

**Intergovernmental Group of Experts on Competition
Law and Policy**

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**Competition Policy and Public Procurement
by
Japan**

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

Agenda 1: Competition and Public Procurement

Part 1. Methods to ensure competition through regulatory framework on public procurement

Japan Fair Trade Commission (hereinafter referred to as “JFTC”) drew up various propositions on the public procurement in 2003, 2004, 2005, 2006 and 2008 and provided ideas how procurement should steer a right course from the aspect of competition policy. Through those activities, the JFTC has tried to promote the improvement of the public procurement system by the central governments and local public authorities.

The main activities are as follows:

(1) A study group report on procurement and competition policy

In 2003, the JFTC held meetings of a study group on public procurement and competition policy, in order both to make a more competitive environment for the public procurement and to further prevent bid rigging effectively. In the meeting, the problems for the bidding and contract in public procurement were clarified and the solutions were brainstormed, so as to make thorough competitiveness possible in the public procurement. The findings were then published as a report of the study group in November of 2003.

The report stressed the need of ensuring as much competitiveness as possible, along with a “Value for Money” concept of how the central and local authorities should procure the most valuable products under a budget constraint. Then the report proposed to (1) use a bidding system (comprehensive evaluation bidding methods) focusing on price, technology, and quality, (2) expand the scope of general competitive bidding, and (3) develop the tendering system. Further, such views as “the suspension of the designation by the ordering authorities should be consistent” and “the suspension should be made after the final decision of the JFTC” were presented in the study group report.

(2) A report of study meetings on the measures and promotion of reform in public procurement

The JFTC has conducted, since November 2007, a series of meetings of a study group on the measures and promotion of reform in public procurement. Officials responsible for a bidding system were invited to the meeting from the central government, prefectures, cities, and government-funded institutions and exchanged their knowledge on the improvement of the compliance and on the progress of the reform in the bid system used by each procurement agency. Moreover, the members plus experts discussed problems and potential tasks that the procurement agencies are being faced as they step into these activities. The study group aims to tackle with those problems or tasks far more effectively through discussions. As a result, the report was published in May of 2008 with the following propositions:

The report suggested 1) improving compliance in procurement agencies, (2) developing a comprehensive evaluation method that does not make anybody come to

think that “the bidding system must have been discretionary implemented,” (3) planning local communities’ requirements so as to ensure competition, and (4) working on to increase competitiveness to solve the issue of “only one participant in the bid” or “unsuccessful bidding”.

Part II Prevention, discovery, and enforcement of bid rigging

1. Legislative framework for bid rigging in Japan

The JFTC has enforced the following Acts against bid rigging; (1) the Antimonopoly Act (AMA) and (2) Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc. (hereinafter referred to as “the Act Concerning Prevention of Involvement in Bid Rigging, etc.”). The following explain those Acts:

1) Antimonopoly Act

The AMA specifies bid rigging as one of the violations. The subject of the AMA is an enterprise or trade association, including officer, employee, agent or any other person who acts for the benefit of any enterprise. Procurement agency may become, for instance, a victim under the Act if the agency signed a contract at a higher price than usual due to the bid rigging. However, if the procurement agency gets involved in the rigging and the enterprise as well as the member(s) in the wrongdoing will be made a criminal accusation and indicted for a criminal charge (as in Section 89 of the Act), the staff of the procurement agency too may have to take the same criminal procedure as their accomplice. In principle, the criminal charge is investigated first by the JFTC for the fact of the relevant bid rigging. Then, the JFTC discusses the findings with the Public Prosecutors’ Office at the conference of criminal accusation. If it goes well, lastly, the JFTC makes a criminal accusation against the bid rigging concerned to the Prosecutor General before his staff launches the case for indictment.

The enterprise or trade association (including officer, employee, agent or any other person who acts for the benefit of any enterprise) involved in the bid rigging is subject to for the cease and desist order and surcharge payment order. Also the person who actually conducted the bid rigging may receive an order of imprisonment less than five years or that of fine below five million yen. Additionally, other than the above parties, a fine less than five hundred million yen might be punished for some other enterprise and entity as the dual criminal liability provision (as in Section 95 of the Act).

Moreover, if the representative of an enterprise or official member(s) of a trade association did not take any preventive measures for such a conduct as bid rigging even though those people knew the plan of violation against the AMA, they can be charged a fine below five million yen.

