The New Italian Anti-corruption Authority: Duties and Perspectives

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Presentation of the ANAC Annual Report to the Parliament, based on the President Raffaele Cantone's speech of July 2, revised in November 2015.

The first annual report of the new Italian National Anti-Corruption Authority (*ANAC*), presented to the Italian Parliament on the 2nd of July 2015, was particularly significant for the Authority. I have the honour to preside over; it is an "official baptism", considering that last year was the year in which in Italy an Authority charged with preventing corruption functions was effectively structured.

Preventing Corruption and Transparency

The Anti-Corruption Law, Law No. 190/2012, in execution of the Article 6 of the United Nations Convention against Corruption, designed an anti- corruption system based on prevention and introduced in Italy the National Anti-Corruption Authority that is the central actor of the system.

The provisions introduced by the Anti-Corruption Law find an essential complement in the Legislative Decrees No. 33 and No. 39 of

1. Mr. Raffaele Cantone was born in Naples and started his career in the judiciary in 1991, acting as a public prosecutor. As member of the District Anti-mafia Directorate of Naples, Mr. Cantone was involved in major investigations on the organized crime in Italy: for the key role he played in the conviction of several important members of the 'camorra' he has to live under protection since 1999. In 2013 the President of the Council of Ministers appointed him as a component of the task force created to develop proposals on the subject of the fight against the organized crime; on March 2014 the President of the Council of Ministers appointed Mr. Cantone President of the Italian National Anti-Corruption Authority, designation confirmed unanimously by the competent parliamentary commissions. Mr. Cantone is the author of several articles and volumes on the subject of the organized crime and its infiltrations in the economy and society.

2013, to which the Law has delegated the implementation of important principles and guidelines with reference, respectively, to the transparency and to the system of ineligibility and incompatibility of positions in public administration and in the Presidential Decree No. 62/2013 which sets out the rules of conduct for all civil servants.

The system has been completed in 2014 with the integration of the supervision on public contracts in the system of corruption prevention, according to the law decree No. 90/2014, converted with modification by the Law No. 114/2014.

Among the most significant interventions intended to sharply affect the fight against corruption in Italy, in fact, it must be counted the legislator's choice of anchoring the supervision on public contracts already performed by the Authority for the Supervision of Public Contracts (AVCP) in the system of corruption prevention outlined by Law No. 190/2012.

The integration of the functions of the two institutions and the consequent extension of the powers of *ANAC,* set the conditions to oversee more effectively the scope of the contracts and public procurement in which nestles a substantial part of the corruption phenomena.

The new institutional mission of *ANAC* consists in the prevention of corruption in public administrations and in subsidiaries and state-controlled companies through the implementation of transparency in all aspects of management; through supervisory activities in the framework of public contracts, and in every area of the public administration that can potentially develop corruption phenomena, as well as through the orientation of the behaviors and activities of public employees by means of advisory and regulatory interventions.

In these new, yet to be experimented, contexts the Authority has chosen not to behave self-referentially, labouring instead to ensure institutional cooperation, on both national and international levels.

The first aspect to be detailed is the one pertaining to the duties and the powers defined in Law No. 190 of 2012 and in its implementation decrees No. 33 and 39 of 2013 which define the three intervention directives aimed at preventing corruption in the public administration,

articulated in the making public administrations more responsible , the implementation of the administrative activity transparency and the guarantee of public official's impartiality.

Specifically speaking, the goal of making public administrations more responsible rests essentially upon the effective drafting of a triennial plan to prevent corruption (*Piano Triennale per la Prevenzione della Corruzione*, *PTPC*) within each public organization.

The *PTPC*, which is required of all administrations in conformity with a general guidance act prepared and approved by *ANAC*, namely the national anti-corruption plan (*Piano Nazionale anticorruzione*, *PNA*), is modelled on the plan adopted by private companies pursuant to the Legislative Decree No. 231 of 2001, albeit with a few modifications, among which the appointment of a figure in charge of Corruption Prevention (*Responsabile della Prevenzione della Corruzione*, RPC)[2] within each administration, who must arrange a *PTPC* to be submitted to the political-administrative body.

