

# Graft scandal: Ex-ST Marine CEO jailed 10 months, fined

He is fifth of 7 ex-executives convicted; facts from his case implicate two board members

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A former ST Marine chief executive officer and president, See Leong Teck, was yesterday sentenced to 10 months' jail and a \$100,000 fine in one of the largest graft scandals in corporate Singapore history.

The statement of facts in See's case also implicates two ST Marine board members – Mr Peter Yap Kim Kee, who was the chairman of ST Marine's audit committee, and

Mr Tan Pheng Hock, ST Engineering's chief executive officer until his resignation on Sept 30 this year.

Both men allegedly knew of kickbacks that ST Marine officers paid to its clients' employees. Both have not been charged.

See, 66, who helmed ST Marine, a subsidiary of blue-chip engineering giant ST Engineering, had earlier pleaded guilty to one charge each of corruption, falsification of accounts, and failure to act honestly

and use reasonable diligence in the discharge of his duties as the director of a company.

He is the fifth of seven former ST Marine executives charged in the case to be convicted. Four of the five have since been sentenced, with three given a jail term. See's sentence is the heaviest so far.

See became ST Marine's chief executive in December 1997 and was its president from 1998 until 2008.

Investigations showed ST Marine officers had been giving cash bribes to its customers' employees since at least 1996, with the approval of its senior management team. At least \$24.9 million in kickbacks were paid between 2000 and 2011.



Even though auditors did not accept his explanation for the kickbacks, See (left) decided to continue the practice.

Employees of ST Marine's customers, mainly overseas firms, would request "commissions" for giving ship-repair contracts and other business to the company.

After getting approval from ST Marine's senior management, an employee would submit petty cash claims for "entertainment expenses".

Cash cheques issued for these claims would be encashed, and the amount given as a kickback.

In 2000 or 2001, See met ST Marine's senior management and discussed the increasing payment of cash commissions, then a pre-existing practice. See approved the continuation of the practice.

In early 2004, at another such meeting attended by two members of ST Marine's audit committee, the issue was again brought up. The two, Mr Yap and Mr Tan, allegedly did not object to the continued practice.

In late 2003 or early 2004, auditors held two separate meetings with ST Marine's senior management, after they found claims had been paid without supporting receipts. See told auditors about the kickbacks, saying they were common practice in the industry and necessary. The auditors did not accept the explanation both times.

But See and others in ST Marine's management agreed to continue the practice. Mr Tan and Mr Yap also allegedly agreed to it.

See will start his sentence on Jan 31.

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