



2015 GUAM Corruption Perception

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INTRODUCTION

As the leading economy in the Western Pacific region, Guam has much to gain when it ensures that its institutions are free of corruption. Recent reports from the local media and various government officials state that Guam's government entities have seen a loss in public trust due to corruption. Like other small island economies, Guam is highly susceptible to corruption incidences that prevent the economy from reaching its full growth potential. These incidences can be countered or minimized by an intensive effort and authentic leadership that increase transparency, encourage reporting and establish and implement effective accountability mechanisms. Modeled after the Global Corruption Barometer surveys by Transparency International (<http://www.transparency.org>), this report is the first ever Guam Corruption Perception Report and is based on the results of a survey that engaged our island community and called for their participation so that we can measure our island residents' perceptions of corruption on Guam. It is hoped that this report will provide the public with a deeper understanding of the loss of public trust in government, start a dialogue on this complicated and sensitive issue and empower our citizenry to report corruption incidences and hold our government accountable for addressing these incidences.

EXECUTIVE SUMMARY

- **CORRUPTION IS A SERIOUS PROBLEM IN GUAM.** The results of this study indicate that about two thirds of respondents believed that corruption was a very serious problem in Guam and that corruption levels were perceived to have increased in the two-year period 2013-2015 and ten-year period 2005-2015.
- **POLITICAL PARTIES WERE VIEWED AS MOST CORRUPT.** The results of this study indicate that respondents saw political parties as being affected by corruption the most, while religious and military institutions and non-profit organizations were viewed as least corrupt.
- **PERSONAL CONTACTS ARE IMPORTANT.** The results of this study indicate that respondents saw personal contacts as very important when dealing with agencies and entities of the Government of Guam. Although also true, personal contacts were seen to be comparatively less important when dealing with the Federal Government based in Guam.
- **PEOPLE PREFER LESS RISKY ACTIONS AGAINST CORRUPTION.** The results of this study indicate that, although respondents agree that ordinary citizens can make a difference in the fight against corruption, respondents often choose the more passive approach and the actions that carry the least risk, including the risk of retaliation for reporting a corruption incident.
- **REDUCE CORRUPTION BY INCREASING TRANSPARENCY, ENCOURAGING REPORTING AND ENFORCING ACCOUNTABILITY.** Based on the results of the survey, recommendations to reduce corrupt actions in Guam include increasing transparency, encouraging reporting, and requiring and sustaining accountability mechanisms.
- **REALITY VERSUS PERCEPTION OF CORRUPTION.** Reality of corruption helps to form policy and make convictions based on hard evidence, while perceptions of corruption help to illustrate the amount of confidence and trust a community has in their government and private sector.

METHODOLOGY

In October 2015, the University of Guam School of Business & Public Administration (SBPA) Master in Public Administration (MPA) Program invited the Guam community to participate in a survey aimed at measuring residents' perception of corruption and government regulations in Guam and in the Federated States of Micronesia (FSM). This report will focus on the survey of Guam residents' perception of corruption in Guam.

The survey was patterned after the Transparency International's Global Corruption Barometer (GCB) survey. Transparency International is a non-governmental organization that monitors and publicizes corporate and political corruption. Its Global Corruption Barometer (GCB) survey gathers government corruption data on the U.S. and over 100 other countries. However, no such data currently exists for Guam. Hence, this survey is the first attempt to measure corruption perception in Guam, and the results are hoped to provide a benchmark on Guam residents' corruption perception that will allow for comparison of Guam residents' corruption perception over time as well as for comparison between Guam residents' corruption perception with those in the U.S. and in 100+ other countries. This report will focus on reporting the results of the survey of Guam residents' corruption perception in Guam while a separate report will compare Guam's survey results with those from the U.S. and other countries.

THE SURVEY FORMAT AND TIME PERIOD

The survey was made available in online and in-person formats and responses were collected between October 8 and November 18, 2015. The in-person surveys were administered by Master in Public Administration students in the PA545 (Organizational Behavior and Theory) course taught by Dr. Ansito Walter. There were 461 attempts

to complete the survey but only 369 surveys were completed. After reviewing the 369 completed surveys, 84 were found to be suspicious, inaccurate or inconsistent and were excluded, finally resulting in 285 usable responses comprised of 102 obtained through the online format and 183 through the in-person format.

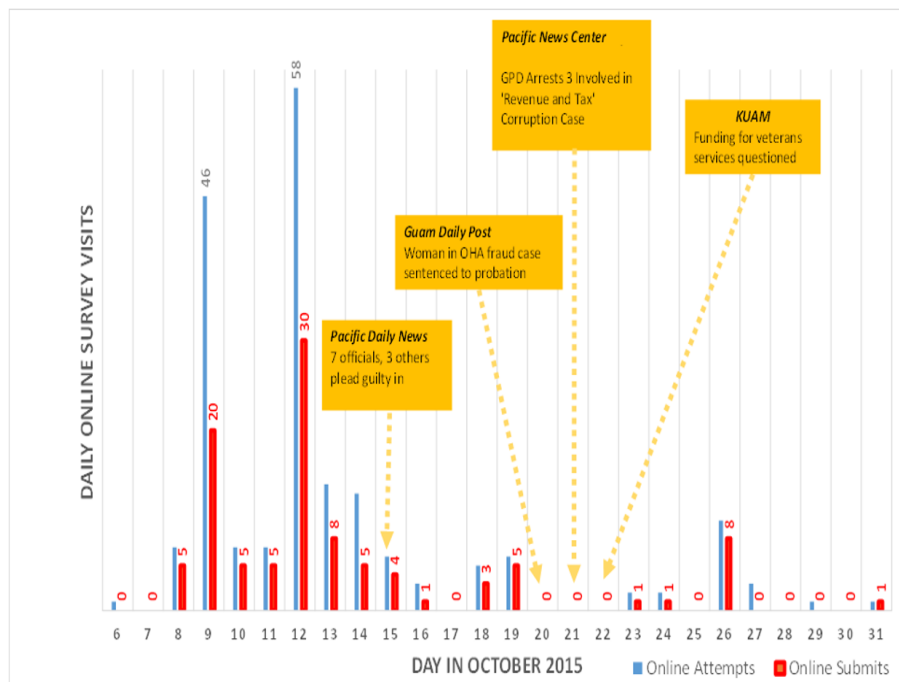
Efforts were made to ensure that survey participation was not influenced by corruption-related news that came out while the survey was on-going. **CHART 1** shows no discernible pattern of the Guam public's unusually high or low interest to participate in the survey as a result of any of the corruption-related news at the time.

THE SURVEY QUESTIONS

The survey included 20 corruption-related questions patterned after Transparency International's Global Corruption Barometer survey and 7 demographic questions designed to obtain a profile of the survey respondent. Along with additional survey questions related to government effectiveness as well as those relating to the FSM, the survey questionnaire was originally submitted to the Committee on Human Research Subjects and its Institutional Review Board (IRB) at the University of Guam on September 10, 2015. The IRB reviewed the original survey questions and required revisions on some of the questions. A revised questionnaire was submitted on September 22, 2015, which the IRB approved on September 23, 2015 as **CHRS#15-64**. As required by the IRB, participation in the survey was to be completely voluntary and individual answers were to be kept confidential and anonymous.

CHART 1:

EFFECT, IF ANY, OF CORRUPTION-RELATED NEWS ON SURVEY PARTICIPATION



News Sources:

Pacific Daily News (2015, October 15). 7 officials, 3 others plead guilty in smuggling cases. <https://www.guampdn.com/story/news/2015/10/15/10-admit-guilt-federal-corruption-charges-guam-customs/73973120/>
 Guam Daily Post (2015, October 20). Woman in OHA Fraud Case Sentenced to Probation.
 Pacific News Center (2015, October 21). GPD Arrests 3 Involved in 'Revenue and Tax' Corruption Case. <https://pacificnewscenter.com/gpd-arrests-3-involved-in-revenue-and-tax-corruption-case/>
 KUAM (2015, October 22). Funding for veterans services questioned. <http://www.kuam.com/story/30322399/2015/10/Thursday/funding-for-veterans-services-questioned>

DEFINITIONS

The survey questionnaire provided respondents with the following definitions obtained from Transparency International (<https://www.transparency.org/what-is-corruption>):

Corruption, generally speaking, is “the abuse of entrusted power for private gain”. Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.

Grand corruption consists of acts committed at a high level of government that distort policies or the central functioning of the state, enabling leaders to benefit at the expense of the public good.

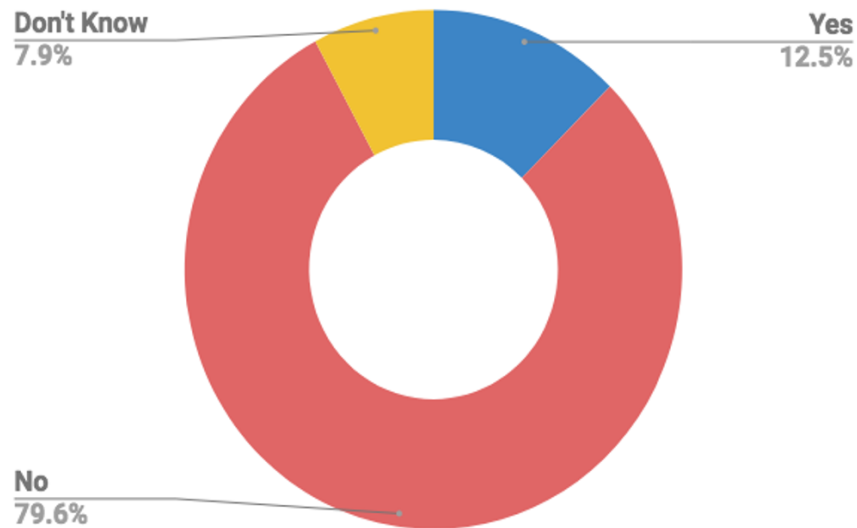
Petty corruption refers to everyday abuse of entrusted power by low- and mid-level public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, police departments and other agencies.

Political corruption is a manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision makers, who abuse their position to sustain their power, status and wealth.

Transparency is about shedding light on rules, plans, processes and actions. It is knowing why, how, what, and how much. Transparency ensures that public officials, civil servants, managers, board members and businesspeople act visibly and understandably, and report on their activities. And it means that the general public can hold them to account. It is the surest way of guarding against corruption, and helps increase trust in the people and institutions on which our futures depend.

As part of the survey, respondents were asked if they had heard about Transparency International. A majority of respondents (79.6 percent) stated that they had no knowledge of the organization.

CHART 2: ABOUT TRANSPARENCY INTERNATIONAL (279 responses)



Question: Have you heard of the organization Transparency International?

THE SURVEY PARTICIPANTS/RESPONDENTS

The Sample Size

At the time the survey was distributed, participants had to be at least 18 years old and residing in Guam. The target number of participants was between 200 and 400, with the actual number of participants being 285. This number was consistent with similar surveys conducted in other countries, following Transparency International's guideline of approximately 500 participants in countries with populations of less than one million or 1,000 participants in countries with populations of one million or larger (Transparency International, 2013). Among the 107 countries with GCB surveys in 2013, three countries (Luxembourg, Solomon Islands and Vanuatu) had less than one million residents

while Cyprus had 1.1 million residents. The sample size for Guam (285 respondents) compared to its 2015 population (approximately 160,000) represented 0.178 percent of the total population, which is a figure higher than those for Cyprus, Luxembourg and Solomon Islands but lower than that for Vanuatu.

Profile of Survey Respondents

CHARTS 3-8 summarize the profile of the survey respondents while **TABLES 1-5** compare the survey participants with the corresponding demographic profile of Guam's overall population based on the 2010 Census. Despite attempts to stratify the sample of survey participants to more closely reflect the demographic profile of the entire Guam population, discrepancies did exist, however, statistical tests were conducted to ensure that these discrepancies did not bias the survey results.

Of the 277 survey respondents who indicated their gender, 50.55% were male and 45.45% were female. This distribution of the sample matched well the gender distribution of Guam's overall population.

