

Sailing Into Troubled Waters



Dutch Marine Engineer, Cornelius Van der Horst was the Repair and Technical Manager of Petroleum Shipping Ltd, a subsidiary of Exxon Corporation. Van der Horst oversees the maintenance and repair of Exxon's tankers worldwide, including managing the tenders for contracts and making recommendations to his senior management on which bids to accept.

Investigations revealed that in early 1990s, Keppel Shipyard's marketing manager first met Van der Horst in Holland to understand why Keppel had been unsuccessful in obtaining contracts with Petroleum Shipping. In 1991, they met again in Singapore together with another Keppel Shipyard senior executive. Subsequently in 1992, a contract was awarded to Keppel Shipyard by Petroleum Shipping. When the bill for the job was given, Van der Horst had objected to the amount and referenced an earlier conversation he had with the Keppel Shipyard executives. This information was then passed on to other Keppel Directors, who after discussing the matter, decided to give Van der Horst a cut of 1 per cent of the contract sum for all tenders awarded to Keppel Shipyard by Petroleum Shipping. From January 1992 to May 1995, a total of S\$8,527,343.30 was remitted by Keppel Shipyard into Van der Horst's bank accounts held in Singapore so that the latter would assist Keppel Shipyard in securing tenders for ship repair jobs with Petroleum Shipping Ltd. This included

providing information about Keppel Shipyard's competitors' tenders, including the price and deadline to complete a job, to Keppel Shipyard.

On 22 December 1997, Keppel Shipyard, who was represented in Court by its financial controller, Wong Ngiam Jih, pleaded guilty to three charges of corruption, and the company was fined a total of S\$300,000. 14 other charges against Keppel Shipyard were taken into consideration during sentencing. Van der Horst had also pleaded guilty to corruption charges in a Southampton court in 1996, and has been sentenced to three years' imprisonment.