

## **Regulations of the Central Commission for Inspection on the Handling of Embezzlement, Waste and Overcoming Bureaucratic Errors**

(Approved at the 127th meeting of the GAC on March 8, 1952, and promulgated by the GAC on March 11, 1952)

Currently, the "Three-Anti" campaign in prefectural-level and above government agencies and military units at the regimental level and above nationwide is nearing completion. In order to correctly and uniformly address several issues discovered during the campaign concerning the handling of corruption, waste, and the overcoming of bureaucratic errors, the following regulations are hereby established:

First, handling policy

The handling of corrupt officials exposed during the "Three-Anti" Movement must adopt a policy combining reform and punishment: those whose offenses were relatively minor or who confessed completely and redeemed themselves through meritorious service should be treated leniently; those whose offenses were serious and egregious but who refused to confess should be severely punished. The handling of waste and bureaucracy should also be taken seriously, with appropriate solutions tailored to each situation, in order to educate cadres and unite the masses. Only in this way can we uphold national laws and regulations, maintain and promote a revolutionary work style characterized by integrity, simplicity, and close ties with the masses. At the same time, only in this way can we consolidate the achievements of the "Three-Anti" Movement and benefit the country's future construction work.

Second, the methods for dealing with corrupt officials.

I. The following classification method should be adopted for the handling of corrupt officials:

(A) Anyone who embezzles less than one million yuan, provided that the circumstances are not serious and egregious, and they thoroughly admit their mistakes and guarantee not to repeat them, will not be considered an embezzler and will not be subject to administrative penalties. Even if the circumstances are more serious, but the embezzler still thoroughly confesses, sincerely repents, and guarantees not to repeat the offense, they may also be exempted from being considered an embezzler and from administrative penalties. In both of these cases, except for voluntarily returning (334) embezzled funds and goods, they generally will not be recovered. However, if the embezzler stubbornly resists confessing, or if the circumstances are serious and egregious, they should still be considered an embezzler, given appropriate administrative penalties, and have the embezzled funds and goods returned as appropriate.

(B) Any embezzler who has embezzled more than one million yuan but less than ten million yuan, provided that their circumstances are not serious and they thoroughly admit their mistakes and guarantee not to repeat them, will not be subject to criminal punishment. However, they should be given different levels of administrative punishment according to the severity of their circumstances, and the embezzled funds and goods should be returned. Among them, those who are younger, or those who have made a mistake once and can voluntarily confess, or those who have actively participated in the "Three Antis" work after being discovered and have already redeemed themselves through meritorious service, may be exempted from being treated as embezzlers and will not be subject to administrative punishment, but must return the embezzled funds and goods. Among such embezzlers, those who stubbornly resist confessing, or whose circumstances are serious and egregious, should be subject to criminal punishment.

(C) Any corrupt official who embezzles more than ten million yuan but less than one hundred million yuan may be given appropriate criminal punishment or exempted from criminal punishment but only given administrative punishment, depending on the severity of the circumstances, the degree of confession, the return of embezzled funds and meritorious service. However, the embezzled funds and goods should be recovered as much as possible.

(D) All corrupt officials who embezzle more than 100 million yuan should generally be given different criminal penalties according to the severity of their circumstances, and the embezzled funds and goods should be recovered. However, those who voluntarily confess, sincerely repent, return the embezzled goods, or make meritorious contributions in the fight against corruption may be exempted from criminal penalties and given appropriate administrative penalties instead.

II. Administrative sanctions employ six methods: warning, demerit, demotion, dismissal, removal from office, and expulsion. In implementation, leniency should generally be granted based on the thoroughness of the corrupt official's confession and their meritorious service in the "Three-Anti" campaign (anti-corruption, anti-corruption, and anti-government) efforts, encouraging them to atone through meritorious service in their work. Expulsion should be used as little as possible to avoid financial hardship, homelessness, and disruption of public order. Those dismissed from office, if unable to remain in their current position, should be reassigned by personnel departments or undergo intensive training and rehabilitation.