CHART 3: AGE OF SURVEY PARTICIPANTS (269 responses)

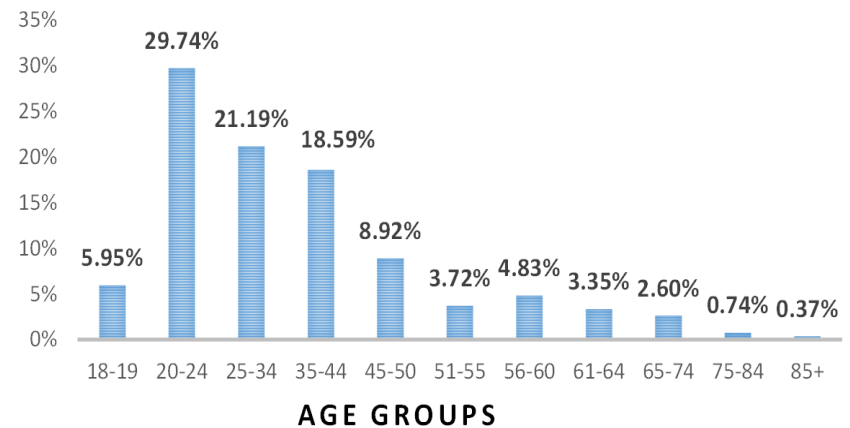


TABLE 1: AGE PROFILE COMPARISON

Age	2010 Census	Sample
18-19	5.00%	5.95%
20-24	7.77%	29.74%
25-34	13.24%	21.19%
35-44	14.47%	18.59%
45-50	6.95%	8.92%
51-55	5.78%	3.72%
56-60	4.84%	4.83%
61-64	3.99%	3.35%
65-74	4.34%	2.60%
75-84	1.97%	0.74%
85+	0.43%	0.37%
Respondents		269

As **TABLE 1** shows, the participants in this survey/sample were comparatively younger than the overall Guam population. Focusing on ages 20-34, this age group represented more than 50 percent of the survey participants compared to only 20 percent of the Guam population.

A correlation analysis was used to test for any bias on the survey responses that the proportionately higher number of respondents in ages 20-34 might cause. A positive correlation, if found, would suggest that older respondents tend to have a stronger corruption perception or find corruption to be a bigger problem in Guam than do younger respondents, and since the sample had proportionately higher number of younger respondents, then the corruption perception measured through this survey would be lower than that perceived by the overall Guam population. The opposite interpretation would apply if a negative correlation were found between age and corruption perception. Lastly, if no correlation were found between age and

corruption perception, then it would suggest that corruption perception is not affected by the age of the respondent and the relatively higher proportion of younger survey respondents would not affect the measure of corruption perception in Guam and that the survey results based on the sample as described would be representative of the corruption perception of the total Guam population. The correlation analysis shows a very weak negative correlation between the age of the survey respondents and the corruption perception in Guam as measured by the questions “To what extent do you believe corruption is a problem in GovGuam?” and “To what extent do you believe corruption is a problem in the Federal Government located in Guam?”. A bivariate regression analysis confirms that this very weak negative correlation is not statistically significantly different from zero, meaning there is no correlation between the age of the survey respondents and the corruption perception in Guam.

CHART 4: VILLAGE OF RESIDENCE OF SURVEY PARTICIPANTS
(248 responses)

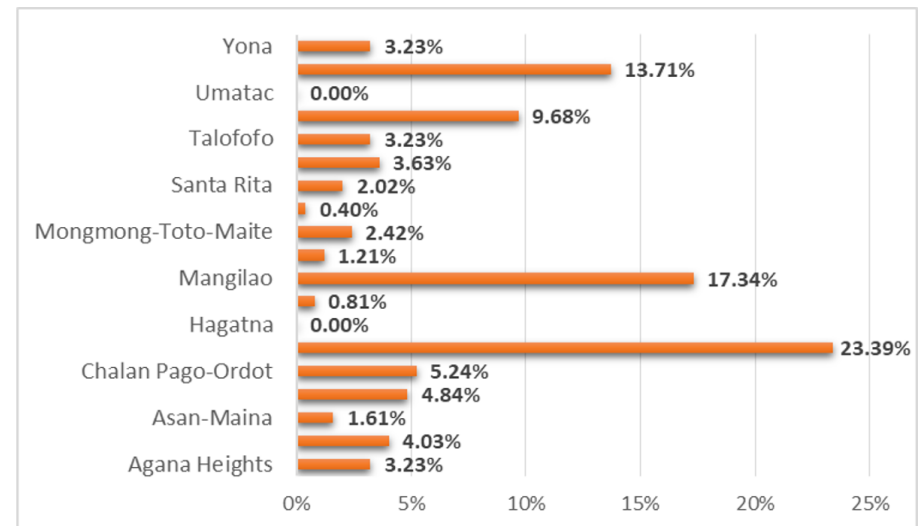


TABLE 2: VILLAGE OF RESIDENCE COMPARISON

Village of Residence	2010 Census	Sample
Agana Heights	2.39%	3.23%
Agat	3.09%	4.03%
Asan-Maina	1.34%	1.61%
Barrigada	5.57%	4.84%
Chalan Pago-Ordot	4.28%	5.24%
Dededo	28.20%	23.39%
Hagatna	0.66%	0.00%
Inarajan	1.43%	0.81%
Mangilao	9.53%	17.34%
Merizo	1.16%	1.21%
Mongmong-Toto-Maite	4.28%	2.42%
Piti	0.91%	0.40%
Santa Rita	3.82%	2.02%
Sinajana	1.63%	3.63%
Talofof	1.91%	3.23%
Tamuning	12.35%	9.68%
Umatac	0.49%	0.00%
Yigo	12.89%	13.71%
Yona	4.07%	3.23%
Respondents		248

TABLE 2 shows a proportionately higher number of survey participants who were living in Mangilao compared to its counterpart in the overall Guam population. This is most likely because the survey attracted respondents from the UOG community, many who lived in Mangilao. Other villages with some discrepancies include Santa Rita and Tamuning, which were underrepresented in this survey while Sinajana and Talofof were overrepresented in this survey.

TABLE 3 shows better success in matching the ethnic profile of survey participants with those of the overall Guam population, especially among Asian/non-Filipino, Caucasian and Chamorro (including Chamorro-mixed). **TABLE 3** shows that the sample used in this survey underrepresented Filipinos and Micronesians and overrepresented Palauans and other Pacific islanders.

CHART 5: ETHNIC BACKGROUND OF SURVEY PARTICIPANTS (270 responses)

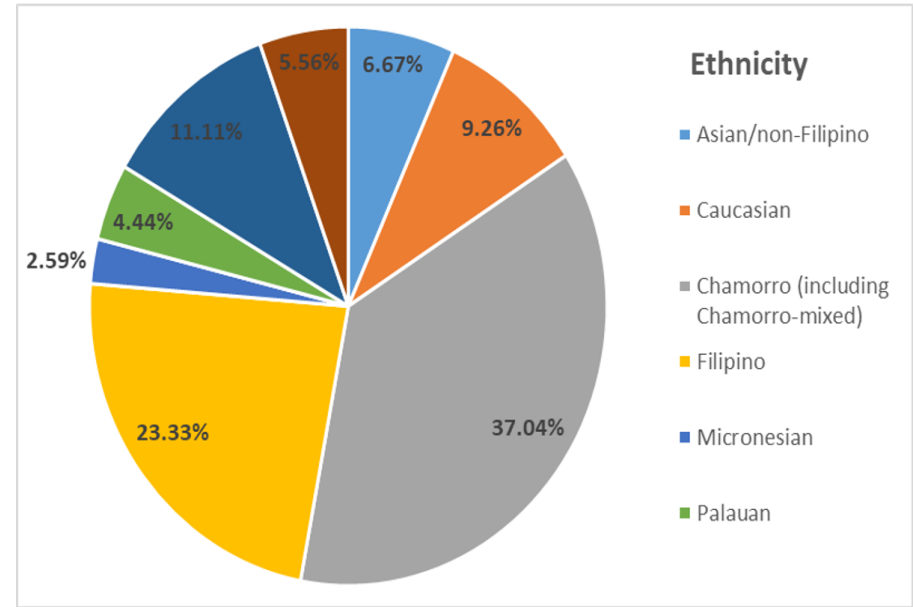


TABLE 3: ETHNICITY COMPARISON

Ethnicity	2010 Census	Sample
Asian/non-Filipino	7.12%	6.67%
Caucasian	8.26%	9.26%
Chamorro (including Chamorro-mixed)	35.85%	37.04%
Filipino	29.36%	23.33%
Micronesian	7.81%	2.59%
Palauan	1.66%	4.44%
Pacific Islander	0.30%	11.11%
Others	9.84%	5.56%
Respondents		270

CHART 6: ANNUAL INCOMES OF SURVEY PARTICIPANTS
(165 responses)

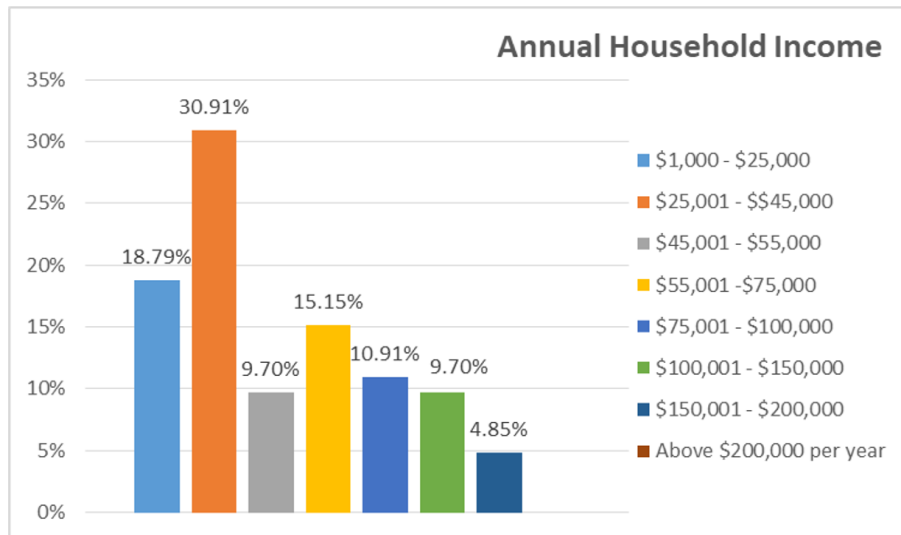


CHART 7: HIGHEST LEVEL OF EDUCATION COMPLETED BY SURVEY PARTICIPANTS
(248 responses)

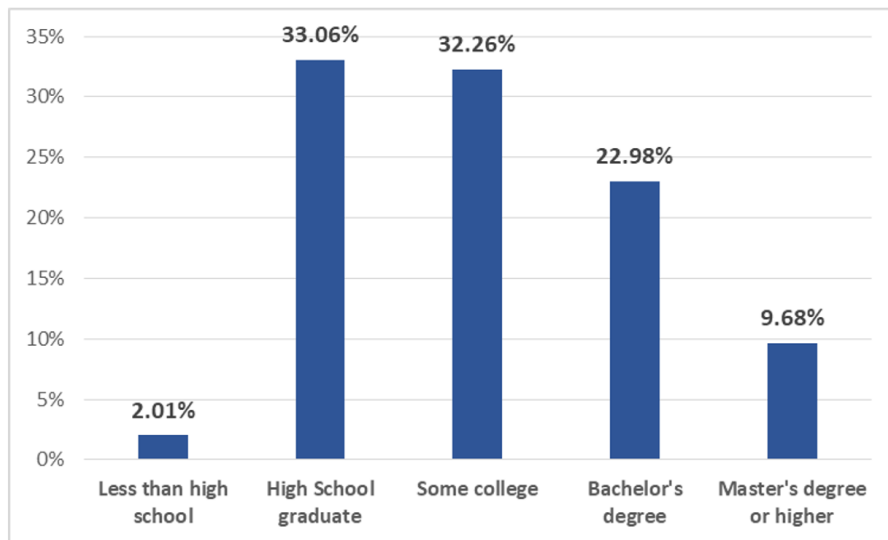


TABLE 4: HOUSEHOLD INCOME COMPARISON

Total household income before taxes per year	2010 Census	Sample
\$1,000 - \$25,000	24.23%	18.79%
\$25,001 - \$45,000	22.20%	30.91%
\$45,001 - \$55,000	9.54%	9.70%
\$55,001 - \$75,000	15.32%	15.15%
\$75,001 - \$100,000	12.46%	10.91%
\$100,001+ per year	16.34%	14.55%
Respondents		165

TABLE 4 shows an even better match in the household income profiles between the survey participants and those of the overall Guam population. The only notable imbalance was in the group whose annual household incomes were between \$25,001 and \$45,000, which had a higher proportion of the survey participants than that in the overall Guam population. However, this is consistent with the higher proportion of survey participants in the younger age range between 20 and 34.

TABLE 5: EDUCATIONAL ATTAINMENT COMPARISON

Highest level of education completed	2010 Census	Sample
No education		0.40%
Elementary graduate	6.87%	0.00%
Some High school	14.33%	1.61%
High School graduate	34.94%	33.06%
Some college	26.21%	32.26%
Bachelor's degree	13.25%	22.98%
Master's degree or higher	4.40%	9.68%
Respondents		248

The largest discrepancy existed in the educational attainment of survey participants as compared to those of the overall population.

