

Wanchai DC member admits fraud and misconduct over false claims of DC funds

09.02.09

A member of the Wanchai District Council (WDC), charged by the ICAC, today (Monday) admitted at the District Court the offences of fraud and misconduct in relation to his false claims of Operating Expenses Allowance (OEA) after a judge dismissed his application for a permanent stay of proceedings.

Lee Kai-hung, 48, who is a district manager of an insurance company by profession, pleaded guilty to five counts of fraud and one of misconduct in public office. The prosecution offered no evidence to the remaining two counts of fraud against him.

Deputy Judge Li Wai-chi adjourned the case until tomorrow (Tuesday) for mitigation, and granted the defendant cash bail of \$10,000.

In dismissing the defendant's application for a permanent stay of proceedings, the judge ruled that the ICAC, in conducting an investigation into the case, had not acted outside the scope of its power under Section 10 of the ICAC Ordinance.

The judge ruled that the ICAC had not abused its power and that no prejudice was suffered by the defendant. He also found the ICAC to have acted entirely properly.

The court heard that at the time of the offences, the defendant was an elected member of WDC.

As a member of WDC, the defendant was provided with an OEA to cover expenses wholly and solely for discharging District Council duties, including hiring councillor assistants and running ward offices.

Between May 2006 and February 2007, the defendant, with intent to defraud, had overstated the salaries of three of his councillor assistants by over \$19,000 in the OEA Reimbursement Forms, and by deceit, induced the WDC Secretariat to grant him OEA payments.

The court also heard that between January 2004 and March 2007, the defendant, being a public officer, in the course of or in relation to his public office, had willfully and intentionally culpably misconducted himself by assigning non-District Council duties to councillor assistants, whose salaries were reimbursed by the OEA. Such non-District Council duties included preparing insurance documents for his private insurance business, the court was told.

The prosecution was today represented by prosecuting counsel Wong Hay-yiu, assisted by ICAC officer Tim So.