The *PNA* ensures the coordination of national and international strategies for the prevention of The *PNA* is structured as a programmatic tool subjected to an annual update with the inclusion of indicators and targets in corruption in public administration. order to make the strategic objectives measurable and to ensure the monitoring of the possible divergences from these targets arising from the implementation of the *PNA*. The *PTCP* within each public administration identifies, on the basis of the *PNA*, the specific risks of corruption in individual administrations and the measures deemed necessary to prevent them.

After the first application of this "cascade model", the analysis conducted by the new *ANAC* on *PTPC*s, carried out on over 1,300 administrations, led to contrasting results; *PTPC*s were widely adopted

2. The RPC, in the prevention of corruption system, is a central figure, with significant responsibilities, as well as a privileged interlocutor of the Authority, which hold a number of important functions. He has the crucial task of proposing the adoption of the PTPC to the political bodies of the PA, verifying its correct implementation and its continuing suitability, as well as reporting the results of the activity at the end of each year. Among the obligations of the RPC there is also the one to report to the judicial authorities about eventual corruption cases.

and published (90% of PAs adopted a *PTPC* and of these, over 50% had updated the document in the previous year) although they were perceived as an act of mere bureaucratic compliance; the quality of the documents produced, in terms of the methodologies used and the sustainability and efficacy of the whole process, was, in many cases, poor. The disappointing result can be explained considering the novelty of the anti-corruption normative, the great variety among administrations and the levels of competence within them but also the lack of preparation which, in some cases, led to an underestimation of the task's importance.

Various critical issues emerging from the analysis: substantial absence of the deepening of the external context within which the administration operates (in over 80% of cases); poor mapping of internal processes (accurate in only 10% of cases); inadequate inclination to apply methods of risk weighting (in 35% of cases no method was proposed) or application of ineffective measures (in 45% of cases); poor integration with other tools, such as the performance management cycle (present in but 15% of cases); a tendency not to put in place specific measures to prevent corruption in addition to those mandatory in the *PNA*, and, when further measures (in 40% of cases) are proposed, they are superficially mentioned.

A specific analysis of the *PTPCs* was also focused on the creation of protection systems for state employees who report unlawful behaviour at work (so called “whistle-blowers”).

The whistle-blower system is struggling to catch on because the normative protection offered to the whistle-blower is not considered to be effective and because there is little inclination to report unlawful behaviour (reporting is often considered a form of “delation”).

In order to stimulate more frequent use of this measure by Public Administrations, the Authority, following a wide-reaching public consultation, published *ad hoc* guidelines (resolution 6/2015): these provide the administrations with recommendations on how to adequately protect whistleblowers while creating awareness on the necessity of having systems of protection in place.

In general, The Authority believes that the *PTPC* tool deserves to be pursued and so an adequate awareness of the public administrations and

a simplification of the plans' structure is needed.

The second challenge is to implement in public activities transparency, which is, according to the most credited international researches, the best way to prevent corruption; illicit affairs prefer the shadows and shirk from the light shed by transparency. However, for transparency to be genuinely useful, it must favour quality over quantity that is allow citizens easy access to clearly presented, useful information and thus stimulate civic and democratic participation.

Legislative decree No. 33 of 2013, which deals with transparency and requires all administrations adopt a Triennial Transparency and Integrity Program, is a step in the right direction though it is somewhat limited in some aspects. It dictates that administrations create an area on their websites called “transparent administration”, containing easy-to-find information on the most important facts concerning institutional bodies, executives, managers and activities carried out.

The Authority, which has supervisory powers in these matters, has registered a very high overall level of data publication for almost all public administrations regarding a large number of obligations imposed by the Law. However, this positive evaluation conflicts with the scarce attention to quality and completeness of information provided by some public administrations.

In this case too, public administrations should be sensitized to not experience the fulfilment as a bureaucratic-compliance attitude but as a “civic” accountability duty. The supervision of the Authority in this field was effective: the supervisory activity, activated in consequence of a report received from stakeholders concerning misapplication of the norm on transparency, obtained satisfactory results in terms of the percentage of administrations which comply with existing norms (80% totally compliant and 90% partially compliant). The choice to accompany and encourage administrations on their path to enforcement of anti-corruption and transparency norms has proven to be a winning one.

