

Mastermind in student finance loan scam jailed for defrauding SFAA

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A shareholder-cum-director of an education centre was today (Thursday) convicted and sentenced to 18 months' imprisonment at Kwun Tong Magistracy for conspiracy to defraud the Student Financial Assistance Agency (SFAA) of \$112,500 student loans.

Chau Yim-keung (Chau), 49, shareholder-cum-director of ACCOM Corporation Limited (ACCOM), was found guilty of two counts of conspiracy to defraud and one count of dealing with property known or reasonably believed to represent proceeds of an indictable offence, contrary to Section 25(1) of the Organised and Serious Crimes Ordinance.

In sentencing, Magistrate So Wai-tak noted that immediate custodial sentence has to be meted out to serve as deterrent.

The court heard that Chau had orchestrated a scam in which he had conspired with six other persons, who had acted as bogus students, indemnifiers and witnesses to deceive Non-means Tested Loans (NTL) administered by SFAA.

The six co-conspirators had earlier pleaded guilty to various charges. Three of them were each ordered to serve 120 hours of community services, while the remaining are yet to be sentenced.

The court heard that the NTL is a low-interest-rate loan offered by SFAA to eligible students for paying tuition fees of accredited courses organised by designated educational institutions.

Each applicant is required to submit an application form on which an indemnifier and a witness have to respectively guarantee full loan repayment in case of default payment, and confirm both the applicant and the indemnifier have signed on the application form and other related documents.

Once granted, the NTL will be paid by instalments to the relevant educational institution on behalf of the applicant for settling the tuition fee. The maximum amount of NTL granted equals to the full amount of the tuition fee.

The court heard that at the time of the offences, ACCOM was operating under the name of Accom Education Centre (AEC), which the defendant was the supervisor-cum-manager.

Since January 2006, AEC had offered a "Professional Certificate in Management" (PCIM) course of which the students could apply for NTL. The tuition fee of this course was \$75,000.

Between December 2007 and March 2008, Chau had conspired with Lee Yee-kai (Lee) and Fung Chi-wai, respectively acting as a bogus student and an indemnifier, to enrol Lee in the PCIM course and applied for a NTL.

The court heard that in January 25, 2008, after receiving the NTL payment, ACCOM paid Lee \$41,250 as a reward for assisting in the scam.

Between November 2007 and March 2008, Chau had further conspired with Chan Yuk-loi (Chan), another bogus student of the PCIM course, to defraud SFAA of a NTL amounting to \$75,000.

After the NTL was granted, ACCOM paid Chan \$40,000 as a reward for his assistance in the scam.

Chau and other syndicate members acting as middlemen had pocketed the remaining amount of the loans granted, the court was told.

The court heard that both Lee and Chan never attended any classes of the PCIM course.

Chau was further found to have handled \$81,250 crime proceeds, being the total rewards given to Lee and Chan.

The prosecution was today represented by prosecuting counsel Jeff Ho, assisted by ICAC officer Matthew Chang.