2) Act Concerning Prevention of Involvement in Bid Rigging, etc.,

If administrative measures such as cease and desist order and surcharge payment order are taken for the case of bid rigging, the Act Concerning Prevention of Involvement in Bid Rigging, etc., could be applied and the JFTC could call upon

agencies concerned for an “improvement measure”. Now that the Act above is explained:

a. Improvement measure to be taken by procurement agencies (Section 3)

For the staff of a procurement agency¹ who has got involved in the bid rigging etc.² 2),” the JFTC issues Cease and Desist Order against an enterprise involved in the rigging based on the AMA, and demands to the head of the procurement agency regarding improvement measures necessary to eliminate involvement in bid rigging etc. under the Act Concerning Prevention of Involvement in Bid Rigging, etc.,. The procurement agency demanded then conducts the investigation necessary and shall take an improvement measures to eliminate the involvements.

For your information, the JFTC will be informed of the result of the investigation and measure that the procurement agency has taken. For example, if the results of the investigation between the procurement agency and the JFTC have a big difference, the JFTC is allowed to comment on the result, when necessary.

b. Claim for damage (Article 4) and disciplinary actions (Article 5)

The procurement agency must promptly claim for damage to his or her officer or employee involved in such acts as bid rigging and others when they were found as willful conducts and gross negligence after being studied the liability for reparation. The procurement agency must also investigate if its officer or employee requires disciplinary actions. The result should be publicized.

c. Disciplinary actions to staff or member who infringed the fair bidding, etc., (Article 8)

If the officer or employee in the procurement agency suggests big-rigging, inform the predetermined price and so on for their biddings and take other actions which impair the fairness of the biddings in breach of their duty, they shall be sentenced to imprisonment with work not exceeding five years or punished with a fine not exceeding 2,500,000 yen.

3) Act for Promoting Proper Tendering and Contracting for Public Works

As for bidding and contract-signing process made by central or local governments, semi-governmental corporations and so on, the Act in this section obliges them public announcement of information on the prospective order in each year and on the bidding and contract-signing, and requires them to comply with the Guideline for Promoting Proper Tendering and Contracting for Public Works approved by the Cabinet in order to promote the fair competition between participants for bidding and candidates as contractor and eliminate bid-rigging and other unfair conducts from bidding and contract. The Article 10 of the Act obliges a notification to the JFTC from the

¹ Procurement agency in the Act means 1) a central government, 2) a local government, and 3) a corporation that a central or local government funds half of the capital (except NIPPON TELEGRAPH AND TELEPHONE CORPORATION and Japan Post Holdings Co., Ltd. by the ordinances). (See the Act, Article 1,2 and 3)

² 1) Explicit instruction of bid rigging, 2) Indication of its wish on winning bidders 3) leakage of confidential information on bidding, and 4) aid to specific bid rigging. (See the Act, Article 2.5.)

procurement agency when there are probable facts for bid-rigging and so forth: in FY 2010, 24 notifications (14 in FY 2009) were issued, based on the Act. Aside from this, the procurement agency voluntarily forwarded a notification about the bid rigging, the number of which was 830 in FY 2010 while 654 in FY 2009.

2. Assistance of the JFTC for procurement agencies to maintain compliance

The JFTC has taken the following measures to prevent bid rigging by issuing a report on the questionnaire from procurement agencies of local governments and others and by doing advocacy toward them:

1) Report on compliance activities by procurement agencies

In order for the JFTC to learn the reality in the programs to prevent bid rigging, it conducted questionnaire survey for (1) central government and 343 local governments and (2) 183 government-funded institutions (at least half of the fund borne by central government), as stipulated in the Act Concerning Prevention of Involvement in Bid Rigging, etc., and the report for that was issued in September of 2011, with the following propositions to strengthen the procurement agencies' compliance:

a) Further awareness of procurement agencies and their staff to comply with law and regulation

The staff including executives of the procurement agencies must recognize that involvement in bid rigging etc. is against their responsibilities on proper execution of their duties; therefore, the procurement agencies should enhance the staff's consciousness through the expanding of the training sessions, the establishment of the compliance manual and the emphasis of the stance that they never allow involvement in bid rigging etc..

b) System development to prevent involvement in bid rigging etc.

To prevent involvement in bid rigging etc., the system that promotes the compliance, checks possible involvement in bid rigging etc. so as to discover and stop them in advance, and reduces occurrence of the risk on such conducts should be introduced.

c) Specific measures to prevent involvement in bid rigging etc.

