

# Public Prosecutor v Ong Teck Liam

## [2017] SGDC 317

**Case Number** : DAC 930366/2014 & Ors, Magistrate's Appeal No. 9191/2017/01

**Decision Date** : 27 November 2017

**Tribunal/Court** : District Court

**Coram** : Eddy Tham Tong Kong

**Counsel Name(s)** Deputy Public Prosecutor Mr G Kannan, Mr Jiang Ke-Yue, Ms Eunice Lim, Ms Thiam Jia Min for the Public Prosecutor;  
: Defence Counsel Mr Lok Vi Ming S.C., Mr Derek Kang, Mr Tang Jing Sheng, Ms Neissa Tan (M/s Dentons Rodyk & Davidson LLP/ M/s LVM Law Chambers LLC) for the Accused

**Parties** : Public Prosecutor — Ong Teck Liam

[LawNet Editorial Note: The appeal to this decision in MA 9191/2017/01 was withdrawn on 13 December 2017.]

27 November 2017

District Judge Eddy Tham Tong Kong:

I had earlier given a brief grounds for my decision in this case. I will now set out my grounds in full. The Accused, Ong Teck Liam, the former Group Financial Controller (“GFC”) of Singapore Technologies Marine Ltd (“ST Marine”), had pleaded guilty before me on 19 February 2016 to 10 charges under section 477A of the Penal Code with a further 108 similar charges taken into consideration for the purpose of sentencing. A Newton hearing had to be conducted thereafter on the issue of the psychiatric condition of the Accused which was disputed, which would be a material issue to sentencing.

### ***The charge***

2 The charges the Accused pleaded guilty to are similar. I set out one of the charges in full here:

“are charged, that you, from November 2007 to April 2010, in Singapore, being an officer of Singapore Technologies Marine Ltd (“ST Marine”), to wit, the Group Financial Controller, did wilfully and with intent to defraud, abet the making of a false entry in a paper belonging to ST Marine, to wit, you did engage in a conspiracy with See Leong Teck, Han Yew Kwang and Teh Yew Shyan, to make false entries in ST Marine Pay Orders for false entertainment expenses, and in pursuance of the conspiracy, and in order to the doing of that thing, an act took place, to wit, an ST Marine Pay Order was prepared sometime before 1 November 2007, which stated that reimbursement of a sum of \$4,910/- was in relation to entertainment expenses incurred for Project No. 32-4796 in respect of the vessel ‘Goryo-Ho’, when no such entertainment expenses were incurred, which act was committed in consequence of the abetment, and you have thereby committed an offence punishable under section 477A of the Penal Code (Chapter 224, Revised Edition 1985)”

3 At the end of the Newton hearing, I sentenced the Accused to a fine of \$30,000 for each of the 10 proceeded charges, giving a total of \$300,000.

4 The Prosecution being dissatisfied with the sentence has filed an appeal against it. The Prosecution had submitted for a term of imprisonment. I will now set out my grounds as to why a non-custodial sentence is appropriate.

### ***The Statement of Facts***

The background facts

5 The Accused is Ong Teck Liam, a female currently aged 60 years old, joined ST Marine on 1 April 2007 as the GFC, a position which she held until her retirement. Her last day of service with ST Marine was 31 December 2012. Prior to joining ST Marine, the Accused was the GFC of Singapore Technologies Aerospace.

6 ST Marine is a wholly owned subsidiary of ST Engineering that provides shipbuilding, ship conversion and ship repair services. ST Engineering is a company listed on the Mainboard of the Singapore Exchange. Its business activities span across the aerospace, electronics, land systems and marine sectors.

