

Press Release

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Seven years and nine months' jail for ex-senior bank manager

A former senior credit manager of a bank, charged by the ICAC for bribery and fraud in relation to the granting of over HK\$490 million Letters of Credit (L/C) facilities, was today (Friday) sentenced to seven years and nine months' imprisonment after a jury of the Court of First Instance returned a guilty verdict.

Lam Tze-leung, 52, formerly employed by Hang Seng Bank Limited, was today found guilty on five counts of accepting an advantage as an agent, contrary to Section 9(1)(a) and Section 9(1)(b) of the Prevention of Bribery Ordinance, and four of conspiracy to defraud.

In imposing the jail term, Deputy Judge Alan Wright reprimanded the defendant for abusing his senior position.

The court heard that between May 1994 and February 1996, Lam, while employed by the bank, had accepted a Rolex watch and bribe payments, totalling HK\$100,000 and Can\$10,000, from Ho Siu-hoi, as well as a pair of Rolex watches from Ho's father, Ho Chi-chun.

Ho Siu-hoi and Ho Chi-chun were then shareholders-cum-directors of Au Kiang International Company Limited (Au Kiang) and Dero Enterprises Limited (Dero).

The advantages were rewards for Lam to facilitate the granting and maintaining of credit arrangements by the bank to Au Kiang and Dero.

The court also heard that between June 1995 and January 1998, Lam had conspired with other persons to defraud the bank by causing Au Kiang or Dero to apply and utilize credit facilities from the bank in the form of 136 L/Cs.

In order to support the L/C applications, they submitted false documents to the bank, purportedly evidencing underlying commercial transactions between Au Kiang, Dero, Star Regent International Limited (Star Regent) and Pure Guard Industrial Limited (Pure Guard).

As a result of the fraudulent scheme, the bank released over HK\$490 million in total to Star Regent and Pure Guard, which were in fact controlled by the Hos.

Lam left Hong Kong in August 1998 shortly before the ICAC commenced investigation.

An arrest warrant was then issued by a Hong Kong magistrate. On behalf of the ICAC, the Mutual Legal Assistance Unit of the Department of Justice made a request to their Canadian counterpart for the arrest of Lam in Canada.

After his arrest by the Royal Canadian Mounted Police in June last year, Lam waived extradition proceedings and consented to return to Hong Kong to face prosecution.

The prosecution was today represented by Ms Charlotte Draycott, counsel on fiat, assisted by ICAC officer Marcus Leung.