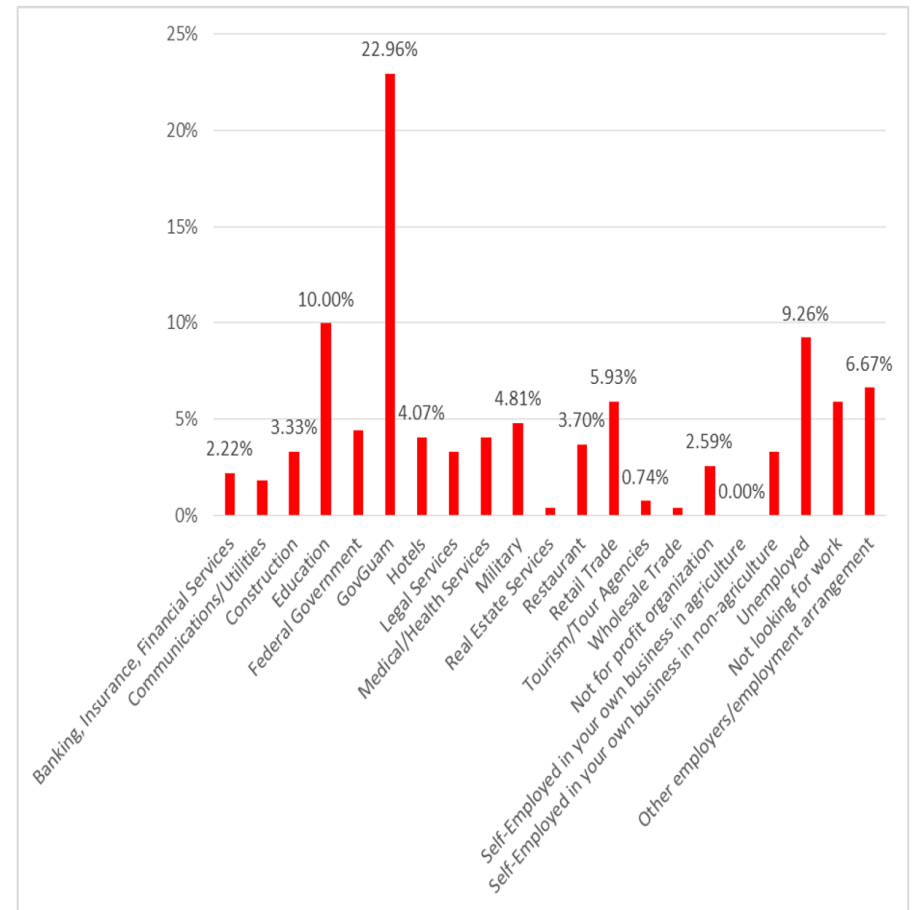
TABLE 5 shows survey participants tend to be more educated than the overall population

of Guam, with only 2.01 percent who were not high school graduates. This figure is significantly lower than the 21.2 percent of Guam’s population who did not complete a high school education. This is most likely because the survey attracted respondents from the UOG community, especially faculty and administration, many with Master's and higher degrees.

A correlation analysis similar to the one performed between the age of survey respondents and their corruption perception was also performed between the educational attainment of the survey respondents and their corruption perception. Since the sample of survey respondents had a proportionately higher number of individuals with at least a high school education compared to the overall Guam population, one would want to ask whether an individual with a higher level of education would tend to have a stronger or weaker corruption perception than someone with a lower level of education. It was found that there is a very weak positive correlation between the educational attainment of survey respondents and their corruption perception, that is, respondents with a higher level of education tended to view corruption in GovGuam and also in the

Federal Government in Guam more seriously than would survey respondents with a lower level of education. However, this result is tentative as a bivariate regression analysis confirms that this weak positive correlation is actually not statistically significantly different from zero, that is, statistically speaking, there is no correlation between the level of education of the survey respondents and their responses to the questions “To what extent do you believe corruption is a problem in GovGuam?” and “To what extent do you believe corruption is a problem in the Federal Government located in Guam?”.

CHART 8: INDUSTRY OF EMPLOYMENT OF SURVEY PARTICIPANTS (270 responses)



THE TIMING OF THIS REPORT

The survey results were previously shared with the public in the following platforms:

- As a presentation by Dr. John J. Rivera, Chair of the Master in Public Administration Program and Director of the University of Guam Regional Center for Public Policy (RCPP) at the Western Pacific Conference on Public Administration and Policy Solution (WPCPAPS), which was organized by the University of Guam School of Business and Public Administration Master of Public Administration Graduating Candidates and held on November 24 and 25, 2015 at the Hyatt Regency Guam.
- As a radio interview by Dr. Maria Claret M. Ruane, Professor of Economics at the University of Guam, and Dr. John J. Rivera with Mr. Phill Leon Guerrero at K-57 on November 27, 2015.

This report is the first to share the survey results in this format.

It is important to note that there was no deliberate strategy involved in the timing of the study as it was first conceived in 2014. As captured in a news article, the idea developed when “... while working with her (Dr. Ruane’s) students to use Transparency International’s corruption data set to study how corruption in different countries affects economic development” a question was posed concerning “...how Guam’s data...might look and compare to the U.S. and 100+ other countries”. The class raised the concern that although Guam is a Territory of the U.S. “...the presumption [that] Guam shares the mainland’s measures on corruption” may not reflect the factors and environments of a territorial government or its colonial history. (*Guam Daily Post*, 2015 October 26).

Since the inception of the idea in 2014, the timing was set to prepare the questions for IRB approval, set up the online and in-person formats of the survey and begin collecting data between October 8 and November 18, 2015, with the end date decided so that it would leave one week of time to prepare the survey results for presentation at the WPCPAPS referenced earlier.

That this report took more than 3 years to be written was also not deliberate but influenced mainly by the primary author’s priority to address health concerns and not politically-motivated nor related to the timing of the recent General Elections and/or which public officials were elected in office.

The next section presents a summary of the survey results.

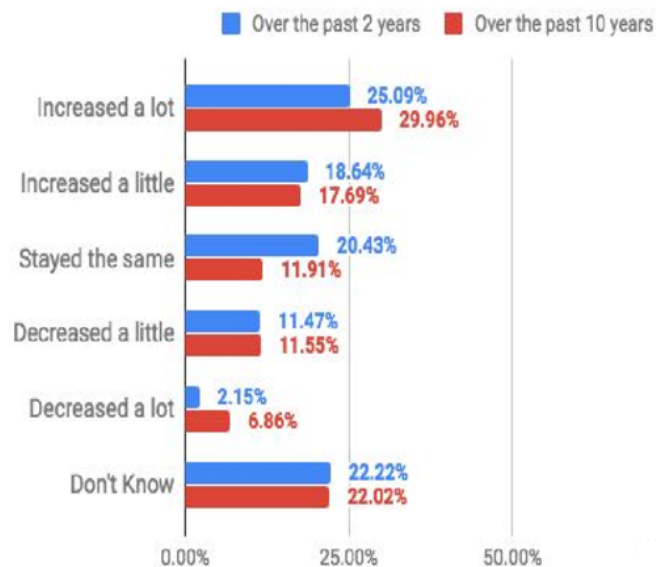
THE SURVEY RESULTS

FEW RESPONDENTS BELIEVED THAT CORRUPTION WAS ON THE DECLINE

Respondents were asked for their perception on how the level of corruption in Guam had changed over a specified two-year period (from 2013 to 2015) and a specified ten-year period (from 2005 to 2015). Respondents were given the following choices of responses: it had increased a lot, increased a little, decreased a lot, decreased a little, stayed the same, or didn't know.

CHART 9: CORRUPTION OVER TIME

Corruption in Guam



Questions: Over the past 2 years, how has the level of corruption on Guam changed? Over the past 10 years, how has the level of corruption on Guam changed?

Notes: Since the survey was conducted in October-November 2015, the past 2 years would refer to the 2013-2015 period and the past 10 years would refer to the 2005-2015 period. 279 respondents and 277 respondents.

The 2-Year Period 2013-2015

In a survey of 279 Guam residents, 25.09 percent said that Guam's corruption level had increased a lot over the past two years and 18.64 percent said that it increased a little, while 20.43 percent of respondents said that Guam's corruption level stayed the same. By contrast, only 2.47 percent of respondents said that Guam's corruption level decreased a lot, while 11.47 percent said that it decreased a little. Out of the 279 respondents, 22.22 percent answered with "Don't know."

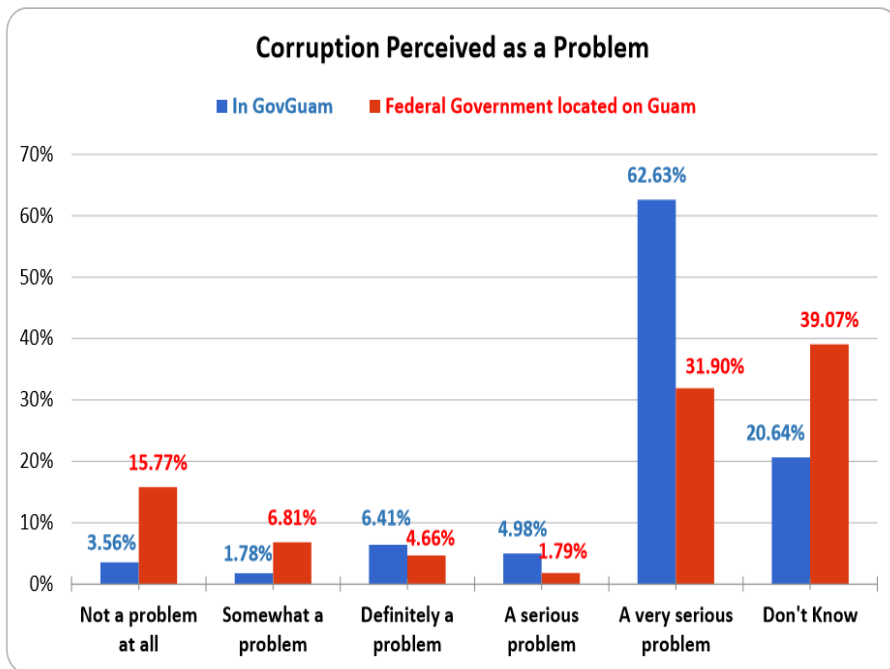
The 10-Year Period 2005-2015

To evaluate Guam residents' perceptions of corruption over a longer period of time, 277 respondents were asked how they thought the level of corruption in Guam had changed over the past 10 years. About one third, or 29.9 percent, of respondents said that Guam's corruption level had increased a lot and 17.69 percent said that it increased a little. With these two responses combined, 47.59 percent, about half, of the respondents believed that Guam's corruption level had increased over the past 10 years. Out of the 277 respondents, 11.91 percent maintained that Guam's corruption level stayed the same. Only 6.86 percent of respondents said that Guam's corruption level had decreased a lot over the past 10 years, whereas 11.55 percent think that it decreased a little. Out of the 279 respondents, 22.02 percent do not know whether Guam's corruption level had changed at all.

RESPONDENTS SAW CORRUPTION AS A SERIOUS PROBLEM IN GUAM

Respondents were asked to provide answers to what they perceived was the seriousness of corruption in the Government of Guam (GovGuam) and the Federal Government (FedGov) agencies located in Guam. Out of 281 respondents, 62.63 percent see corruption as a “very serious problem” in GovGuam, while 3.56 percent said corruption is “not a problem at all.” Out of 279 respondents, 31.90 percent see corruption as a “very serious problem” in FedGov agencies located in Guam, while 15.77 percent said it was “not a problem at all.”

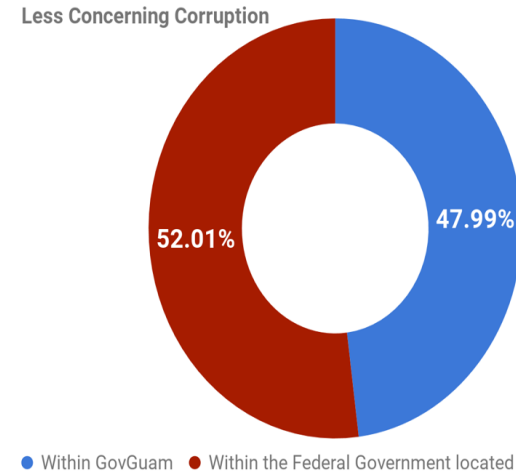
CHART 10: CORRUPTION PERCEPTION



Questions: To what extent do you believe corruption is a problem in GovGuam? To what extent do you believe corruption is a problem in the Federal Government located on Guam?

Note: 281 respondents and 279 respondents.

CHART 11: CORRUPTION IN LOCAL vs FEDERAL GOVERNMENT (273 responses)



● Within GovGuam ● Within the Federal Government located on Guam

Question: If corruption on Guam cannot be eliminated, which corruption are you less concerned about?