Involvement in bid rigging etc. must be prevented through the creation of a system to register, report, and present dialogue with or inquiry from an enterprise, the creation and promotion of points to be considered when an procurement agency contacts the enterprise, the special attention to avoid personnel to be placed on a same post for a prolonged time, and the actions from the request by retired staff or members of the procurement agency to prevent unreasonable acts.

2) Advocacy of procurement agencies to maintain compliance

On the basis that the actions of procurement agencies are crucial to completely

prevent bid rigging, the JFTC holds seminars or training sessions for personnel in charge of procurement at the government-funded institutions, as well as liaison conference with bidding staff, or procurement staff at each government agency, sending lecturers to seminars, and offering materials and documents, particularly for procurement personnel at central or local governments. Specifically, in FY 2011, the JFTC sent 158 lecturers to these national or local governments, semi-governmental corporations and so on, amounting to 20 times of lectures over the nation-wide. The JFTC also established and published the bidding guideline, or Guidelines Concerning the Activities of Firms and Trade Associations with Regard to Public Bids, so as to make all relative industries understand the AMA correctly.

Reference: Enforcement against bid riggings

a) Enforcement to bid riggings on the AMA

Since bid rigging is a typical cartel, and is the most vicious action against the AMA, the JFTC has handled such action in a strict and vigorous manner, based on the AMA. In FY 2011, 44.25 billion yen was imposed to enterprises against the AMA. Of the total amount, 16.69 billion yen was ordered involved in the bid rigging. For the past five years, the 673 enterprises were taken in charge of the surcharge payment for the bid rigging and the amount of the surcharge payment was 71.7 billion yen.

Year	2007	2008	2009	2010	2011
The Amount of Surcharge Payment	11.29 billion yen	27.03 billion yen	36.07 billion yen	72.08 billion yen	44.25 billion yen
Bid Rigging	7.37 billion yen	2.89 billion yen	4.71 billion yen	40.03 billion yen	16.69 billion yen
No. of Enterprises Charged of Surcharge Payment	162	87	106	156	277
No. of Enterprises in Bid Rigging Occupied in the Payment	132	58	71	135	229

Thus, the strict and vigorous punishments on bid rigging help to maintain and promote fair and free competition in public procurement, which led economic impacts to decrease the price of successful bid and others. For example, the rate of the decrease for the winners' price during 1996 to March of 2003 showed 18.6% in average, after the JFTC's investigation on the 22 formal orders of bid rigging cases.³

³ The date was created based on the materials on the investigation of the relative violation submitted by government agencies and so on.

Moreover, the amendment of the AMA has been implemented since January 2006 with such provisions as 1) increase of surcharge rate, 2) introduction of leniency program, and 3) introduction of compulsory measures for criminal investigations, etc, and the AMA has reinforced deterrence to conducts against the Act including bid rigging. Since the introduction, the leniency program has been proactively used for the bid rigging case and criminal prosecution has also been brought based on the compulsory measures for criminal investigations.

b) Application of the Act Concerning Prevention of Involvement in Bid Rigging, etc., to bid rigging

The JFTC required to procurement agencies take improvement measures (so far nine cases) under the Act as follows. (See Attachment for actual actions the procurement agencies took.)

Case 1: City of Iwamizawa, Hokkaido Circuit, for improvement measures (January 30, 2003)

The staffs of the Iwamizawa city conducted: 1) With approval or suggestion from the manager-level employee(s) of the city, the servant in question repeatedly and continuously set up the target order volume for each enterprise for the relevant year, in order to achieve the target order volume, determined the winner and showed the executives of the trade association the name of expected winner, approximate volume of the construction work and others. 2) The executives concerned told the enterprise determined the fact that it was selected as an expected winner and the approximate volume of the construction work and others.

Thus, the JFTC required, based on the Act Concerning Prevention of Involvement in Bid Rigging, etc., the Mayor of Iwamizawa city to take improvement measures promptly in order to eliminate the involvement in bid rigging etc. against the Act.

Case 2: City of Niigata, Niigata Prefecture, for improvement measures (July 28, 2004)

The staff of the Niigata city disclosed the planned prices for work which should have remained secret prior to the bidding in response to the requests of expected winners, and continuously leaked a copy of the explanatory materials of proposals submitted to the contractor designation committee which were drawn up by the division concerned and which should have remained confidential to certain bidders.

Then, the JFTC required the Mayor of Niigata city to take the improvement measures.

