

How letter in CPIB mailbox exposed corruption case with 89 bribe recipients linked to waterproofing firm

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In 2012, an anonymous letter landed in the mailbox outside the Corrupt Practices Investigation Bureau (CPIB) headquarters in Lengkok Bahru.

The writer claimed there was an established practice of corruption in a company in the waterproofing and general works industry.

Another letter arrived several months later with more information.

CPIB officers investigated the claims and unravelled a web involving 89 people, including managing agents, contractors and property agents, who took money from the company documented in financial records as "referral fees".

This is one of the highest number of bribe recipients in a corruption case in Singapore, said CPIB.

At the centre was the company's director, who adopted this practice so that the recipients would be motivated to recommend his company for future work orders.

Between January 2011 and February 2014, he offered bribes of about \$461,600 to the 89 people.

The individual amounts ranged between \$100 and \$19,000.

In 2016, the then 43-year-old Singaporean director was sentenced to 30 months' jail after pleading guilty to 20 counts of corruption, with 517 other charges taken into consideration.

CPIB's deputy director at the enterprise projects office, Mr Phua Meng Geh, was then heading the investigation unit assigned to the case.

Speaking to The Sunday Times

on June 25 at the CPIB headquarters, he said this case highlighted Singapore's intolerance against corruption, no matter the value of the bribe.

Mr Phua, who has been with the CPIB for 27 years, added: "I think there is this thinking with many people that a lot of these (business) practices are a way of life."

"We are not saying you cannot give tokens of appreciation. What we are saying is if there is a corrupt favour attached to it, then that is where we need to take a very strong stance against it."

Of the 89, 21 were charged, while the rest were given stern warnings.

Eight of the 21 were given jail sentences of between four and 20 weeks.

All 21 were fined between \$9,000 and \$40,000, and were ordered to pay penalties amounting to the gratification they received.

Apart from the company director, six of the company's staff received jail terms of between four weeks and 13 months. Six others were handed fines of between \$4,000 and \$16,000.

During court proceedings, it was revealed that some employees were paid fixed salaries, while others received commissions.

For those on fixed salaries, the director would pass the "referral fees" to them, and they would hand these to the clients.

For those on commission, they had to contribute towards the clients' fees to motivate these sales staff to secure the highest possible contract value.

Mr Phua said that after they were called up for investigations, some said the giving of the "referral fees" was a business practice.



CPIB's deputy director at the enterprise projects office, Mr Phua Meng Geh, headed the unit that investigated the case. ST PHOTO: TARYN NG

WRONG THINKING

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MR PHUA MENG GEH, CPIB's deputy director at the enterprise projects office, on bribes in the corporate world.

He added that while the full implications of their actions might not have dawned on them at the time, ignorance is no excuse under the law, especially for an act like corruption.

He noted that the company director had said when the firm was small that the sums of money were given as a token of appreciation.

Mr Phua said: "When he first started out, his business wasn't that fantastic. He realised that by giving small tokens of appreciation, it helped his business a lot."

As his business grew to become one of the more established players in the waterproofing industry here, those receiving bribes demanded more money.

When the director was arrested,

Mr Phua said the man was relieved he would not need to continue paying the bribes.

Following the case, Mr Phua said CPIB stepped up its anti-corruption educational efforts within the building and maintenance industry, and engaged the Association of Property and Facility Managers, and the Association of Strata Managers.

Mr Phua reminded managing agents to have transparent dealings with contractors.

For the business community, he said that if they start offering such payments, then they will end up paying more and more until their business does not become viable.

Highlighting the consequences of such practices, he added that the victims are home owners who may have to pay more after the inflated fees are paid by the Management Corporation Strata Title.

Mr Phua said: "If left unchecked, the managing agent who receives money would eventually become beholden to the contractors and could be forced to return the favour by bending rules or closing an eye here or there."

"Some of this may amount to safety breaches."

He cited the example of managing agents who need to ensure safety measures are in place for workers and residents when carrying out works involving the use of scaffolding.

"When they start deviating on some of these things in return for 'referral fees', the consequences can be severe," said Mr Phua.

The number of workplace deaths in Singapore rose from 36 in 2023 to 43 in 2024.

One of the top causes was the collapse or breakdown of structures and equipment, said the Ministry of Manpower.

Highlighting Singapore's zero-tolerance stance against corruption, Mr Vincent Lim, deputy director at CPIB, said it will take action against anyone for offering or receiving bribes.

He added: "Those who resort to corrupt means to get ahead in businesses will face the consequences under the law."