7 ST Marine operates two shipyards in Singapore located at Benoi Road and Tuas Road ("Benoi Yard" and "Tuas Yard" respectively). The operations at each shipyard are overseen by a Senior Vice President ("SVP"). During the Accused's tenure as the GFC, the SVP of Tuas Yard was one Teh Yew Shyan ("Teh"). As the GFC of ST Marine, she reported directly to the President of ST Marine. During the Accused's tenure as GFC of ST Marine, she reported to three successive Presidents of ST Marine, who held the position for the periods as stated below:

Period	President
December 1997 – February 2008	See Leong Teck ("See")
March 2008 – April 2010	Chang Cheow Teck ("Chang")
May 2010 onwards	Ng Sing Chan ("Ng")

8 The President of ST Marine has oversight and management of the company. Other key members of the senior management team included the Chief Operating Officer ("COO") who prior to 2007 acted in place of the President in his absence. In 2007, the role of Deputy President was created, who was then the second most senior person at ST Marine. From 2003, the COO of ST Marine was one Han Yew Kwang ("Han") until he was re-designated as the Deputy President in 2007. Han left ST Marine in 2009.

9 As the GFC, the Accused had direct control of and oversight over the Finance Department of ST Marine ("Finance"). Among the matters that Finance handled was the verification and processing of entertainment claims and petty cash claims raised by staff of ST Marine. Claims for payments would ordinarily be processed only when they were submitted together with relevant supporting documents, such as receipts for goods or services.

#### Process for approving petty cash claims

10 Legitimate claims for miscellaneous expenses were prepared and submitted by ST Marine's staff to approving officers (usually of the position of SVP and above, depending on the amount claimed). Such claims would be submitted using Petty Cash Vouchers together with the relevant receipts for the expenditure. Once approved by the approving officer, the claim would be submitted to the Finance Department for processing.

11 The Finance Department in turn would prepare a corresponding Pay Order for every Petty Cash Voucher that had been submitted, setting out the amount to be paid and the intended purpose of the payment. Once the Pay Order had been checked and approved by the Finance Department, a cheque would then be prepared for each Pay Order, which would be signed by at least one signatory from Finance.

#### Process for approving entertainment claims

12 Genuine claims for entertainment expenses were not submitted using Petty Cash Vouchers. Instead, Entertainment Claim Forms were used. Employees making claims for entertainment expenses were required to fill in the Entertainment Claim Form, which included fields of information such as the date of entertainment, the receipt or bill number, the name of the guest and the name of his company.

13 The receipt(s) for the entertainment session(s) would then have to be attached to the Claim Form, and then approved by the employee's Division Manager, before being submitted to the Finance Department for processing. Payments on such entertainment expense claims were paid directly into the bank account of the employee who had submitted the claim.

#### Payment of bribes to employees of ST Marine's customers

14 Investigations conducted by the Corrupt Practices Investigations Bureau ("CPIB") revealed that officers of ST Marine made corrupt payments to secure business, by bribing the employees of ST Marine's customers who sought ship repair services, to induce those employees to provide more business to ST Marine. The officers of ST Marine who made such corrupt payments acted with the approval of key members of ST Marine's senior management team. Records seized from ST Marine revealed that at least \$24.9 million in bribes were paid between the year 2000 and the year 2011.

#### Facts pertaining to the charges

##### Detailed modus operandi

15 Investigations show that corrupt payments were paid using ST Marine's funds to the employees of ST Marine's customers, in cash, in the following manner:

- a. Employees of ST Marine's customers would approach staff in the Commercial Department of ST Marine with a request for a bribe, to provide business to ST Marine. Such bribes were referred to as 'cash commissions'. The business deals in question included ship repair contracts, and additional work done under existing contracts between ST Marine and the customer;

b. Staff from the Commercial Department of ST Marine would seek approval from the SVP of Tuas Yard, for payment of the said commission and the amount of 'cash commission' to be given. After the SVP of Tuas Yard had given his approval, the member of staff from the Commercial Department would submit petty cash claims for the sum to be paid as the bribe, but would describe the claims as 'entertainment expenses' in the Petty Cash Vouchers.

c. An SVP of ST Marine was authorised to approve petty cash claims of up to S\$5,000. Claims for amounts in excess of S\$5,000 had to be submitted to the President of ST Marine, for approval. Having the President of ST Marine approve such large petty cash claims for 'entertainment' may raise suspicions. To avoid such suspicion, bribes exceeding S\$5,000 were split into a series of petty cash claims for 'entertainment expenses', in amounts below S\$5,000 each.