Also positive was the awareness demonstrated by citizens “:most wrongdoings reported to the Authority (roughly 68%) are reported by “normal” citizens, not solely by state employees but also by professionals, and mainly concern councils and local public bodies (more than half of

cases), that is those institutional subjects which are closest to citizens' needs; this is a sign that the general public appreciates and makes good use of the new “tool”.

The third aspect of the corruption prevention strategy is related to the guarantee of the elected and other public officials' subjective impartiality, as granted by the Italian Constitution (articles 97, 98 and 54 especially). To this end in the Italian legislative framework two provisions are adopted; the first, called a pre-employment provision, aims to prevent access or permanence in office to those who, for various reasons, the Law deems unsuitable or incapable of performing their public function impartially. The second, called a post-employment provision, endeavours to avoid situations that, were they to occur while in office or afterwards, could undermine a public official's impartiality.

Said provisions are detailed in two legislative decrees both of which enforce Law No. 190/2012; one (legislative decree No. 235/2012) deals with eligibility to run for elective posts and the other (legislative decree No. 39/2013) with incompatibility and ineligibility concerning administrative functions. It is only in the latter case, though, that the *ANAC* has supervisory powers while, in the former said case, powers are in charge of the Prefects and Antitrust Authority.

The importance of this legislation as a preventive tool against corruption would appear to have been understood not only by Public Administrations but also by the general public: associations and politicians (especially local) have reported on many issues and requested the Authority's opinions (which was promptly and clearly offered) in many cases.

To name but a few, the Authority expressed its opinions with reference to the incompatibility between the presidency of Professional Registers and the role of member of the parliament (resolution No. 8 of 2015) and established that provisions contained in legislative decree No. 39 should extend to all national health structures providing care.

Though fewer than three years have passed since Anti-Corruption Law (Law No. 190) came into force, and fewer still for its delegate decrees No. 33 and No. 39, recurrent issues and doubts about its application have arisen.

Many matters have been addressed by recurring to interpretation, adopting resolutions of a general nature; the reference, in particular, is to resolution No. 143 of 2014 which defines the political bodies subject to particular transparency requirements; to resolution No. 146 of 2014 which considers the anti-corruption and transparency legislation applicable to Professional Registers; to resolution No. 10 of 2015 which defines the competent authority to issue penalties on transparency and to the recent resolution No. 8 of 2015, which includes guidelines for applicability of anti-corruption and transparency provisions in public companies, issued following a joint effort with the Minister of Economics.

There are however some flaws in the legislation which require legislative action to ensure the provisions are genuinely useful and effective.

Enforcing transparency, for example, would be a lot easier if the requirements for compliance were simpler, if civic access was better regulated, if access was generally granted even for activities which do not warrant publication of documents, if transparency was offset by some degree of confidentiality protection and, especially, if the sanctioning power was reviewed; for example, the lack of punitive consequences for those who chose not to comply with the Authority's rulings makes supervisory activity ineffective and keeps administrations from meeting the goals set for them by the legislative framework. As regards incompatibility and ineligibility, numerous amendments are yet to be made; some areas of legislation are uncertain and contradictory; the Authority's supervisory power is often limited to the expression of mere non-binding recommendations and the sanctioning tools are very difficult to implement concretely.

ANAC has highlighted and lamented these problems on many occasions through the work of a commission (collaborating with Italy's Privacy Authority on transparency issues), set up since late 2014, also thanks to the contribution of external experts and scholars; recently, for example, ANAC has submitted a report to Parliament, detailing 25 critical issues with reference to legislative decree No. 39.

The bill concerning PA reform includes a new mandate for the Government to change legislative decree No. 33 in such a way as to

overcome many of the flaws lamented by the Anti-corruption Authority. Instead changes to legislative decree No. 39 have been postponed and will be affected by another forthcoming bill which the Authority hopes will be adopted as soon as possible.

Supervision, Guidance and Corruption Prevention in Public Procurement

Another of the Authority's areas of competence is that concerning supervising, advising, guiding and regulating PAs in the field of public procurement, a task which was formerly carried out by the suppressed *AVCP*. Law-decree No. 90 configures the Anti-corruption Authority's powers in such a way that they cannot be considered as merely functional to promoting Italy's development through efficiency and competitiveness; in fact they are also aimed squarely at preventing corruption and directing PAs towards proper application of tender assignment and execution.