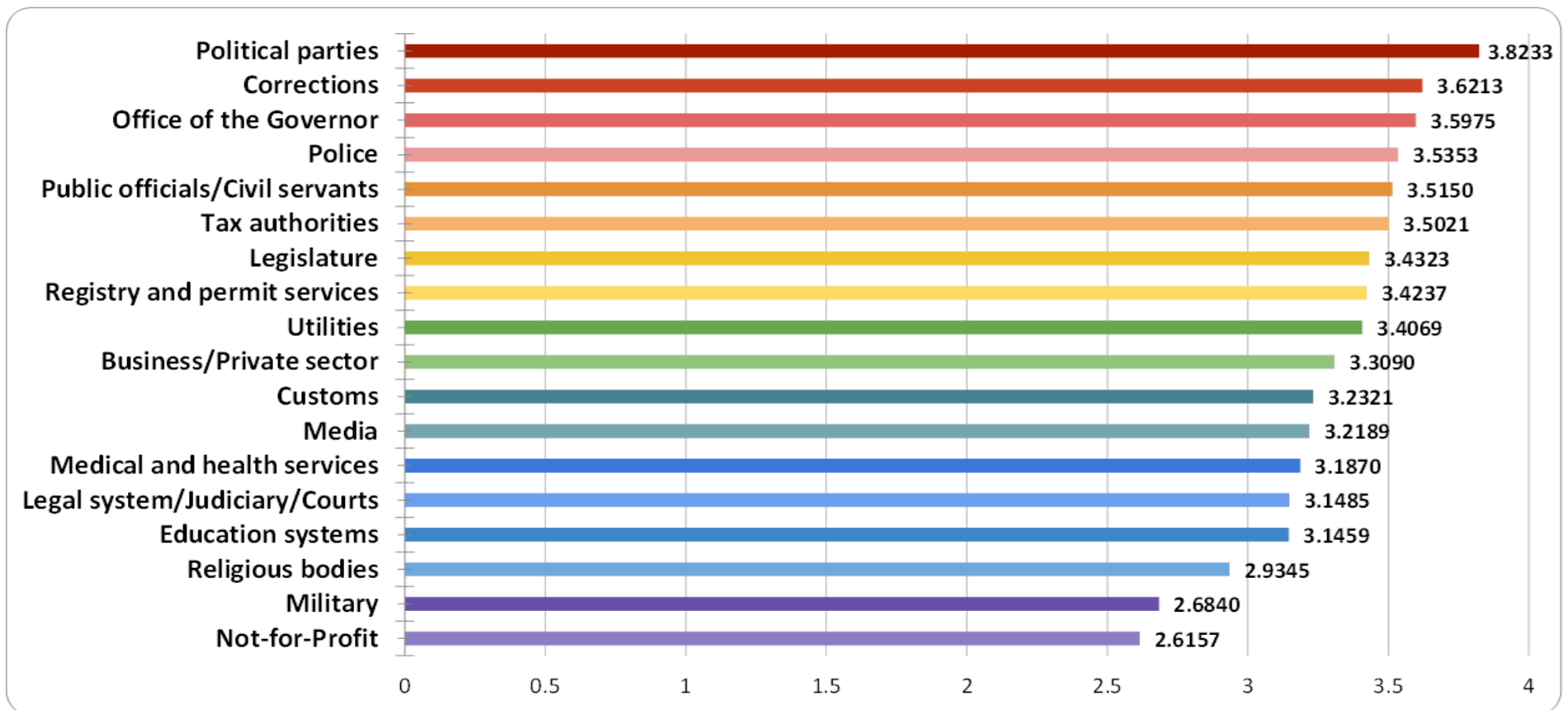
RESPONDENTS WERE CONCERNED ABOUT CORRUPTION IN BOTH LOCAL GOVERNMENT AND FEDERAL GOVERNMENT

Survey results shown in **CHART 11** suggest that Guam residents were equally concerned about government corruption within both GovGuam and FedGov in Guam. Both entities play an important role in the life of Guam’s residents so it is important that both GovGuam and FedGov in Guam carry out honest, moral, and trustworthy actions, which are crucial in gaining trust from the people.

POLITICAL PARTIES WERE SEEN AS THE MOST CORRUPT

Respondents were asked about how corrupt they perceived some of the most powerful institutions on island. Based on their responses, **CHART 12** presents the ranking (from most corrupt to least corrupt) of these institutions. The results show that political parties are perceived to be influenced the most by corruption. Many of the respondents also see key law enforcement institutions to be affected by corruption, with the Department of Corrections and the Guam Police Department trailing just behind political parties. Many respondents also see the Office of the Governor as affected by corruption. The least corrupt, according to respondents, are religious bodies, military institutions, and non-profit organizations.

CHART 12
PERCEIVED CORRUPTION IN DIFFERENT GUAM-BASED INSTITUTIONS



Question: To what extent do you see the following categories on Guam affected by corruption?

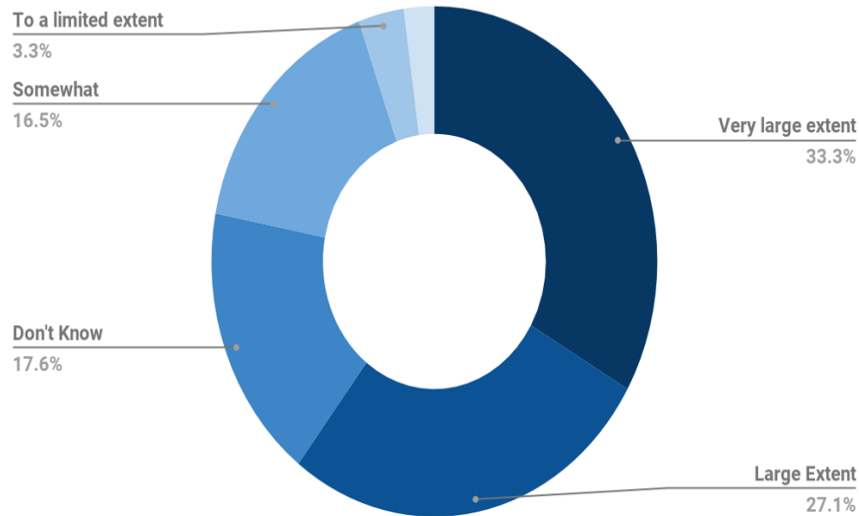
Notes: Number of respondents were between 269 and 279. Maximum value is 5.

“Big Interests”

Respondents were asked to what extent Guam is run by a few “big interests.” Out of 273 respondents, one third (33.33 percent) said that Guam is run by “big interests” to a “very large extent,” while 2.20 percent of respondents state that Guam is “not at all” run by “big interests.”

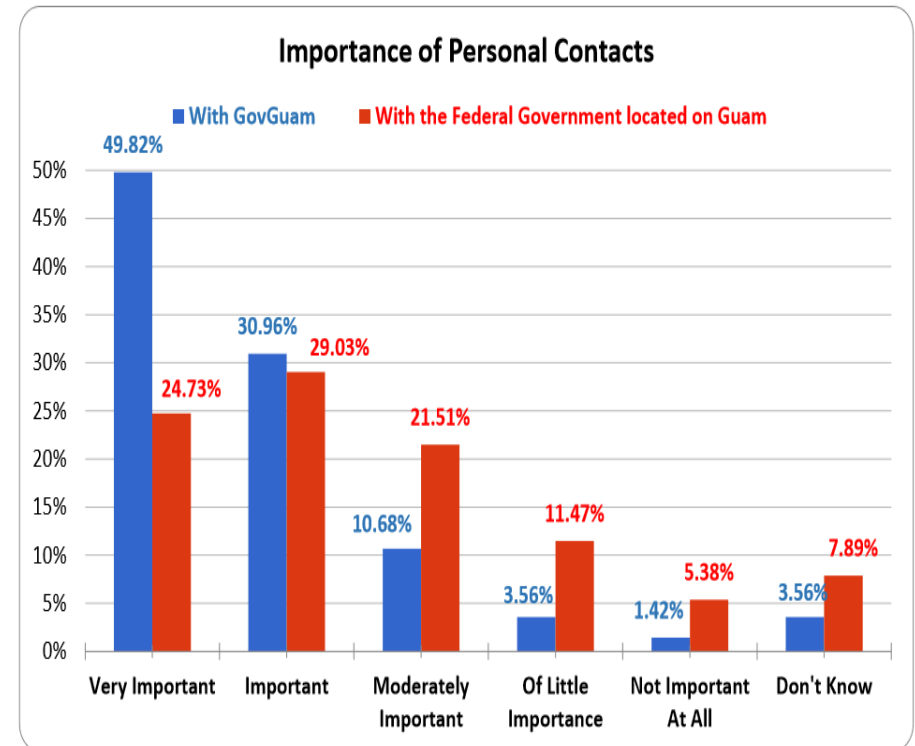
CHART 13: INFLUENCE OF “BIG INTERESTS” IN GUAM (273 responses)

Guam Run by “Big Interests”



Question: To what extent is Guam run by a few “big interests”?

CHART 14: IMPORTANCE OF PERSONAL CONTACTS IN GOVERNMENT



Questions: In your dealings with GovGuam, how important are personal contacts? In your dealings with the Federal Government located on Guam, how important are personal contacts?

Note: 281 respondents and 279 respondents.

Personal Contacts in Government

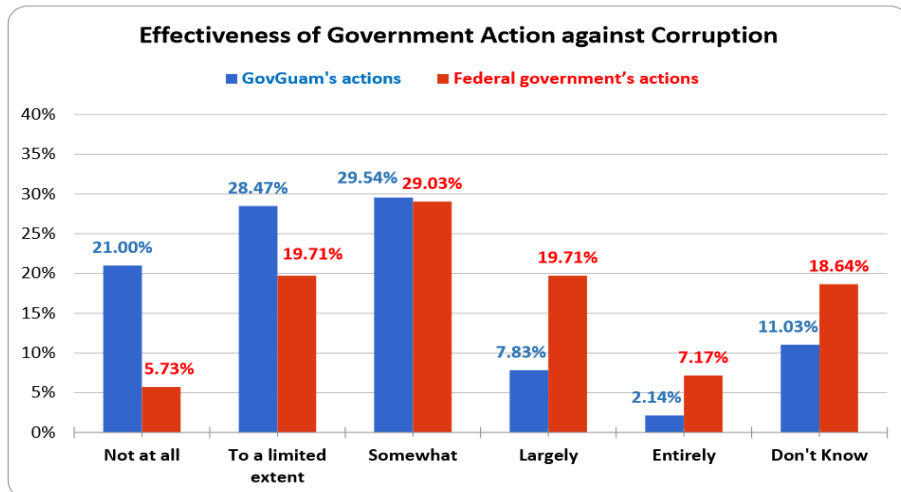
Respondents were asked how important personal contacts are in their dealings with the government. Out of 281 respondents, just under half (49.82 percent) stated that personal contacts are “Very Important” when dealing with GovGuam. Out of 279 respondents, 29 percent stated that personal contacts are “Important” when dealing with FedGov agencies located in Guam.

RESPONDENTS BELIEVED GOVERNMENT ACTIONS AGAINST CORRUPTION IN GUAM WERE SOMEWHAT EFFECTIVE

Respondents were asked how effective they thought actions taken by GovGuam and FedGov located in Guam are in tackling corruption. Out of 281 respondents, 29.54 percent stated that GovGuam’s actions in combating corruption were “somewhat” effective. Out of 279 respondents, 29.03 percent stated that the actions taken by FedGov located in Guam were “somewhat” effective.

Respondents were also asked which corruption, within GovGuam or FedGov located in Guam, is less concerning if corruption in Guam cannot be eliminated. The results of the survey suggest that the respondents were split between the two choices. The results indicate that respondents were slightly less concerned about corruption within FedGov in Guam, according to 52 percent of respondents, compared to the 48 percent who were less concerned about corruption within GovGuam.

CHART 15: GOVERNMENT ACTION AGAINST CORRUPTION



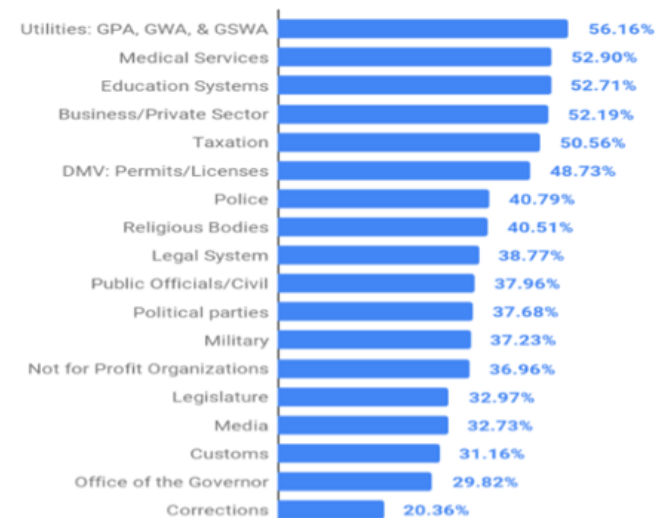
Questions: How effective do you think GovGuam's actions are in the fight against corruption? How effective do you think the Federal Government's actions are in the fight against corruption?
 Note: 281 respondents and 279 respondents.

