

INTERNATIONAL ANTI-CORRUPTION CONFERENCE 2024

Vilnius, Lithuania 18-21 June 2024

SESSION REPORT

Please know you may design the structure of this report to better suit the session. It's important to capture the key outcomes and solutions proposed for the future.

Session Title: Tech for Integrity, Integrity in Tech: Risks and Opportunities of AI

Date: 18th June 2024

Time: 09:00 AM - 10:30 AM (GMT +3)

Report prepared by:

Name and Surname **Chris McBrearty**
Position Consultant in Public Health Governance
Organisation UNDP Viet Nam

Moderated by:

Name and Surname **Arvinn Gadgill**
Position Director
Organisation UNDP Global Policy Centre for Governance

Panellists:

- Name and Surname **Norman Hodne**
Position Senior Director
Organisation Microsoft
- Name and Surname **Margarita Dobrynina**
Position Head of Strategic Analysis Division
Organisation Special Investigation Service of the Republic of Lithuania
- Name and Surname **Gerard Ryle**
Position Director
Organisation International Consortium of Investigative Journalists (ICIJ)
- Name and Surname **Juan Pablo Guerrero**
Position Senior Governance Specialist
Organisation The World Bank

Thematic Focus of Session

Background: Artificial intelligence (AI) shows immense promise in fostering integrity. However, with equally great risks of its misuse and abuse, questions about its integrity abound. AI is being touted as an important tool in promoting transparency, integrity, and anti-corruption. There is a need to bring together technology providers, government officials, regulators, civil society actors, and academia to explore the benefits, opportunities, and risks associated with the use of AI, which has the vast potential to deliver huge societal benefits and accelerate technology innovation while underlying challenges of managing the risks that put its integrity in question.

Objective and key discussion areas: This workshop aimed to explore how the threats and risks from AI can and should be managed to fully harness its benefits for embedding integrity in governance systems and showcase what key actors have done to regulate AI for good. The workshop tackled the growing opportunities presented by AI and the risks of using it in fostering integrity and building integrity into governance systems. It offered insights into how its novel overall application in governance can be maximized while mitigating the risks of it being misused and abused by corrupt actors that could raise concerns with privacy, transparency and human rights.

Key Contributions & Discussion Points

Mr. Arvinn Gadgill (UNDP, Moderator) opened the session by stating that the rate of technological change is happening so quickly that it is about to change everything. While people tend to overestimate change in the short-term, we also tend to underestimate change in the long-run. Therefore, it's important to look forward and prepare for the future. Artificial intelligence (AI) is creating new services, in new ways, for new customers. While we are only just coming to grips with the all-encompassing effect of this technology, it is already shaping the way that governments, businesses and people work. People across every walk of life are using AI, while not necessarily always knowing how it works or what is its impact.

We are in the middle of both an integrity crisis and a financing crisis. A further 5-8 trillion US dollars is required to reach the SDGs, therefore some enormous efforts will be required to reconfigure international financial systems to meet this need. Next year, the Financing for Development Conference in Spain will set the stage for a new way of financing development. However, major reform efforts can't happen in isolation from major technology developments. It is essential to explore how these can come together in the coming year.

The moderator introduced the panel, acknowledging the lack of gender balance on the stage and recognising the importance of ensuring inclusive panels to ensure all voices are heard.

Mr. Norman Hodne (Microsoft) discussed the expansion of AI business in Microsoft and the regulatory landscape for AI. Microsoft Advanced Cloud Transparency Services (ACTS) started 4 years ago. It originated as an internal company initiative which looked at how technology could support Microsoft's own compliance efforts. They could see the significant benefits of AI that could be achieved internally, and realised that government customers should know and have the opportunity to benefit also, which led to initial engagements with governments.

However, people are still having trouble understanding what AI is; although they know that it's important, they don't always know how it can impact on their own business. There is a need for education and training to support understanding of how customers can take the technology and move it forward. Microsoft have created some Accelerators to demonstrate

how the technology works and then give it to the customer to develop further. Very often people are excited about the prospects of AI, but then often there is a realisation that accessing the required data is very challenging, with data often being in silos and difficult to integrate. With some organisations, Microsoft has had to work for over 3 years initially to support access to appropriate data to power an AI innovation.

Conversations about AI regulation are ongoing. It is important to ensure that all the laws, regulations and policies are in place to enable these conversations to happen. There are questions around data security, data privacy and data ownership. Microsoft are working on their own internal Responsible AI Policy and Procedures, maturing them and sharing them with governments across the globe. Even when policies are in place, new employees can come into the business and make decisions against the policy. Therefore, it is important to have mechanisms in place to spot any variance from policy and to also create a culture of compliance.