Beginning with supervisory activity, the Authority has re-organised its work and approach in this field with the aim of reducing the level of bureaucracy and making so-called "traditional" oversight procedures more transparent, considering essential dealing with the most (also financially) important public contracts and doing so with rapid and timely decisions.

The first results, albeit relative to the first period, seem to indicate that things are proceeding in the right direction; 51 procedures have been completed in the public contracts for works sector, including oversight of Rome's Metro C line, Firenze's high speed railway, the A4 motorway : many anomalies have emerged in the assignment and/or execution of the works, leading to charges brought against the contacting authorities and to the denunciation of the anomalies to the National Court of Auditors and to the competent courts.

Oversight of the services and supplies sector, long side-lined in favour of that of works, has been revived by assigning it a dedicated division.

The division dealing with variations (the changing of some aspect in a public procurement phase) during the implementation of the project

(whose transmission to the ANAC has become mandatory under the art. 37 of decree law n.90) is an absolute novelty and has led to the first sample examination of over 90 cases which, in turn, has shed some light on the causes of this widespread anomaly.

In the field of supervision, moreover, the oversight of Qualification bodies (SOA[3]), which had been the scene of many problems in the past, has received a substantial boost also thanks to the adoption of a "Qualification Manual", that endeavoured to offer operatives clear guidelines to stick to and has allowed to a far-reaching investigation into the conflicts of interest held by the owners of certifying bodies. The supervision activity also affects the system of qualification of competitors participating in public procurement contracts because this is a particularly exposed area to corruption phenomena, in which the role of the Authority is crucial in terms of prevention and repression with strong punitive measures, which include, among others, suspension and cancellation of certificates, suspension and the loss of the authorization for the SOA activity.

The most significant innovation, also contained in the new Supervisory Regulation, is certainly the new monitoring methodology called "Collaborative Supervision", activated upon request of the contracting authorities themselves.

ANAC introduced "collaborative supervision" as a particular and exceptional form of verification, above all preventive, aimed at fostering a profitable control collaboration with the contracting authorities and thus guaranteeing the correct functioning of the tender operations and the contract execution, also preventing attempts of criminal infiltration in the tenders.

Coming from the positive experience made at "EXPO 2015", the "collaborative supervision" could be systematically introduced in the organization of great events, initiatives and works of national or strategic interest in order to guarantee the transparency, correctness and quality of

3. Qualification is not carried out by public authorities or by other bodies governed by public Law : qualification is carried out by companies regulated by common Law, which are authorized by Italian Anticorruption Authority.

administrative choices from the very beginning.

This tool marks a cultural change: *ANAC* no longer intervenes to sanction and condemn illicit behaviour *ex post* (after the fact), when damage done is often difficult to remedy, but to prevent anomalies *ex ante* (before they occur) by guiding the administration towards better and more transparent choices and discouraging improper economic operatives from responding to calls to tender.

Memoranda of Understanding (MoU) specifying the conditions and the methods for the implementation of "collaborative supervision" have been signed between *ANAC* and several contracting authorities.

In fact the novelty appears to respond to the contracting authorities' needs; proof being in the numerous MoUs stipulated – with *Regione Lazio*, *Invitalia* (including contracts for the Pompei project), Florence Airport, the Mission Structure to combat hydro-geological instability, the Industrial Development Area in Caserta, the *INPS*, *Regione Puglia*, *SoGESID* – and many others currently being agreed upon.

Always with respect to the supervisory activity, great stimulus has also been given to inspections which are assigned to a specific division, employing ten managers with significant skills, know-how and technical backgrounds. This team has fielded a plan of routine inspections together with the *Guardia di Finanza* (Italy's revenue and financial crimes police) and with the The State General Accounting Department's Inspectorate, alongside a plan for targeted investigations directed at those contracting authorities which had already shown up on the Authority's radar as possible sites of unlawful behaviour. In this sense, inspections have been directed at *Roma Capitale* (Rome City Council) to acquire information concerning contracts signed in the 2011-2014 period (a first report has already been submitted to the access committee set up by the Prefect) and, with similar goals, at Caserta hospital, disbanded by the courts because of mafia infiltration.

