

# Detention for executive who did not flag bribery

Millions of dollars paid out but ST Marine ex-president did not ask any questions

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The former president of shipbuilder Singapore Technologies Marine (ST Marine), Chang Cheow Teck, was spared a long jail term yesterday for his role in one of the biggest corruption scandals in Singapore.

District Judge Kessler Soh Boon Leng imposed a short detention order of 14 days on Chang, 56, for failing to use reasonable diligence in

performing his duties between 2008 and 2010, ignoring information that pointed to criminal wrongdoing. He was charged last month under the Companies Act.

Chang is the sixth of seven former ST Marine senior executives to plead guilty in the scandal that broke in 2014.

Former ST Marine chief executive officer and president See Leong Teck received the heaviest sentence – 10 months' jail and \$100,000 fine. Two other parties were jailed and fined, while another was fined \$210,000.

Former group financial controller Ong Teck Liam has yet to be sentenced, while the case of the former president of commercial business, Tan Mong Seng, is still ongoing.

Chang previously faced three charges under the Prevention of Corruption Act, for allegedly conspiring with two subordinates to offer bribes of almost \$274,000 in return for ship repair contracts. The charges were withdrawn.

Court documents showed that at least \$24.9 million in bribes – falsely claimed as entertainment expenses – were paid between 2000 and 2011. This practice of using petty cash vouchers to request bribes was approved by senior management before Chang joined in 2008.

However, during his term, at least \$6.5 million in bribes were paid.

Shortly after Chang joined the company, Ong told him that cash payments amounting to more than \$3 million were made by ST Marine in 2007 and early 2008.

Chang, believing that these sums were paid as commissions to third parties or paid for entertainment, failed to raise any queries about the legality of these payments.

In April 2010, he received an e-mail highlighting that the amounts in “commission cash cheques” were to be capped individually at \$5,000. While aware that these practices were not normal, he again failed to question the rationale and legality of these payments.

The prosecution argued that the circumstances should have made Chang suspicious about illegal practices.

However, Chang's defence lawyer Hamidul Haq said: “He had no part in the corrupt activities ... His mistake was in assuming certain things, and relying on the recommendations by his employees.”

The lawyer asked for a short detention order, noting that his client would have 10 to 15 years left to contribute to the corporate community, which would require a crime-free record. The prosecution did not object to this.

The short detention order scheme, which took effect in 2011, allows the court to detain an offender in prison for up to 14 days.

It is intended to be less disruptive and stigmatising than a longer prison stay.

Chang moved from ST Marine to ST Aerospace in 2010 and served as its president until 2014. He is currently unemployed.

District Judge Soh said: “This was the darkest hour of your career but you have to learn, move on and serve diligently in whatever capacity in the future.

“It also serves as a lesson for other directors to be diligent in what they do.”

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Former ST Marine president Chang Cheow Teck failed to raise the alarm on corruption.