

June 15, 2006

Courts

Contractors jailed for fraud

Two former staff of a pest control company contracted by the Food & Environmental Hygiene Department have been jailed 15 months by the District Court for defrauding the Government over workers' wages.



Lee Bun-keung, 42, former contract manager of Green Harbour Environmental Services, and Chau Ping-kuen, 44, former Green Harbour foreman, were found guilty on a joint charge of conspiracy to defraud.

In June 2004, Green Harbour was awarded a pest control contract by the department for various districts in the New Territories. Under the contract, Green Harbour undertook to pay minimum wages to its foremen and workers of \$6,500 and \$6,128 respectively per month.

In September 2004, the defendants told a number of foremen and workers that due to the low contract price, employees of Green Harbour were each required to return \$1,100 from their wages to the company, cutting their earnings to a level below the minimum required under the contract.

To conceal the fraudulent scam, the defendants submitted payroll records and supporting bank records which purported to show that wages complying with the minimum wage requirement were paid. The defendants told the employees they should not disclose the wage deduction to the department, and threatened to dismiss them should anyone refuse to accept the arrangement.

Between October and December 2004, the defendants pocketed \$40,153, being sums deducted from the wages of employees.