With a view to guiding administrations towards making the right choices, a couple of far-reaching investigations into the main Italian cities are worthy of note. One looked into contract negotiation processes, the other investigated contrived fractioning of contracting work; both discovered anomalies (especially the first) of which, in the best interest of

collaboration, the administrations responsible were informed, in order to put in place corrective measures

The Authority's advisory function for public procurement has also undergone changes in terms of both norms and organisation; a new pre-litigation regulation (an extra-judicial controversy settlement) has been introduced and the conditions for asking the Authority to express recommendations have been defined. The activities just described are undertaken by one division which is directly liable to the ANAC President .

So-called pre-litigation has been restructured as a form of alternative dispute solution. It has been well received among users who see it as a free and fast path to obtain rulings on controversies that, while not-binding, have often been accepted and acted upon by contracting authorities..

Advices different to those of the pre-litigation should be made, instead, only when the issues raised by contracting authorities and private companies transcend the specific case at hand and are in the general interest.

In this light, the Authority's advisory function works as a corruption prevention tool for it preventively suggests the correct course of action not only for the case in question but for all analogous cases too.

Finally, the effects of the new institutional setup have also affected the Authority's regulatory activity which is carried out mainly by issuing guidelines and models for calls for tender. The past regulatory activity shows a common thread in that the Authority has attempted to open up the market to small and medium-sized companies (*PMI*), believing this will foster competition, in itself a force in opposition to corruption.

The opportunity of dividing contracts into lots, the provision of access requirements proportionate to the size of the participants - so that smaller companies are not penalized - are some of the distinguishing traits of the call for tender model (resolution No.1/2014) for cleaning of buildings services and of the resolution No.7/2015 for maintenance work. Even in the quite delicate sector of construction work projects, the resolution No.4/2015 has provided the contracting authorities with key directives on turnover and minimum staff requirements so as to open up the market to young professionals. Instructions to proceed with the division

of contracts into lots have also been given for other services (e.g. postal services).

Numerous other types of contract will be subject to regulation in the coming months, especially those concerning the award of service contracts to tertiary sector bodies and social cooperatives; contracts which in recent times have shown severe anomalies.

Special Audits and Extraordinary Measures for Public Contract Management

In addition to the ordinary supervision and guidance functions in the assignment and execution of public contracts, Law-decree No. 90 has provided for a series of additional innovative special tools, such as audits of the Expo 2015 procedures and other extraordinary measures for the monitoring and management of public contracts.

As for the Expo 2015 procedures, Law-decree No. 90 has introduced special auditing powers over *Società Expo 2015*'s tender contracts to be exercised by *ANAC*'s President with the support of a "special unit" (UOS) also including *Guardia di Finanza* (Italy's revenue and financial crimes police) officers. Immediately the UOS, formed the day after the decree by three full-time auditors coordinated by a senior *Guardia di Finanza* officer with the support of *ANAC* staff, has initialised controls, following the guidelines agreed to by *Società Expo 2015* itself, making use of an IT platform which made it possible to complete the audit in a short period of time (average 7 days).

The UOS verify, in advance, the legality of the acts connected to the award and implementation of contracts for works, services and supplies for the execution of works and activities related to the development of the EXPO particularly with regard to the compliance with the provisions on transparency.

The numerous procedures audited until now (about 200) led to legitimacy and merit instances which, in almost all cases, were acknowledged by *Società Expo 2015.*

Inspections, carried out jointly with the Milan Prefecture's *antimafia* (counter-mafia) division, did not get in the way of the *Società'*s

activities, on the contrary they allowed work (which had been interrupted following 2014 spring's arrests) to resume quickly and to be completed on the established date, in time for the Universal Exposition's inauguration (1st of May, 2015).

The work on EXPO was also an opportunity to experiment and put in practice the integration between anti-corruption controls and "antimafia controls" performed by an inter-institutional unit established in the Prefecture of Milan and the methodology of "collaborative supervision".

This kind of supervisory approach received an important *imprimatur* by OECD, with whom a Memorandum of Understanding concerning the audits in question was been previously signed.

