

A member of the Kwai Tsing District Council (KTDC), charged by the ICAC, today (Monday) admitted at Tsuen Wan Magistracy that he had made false claims of reimbursement of expenses totalling over \$69,000 from KTDC in relation to various activities organised by non-profit making organisations and a mutual aid committee.

Leung Kwong-cheong, 53, a member of KTDC, pleaded guilty to 13 counts of fraud. The prosecution offered no evidence to eight similar charges against him.

Leung's assistant Fanny Leung Hoi-ye, 34, who was also charged in connection with the case, denied 16 counts of fraud. Magistrate Mr Ernest Lin Kam-hung adjourned her case until September 22, 2008 for a pre-trial review.

The defendants were earlier arrested by the ICAC during a corruption inquiry.

The court heard that in July 2002, a friend of Leung Kwong-cheong set up a company engaged in skin care business.

Leung Kwong-cheong told his friend that he would use the latter's company to issue merchant receipts to facilitate his claim of subvention for activities he organized.

The friend acceded to Leung Kwong-cheong's request, but reminded Leung Kwong-cheong to notify him whenever he issued receipts in name of his company. However, Leung Kwong-cheong never did so.

Between July 2004 and December 2006, Leung Kwong-cheong and his assistant Leung Hoi-ye had falsely represented that the above company had provided the services as described in 10 receipts, and with intent to defraud, induced KTDC to pay a total of \$55,120 to seven non-profit making organisations and a mutual aid committee.

The non-profit making organisations and mutual aid committee concerned were Kwai Chung West Healthy Seniors, West Kwai Chung Women's Association, Kwan Fong Club, Kwan Fong Cantonese Operatic Society, Kwai Shing Cantonese Operatic Society, Kwai Shing Sing-A-Long, Shing Yin Club, and Shing Keung House Mutual Aid Committee.

The court also heard that between March 2004 and August 2006, Leung Kwong-cheong had falsely represented that the company had provided the services as described in three other receipts, and with intent to defraud, induced KTDC to pay a total of \$13,900 to Tsing Kwai Drama Workshop, another non-profit making organisation.

ICAC enquiries revealed that all the above receipts were false, and that the company concerned had never provided the services stipulated on the receipts.

Had KTDC known that either the claims or their supporting receipts were not genuine, it would not have approved the applications for reimbursement, the court was told.

The prosecution was today represented by Senior Public Prosecutor Jonathan Man, assisted by ICAC officer Ming Lee.