

Nine guilty of fraud over \$85m FEHD pest control contract

13.08.09

Nine former staff members of a cleaning contractor of the Food and Environmental Hygiene Department (FEHD), charged by the ICAC, were today (Thursday) convicted at the District Court of conspiracy to defraud in relation to wages paid to cleaning workers and the subcontracting of a rodent and pest control contract worth \$85 million.

Barry Chan Kam-man, 47, former general manager of Centuryan Services Limited (Centuryan), were found guilty of 12 counts of conspiracy to defraud, while Kot Ka-kui, 58; former contract manager of Centuryan, were convicted of 13 similar offences.

Co-defendants Po Chau-yin, 45, Chung Fuk, 40; Ho Ka-wo, 51; Po Ka-chun, 32; Kui Wai-chung, 43; Cheung Pui-ying, 51; and Lau Ka-wai, 28, all former foremen of Centuryan, were each found guilty of one count of conspiracy to defraud.

Judge Mary Yuen Lai-wah adjourned the case until September 2 for sentence, pending medical and/or background reports. The defendants were remanded in the custody of the Correctional Services Department.

The case arose from corruption complaints. Subsequent ICAC enquiries revealed the above fraud offences.

The court heard that at the time of the offences, the FEHD had awarded Centuryan a contract, worth over \$85 million, for providing rodent and pest control services in 19 districts.

Between December 2004 and March 2006, the defendants conspired to defraud the FEHD by concealing the fact that part of the contract had been or were to be subcontracted to Po Chau-yin, Chung, Ho, Po Ka-chun, Kui, Cheung and Lau.

The court heard that the defendants also failed to disclose to the FEHD the actual wages of foremen and cleaning workers employed under the respective FEHD contract.

While the workers each received the minimum wage of \$7,382 per month as stipulated in the FEHD contract, they were asked to return to Centuryan \$300 to \$1,900 per month.

The defendants' fraudulent acts caused FEHD not to take proper action against Centuryan, including the right to terminate the said contract, the court was told.

The prosecution was today represented by prosecuting counsel Wong Po-wing, assisted by ICAC officers Phyllis Wong and Raymond Lam.