The memorandum of understanding between the ANAC And OECD set out the conditions for co-operation in order to achieve the following common objectives: increasing transparency and accountability of the procurement procedures related to EXPO 2015; increasing investors', stakeholders', and other actors' confidence in the major event "EXPO Milano 2015"; identifying potential causes and eventual instances of corruption in the context of EXPO 2015 to prevent and counteract it; and reinforcing the know-how of both Parties regarding the prevention of and fight against bribery and corruption.

ANAC and OECD co-operated by sharing methodologies, exchanging information, supervising the oversight of procurement procedures related to the major event "EXPO Milano 2015", and organising events, workshops and initiatives promoting transparency, accountability and reliability, involving EXPO 2015 stakeholders.

OECD, in two reports, stated that the system was an effective method of impeding corruption, applicable to other tenders associated to major events, in Italy and beyond.

In particular OECD underlined; the general increasing of EXPO transparency; the effectiveness of the problem-solving approach through the opinions sent by UOS to the contracting authority on the procedures under review and through continuous and real time contacts between EXPO and UOS to ensure that the contractual procedures meet from the very first moment the standards required; the effectiveness of the very timely control performed by UOS that were able to respond quickly to

requests from the contracting in order to allow the processes to continue without major interruptions or delays. The general raising of the level of controls performed was also considered useful in order to potentially dissuading future instances of corruption, given the explicit checks on the propriety of each procedural step in the tenders, and to restoring confidence among operators in the relevant market about the transparency and probity of award procedures and the subsequent management of tenders.

The Memorandum of Understanding between ANAC and OECD has been conceived as a kind of pilot project that may provide a more general control template for institutional cooperation on the supervision of public contracting procedures and of their subsequent performance, in accordance with the highest possible standards and leading international best practices.

Indeed, just as in the case of EXPO 2015, where it was indispensable to construct infrastructures by a given date to welcome visitors, the creation across the world of other large infrastructure projects and major events with a fixed opening date must necessarily aim at efficiently balancing the integrity and speed of the works.

For this reason, within the framework of the Memorandum of Understanding and building on the EXPO Milano 2015 experience, ANAC and OECD have drawn more general lessons and principles, the so called *"High Level Principles for integrity, transparency and effective control of major events and related infrastructures"*, presenting them as a possible model for the international community and actors involved in delivering large one off events and related infrastructures such as universal expositions, sporting, political and cultural events.

Law-decree No. 90 also introduced a new legal institution named "Measures for extraordinary and temporary management" more commonly referred to as "compulsory external administration of public procurement" (*commisariamento degli appalti*); it was intended for application where contracts and concessions had been obtained by illicit, corruptive means (subsection/*comma* 1) or obtained by companies disqualified because of mafia infiltrations (subsection/*comma* 10).

The legislator's goal was that of allowing public works already contracted which was the subject of investigation to be completed without

the bid-winners pocketing the profit. The latter had to be set aside while the judiciary decided whether to carry out seizures and/or requisitions.

In the event that the judicial authority processes certain crimes against the public administration, that is, in presence of detected anomalous situations and nevertheless symptomatic of illegal conducts or criminal events attributable to a company awarded a contract for the construction of public works, services or supplies, the President of *ANAC* proposes to the competent Prefect, either: to order the renewal of the corporate bodies by replacing the person involved and, if the company does not abide by the terms established, to provide for the extraordinary and temporary management of the contractor only for the full implementation of the contract covered by the criminal proceedings; to engage in the extraordinary and temporary management of the contracting company limited to the complete execution of the contract subject to criminal proceedings.

The provision has the merit of acting solely upon the "incriminated" tender contract and not affecting the company as a whole. At the time of its introduction, the provision was received with great scepticism and bitterly criticised, being considered a potential limit to the entrepreneurial freedom and/or an interfere with judges' work.

The provision on-the-practical application has, to date, shown that most concerns were unjustified. Thanks also to the interpretational guidelines adopted jointly with the Home Office (*Ministero dell'Interno*), the measure was enforced only in confirmed and particularly severe cases and it allowed for complex public work to be completed, in some cases averting negative consequences in terms of employment. No conflict arose with the Judiciary; instead, fruitful collaboration ensued and obtaining the necessary documentation to proceed with compulsory external administration was always possible.