Case 3: Japan Highway Public Corporation for improvement measures (September 29, 2005)

Executive of Japan Highway Public Corporation conducted, for construction on an upper part of a steel bridge, 1) approved the list of expected winners every time which was shown by retirees of the Corporation, 2) upon request from the retirees, manipulated the bidding system on a construction work from a planned lump method to

an installment one, and 3) upon request from the OB, reduced the standard of the bidding ceiling from 1.5 to 1 billion yen. These conducts had been done intentionally to ensure the retiree's place of employment; thus, they were recognized not only for bid rigging on sufferance and ratification, but for certain bid rigging forced against enterprises. In addition, the leak on under-covered information (e.g. the bidding schedule, etc.) was found in the conducts of the staff concerned.

Thus, the JFTC required the Governor of the Japan Highway Public Corporation to take improvement measures.

Case 4: The Ministry of Land, Infrastructure, and Transport for improvement measures (March 8, 2007)

The staffs of the Ministry of Land, Infrastructure, and Transport delivered—before bidding—an intention of expected winner for the floodgate facility work to an enterprise referred to itself as “facilitator” who arranges the bidding in order to implement the bidding smoothly.

Thus, the JFTC required the Minister to take improvement measure.

Case 5: City of Sapporo, Hokkaido Circuit, for improvement measures (October 29, 2008)

The staffs of the Sapporo city delivered—before bidding—information about an expected winner for all of specific electrical equipment works to the bidder, resulting in bid rigging.

Thus, the JFTC required the Mayor of Sapporo city improvement measures.

Case 6: The Ministry of Land, Infrastructure, and Transport for improvement measures (June 23, 2009)

The employee of the Ministry of Land, Infrastructure, and Transport leaked every year—before notifying designated competitive bidding—the names yet concealed, such as designated bidders, relevant section or department which was expected to implement biddings, or enterprises planned to involve or participate in the competitive bidding for specific vehicle management.

Thus, the JFTC required the Minister to take improvement measures.

Case 7: Japan Air Self-Defense Force, the Ministry of Defense, for improvement measures (March 30, 2010)

The staffs of the Ministry of Defense delivered—before bidding—information about an expected winner to the maker for furniture and fixtures, which are to be purchased and used at the No. 1 Supply Depot in the Air Self-Defense Force of the Ministry.

Because this conduct made participants to take part in bid rigging, the JFTC required the Minister to take the improvement measures.

Case 8: City of Aomori, Aomori Prefecture, for improvement measures (April 22, 2010)

The special director of the city of Aomori was shown by an executive of a company

the draft arrangement of designated companies to specify the expected winner and directed the Contract Division of the City of Aomori to follow the draft.

Thus, the JFTC required the Mayor of Aomori city the improvement measures.

Case 9: Prefecture of Ibaraki for improvement measures (August 4, 2011)

The staff of the Ibaraki prefecture, Section Chief of the land reclamation office in Town of Sakai (Ibaraki) decided a planned successful bidder for specific civil engineering work —before bidding—under approval of the head at the section, and delivered information about the expected bidder to the regional head of constructors association in Sakai.

Also another staff, Head of a construction office in Sakai, upon request from specific enterprise, instructed his or her subordinates, or directors of the road management and maintenance at the office that bidding participants of specific paving work for which the office will place an order can win in the sequence predetermined.

Thus, the JFTC required the Governor of Ibaraki to take the improvement measures.

Appendix: Measures of procurement agencies based on Act Concerning Prevention of Involvement in Bid Rigging, etc., As of October 1, 2011

Iwamizawa City	Niigata City	Japan Highway Public Corporation (See Note)
Date of Request: 2003.1.30	2004.7.28	2005.9.29
Date of Submission: 2003.6.11	2005.4.28	2006.2.16
Summary of Major Improvement Measures <ul style="list-style-type: none"> ● To make employee of the City aware of the importance on the compliance, a manual on how to avoid bid rigging was developed and distributed to them. ● To establish the system and organization where the bidding can be take place efficiently and effectively, the units to operate and implement the bidding became segregated. ● To extend the period of the suspension on the designation in order to strengthen the surveillance for the conducts and others 	<ul style="list-style-type: none"> ● To draw up and distribute the compliance manual to renovate the public servants' attitude and their conscious and to improve the workplace ethic. To conduct the training seminar about the AMA and others. ● To record and publicize the dialogue or inquiry from the relevant enterprise and to establish the section or department of compliance for the through compliance and retention of their ethic. ● To extend the suspension period to for the designation and to cancel the approval to join the 	<ul style="list-style-type: none"> ● To make tougher the code of ethic and hold seminars or lectures to make official members of the Corporation aware ● To collect the oaths on the compliance from board member(s) and staff, and to establish the Compliance Committee and in-house consultation center to further raise the members' conscious that they must obey the act. ● To extend the period of the suspension on the designation, and to increase the financial penalty. ● To extend general competitive bidding, and