Even though the technology is moving forward rapidly, organisations are not moving forward as quickly as they could. There are a few reasons for this, including the need to have budget in place. There may be an impression that it's easy when the technology is there, but it can be very slow to make progress.

Ms. Margarita Dobrynina (Special Investigation Service of the Republic of Lithuania) discussed the process and benefits of developing a big data analytical model. It was more of a natural evolution of the institution, rather than being a technological revolution. There were three main elements that facilitated the development: (1) an enabling legal framework, (2) an enabling institutional framework, and (3) collective action. From a legal framework perspective, there was a need for political leadership and government support to be able to get the access to state-owned data sources and information sources. This occurred in 2018, when there were changes to the law relating to the Special Investigation Service (SIS). Data access was provided not only to facilitate the investigative work but also for purposes of corruption prevention. This allowed anomalies in the data and red flags to be identified as corruption risks. The data has also been used to deconstruct the decision-making process to understand how certain government decisions have been made and to look at the digital footprints to identify actions that may not have been transparent. Access was also granted to financial information on legal persons. However, for natural persons financial data, a pre-trial investigation would have to be started. Some 'data diplomacy' was required at this time, to demonstrate to politicians that there was real value in having provided access to this data. Trust had to be built between politicians and the SIS. Data was used not just for pre-trial investigation, but also to inform evidence-based policy making. As data is so fragmented across the country, SIS was now able to identify corruption risks more easily and help inform policy decisions.

In building an enabling institutional framework, leadership was required, with development of an understanding that this data could be a valuable asset. Building the analytical infrastructure was required, including having people who could work with the data. A multidisciplinary approach was adopted, bringing many different backgrounds onto the team, including data scientists, criminologists, sociologists, political scientists, etc. Corruption is multifaceted and so needs to be approached from different angles. Training of staff was essential. This all needed to be aligned with broader digital transformation that was happening within government. A data audit was performed to understand what digital data sources are in the country. There are over 400 information systems and data registers in

Lithuania. SIS does not require access to all of these, but it was important to complete this audit to identify what data was available.

Initially, SIS gained access to the data. The next step was to begin looking at software options. An audit was performed to identify what technologies are being used in Lithuania, prior to visiting other countries to review other technologies in use and best practices. It was decided, based on the data maturity, that it was sufficient to go with a software solution that was on the market. Issues such as accessing perpetual licenses were then explored.

The main results of this innovation have been in internal anticorruption efforts within the organisation, but also strengthened evidence-based policy making. Reports are prepared for decision-makers, but these analytical reports are also provided to the public. If government is reluctant to act then the public can be a powerful ally to advocate for action, while journalists also require more accountability from government based on these reports. As this is data-driven research, it becomes very difficult to speculate. For example, from analysis of public procurement in hospitals it was seen from the data that a small amount of legal entities were getting contracts in certain hospitals and municipalities. Also, it was seen that entities that were sponsoring hospitals were more successful in getting contracts. This may be viewed as a kick-back in order to get these contracts. This information was made public with a press release and press conference, and parliament and various committees were informed. Eventually a working group was created to make amendments on the law on public procurement and the law on sponsorship. Now, all sponsorship data must be made public, including in what form this sponsorship came. This was an example of how mobilising data analytical reports enabled changes to be made in the legal environment and institutions.

There is a need to be deliberate in the use of AI models, and for this there is a requirement to have robust validation techniques. Regular audits are needed, as are diverse and representative datasets. One institution can not be successful unless they are integrating with other institutions, including academia. Ethical collaboration is important – collaboration with ethical researchers.

Mr. Gerard Ryle (International Consortium of Investigative Journalists – ICIJ) discussed the ways that AI has changed investigative journalism. Journalists have been very excited about AI technology but they are also fearful. In recent years, technology has changed the industry, with technology companies having taken over much of journalism. Now, generative AI can create text that looks and feels real but may not be real. There is a fear that AI may take over journalism jobs altogether.

