of reports on Stock dealings, etc. submitted by officials at the rank of deputy director-general and above at the HQ from 2014 to 2018 are as follows.

**Table 2 Reports on Stock Dealings, etc. (2014-2018)**

CY	Category	Number of Reports	Number of Transactions (Acquisition and Transfer)				Total Number of Transactions
			Trades on Stock Markets	Inheritance /Donation	Stock Exchange/ Stock Split	Unlisted Stocks	
2014		47	262	20	22	3	307
2015		50	465	11	39	0	515
2016		43	237	33	20	2	292
2017		56	734	7	38	1	780
2018		53	896	20	3	1	919

(Note) Due to the changes in the reporting format and the description rules in 2018, one transaction shown in "unlisted stocks" in 2018 is included in the number of transactions indicated in "Inheritance/ Donation." Note, however, that unlisted stocks transactions in and before 2017 are not contained in "Inheritance/ Donation."

### (3) Mandatory Reports on Income, etc.

The total numbers of reports on income, etc. submitted by officials at the rank of deputy director-general and above at the HQ from 2014 to 2018 are as follows.

**Table 3 Reports on Income, etc. (2014-2018)**

CY \ Category	Number of Reports	Consisting Solely of Regular Pay		Including Income other than Regular Pay	
		No. of cases	Rate (%)	No. of cases	Rate (%)
2014	1,368	897	65.6	471	34.4
2015	1,279	912	71.3	367	28.7
2016	1,330	940	70.7	390	29.3
2017	1,340	944	70.4	396	29.6
2018	1,370	967	70.6	403	29.4

## Chapter 3. Strict and Prompt Response to Violation of the Ethics Act

### 1. Outline of Investigation and Disciplinary Procedure

As for investigations and disciplinary actions for violations of the Ethics Act, as in the case of violations of service discipline regulations in the National Public Service Act, relevant actions should be primarily taken by appointers. In taking such actions, the Ethics Act stipulates that the procedure is to be implemented with a certain amount of involvement on the part of the Ethics Board, so that confirmation on facts and measures in strict and fair manner are to be taken and there is to be no remarkable imbalance among actions in the Cabinet Office and each ministry.

Based on rules, when an appointer suspects there has been a violation of the Ethics Act, a preliminary report on the case will be submitted to the Ethics Board and the appointer is to investigate the case. When necessary, the appointer 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 appointer decides to take disciplinary action against an employee who has been charged in relation to any conduct in violation of the Ethics Act, the appointer must obtain approval from 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 appointer.

### 2. Status of Investigations and Disciplinary Actions for Suspected Violations of the Ethics Act

During FY2019, 14 cases involving alleged violations of the Ethics Act were newly investigated, while one ongoing investigations was carried over from FY2018. Of these cases, disciplinary actions were taken for 6 cases involving 10 employees (1 dismissal, 1 suspensions, 1 reductions in pay, and 7 reprimand) due to violations of the Ethics Act while admonishments or serious warnings (hereinafter referred to as “corrective measures”) were issued for 11 cases involving 164 employees under the

internal rules of each ministry (3 cases in which more than 1 employee was involved and for which both disciplinary actions and corrective measures were taken are counted in both categories). No Investigation cases were carried over to FY2020.

Compared to FY2018, the number of cases of new investigations decreased by 4, and the number of cases of disciplinary actions decreased by 2.

#### **Chapter 4. Future Prospects for Public Service Ethics**

The Ethics Board, which was established in Dec. 1999, marked its 20th anniversary in Dec. 2019. It is considered that the Ethics Act and the Ethics Code, which were fully enforced in April 2000, have generally taken root among national public employees as the rules that they should observe, and the operation has become stable on the whole. The ideal state of "civil service ethics" and the public's demands on public employees are changing day after day. Compared to the situation in 20 years ago, "compliance", which is a measure to maintain ethics from a preventive perspective, has become a bigger pillar of organizational management both in the public and private sectors. While part of public service ethics should be kept unchanged and adhered to, there are also many things that should be entrusted to the independence and autonomy of each public employee responding to the changing times. From now on, the Cabinet Office, each ministry and every employee are expected to take the initiative in exploring the ideal state of public service ethics, to always have a sense of pride and mission for their own duties, and to proactively choose the right action to take in order to become administrators and public employees who are trusted by the people. The Ethics Board should keep an eye on the social situation in order to keep abreast of social changes. At the same time, the board should not simply provide guidance and supervision to the Cabinet Office and each ministry, but work together with them as a good advisor in implementing the measures to maintain ethics.

Specifically, the board should continue to focus on the three main pillars: "Cultivation of Employees' Ethics Awareness", "Creation of an Ethical Organization Environment" and "Strict and Expeditious Actions towards Violations of the Ethics Act." Based on each of these pillars, the board should work with the Cabinet Office and each ministry to consider and devise the measures to further develop current efforts, such as: (1) providing training that touches the hearts and minds of individual employees using violation cases so that they can think of them as their own issues; (2) sharing across the organizations the information on the organizations, in which violations have occurred, and successful examples of building an ethical organizational culture; and (3) providing know-how ranging from how to conduct an investigation of violations of the Ethics Act to the implementation of recurrence prevention measures.