<p>against the AMA.</p> <ul style="list-style-type: none"> ● To expand general competitive bidding to ensure fair and free competition. ● To restrict for enterprise, entity, or contractor or subcontractor to enter the department, section, office, or subsection of procurement agencies and their related place. ● To refrain voluntarily for employees from being reemployed into their relative industry. 	<p>bid to preventive measures against bid-rigging.</p> <ul style="list-style-type: none"> ● To extend the scope of general competitive bidding and to abolish the local requirements. ● To restrict enterprise, entity, or contractor or subcontractor to enter the department, section, office, or subsection of procurement agencies and their related place. ● To refrain voluntarily for employees from being reemployed into their relative industry. To prohibit for the workers already reemployed to approach to the City. 	<p>to abolish designated one, and to improve and extend a total valuation system.</p> <ul style="list-style-type: none"> ● To request enterprise, entity, or contractor or subcontractor to refrain from doing business ● To refrain voluntarily the employee from being reemployed into their relative industry, and to review early retirement custom.
<p>Claim for damage: because the private-sector experts found that the Iwamizawa city had no damage (March 2003), the indemnity was not claimed to the relevant servant(s).</p>	<p>In October, 2007, 4 official members found their participation in involvement in bid rigging etc. were claimed to reimburse about 8.683 billion yen as joint debt with the relevant enterprise.</p>	<p>In July, 2008, 2 official members found their participation in involvement in bid rigging etc. were claimed to reimburse about 8.683 billion yen as joint debt with the relevant enterprise.</p>
<p>Disciplinary action: the three most important posts (the mayor of the city, the deputy mayor, and the treasurer) and other 18 staffs in the high-ranking positions were punished. For example, the Mayor of the City had cut his pay for four months.</p>	<p>Totally 70 personnel including the three most important posts, members in the high-ranking positions, and servants involved in bid rigging etc. were punished: For example, the City mayor had cut his pay for three months.</p>	<p>53 members (department director and head of branch office, and others found their participation in involvement in bid rigging etc.) were punished: For example, the former department director of Toll Road was suspended from its duty for three months.</p>

Note: Japan Highway Public Corporation was privatized in October 1, 2005, which has been segregated into three regions, or East, Middle (Central), and West Japan.

The Ministry of Land, Infrastructure, and Transport	Sapporo City	The Ministry of Land, Infrastructure, and Transport
Date of Request: 2007.3.8	2008.10.29	2009.6.23
Date of Submission: 2007.6.18	2009.7.1	2010.2.18
<p>Summary of Major Improvement Measures</p> <ul style="list-style-type: none"> ● To draw and establish a “Discipline of Procurement Agencies”, and to hold seminars and lectures. ● To establish the internal or external compliance centers, to record unreasonable outside dialogues, and to publicize the reaction. ● To strengthen the measures to suspend its business under the Construction Industry Act and to suspend the designation by procurement agencies ● To adopt various ordering methods, to expand a general competitive system, to improve and expand a total valuation system, and to introduce bid bond system in order to further enhance the competitiveness, transparency, and fairness of the bidding procedures. ● To restrain a prolonged working system with one and same person responsible for the bidding and contract. ● To refrain from being reemployed into the enterprise involved in bid rigging. 	<ul style="list-style-type: none"> ● To change a method of ordering sewer work appropriately: To improve the method to estimate the design, to review eligibility for participation; to make through the appropriate control for the information on the design and estimate, to establish the Committee of Maintaining Disciplines, to improve working environment. ● To strengthen the check system, whistle-blowing system was rebuilt; and, the relationship between bidding-rigging and the system that a high-ranking government official enters a prestigious private sector upon its retirement—was investigated. ● To strongly restraint from being reemployed. ● To enculturate the City officials, compliance training was implemented; and, staff reassignment was promoted as a preventive measure not to place one person in one same position for a prolonged period. ● To set up Compliance Committee and Compliance Promotion Section (both, tentative 	<ul style="list-style-type: none"> ● To strengthen organization control structure, to share responsibility for each job adequately. ● To establish a good relationship of the ministry to enterprise(s) accepting orders for specific vehicle management. ● To refrain from being reemployed into the enterprise involved in bid rigging. ● To make the employee absolutely followed the compliance and, to instruct planned retirees for the compliance. ● To strict control of the information on the bidding and contract, to publicize data on placing an order. ● Contractual measures were taken to ensure quality, while the bidding and contract process was improved by categorizing similar issues that may go to bid rigging.