III. Criminal punishment, except for those exempted from punishment, adopts five methods: institutional control (one to two years), labor reform (two to four years), fixed-term imprisonment, life imprisonment, and death penalty. Fixed-term imprisonment, life imprisonment, and death penalty may be suspended depending on the severity of the circumstances. Those subject to institutional control shall remain in the institution to work while under punishment. During their period of control, they shall not be appointed to any position and shall be deprived of their political rights, but shall be given opportunities to study and their necessary living necessities shall be guaranteed. Those subject to labor reform (335) shall be concentrated in appropriate locations and departments to perform labor services. Those granted probation, such as those with a fixed-term imprisonment suspended, may not be imprisoned but instead subject to institutional control or labor reform to observe their future performance. Both life imprisonment with probation and death penalty with probation shall be subject to imprisonment and forced labor to observe their future performance.

IV. The calculation of the time of embezzlement should generally begin from the founding date of the People's Republic of China, October 1, 1949. However, for cases of serious and egregious embezzlement, consistent embezzlement, or those that arouse great public outrage, the calculation can be traced back to the liberation date of major cities and provincial capitals. For areas liberated after the founding of the People's Republic of China, the calculation should begin from the date of liberation. However, for uprising troops, the calculation should begin from the date the revolutionary political work system was established within the unit. Embezzlement cases prior to the founding of the People's Republic of China, if serious and egregious and requiring punishment, or if they arouse great public outrage and are reported by others, can be handled as special cases.

V. Specific provisions will be made separately regarding the procedures for embezzlers to return their ill-gotten gains.

Third, the methods for dealing with the problem of waste.

#### I. Overspending and extravagance in personal life

(A) Reasonable overspending refers to overspending necessary for personal living and work. Some such overspending arises from unreasonable or imperfect previously established systems. If the overspending is roughly equivalent to the living standards of cadres of similar ranks and has been approved by the appropriate leadership, it should be considered legal. If it has not been approved, it should be considered an incomplete procedure, which can be rectified and should not be considered waste. This system should be revised in the future based on actual needs and financial capabilities.

(B) A semi-reasonable overspending, although necessary for personal life and work, is excessively higher than the general living standards of cadres of the same level. Even if it was approved before or after the fact, the wasteful part still needs to be reviewed.

(C) Extravagant overspending in personal life and work should be considered wasteful, must be thoroughly reviewed, corrected immediately, and the system should be strictly followed in the future. Such behaviour should also be publicly criticized within an appropriate scope.

(D) Extravagant overspending in personal life and work is not only a serious waste (336), but also involves corrupt enjoyment and is close to embezzlement. In addition to being severely criticized, handing over the excess items, and correcting the behaviour immediately, administrative penalties should be imposed. In cases of particularly serious circumstances, a special case may be handled and criminal penalties may be imposed.

#### II. Overspending and extravagance in communal living

(A) Reasonable overspending in collective living, such as cadre welfare, family allowances, necessary hospitality for the organization, and essential work equipment, is reasonable and should not be considered wasteful. This system should be revised or established in the future based on needs and possibilities.

(B) Unreasonable overspending in collective living, such as extravagant meetings and entertainment, excessive purchases, furnishings, and construction by government agencies, are all considered wasteful. Supervisors should conduct a thorough self-examination and immediately rectify the situation. In serious cases, supervisors may be subject to appropriate administrative penalties.

#### III. Waste in Business Operations

(a) If a person in charge, despite their hard work, still causes waste in their work due to insufficient or no experience, such as waste and loss in construction and operating expenses, their mistakes should be thoroughly reviewed and must not be repeated.

(B) If business waste and losses are caused by serious bureaucracy in charge or dereliction of duty by management personnel, and there are no insurmountable difficulties, the relevant personnel directly responsible shall, in addition to undergoing strict self-examination, be subject to administrative sanctions as appropriate. If the circumstances are serious and result in huge losses to the state, a special case may be investigated and criminal sanctions may be imposed as appropriate.

