

Press Release

21/06/05

Listed company chairman and nine others arrested for alleged illegal rebates

The ICAC has arrested 10 persons, including the chairman and a purchasing manageress of a publicly listed company, for their alleged involvement in an illegal rebate scheme.

Also arrested in the operation code-named "Grandview", which commenced yesterday, were eight senior executives of four suppliers.

The ICAC investigation arose from a corruption complaint, alleging that some senior executives of the listed company had solicited illegal rebates from a number of suppliers for placing purchase orders with them.

The arrested chairman and purchasing manageress of the listed company were alleged to have demanded secret rebates from a number of suppliers for each purchase order placed by the listed company.

To facilitate the payment of the alleged secret rebates, the suppliers were alleged to have inflated their invoices billed to the listed company, and the secret rebates were paid into the bank accounts of the purchasing manageress.

Inquiries are continuing.