	names) in order to reform the entire environment of the city office.	
In January 2010, two former official members found their participation in involvements in bid rigging etc. were claimed to reimburse about 786 million yen as joint debt with the relevant enterprise (since one of them has already died, the heir owns the responsibility).	So far, the damage was not claimed to the relevant servant(s).	So far, the damage was not claimed to the relevant servant(s).
Disciplinary action: The former Deputy Director at Kanto Regional Development Bureau who took part in involvement in bid rigging etc. was suspended from its duty for 2 months, and other seven Administrative Vice-Ministers received reprimand, allocution and verbal warning.	The City mayor cut his or her pay including regional allowance about 50%, the assistant mayor at Construction Department about 30%, and other assistant one(s) about 20% for one month.	2 servants who were charged for a bid rigging criminal were receive disciplinary dismissal.

The Ministry of Defense	Aomori City	Ibaraki Prefecture
Date of Request: 2010.3.30	2010.4.22	2009.6.23
Date of Submission: 2010.12.14	2010.12.17	2011.8.4
<p>Summary of Major Improvement Measures</p> <ul style="list-style-type: none"> ● The servants were voluntarily refrained from being reemployed into the enterprise involved in bid rigging. ● The support from organization(s) responsible for procurement for the servants at the Ministry to be reemployed. ● The refill and maintenance structures of Air Self Defense Forces and the forces' maintenance structure were reviewed. ● Office supplies (furniture, etc.) become outsourced. ● The manner in drawing up of specifications was reviewed. ● Checking a budget implementation system was enhanced. ● Act Concerning Prevention of Involvement in Bid Rigging, etc., was thoroughly trained for the servants to follow. ● A whistle-blowing system was promoted and made the servants fully understand about it. ● Unreasonable bidding situations were 	<ul style="list-style-type: none"> ● The servants must be aware of themselves as employees of the local government and know how to control information on the following points: <ol style="list-style-type: none"> 1) Must be aware of its responsibility for the public benefits. 2) Must properly deal with contact from enterprise and so on. 3) Must use the whistle-blowing system. 4) Must enhance and strengthen the checking function. 5) Must open the information on bidding to public. ● New places of employment of retirees were openly reported and their business operation to the City was voluntarily restrained. ● How the contract was signed for the public work. (A general competitive bidding was thoroughly introduced.) 	<ul style="list-style-type: none"> ● The conscious of the servants to follow the act and restrictions was completely enhanced. ● The bidding and contract system were revised. <ol style="list-style-type: none"> 1) Must expand the scope of application on general competitive bidding. 2) Must revise the scope of application on eligibility for participation in bidding. 3) Must properly handle the information on the publication of predetermined price. 4) Must deal with the dumping problem thoroughly. 5) Must strengthen the penalty 6) Must expand the scope of application on electronic bidding. 7) Must revise the member of the Bidding Committee. 8) Must strengthen the function of the Bidding Monitoring Committee. 9) Must revise the system of the Fair Bidding Investigating Committee. ● Management and supervision for officials was strengthened through the establishment of the standard on disciplinary

<p>further checked. (The bidding process was checked, and the use of a check-sheet verifying the bidding results was ruled.)</p>		<p>action and so on.</p> <ul style="list-style-type: none"> ● The construction industry was required the compliance.
<p>Claim for damage: So far, the damage was not claimed to the relevant servant(s).</p>	<p>In December, 2010, 1 special government service official, his or her 2 bosses and his or her subordinate found their participation in involvement in bid rigging etc. were claimed to reimburse about 16.65 billion yen as joint debt with the relevant enterprise.</p>	<p>So far, the damage was not claimed to the relevant servant(s).</p>
<p>Disciplinary action: Totally 70 staffs were punished. 16 staffs were suspended from work. 3 staffs had cut their pay. 3 staffs received reprimand, 6 staffs received allocution and 22 staffs received verbal warning.</p>	<p>4 staffs had cut their pay.</p>	<p>13 staffs, the institute heads and the directors in charge getting engaged in the bid-rigging were punished such like suspension and pay cut. Top officials in administrative and inspection section received reprimand and strong warning.</p>