KEY INSTITUTIONS FREQUENTED

Respondents were asked whether they had come into contact with key institutions in their society during the previous 12 months. Respondents came in contact more with the institutions that are most felt in everyday life or deal with obligations a person must face. These types of institutions include utilities (56.16 percent), medical services (52.90 percent), education (52.71 percent), the business and private sectors (52.19 percent), and taxation (50.56 percent).

The institutions that respondents with whom they came in contact the least are those that are least accessible, those that will probably garner them attention, or those whose contact may have resulted from punishment or other major dealings. These include Department of Corrections (20.36 percent), the Office of the Governor (29.82 percent), Guam Customs and Quarantine Agency (31.16 percent), media (32.73 percent), and the Legislature (32.97 percent).

CHART 16: CONTACTS WITH GUAM-BASED INSTITUTIONS



Question: In the past 12 months, have you or anyone living in your household had a contact or contacts with any of the following?

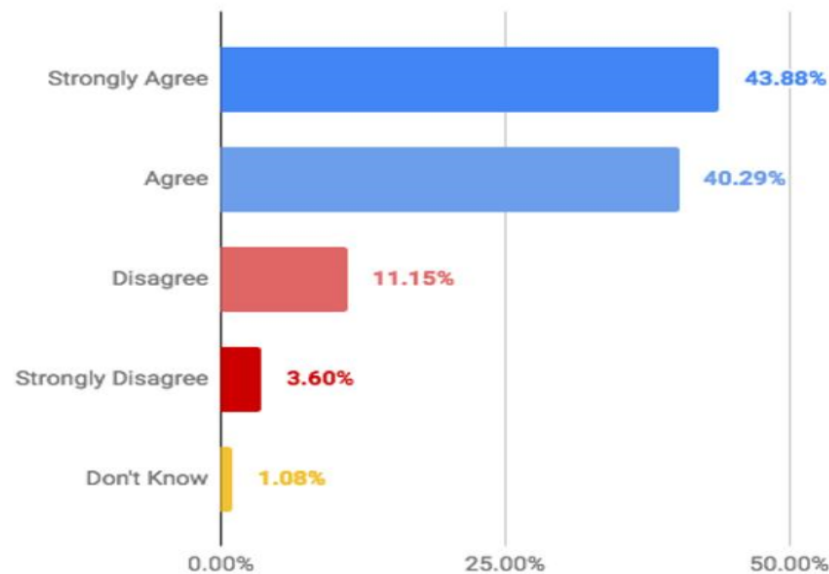
Note: Number of respondents were between 269 and 277.

PEOPLE SPEAKING OUT AGAINST CORRUPTION

Making a Difference

Respondents were asked whether they felt they could make a difference in the fight against corruption, specifically if they agreed or disagreed with the following statement: “Ordinary people can make a difference in the fight against corruption.” Out of 278 respondents, about half (43.88 percent) stated that they “Strongly Agree” with the statement.

CHART 17
PEOPLE’S PERCEPTION ABOUT FIGHTING CORRUPTION (278 responses)



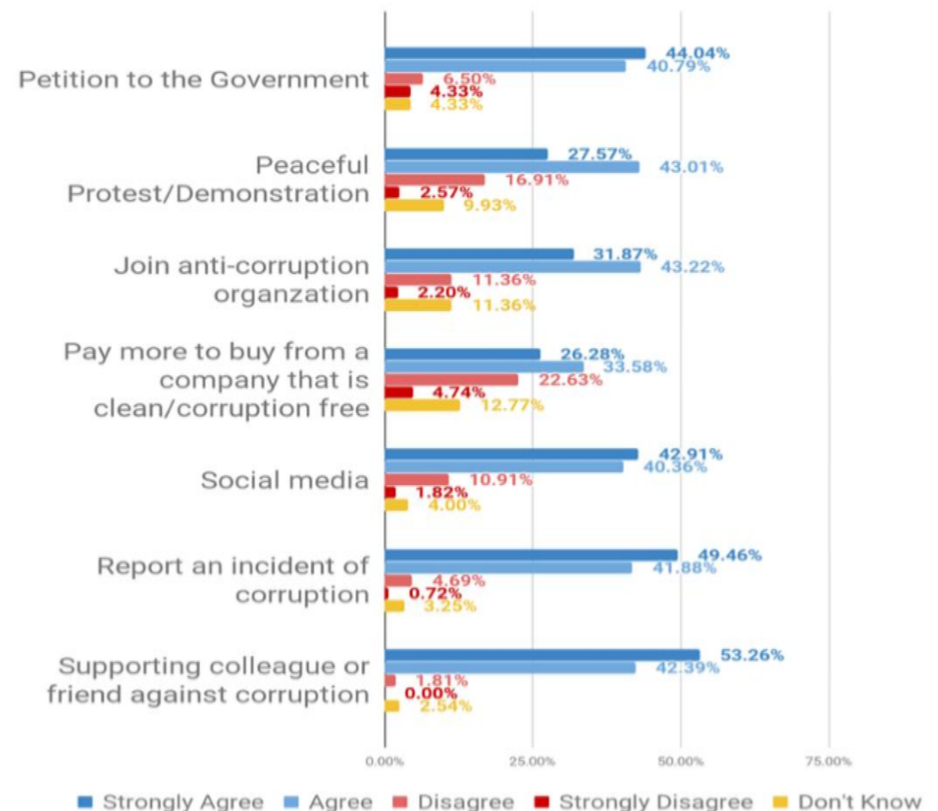
Question: Do you agree or disagree with the following statement: "ordinary people can make a difference in the fight against corruption."

Taking Action

Respondents were asked what actions they can take to fight corruption on island. A majority of respondents stated that they would fight against corruption, but their preferred methods tended to vary

depending on how much notoriety they would gain and how much money they would spend. For example, respondents were generally more supportive of something as simple as signing a petition (84.83 percent), reporting an incident of corruption (91.34 percent), and supporting a colleague or friend for a movement (95.65 percent). These methods are the “easiest” to do, hence more respondents were more reception to participating in them. There tended to be less “I don’t know” responses and more agreement

CHART 18: ACTIONS TO FIGHT CORRUPTION



Question: There are different things people could do to fight corruption. Which of the following would you be willing to do?

Note: Number of respondents were between 272 and 277.

In contrast, disagreements and “I don’t know” responses tended to increase as a person is required to be more active. Indeed, a majority of respondents stated they would choose such active methods, however, they were more inclined to start disagreeing on why they would be reluctant to take action (or be active). People can be highly driven by self-interest: why should they put in more effort and time when other people can do it for them? This is a classic free-rider problem. In addition, people may become wary of publicly denouncing whoever they may deem as corrupt on social media platforms due to possible backlash and the risk of offending other people that may support the suspected person/entity. This type of concern is stronger for some cultures, including Guam’s, than in other cultures. Participating in peaceful demonstrations (29.41 percent) and actively joining an anti-corruption group (25.29 percent) received a higher level of disagreement, suggesting that these more active options to fight against corruption result in greater exposure to the public, or greater cost and inconvenience when some people do not have the time or enough motivation to go out and actively protest. In addition, paying more to buy from a clean/corruption-free company appeared to be not as popular option as it should be, suggesting that the effect on one’s pocket tend to take precedence over the principle of supporting a clean/corruption-free company as seen in 40.14 percent of the respondents saying they did not know or did not want this method at all.

Respondents were given the opportunity to write down answers in response to “Other actions you can take to fight corruption in Guam”. These write-in answers can be grouped into the following general themes:

- Transparency with political appointments/Appointments based on qualifications, not family relations or connections (6 responses)
- Audit (2 responses)
- Change political leaders/hold them accountable/change political system in Guam (7 responses)
- Report corruption incidences (3 responses), report them to law enforcement/police/Feds (3 responses)
- Being vocal/making corruption incidents public/spreading awareness about corruption/engage in dialogue/being vigilant (14 responses)
- Exposing corruption incidents with evidence (4 responses)
- “Don't do it”/Be honest/stay away from people/incidents of corruption (5 responses)
- Support anti-corruption non-profit organizations or a third/independent party (2 responses)

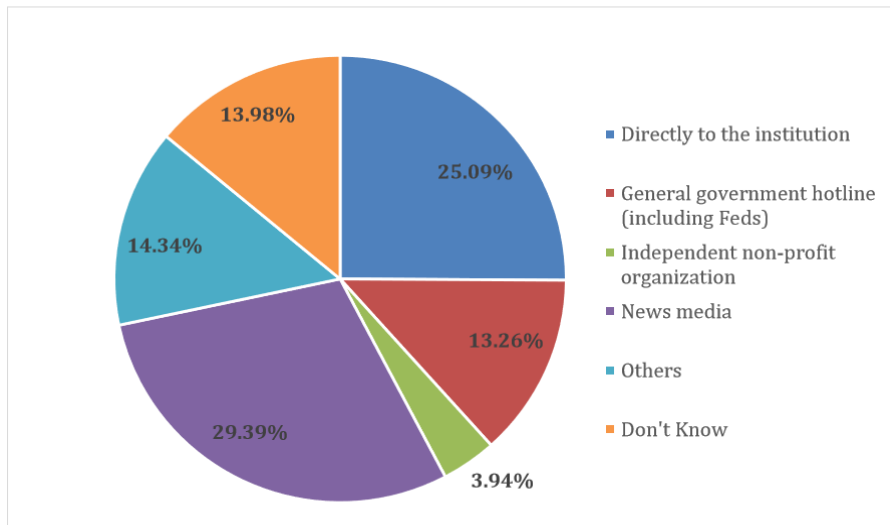
A verbatim version of these write-in answers can be found in **APPENDIX 1**.

Reporting Corruption

Respondents were asked to whom they would report corruption incidents: directly to the institution at stake, to a general government hotline, an independent non-profit organization, or the news media.

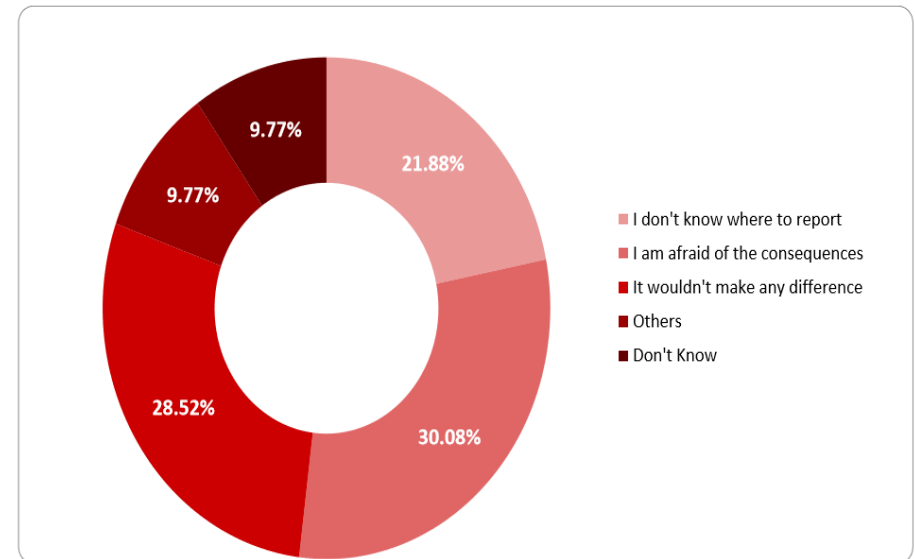
Actions Taken. When it comes to spreading awareness and reporting acts of corruption, respondents were divided with what measures they would take. Out of 279 respondents, many stated that reporting it to news media, such as the newspaper, is their most likely options, with 29.39 percent of respondents choosing this method, and 25.09 percent choosing to report corruption directly to the institution. Some respondents, 13.26 percent of those surveyed, would report corruption to a general government hotline, and 3.94 percent of respondents would report it to an independent non-profit organization. Out of the 279 respondents, 14.34 percent would choose other ways to report corruption, indicating that they would report to “someone I trust/personal contact/professors/online” or to “anyone who would listen/take action/‘really care’” while 13.98 percent do not know to whom they should report suspected corruption.

CHART 19: REPORTING CORRUPTION (279 responses)



Question: To whom would you report a corruption incident?

CHART 20: REASONS FOR NON-REPORTING (256 responses)



Question: If you did not report a corruption incident, why not?

Why Respondents Did Not Report Corruption. In a survey of 256 Guam residents, 30.08 percent of respondents did not report corruption incidents due to being afraid of the consequences. Many respondents, 28.52 percent of those surveyed, did not report because they believed “it wouldn’t make any difference.” Some respondents, 21.88 percent of those surveyed, did not report because they did not know where to file such claims. 9.77 percent of the respondents answered “Others”, with write-in answers indicating not having personally observed/experienced corruption incidents.

