

Businessman guilty of bribery and fraud over sale of units at URA residential project

15.01.09

A businessman, charged by the ICAC, was today (Thursday) convicted at the District Court of bribery and conspiracy to defraud in relation to the sale of units at The Merton, a residential project of the Urban Renewal Authority (URA) in Kennedy Town.

Russel Hui, 50, was found guilty of one count of offering an advantage to a public servant, contrary to Section 4(1)(c) of the Prevention of Bribery Ordinance, and one of conspiracy to defraud under the Common Law.

Co-defendant Mok King-yu, 49, a business partner of Hui, was convicted of the same conspiracy offence.

Deputy Judge David Dufton adjourned the case until January 23 for sentence. The defendants were remanded in the custody of the Correctional Services Department.

The court heard that URA entrusted New World Development Company Limited (NWD) to handle the sale of units at The Merton.

On January 7, 2005, Hui and Mok secured 24 units when The Merton was opened for internal subscription.

Hui entered into provisional agreements for sale and purchase (PASPs) with NWD for all the 24 units and paid an initial deposit equivalent to 5% of the total property prices.

Hui and Mok then sold four units at marked-up prices on the same day to new homebuyers through the assistance of two estate agents who were Hui's associates.

With the assistance of an employee of NWS, Hui and Mok destroyed the original PASPs and arranged for the new homebuyers to sign agreements with NWD directly.

The court heard that Hui and Mok had conspired to defraud the Collector of Stamp Revenue by dishonestly concealing the existence of the sale of the four units of The Merton, thereby causing the Collector of Stamp Revenue to levy about \$490,000 less stamp duty than it was entitled to.

The court also heard that Hui and Mok managed to sell a total of 15 units by the time when all property transactions of The Merton were due for completion in November 2005.

Hui sought assistance from his former colleague, who was then an executive director of URA, in rescinding some of the remaining PASPs. The executive director then represented URA to sign all PASPs.

On November 28, 2005, Hui offered an office or employment of landscape consultant to the URA executive director as a reward for the latter's assistance. But Hui's offer was rejected by the URA executive director, the court was told.

The prosecution was today represented by prosecuting counsel Bernard Chung, assisted by ICAC officer Clement Cheng.