Fourth, regarding the issue of waste, it is generally not advisable to investigate too far back; the matter should be handled based on the specific circumstances prior to the commencement of the "Three Antis" campaign.

Fourth, issues regarding processing procedures and approval authority.

I. In order to quickly alleviate the concerns of the vast majority of petty embezzlers in the current "Three-Anti" campaign, so as to facilitate their education and reform, and to make it easier to concentrate efforts to basically complete the "Three-Anti" campaign tasks in prefectural-level and above government agencies and regimental-level and above military units by March, all localities should basically complete the handling of personnel who are not considered embezzlers before March 20, and strive to handle a batch of embezzlers who are easier to deal with and only subject to administrative punishment. (337)

The issue of waste will be addressed gradually after the aforementioned two groups of personnel have been dealt with, or after the "anti-three-anti" campaigns at all levels have been basically completed.

II. For those who are not considered corrupt officials or who are only subject to administrative penalties, the following methods shall be followed: First, convene all staff members of the unit (including all those who are suspected of corruption or are under temporary supervision for corruption) and announce the principles for handling corruption and waste issues in the name of the economic inspection committee of the people's government at all levels. The above policies shall be explained to the public. Then, after preparation by the economic inspection committees of each department, group review by the organization, and approval by the leadership, a general meeting shall be held to announce the policy.

The approval authority for administrative sanctions generally adopts the direct superior approval system; however, demotion and dismissal should be approved by two levels of authority.

III. Regarding the handling of all corrupt officials who should be subject to criminal punishment or exempted from criminal punishment, regardless of whether they are Party, government, military, civilian, or academic personnel, the process should be conducted in accordance with these regulations. Preparations should be made by the thrift inspection committees at all levels, and then, under the leadership of the courts or military law departments, appropriate administrative units should organize people's courts to conduct trials. All units should strive to basically complete the handling of these corrupt officials who will be criminally punished, as well as those who have not yet been dealt with and have received administrative punishment, by the end of April.

Regarding the approval authority for criminal punishments, a system of approval at each level is generally adopted. However, the approval authority for life imprisonment and exemption from punishment for major corruption offenders should be approved at two levels: all those sentenced to death should be approved by the central government and the major administrative regions.

Fifth, overcome bureaucratic errors.

Regarding the problem of bureaucratic errors, during the "Three-Anti" Movement, firstly, due to the leadership taking the lead in self-criticism at all levels and criticism from the masses, and subsequently due to the exposure of corruption, waste, and the rampant attacks on state organs by unscrupulous industrialists and businessmen, as well as many shortcomings in the work of state organs, most leading cadres at all levels have deeply experienced, both ideologically and practically, the serious harm that bureaucratic errors cause to the national cause. Therefore, during the "Three-Anti" Movement, the excellent practice of close integration between leaders and the masses is rapidly and widely growing. (338)

Cadres who have committed serious bureaucratic errors should be criticized and even disciplined. Some have already been dismissed or suspended, while others have not yet been dealt with. These cadres should be given appropriate administrative punishment based on their individual circumstances and the degree of their self-reflection after their corruption and waste issues have been addressed. As for the few leading cadres whose self-criticism has not been thorough enough during the multi-level review process, and who still have grievances from the masses, they should conduct further reviews during the construction phase of the "Three-Anti" campaign and reach appropriate conclusions.

After completing the basic tasks of the "Three-Anti" struggle, each unit must move into the construction phase of the "Three-Anti" movement. This means that all staff members should further establish the ideology of leadership by the working class, examine the policy ideology of each unit's business operations, streamline organizational structures, and establish new systems for work, study, and life. The goal is to ensure, in terms of ideology, work style, organization, and systems, the elimination of the filth of corruption, waste, and bureaucracy, and to establish a clean, simple, and people-serving revolutionary work style.