As indicated by the results at the beginning of this section, the results show that, although respondents agree that they can make a difference in the fight against corruption, many of them still have reservations about reporting corruption incidents.

RECOMMENDATIONS

CONCLUSION

This report on Guam Corruption Perception based on Transparency International's Global Corruption Barometer (GCB) aims to provide a better understanding of the perceptions of island residents concerning the extent of corruption in Guam. The results of this study are derived from responses of a significant sample of the island population. As the first of its kind for the island, this report comes at a significant time in the island's development, as Guam's population and its need for government services continue to increase over time. Recent calls for an increase in transparency in the government underscore the island's continuous fight against corruption.

The results of this study provide a snapshot of the public's perception of the extent of corruption in Guam's Government, from the effectiveness of government action to fight corruption and the institutions perceived to have been most affected by corruption. Indeed, Guam's battle against corruption will most likely continue in the coming years; however, with the release of this report, the Government of Guam and various stakeholders will have a better understanding of what needs to be done in order to eliminate any holds of corruption and, ultimately, regain the trust of the people.

Based on the findings of this report, the following recommendations can be made:

INCREASE TRANSPARENCY

The Government of Guam should continue to invest in increasing transparency across the board in all departments and agencies. By inviting the public in its decision-making processes and implementation of services, the Government of Guam may be able to strengthen the trust of the people over time. The Government of Guam should also ensure that all elected and appointed officials, as well as government employees in positions that require high ethical standards undergo training in ethics.

ENCOURAGE REPORTING

The results of this study show that there is a lack of initiative in reporting incidents of corruption among respondents due to fear of retaliation and "not making any difference." The Legislature should provide or increase safeguards for whistleblowers in Guam, so as to encourage individuals to report fraudulent behavior.

REQUIRE AND SUSTAIN ACCOUNTABILITY MECHANISMS

Following the recommendations of transparency and reporting, requiring accountability of corrupt actions should be the follow up. With better reporting and transparency, these actions should make it easier to pinpoint the reason corrupt actions have taken place, which can lead to changing a process or eliminating the problem. Increasing accountability for a specific person's or an agency's corrupt actions can possibly discourage further or future corruption in institutions.

CAUTION: Although one can provide objective definitions (such as those provided to survey participants), it must be acknowledged that the topic of corruption and perceptions of it lean toward being subjective. People may perceive corruption differently based on how “corrupt” actions may affect their daily lives and if said actions work to a person’s benefit or disadvantage.

The views on the reality versus the perceptions of corruption are important and must be considered when reading the results of this report. The reality of corruption may lean heavily on actions that are reported, publicized, and have led to convictions, punishment, or changes in processes. Regarding the selection of questions and responses for the survey, perceptions of corruption, in this case, tend to form from firsthand experience or secondhand stories regarding the topic.

This differentiation brings to light the difference between the reality versus the perceptions of corruption. This distinction does not lessen the importance of perceptions of corruption. It should emphasize its importance in the role it plays in the relationship between government/private sector and a community. With a focus on government, the importance of measuring and surveying a population’s perceptions of corruption illustrates how the community may see their government and their levels of engagement or action to reduce perceived government corruption. The results of such a survey provide the opportunity for government officials and agencies to see factors that affect the public’s perceptions of corruption and act accordingly by changing ways to gain the public’s confidence. Perceptions should help to improve transparency and accountability of actions for those in positions of power.

With multiple types of corruption, it becomes even more difficult to draw the line between reality and perceptions and whether survey

participants were able to consider this sentiment and reflect them on their responses. Hence, although attempts were made in this study to measure the perceptions of corruption as objectively as possible, the resulting measures reported as survey results are inherently subjective and far from being ideal measures. However as Treisman (2000) states, “(w)hile the complexity of the issues and the weakness of available statistical techniques...” (in this case, in the sampling) “... makes it essential to be cautious, the analysis does suggest some interesting results” (cited in Casimbon et al., 2018).

As seen in the responses, not all incidences will be reported and therefore will not be part of the reality of known corruption that the whole of a community can acknowledge. These views also point to the differentiation between legal and moral corruption. If the hard evidence does not technically exist, it is difficult to pinpoint corruption in a system for all to see.

One would be hard-pressed to find one ideal measure of corruption that standardizes the concept and allows for comparison. Whether or not an ideal measure can be found, the Transparency International’s Global Corruption Barometer (GCB) creates an opportunity for a dialogue about corruption and an exploration for possible accountability mechanisms. This report acknowledges that GCB limits attention to the role that local politics, policy and governance play against the backdrop of Guam’s colonial history. As well it is important to note that factors such as Guam’s current political status as an unincorporated territory, its colonial history, and power structures along with Guam’s economic and human resources limitations may be factors to consider for future studies on perceptions of government corruption.

APPENDIX 1

VERBATIM* WRITE-IN ANSWERS TO THE QUESTION

“Other actions you can take to fight corruption in Guam”

*typographical, spelling and grammatical errors are intentionally included

Transparency with political appointments/Appointments based on qualifications, not family relations or connections

- No political appointees that have to take an ok from higher ups
- Train and hire the right people and not just friends and relatives
- replace lesser qualified personell who have been hire by "connections" the "connection" plays a huge role in this Gov't. "connections" come first.
- Require thorough screening and background checks for public servants / Control nepotism practices in Gov Guam / Privatize particular Gov Guam agencies
- have people with integrity fill positions that appoint people, change who appoints people onto boards
- leadership at DOA HR to ensure the recruitment and hiring process is based on merit and not who your related to

Audit

- Audit each department. / form secret police that will keep on eyes on scope of works.
- Have the U.S. Inspector General come to Guam and audit the government s wasteful self-serving spending of the people's money. Terminate , take away retirement and incarcerate those employees and officials proven guilty. / Review the election system and change process to attract better candidates. Stop unlimited spending for candidates fund public forums and exposure for the candidates..

Change political leaders/hold them accountable/change political system in Guam

- Change the leaders (2 responses)
- Vote for a leader to fight against corruption
- Vote for people who will keep their promises once they get into office.
- vote
- Run for office
- Change the political system on Guam
- minimize legislature.. / privatize as much of govguam.. / DRUG TEST ACROSS THE BOARD..

Report corruption incidences (3 responses), report them to law enforcement/police/Feds (3 responses)

- Call law enforcement
- call police
- Feds monitor Govguam

Suggested actions to address corruption

- forfeiture of retirement benefits for government employees convicted of corruption
- Address corruption IMMEDIATELY!
- Bring it to the attention of the "department" that is committing corruption.
- seminar

Being vocal/making corruption incidents public/spreading awareness about corruption/engage in dialogue/being vigilant

- be loud about it
- SHOUT!!! SCREAM!!!
- speak
- speak out
- Dialogue

- Make it public
- just spread the word
- mass media campaigns
- Get media involved in creating a documentary on corruption on Guam
- Engage people on social media about corruption within the government and share strategies on how to achieve change
- Post it on Facebook!
- making a website show casing all the evidence of corruption
- Constantly monitor

Exposing corruption incidents with evidence

- Expose them w/ evidence
- Reveal all corruption facts / evidence and get the fixed / resolved
- Reveal all that's corrupted in detail
- Need solid evidence of corruption (video)

“Don't do it”/Be honest/Stay away from people/incidents of corruption

- Do not engage in it / Avoid people who are involved in corruption
- be honest
- Do not participate in any corruption acts
- Don't be corrupt yourself.
- Don't take or pay bribes to anyone, no matter what.

Support anti-corruption non-profit organizations or a third/independent party

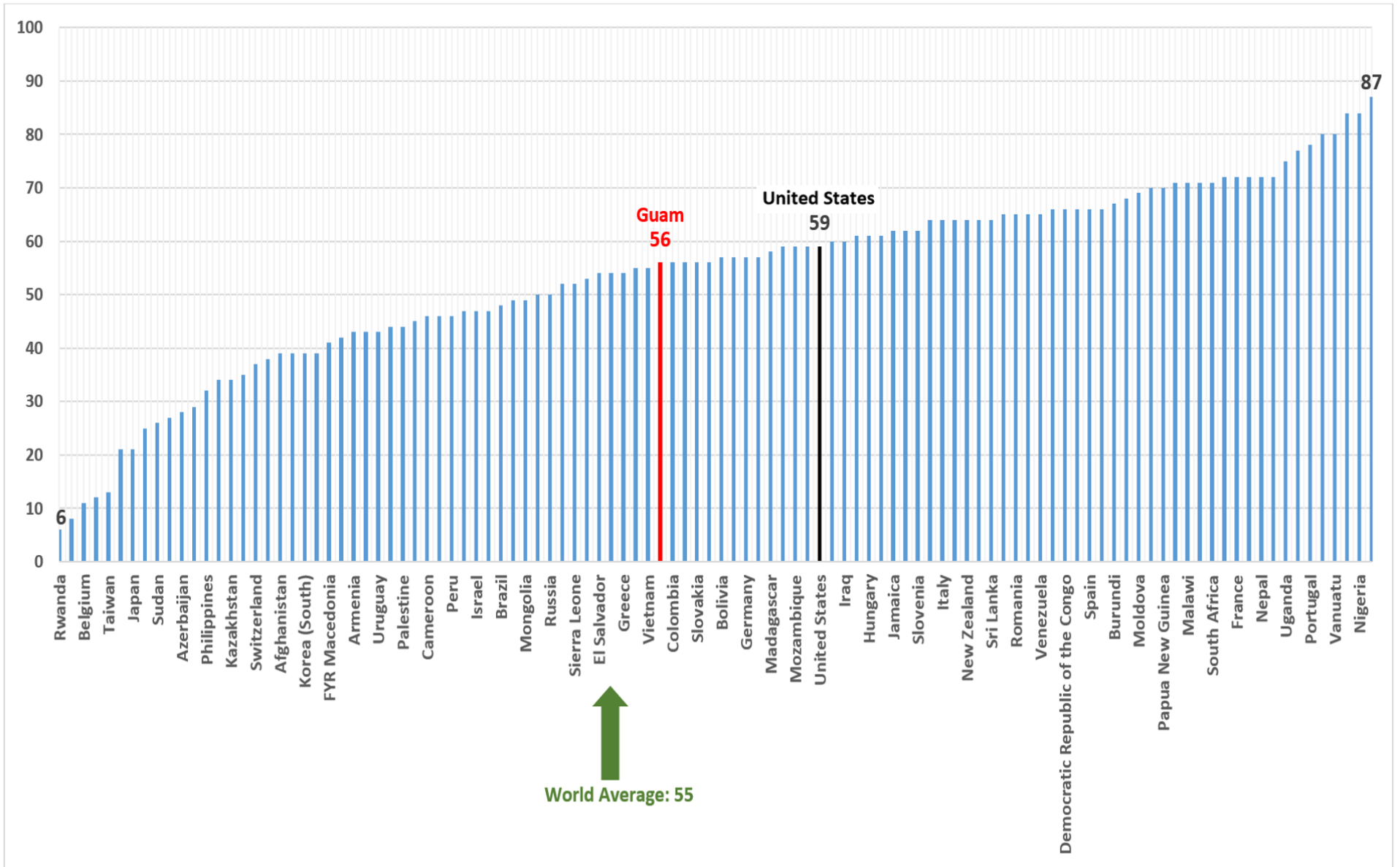
- support a third party that ACTUALLY fights corruption. Tired of word and promises.
- establish a non-profit organization that critically analyzes public policies as they are introduced and passed for better public consumption and widespread informational campaigns.

