

ST Marine graft case: Ex-exec sentenced to 16 weeks' jail

He had signed 101 petty cash vouchers to cover up \$420k of illicit payments

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The former Singapore Technologies Marine (ST Marine) president of the ship repair business group was sentenced to 16 weeks' jail yesterday.

Tan Mong Seng, 65, had signed 101 petty cash vouchers for "entertainment" which actually camouflaged illicit payments amounting to \$419,994.

Of the seven charged, former group financial controller Ong Teck Liam, 60, has pleaded guilty but has yet to be sentenced.

Between 2000 and 2011, the seven were involved in a scheme which used "entertainment expenses" to cover up at least \$24.9 million in bribes in one of the biggest corruption scandals in Singapore, court documents showed.

Tan, who runs his own business, was convicted in February, after a trial of about two weeks, of 101 charges of abetment by conspiracy in relation to the falsification of accounts for 2002 to 2004.

He was found guilty of conspiring with various people to falsely describe the claims as reimbursement

of entertainment expenses when no such expenses were incurred.

In January, a former president of ST Marine, Chang Cheow Teck, was sentenced to 14 days' detention for his role in the scandal.

Former ST Marine chief executive officer and president See Leong Teck received the heaviest sentence - 10 months' jail and a \$100,000 fine.

Two other parties were jailed and fined, while another was fined \$210,000.

Tan joined ST Marine, a wholly-owned subsidiary of listed Singapore Technologies Engineering (ST Engineering), as a director (commercial) in 1998, and was subsequently redesignated as president (commercial business).

He wanted to leave the company in 2002 to start his own business but was persuaded to stay on as a corporate adviser until May 2004.

Seeking a sentence of at least six months, the prosecution submitted that the offences were serious, and there is a significant public interest in deterring officers of companies from adopting or following accounting practices that make use of false documents to cover up illicit payments.



Tan Mong Seng, who was president of ST Marine's ship repair business group, was convicted in February. PHOTO: LAU FOOK KONG

In passing sentence yesterday, District Judge Jasbendar Kaur said: "In my opinion, as the offences concerned an extensive corporate wrongdoing to conceal the improper payment of commissions that involved officers at all levels and over a protracted period, a custodial sentence was clearly warranted to adequately reflect the seriousness of the offences."

She said the most important sentencing consideration must be the need to advance public interest by imposing a deterrent sentence.

Finding his criminality less than that of four others, the judge said Tan was not a member of the senior management team that was instrumental in instituting the cre-

ative practice of using the petty cash vouchers to conceal the commission payments. She also found that compared with the others, Tan's involvement in the scheme was shorter.

Senior Counsel N. Sreenivasan said the corrupt practices in ST Marine pre-dated his client joining the company. All his client did was to ensure that payments did not adversely affect profitability and margins, he said.

Tan's sentence was deferred to Tuesday. A pre-trial conference is scheduled for April 27 for his remaining 345 charges that have been stood down.

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