d. After the SVP of Tuas Yard gave his approval by signing on each of the Petty Cash Vouchers, the member of staff from the Commercial Department would submit the claim forms to the Finance Department. Unlike genuine claims, these petty cash claims for 'entertainment expenses' were not submitted with any receipts or invoices.

e. Notwithstanding the lack of supporting documents, the claims for 'entertainment expenses' were approved by the SVP of Tuas Yard, and were then processed by the Finance Department, which involved preparing a corresponding Pay Order for every petty cash claim that had been submitted. Each Pay Order reflected the nature of the intended payment, and in this case they falsely stated that the payments were for the reimbursement of 'entertainment expenses'. Pursuant to the false Pay Orders, the Finance Department would issue cash cheques for these claims for 'entertainment expenses'.

f. After the cheques were encashed, the corrupt 'cash commission' payments would be given by the member of staff of ST Marine's Commercial Department who had to acknowledge receipt of the cash handed over. However, the member of staff was not required to obtain acknowledgement of the receipt of cash from the ultimate recipients (ie. the employees of ST Marine's customers who sought ship repair services). ST Marine did not inform their customers that they were paying 'cash commissions' to their customers' employees.

#### Accused's involvement in the conspiracy

16 On or about 1 November 2007, after the Accused assumed the position of GFC of ST Marine, the Accused was asked to sign a set of cash cheques for Pay Orders that had been prepared in relation to a set of Petty Cash Vouchers for the purported reimbursement of entertainment expenses, that had been approved by the then SVP of Tuas Yard, Teh. The Accused noticed that there were no supporting receipts for the entertainment expenses that had supposedly been incurred, and queried her staff from the Finance Department about this anomaly, since such claims for entertainment expenses would ordinarily require supporting receipts before they could be processed.

17 On that same occasion, the Accused was then informed by a senior member of the Finance Department that the claims in these Petty Cash Vouchers were not genuine claims for entertainment expenses, but were in fact 'cash commissions'. Later, she learnt that these 'cash commissions' were paid to obtain sales for ST Marine. The Accused was informed that the practice of using false Petty Cash Vouchers for entertainment expenses, which were in fact commission payments, had been going on in ST Marine for a number of years. The Accused was later provided with a written document prepared in 2004 which set out the Finance Department's role in the processing of the false Petty Cash Vouchers, and the subsequent preparation of the Pay Orders and disbursement of payments for these claims, with specific instructions on how to avoid detection. Specifically, the claimed amounts were not to be in exact/round figures, and the cheques issued were not to be in running order. The written document also named specific personnel from ST Marine who could approve the claims in these false Petty Cash Vouchers, including the then-COO of ST Marine, Han.

18 The Accused was also informed that the President of ST Marine, See, had previously given approval for, and directions on, the practice of using false Petty Cash Vouchers for entertainment expenses to fund the 'cash commission' payments. When See was succeeded by Chang as the President of ST Marine in April 2008, the Accused informed Chang of the practice at ST Marine of using false Petty Cash Vouchers to fund 'cash commission' payments. After the Accused informed Chang of the practice, Chang did not tell the Accused to put a stop to the practice. The use of Petty Cash Vouchers to fund 'cash commission' payments continued at ST Marine during the Accused's tenure as the GFC and for the entire duration of Chang's tenure as the President of ST Marine.

19 Despite knowing that the Pay Orders for the purported reimbursement of entertainment expenses had in fact been prepared in relation to false Petty Cash Vouchers meant for the payment of 'cash commissions', the Accused proceeded to sign the cash cheques in relation to the false claims. The Accused was aware that the practice of using false Petty Cash Vouchers for commission payments continued during her tenure as GFC from 2007 to 2011.

#### The falsified documents

20 Pursuant to the conspiracy as set out at [16] to [19] above, the following Petty Cash Vouchers were submitted by Tay Lay San, a Commercial Manager of Tuas Yard, and approved by Teh Yew Shyan, the then SVP of Tuas Yard. The Finance Department then processed these claims by preparing corresponding Pay Orders which falsely state that the payments were for the reimbursement of entertainment expenses, before issuing cash cheques for the respective sums: