

## Ex-Chung Yuen employees jailed for deceiving \$4.5m with false invoices

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Two former employees of Chung Yuen Electrical Company Limited (Chung Yuen), charged by the ICAC, were today (Thursday) sent to jail for conspiracy to defraud the company of over \$4.5 million by using false invoices from various contractors.

Stephen Wong Chi-kin, 44, former logistic manager of Chung Yuen, was sentenced to four years' imprisonment, while Chu Yiu-wah, 55, former logistic supervisor of Chung Yuen, was jailed for two years and eight months.

In sentencing, District Court Judge Joseph Yau Chi-lap said the defendants were given custodial sentences in view of their serious breach of trust.

Wong and Chu, who faced six joint charges of conspiracy to defraud, changed their pleas to guilty in the course of the trial. Another charge of doing an act tending and intended to pervert the course of public justice against Wong was ordered to be left on court file.

The case arose from a corruption complaint. Subsequent ICAC enquiries revealed the above conspiracy offences.

The court heard that at the time of the offences, Wong was in charge of the logistics department of Chung Yuen, while Chu was his assistant. They were responsible for arranging delivery of electrical appliances to customers.

Between January 2005 and October 2008, Wong falsely represented to Chung Yuen that five contractors - Sun Kee Transportation, Man Bo Lo Transportation, Keung Kee Transportation, Wah Kee Transportation and Sun Choi Kee Transportation - had provided delivery services for Chung Yuen.

Wong and Chu then prepared and submitted to Chung Yuen invoices, purportedly showing that delivery services had been performed by those contractors.

The delivery services were in fact performed by drivers and workers employed by Wong at lesser fees than those claimed in the bogus invoices.

The court further heard that in mid 2008, Wong set up Sinoway Transportation Limited (STL). He falsely represented to Chung Yuen that STL was operated by the above five contractors.

Between October 2008 and February 2009, Chung Yuen awarded various delivery job orders to STL. But in fact, the delivery services were performed by the drivers and workers employed by Wong.

During the period, Wong and Chu also inflated the invoices, and submitted them to Chung Yuen.

As a result of all the above inflated invoices, Wong and Chu had conspired to defraud Chung Yuen of over \$4.5 million, the court was told.

Chung Yuen had rendered full assistance to the ICAC during its investigation.

The prosecution was today represented by prosecuting counsel Kelly Shui, assisted by ICAC officer Kelvin Choi.