APPENDIX 2

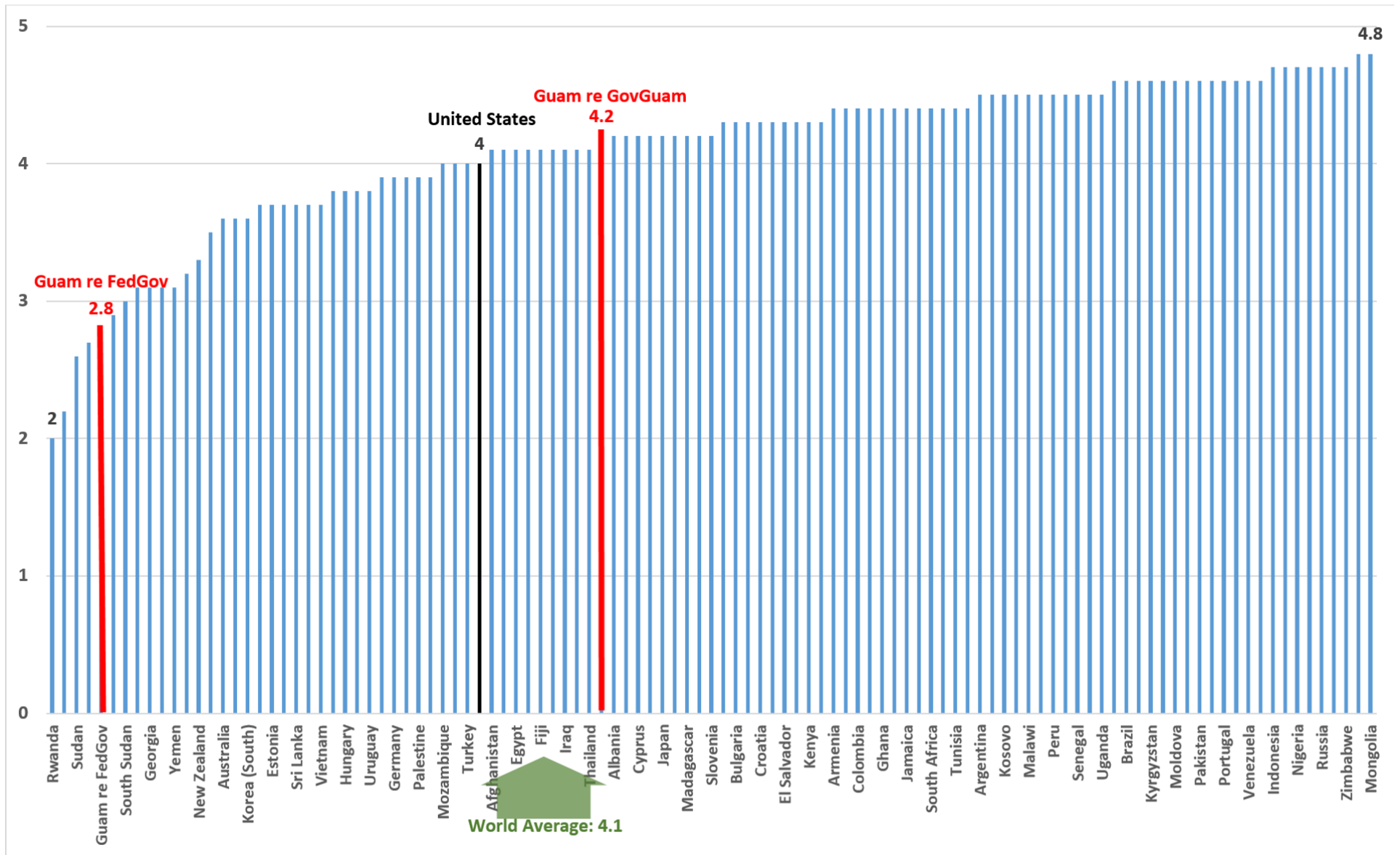
GUAM SURVEY RESULTS COMPARED TO THOSE FOR U.S. AND OTHER COUNTRIES

This appendix aims to compare the results of the first Global Corruption Barometer (GCB) survey in Guam as described in this report with those of the United States and 100+ countries as reported in Transparency International's 2013 GCB Report. Note that the dates when responses were collected do not match up exactly as responses for the Guam survey were collected on October 8-November 18, 2015 while those for the 2013 GCB Report were collected on September 2012 to March 2013. The most recent GCB Report was released in November 2017 and the results reported were based on surveys conducted in the United States and other countries between March 2014 and January 2017. This would have been a better match for the timeframe of the Guam survey except that some questions in this most recent survey had been modified and would not compare well with those questions used in the Guam survey, which were based on the questionnaire used in the 2013 GCB survey.

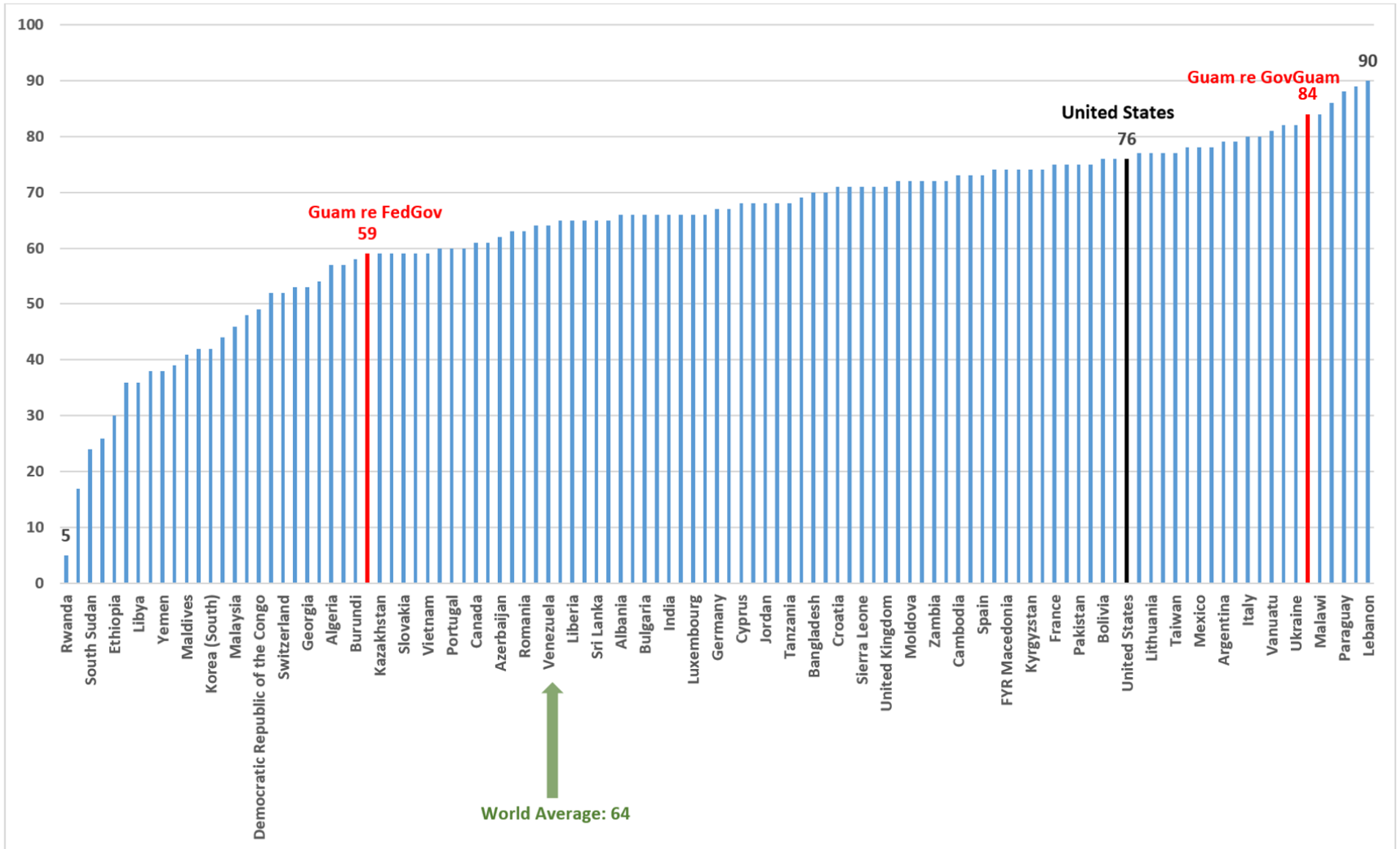
Survey Question: Over the past 2 years, how has the level of corruption in this country/territory changed?
 Percent of Respondents Who Answered “Increased a lot” or “Increased”



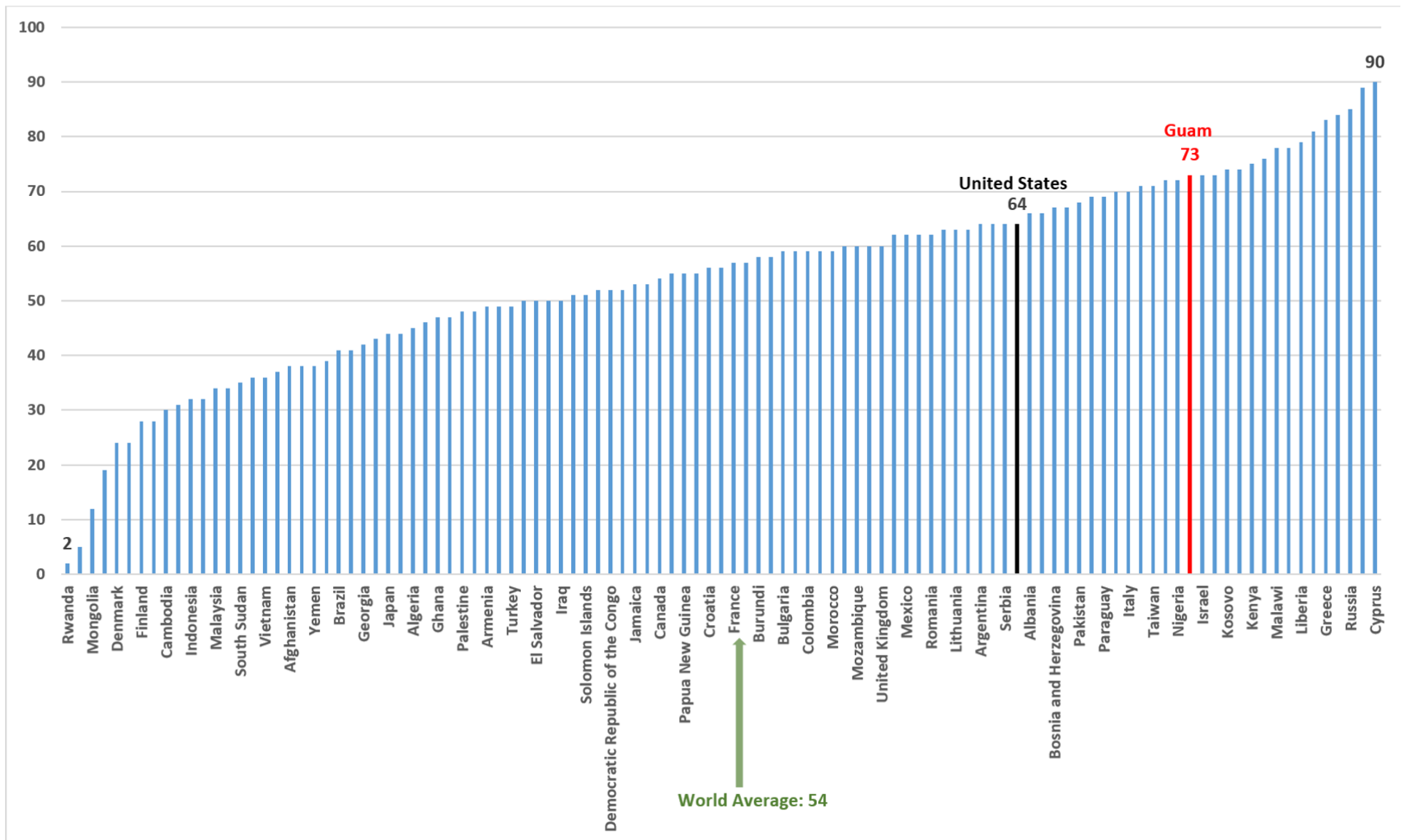
**Survey Question: To what extent do you think that corruption is a problem in the public sector in this country/territory?
Average rating (1=Not a Problem at All; 5=A Very Serious Problem)**



