

# Two ex-ST Marine execs plead guilty to bribery, making false expense claims

Grace Leong

Two former senior executives of shipbuilder ST Marine have admitted to giving bribes in one of the largest corruption scandals in corporate Singapore.

The men, who were facing more than 1,700 charges, pleaded guilty to one count of giving bribes.

Both men, who were at the centre of the scandal, have also pleaded guilty to 49 counts each of conspiring to use bogus entertainment expense claims to cover up bribes. A third executive is on trial.

Former senior vice-president Mok Kim Whang, 65, former president of commercial business Tan Mong Seng, 65, and former chief operating officer and deputy president Han Yew Kwang, 58, allegedly conspired to make more than \$6.5 million in false entertainment expense entries in the firm's petty

cash voucher system. The alleged plot took place between 2000 and 2009. They were charged with corruption in December 2014 and July last year.

Mok, who faced 826 charges of conspiring to make false entertainment expense claims of \$3.13 million and making \$5,000 in fraudulent claims on his own, pleaded guilty to 49 charges on Wednesday.

Mok also pleaded guilty to one count of violating the Prevention of Corruption Act when he conspired to give bribes to employees of ST Marine's customers to secure more ship-repair contracts. The remaining 777 charges will be taken into consideration for sentencing.

Han, who faced 475 charges involving corruption and \$1.86 million in false entertainment claims, pleaded guilty on May 10 to one corruption charge and 49 charges of conspiring to use false entries to mask bribes. The remaining charg-



Former senior vice-president Mok Kim Whang has pleaded guilty and will be sentenced at a later date.



Former chief operating officer and deputy president Han Yew Kwang also pleaded guilty and will be sentenced later.



Former president of commercial business Tan Mong Seng is in the midst of a trial that began on Tuesday.

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Both Mok and Han will be sentenced at a later date in the long-running case that has grabbed headlines here.

Tan, who faces 445 charges of conspiring to make false entertainment expense claims amounting to \$1.6 million, is in the midst of a trial that began on Tuesday.

Investigations show the three men had been aware of the practice of paying bribes to get business since 2000. This was approved by Mr See Leong Teck, then president of ST Marine. Records seized from the unit of conglomerate ST Engineering show at least \$24.9 million in bribes was paid from 2000 to 2011.

According to the prosecution's statement of facts – a document setting out details of Mok's offences, to which he had to admit without reservation – employees of ST Marine's customers would ask for "commissions" or bribes in return for giving ship-repair contracts and other business to the company.

After getting approval from key members of ST Marine's senior management, the officers who

made the bribes would submit "entertainment expense" claims using petty cash vouchers.

For instance, in one of Mok's charges, some \$4,800 in "entertainment expense reimbursements for the captain, chief officer, operation manager and chief engineer" of a ship called the Crown Odyssey were approved by Mok and Tan, and paid on March 14, 2003.

To avoid suspicion, bribes over \$5,000 – the upper limit on petty cash payments – were split into a series of petty cash claims in amounts below \$5,000 each. But these claims were not submitted with receipts or invoices.

Despite the lack of supporting documents, the claims for "entertainment expenses" were approved by Mok, Tan or Han and then processed by the finance department which would prepare pay orders and issue cheques for the claims. These cheques would be encashed and given as bribes.

The three men are among seven former ST Marine senior executives who have been charged over graft or falsification of accounts.

gleong@sph.com.sg