Conclusions

In proceeding towards the conclusion, I feel I should spend a few words on the, until now but evoked, real protagonist of the report: the corruption itself.

It is common knowledge that, from a legal point of view, corruption is a criminal pact whereby there is a mutual exchange of favours: a public official does or promises to do something, in exchange for sums of money or promise of other benefits.

In everyday terms, corruption takes on a broader meaning thus defining an illicit system capable of perverting the course of public endeavours and activities.

The Judiciary, who should be thanked for their everyday efforts, have revealed through their investigations how corruption has become a systemic phenomenon that inhabits public contracts and other administrative environments; not only those one would "expect" to be infiltrated such as the authorisations and concessions sector, but also others commonly held to be above suspicion, like social initiatives assigned to the so-called social service organizations.

The structure of corruption has changed too; it is increasingly rare for corruption to occur as a bilateral relationship between he who gives and he who receives, instead it answers to and derives from unofficial organisations, sometimes of a mafia-type, in which there are public officials, entrepreneurs and fixers with common interests; they make up a "gelatinous system" where one struggles to distinguish between bribed and briber.

Corruption is unfortunately a widespread phenomenon and not only because international rankings, based on citizens' perception, paint such a picture (rankings which shouldn't be taken as Gospel truth) nor because of the supposed impact corruption has on the economy, estimated in figures which are as astonishing as they are of unknown origin (I refer to the famous and author-less estimate of €60 billion), but because it's the empirical experience of it in everyday life, that can prove its existence and confirm its prevalence.

Finally, corruption is a phenomenon which has been underestimated for too long: even in reports by public bodies dating back only a few years, its existence was questioned and public concern was attributed to biased or captious media reports.

Today underestimation of corruption has, at least in part, been overcome; people are aware that the damage it causes goes beyond the

scope of any individual public contract, act or behaviour. Corruption has a far-reaching impact on society, it undermines citizens' faith in their Institutions, it perverts the democratic contest, distorts competition, discourages investment and it even contributes to the “brain drain” phenomenon.

And for this greater awareness the Italian President of the Republic deserves recognition for he has always underlined, starting from his inaugural address, the harmfulness and pervasiveness of this veritable social cancer. Pope Francis too tackled the issue going as far as to affirm several times that corruption is worse than sin for sin may be forgiven, while corruption may not.

These remarks on the seriousness and complexity of the phenomenon lead to clearly affirm that corruption cannot be combated unilaterally but requires multilateral, concomitant intervention; effective repression, prevention capable of injecting the system with the necessary antibodies and a cultural shift which raises citizens' awareness.

The duty of the *ANAC* , as stated, is to deal with prevention, but it must be made absolutely clear – and it isn't a way of reducing our own responsibility or preparing for failure – that we are charged with tackling but one aspect of the phenomenon; there are many other forms of intervention which take on a preventive function and depend on the actions of others different subjects: a more efficient and less invasive bureaucracy, honest, authoritative and credible politics, a business world that, as occurred in the struggle against the mafia, chooses to be on the right side would all contribute invaluably to the prevention of corruption.

Our task remains a highly challenging one and the contexts in which we operate are strategic in the struggle to limit corruption but the tools we have at our disposal require time and institutional collaboration to take effect, because nobody should be led to believe that we are the bringers of miraculous and salvific remedies.

During this last year, the Authority has tried to field many initiatives; it's presence didn't go unnoticed and it received ample media coverage for its efforts.

Daring challenges await us in the near future. The enabling act that provides the rewriting of the “Public Procurement Code”, unanimously

approved by the Senate, and now at the examination of the Chamber of Deputies , adopts the latest EU directives heralding a new tender contract policy, and relies heavily on the Anti-corruption Authority which it bestows significant regulatory and supervisory powers, so much so that it is recommended for the future role of arbiter of the system. I consider the Senate's vote to be a great reward and, to some degree, as recognition of the worth of what we have attempted to do, at least in terms of credibility. I can promise, on my and ANAC behalf, that if that definitive investiture should take shape, we will rise to the challenge and see it through to the end, taking on the enormous responsibility that it would entail.