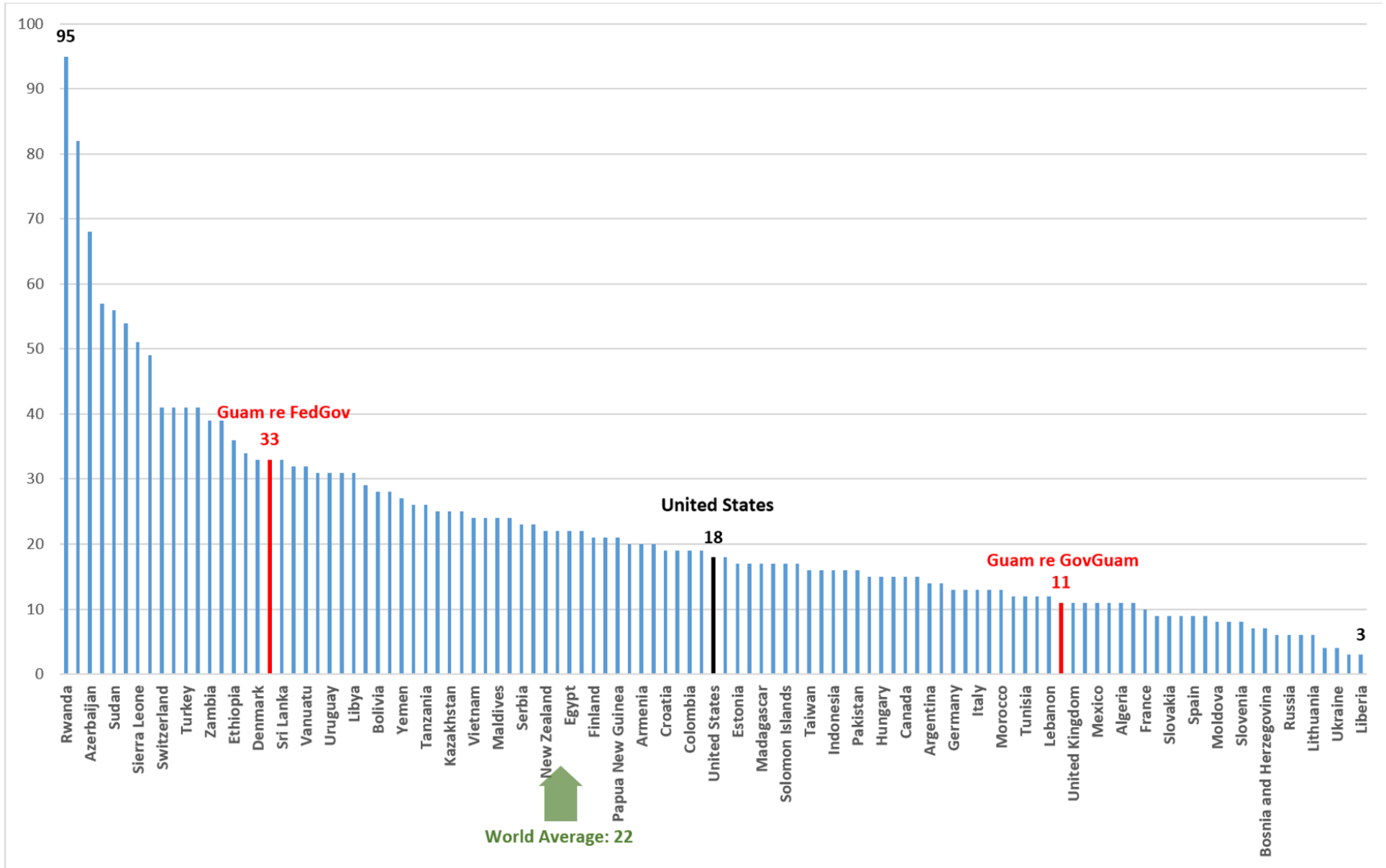
Survey Question: In your dealings with the public sector, how important are personal contacts to get things done?
 Percent of Respondents Who Answered “Very Important” or “Important”



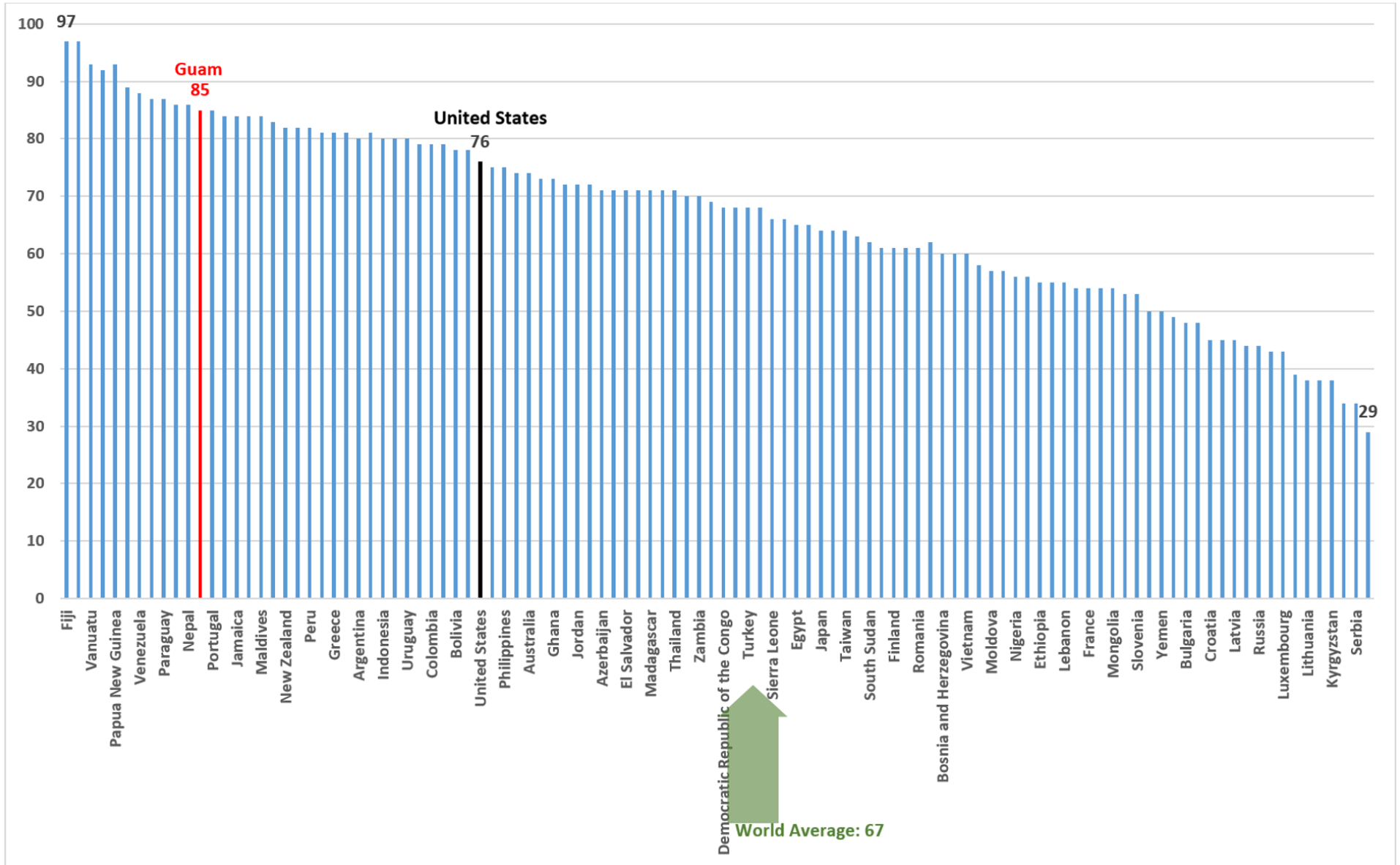
**Survey Question: To what extent is this country's/territory's government run by a few big entities acting in their own best interests?
Percent of Respondents Who Answered "Entirely" or "A Large Extent"**



Survey Question: How effective do you think your government's actions are in the fight against corruption?
 Percent of Respondents Who Answered "Very Effective" or "Effective"



Survey Question: Can ordinary people make a difference in the fight against corruption?
 Percent of Respondents Who Answered “Strongly Agree” or “Agree”



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Survey Participants, October 8 to November 18, 2015

Guam

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Dr. Maria Claret Mapálad-Ruane is currently a tenured Professor of Economics at the UOG-SBPA, the Resident Development Economist for the University of Guam-Pacific Center for Economic Initiatives (PCEI) and a Research Contributor to the RCPP. She earned her B.S. and M.A. in Economics from San Jose State University and her Ph.D. in Economics from the University of California-Riverside. She has 28 years of experience in International Macroeconomic Development, with focus in the area of policy formulation and the Asia-Pacific region. Dr. Ruane has written several socio-economic studies at regional, national and international levels, including RCPP's *2018 Guam Economic Report*, "Factors that Explain Corruption in the 50 States of the United States of America: A Regression Analysis" recently published in the peer-reviewed *Asia Pacific Business and Economics Research Perspectives*, and a 20-equation simulation model to analyze the effect of development aid on a recipient economy. Her other work includes contribution to the generation and analysis of much-needed economic and business indicators and analysis on Guam, including consumer and business confidence survey, buying local behavior, local spending multiplier, effect of exchange rate changes on tourist arrivals to Guam, local farmer and village residents surveys in the context of the One Village-One Product (OVOP) approach to Guam's economic development.

Mr. Daniel Cayanan is currently an undergraduate student at the UOG-SBPA in the Business Administration program with a concentration in Finance and Economics. He expects to graduate by Fall 2019. He credits his mentor and one of the main professors in Economics, Dr. Maria Claret Ruane, for sparking his strong interest in the study of Economics. He has been in the SBPA Dean's List several times and is currently a Regent Scholar. He is also currently an employee of one of the local law firms. He considers being a co-author of the *2015 Guam Corruption Perception* report to be one of his greatest accomplishments while a student at UOG. He hopes to continue to contribute his effort on research work that are crucial in understanding Guam's economy in its entirety. He plans to further his education by pursuing a Master's Degree in either Finance or Economics as well as going to law school.

Dr. Gena A. Rojas is currently a tenured Assistant Professor of Community Development and Extension Agent III at the Cooperative Extension Services at the University of Guam-College of Natural and Applied Sciences (CNAS). She earned her B.S. in Public Administration from the University of Guam, her Master's in Public Administration from Syracuse University and her Ph.D. in Public Policy and Social Change from the Union Institute & University, where her Ph.D. dissertation entitled "Navigating Contested Terrain: A Critical Case Study of Guam's Chamorro Land Trust Residential Land Lease Program" received the prestigious Marvin B. Sussman Doctoral Award, which is given to doctoral dissertations that are judged to be outstanding in terms of originality, interdisciplinary, social meaning, writing, and overall presentation. Dr. Rojas administered several grants including USDA's Children youth and families at risk and Guam's healthy aging grant. Her publication in the *Pacific Asian Inquiry* journal entitled "Spaces to Speak: An Interdisciplinary Approach to Examining Social Tensions in Programs for Women" explored how programs may considered cultural boundaries for Chuukese women relocating to Guam. She is also the co-author of two local farmer and village residents' surveys reports published by the PCEI at the UOG-SBPA. Dr. Rojas is currently completing a community publication which provides information for decisions at the end of life. She, along with her colleagues at cooperative extension will be launching a Let's Talk workshop in 2019 aimed at helping people develop a level of comfort in discussing end of life planning with families and loved ones.

Mr. Jun-Patrick Salalila is currently an undergraduate student and a Merit Scholar at UOG. He just recently passed the exam to be admitted into the Business Administration in Accounting program to which he added a concentration in Economics where he plans to complete additional courses to earn an equivalent of an Economics degree in many U.S. universities. He is currently a sophomore with junior credits and plans to complete a minimum of 150 credits when he graduates in Spring 2021, thus meeting the requirement to take the licensure exam as a Certified Public Accountant (CPA). In addition, he plans to earn additional certifications such as becoming a Certified Management Accountant (CMA) and a Certified Fraud Examiner (CFE) and to pursue a Master's degree in Economics. He hopes to join the academia in Economics, Accounting or both and is particularly interested in understanding the choices people make between ethics and fraud and the necessary policies that will shape people's decisions.

Ms. Luisa V. Tenorio is currently a Research Fellow at the RCPP and a co-author of RCPP's recent publication entitled *2018 Guam Economic Report*. She graduated with honors from UOG in May 2018 with a dual degree in Business Administration with a concentration in Finance and Economics and in Political Science and has completed courses equivalent to those required in Economics undergraduate programs in many U.S. universities. She plans to pursue a graduate study in the area of Politics, Economics and Statistics and thereafter add to the small number of economists on-island. She presented her research on income inequality among SIDS and was well-received at the ICBEIT in 2017 on Guam. It was submitted for double-blind peer-review by the *Asia Pacific Business and Economics Research Perspectives* and was invited to be revised and resubmitted. She presented a revised version of her research at the Sustainable Tourism Symposium by the SBPA-Tourism Awareness Group in December 2017. She continues to develop research expertise on the special and unique economic situations faced by SIDS economies (including Guam), with an interest in identifying appropriate policy implications and formulation. She plans to make a research presentation at the ICBEIT in Singapore in 2019 as well as serve as a member of the conference organizing committee. She has written a number of research papers on a wide range of economic and political issues where she demonstrated a deep understanding of both qualitative and quantitative/statistical research methods.

Mr. Christian Valencia is currently an undergraduate student at UOG and pursuing a degree in Business Administration with a Concentration in Economics, although he plans to take as many Economics courses as are offered at UOG so as to earn an equivalent of an Economics degree in many U.S. universities. This will prepare him when he pursues a graduate degree (Master's and Ph.D.) in the area of Economics, with emphasis on Public Policy Formulation, Analysis, and Advocacy. He hopes to join the small number of economists on-island and elevate our understanding of the many economic issues that our island community faces and explore policy solutions that will improve our residents' quality of life. He is also a recipient of the prestigious Gates Millennium Scholarship, funded by the Bill and Melinda Gates Foundation, which provides him the opportunity to attend any U.S.-accredited institution at no cost to him or his family. He is currently refining a paper from his previous statistics course and plans to present his findings at the ICBEIT in Singapore, as well as serving as a member of the conference organizing committee.



2015 GUAM Corruption Perception

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