Journalism has changed dramatically over the last 35 years of his career. Initially it was almost impossible to get facts... there was a need to fill out forms, go to a headquarters, maybe get one piece of information that might lead to another question, which then led to going back to fill out more forms. With digitalisation, whistleblowers are leaking information on a vast scale, with the challenge now being how to make sense of huge amounts of data. Statistical AI has been used, looking for patterns in lines of data. In 2018, the safety of implantable medical devices was investigated, to identify if they were killing or injuring people. The US FDA had this information but they had a database that was difficult to search, therefore the data was scraped from the database. 3500 phrases relating to death or injury were identified and AI was used to analyse the data and identify patterns. It was found that more than 1 million people were killed or injured with medical devices worldwide. One particular device, a breast implant, was found to be particularly problematic. It was seen that the FDA could cluster reports together to make it look like there were fewer cases of harm. After this was reported,

the product was removed from the market. They then tried to find out if women were more likely to be harmed by medical devices than men. However, it was found that the data quality was too poor to be able to identify this level of detail. Again, highlighting the necessity of having good quality data to get the most out of AI technologies.

Even with hundreds of reporters working on a project, there can be a huge amount of analysis required. If some of this can be automated using AI, then it cuts down the amount of work required. With the Paradise Papers it was possible to identify from each passport what country the person came from. If a particularly interesting document was found, it was possible to then train the AI to identify other similar documents from within the data.

However, journalists are not using Gen AI. Writing the story is the least time-consuming part of the process after all the analysis is complete, so it is important to ensure that the content of a story is entirely accurate. It is clear that the purpose of Gen AI is speed, not accuracy.

Mr. Juan Pablo Guerrero (World Bank) discussed the role of AI in fighting corruption. The World Bank (WB) is refining its strategy, adopting a more integrative approach on corruption, taking account of the evolving nature of corruption. This will better able support at the country level, informed by the individual context. Mobilising knowledge is central to this effort, along with targeted data analysis. The WB has developed several labs, including one that concentrates on development of citizen-centric AI. An Anti-corruption Lab will also work on innovations in diagnosis and analytics, and perform deep dives into specific topics such as the effectiveness of beneficial ownership databases, etc.

Digitalisation has made strides in tackling corruption, especially in the areas of procurement and taxation, mainly due to removal of intermediaries and reducing discretionary power. GovTech has allowed more efficiency, transparency and public inclusion. However, there are still challenge regarding resources, capacity and legal frameworks.

There are some compelling examples which highlight the need to have adequate data, authority to coordinate this data and ability to do the analysis. For example, the Governance Risk Analysis System (GRAS) which uses data analytics to detect corruption. It identifies 200 red flags of potential fraud in public expenditure. It has been piloted in Brazil at federal, state and local level, and other countries such as Indonesia, Peru, Colombia. It identifies risks including inconsistencies in corporate characteristics and beneficial ownership information, conflict of interest, atypical public procurement patterns, bid-rigging risk patterns, and atypical spending patterns. As a result, in Brazil, GRAS identified >420 firms that have high likelihood of being shell companies, >400 firms whose partners are at the same time beneficiaries of the conditional cash transfer programme which should only be targeting poor people, and >500 firms that were owned by public servants that work at the same organisation where the agency was executing the contract. For this to have been possible, it was essential to clean the data, to coordinate between different data sets and to have the technological capacity.

However, a key question is what happens next, when these companies are identified. There must then be appropriate investigation and enforcement. This is where the challenge remains. There is a need now for accountability institutions to ensure that identifying these risks becomes a real driver for reducing corruption.

There is a novel project at the World Bank, using synthetic data in the area of revenue administration. We know patterns of tax evasion and patterns of what works in terms of audits

and verification, so with that it's possible to mimic the data. Thanks to the collaboration with the Ministry of Finance of Georgia it was possible to get a sample of actual behaviour of tax payers in Georgia which was anonymised. This allowed creation of a simulator. The allowed much greater detection of risk of tax evasion compared to normal procedures. This gives some idea of the incredible amount of advancement with AI models and the potential for rapid future developments.

There is a lot of demand from countries for support from the World Bank in the area of AI and anti-corruption. Requests are often not phrased as 'there's a lot of corruption here, please help', but instead, support requests relate to more efficient use of public resources and improved implementation. In particular, there is a strong request for support on the topics of procurement, open contracting, public investment and tax administration. In order to get to a similar point with the use of AI as where Lithuania is, there is a prior need to have the capacity to have sufficient data. In many cases, support begins with getting this data.

Main outcomes of the session (include quotes/highlights and interesting questions from the floor)

A representative of the **Netherlands chapter of Transparency International (TI)** posed an interesting question from the floor. They are currently working with other NGOs on determining how AI developments may be used to fight corruption but also how AI may be monitored to ensure transparency and absence of bias. The question asked was '*what questions should we be asking of governments and companies to ensure that we can hold them accountable?*' Responses from the panel included questions relating to processes followed by the company, such as: How did the company govern their own development process? What is the objective of the technology? What are you trying to achieve? Is this the best way to do it? Are you authorised to do it? Have you identified any other risks in addition to privacy, bias, etc.? It is also important to ensure that there is a human rights approach to development, including equity, fairness and public engagement.

