Introduction

• Gracias por venir
• What is CAPI?
• My background
• What CAPI is learning about municipal corruption
• Lessons for Peru
What is CAPI?

• New research center
• Partnership between NYC Department of Investigation and Columbia Law School
• Dedicated to improving the capacity of practitioners to deter, identify, and combat public corruption
My Background

• U.S. Attorney’s Office, Southern District of NY
  • Chief of the Organized Crime Unit
  • Chief of the General Crimes Unit
  • Deputy Chief Appellate Attorney

• Cravath, Swaine & Moore LLP
  • Litigation Associate
CAPI Activities

• Building and supporting a vibrant public integrity **community**
• Providing practitioners with more helpful **resources and tools**
• Hosting **events** that bring together scholars, practitioners, and policymakers
• Advancing **research** with practical implications
CAPI Focus Areas

• Bridging the gap between practitioners, scholars, and civil society
• Tackling corruption in cities worldwide
Practitioners: Core of CAPI Community

- Common concerns
- Opportunities for collaboration
- Opportunities to share information
CAPI Projects

• Web-based content
• Public Integrity Community Network
  • Member’s Discussion Forum
• 50-state survey of anti-corruption laws & systems
• Transparency and municipal corruption in Bell, CA
• Comparative study of subnational anti-corruption agencies
Website Resources

(http://web.law.columbia.edu/capi)

• Member’s Forum (forthcoming)
• Directory of public integrity organizations and news sources
• Best Practice Guides
• Conference and Event Presentations
• Profiles in Public Integrity
CAPI Events

• Busting Graft and Boosting Budgets (May 30, 2014)
  • Strategic uses of Asset Forfeiture

• Corruption in the 21st Century (November 14, 2014)
  • Global corruption issues
  • The role of new technologies in fighting corruption

• Corruption in Global Cities: Shared Challenges and Approaches (Spring 2015)
  • Comparing local oversight structures, tools, and tactics
  • Exploring common issues in municipal corruption
  • Promoting cities as laboratories for anti-corruption reforms
CAPI & Municipal Corruption

• Bell, California
• What happened?
• Why did it happen?
• What reforms were enacted?
• Are the reforms adequate?
• How is this relevant to Peru?
Parallels to Peru

- In U.S., localities subject to state oversight, but little towns get little attention
- In Peru, geographically remote municipalities pose challenges for oversight and enforcement
- Small localities tend to face resource constraints
- Like Bell, small municipalities in Peru might need to consider implementing their own oversight mechanisms
What Happened?

• City Manager stole millions from city taxpayers
• Recruited help from city council members and other officials
• Resulting in a lack of oversight & accountability

City Manager Robert Rizzo
Rizzo’s race horse ranch in Washington
Why Did it Happen?

• Lack of Oversight
  • by city council
  • By county/state/national governments

• Lack of Transparency
  • Transparency can greatly increase accountability and oversight, because any interested party can become a watchdog
Transparency Reforms in Bell

- Open city council
- User-friendly, bilingual website
- New governing laws
- Archived council minutes and notes
- Compensation of public officials
- Financial disclosure information for public officials
- Information about city programs, permitting, taxes, zoning, and contracting
- Transparent city budget
Accountability Reforms in Bell

- New policies and procedures
  - procurement, spending, procedures
- Ethics statement that officers sign
- Meaningful yearly audits of city by private firm
- Some new state level requirements for reporting of salary information
Are the Reforms Adequate?

- Stay tuned...
- Not 100%
- Transparency is looking good
- A- from Sunlight Foundation
- A few gaps in accountability and oversight
- Procedure for dealing with conflicts of interest
Ideal Small Town Integrity System

(1) Transparency

• Access to information
• Active provision of information
  • Public officials
  • Processes
  • Decisions & outcomes
Ideal Small Town Integrity System

(2) Accountability

- Legislative body with power over purse and policy
- Clear division between executive and legislative authorities
- Oversight and internal controls
  - Independent audits
  - checks and balances
  - body with investigative power
- Procedures for reporting complaints
  - Protections for whistleblowers
- Clear procurement procedures with conflict of interest policy and provision for recusal
Ideal Small Town Integrity System

3. Integrity

- Ethics code and code of conduct
- Anti-corruption plan
Resources

- CAPI case study of Bell, California
- CityEthics.org
- NYC Conflict of Interest Board materials (nyc.gov/ethics)
- Transparency International paper (transparency.org)
- Ethical Standards in the Public Sector (forthcoming)
  - Chapter on how to set up and run a local ethics board
Please join us!

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