There was a recurring theme that access to unbiased and uncorrupted data is essential to ensure appropriate training of AI models.

A representative from the **TI Secretariat** questioned the integrity of data used in models and the integrity of the AI technology itself. *As models inherit many biases from their training data, how can we ensure that AI models are fair and unbiased?* **Mr. Norman Hodne (Microsoft)** explained that as systems can become biased, part of AI responsible usage is that AI models are developed ethically. It's important to work so that the data is robust, broad in scope, excludes types of things that may create bias, and that testing is performed. In Microsoft, AI is now using 'Red Teams' which are adversarial in nature and question the team that is developing the AI system and try to find way to break it, for example to try to get results that may not originally be expected. 'Jail Break' systems are also used to try to find ways to break the AI system. The processes are maturing. Just like computer security this process doesn't stop and more vulnerabilities will be found which will then need to be patched and fixed. The main thing is that the process begins ethically, that the intention is a good intention, and that the processes and procedures are in place so that you can manage and govern that to get to the point where there is as quality of an AI system as possible. Also, AI that helps developers build code will support the development of code that is compliant. This may help fix issues and prevent problems from happening in the first place. It is not possible for each engineer to have a coach or mentor, so automated systems are required. These are now being developed.

In addition, getting data into a new AI system is about 80% of the effort. Using a standardised data model from Open Contracting Partnership for procurement reporting data has solved many data challenges. It reduces the amount of time it takes to get to the point of the AI model creating useful reports. Due to the standardisation, there is also no need to recreate the reports for every single procurement agency due to the consistency across data.

Corrupted data can also become a pretext for governments not to disclose. Although authorities have the data they are unsure of its accuracy and so they refuse to disclose it until they can verify. The World Bank completely opposes this stance and believes that if this is the data that allows decision-making then it should also be made public. Although it may require cleaning and verification, if it is being used by government then it should also be used by the public and analysts.

"AI solutions are not a panacea... not going to replace all of our processes that we're doing in law enforcement, but it's one of the methods..." - Margarita Dobrynina

"We see technology as something that will augment our decision-making, but not replace it."
- Margarita Dobrynina

Key recommendations for the future and concrete follow-up actions

- **Regulation and Ethical AI:** Develop and enforce robust regulatory frameworks to ensure AI is used ethically and effectively.
- **Public Engagement:** Increase transparency and public involvement in AI development and deployment processes to build trust and accountability.
- **Capacity Building:** Invest in training programs for government officials, civil society, journalists and other stakeholders to enhance understanding and application of AI.
- **Data Standardization:** Promote standardization of data across sectors and countries to facilitate better analysis and interoperability.
- **Develop and support journalism:** News rooms should have access to both data and the technology to efficiently analyse it. Governments should support journalists to access this data and the required technology, including with financial support.

Call to Action

- There is now a significant opportunity to reduce corruption with AI. However, government need to show leadership. Governments must prioritise the development of ethical AI policies and invest in the necessary infrastructure and training to support AI initiatives.
- If data is made available to journalists, they will analyse this data and expose what's wrong. However, it's essential to standardise data as if the data is corrupted from the beginning then technology will be of no use.
- Reporters from all over world are showing leadership and are coming together under the leadership of Reporters Without Borders to understand what best to do with AI and how to use AI in an ethical way. This is part of an 'AI Charter'. Journalists can utilise AI tools to enhance investigative journalism and hold governments accountable.
- Businesses should collaborate with governments and civil society to ensure AI technologies are developed and used responsibly.
- Civil Society must advocate for transparency and accountability in AI usage and engage in the development of regulatory frameworks.

- The Moderator appealed to everyone to follow instincts and to ask questions on the topic of AI. Some of the language used to discuss issues around AI is alienating. We already know of the inequality acceleration potential of this technology, so we should at least try to combat that by making language around these issues accessible, using terms that people can understand. It is something that everyone needs to engage on.
-

Rapporteur's name

Name and Surname Dr. Chris McBrearty
Position Consultant in Public Health Governance
Organisation UNDP Viet Nam

Date submitted

24th June 2024

Action! This report needs to be emailed to iacc-av@transparency.org within 24 hours of the session. If you wish to update the report, please do so by 21 July. Thank you.