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Ex-development secretary and highways official guilty of housing fraud

24 June 2013

A former Secretary for Development (SDEV) and an Assistant Director of the Highways Department (HyD), charged by the ICAC, were today (Monday) convicted at the District Court of deceiving housing allowances totalling over \$700,000.

Mak Chai-kwong, 63, former SDEV of the Hong Kong Government, and Tsang King-man, 58, Assistant Director of HyD, were found guilty of a joint count of conspiracy to defraud.

Mak was also convicted of two counts of agent using document with intent to deceive his principal, contrary to Section 9(3) of the Prevention of Bribery Ordinance, while Tsang was found guilty of three similar charges.

Judge Johnny Chan Jong-herng adjourned the case to August 8 this year for sentence. Mak and Tsang were each granted cash bail of \$50,000.

The court heard that on June 8, 1985, Mak, then an engineer of the then Civil Engineering Services Department, and his wife bought a flat at City Garden, North Point. At the same time, Tsang, then an engineer of the Transport Department, and his wife bought an identical flat on the floor above.

Mak and Tsang then leased each other's flat at the same monthly rent of \$8,000. They executed their respective lease agreements with the named landlord as each other's wife.

As part of their conditions of employment with the Hong Kong Government, Mak and Tsang were entitled to Private Tenancy Allowance (PTA).

Mak and Tsang conspired together to defraud the Hong Kong Government by falsely representing that they did not have financial or proprietary interest in the flat that they leased and that the lease in relation to each of the flats was a genuine lease, the court heard.

With intent to deceive the Hong Kong Government, Mak used an application for PTA and a memorandum for renewal of PTA, while Tsang used three applications for PTA.

As a result, Mak and Tsang deceived PTA totalling about \$260,000 and \$445,000 respectively from the Hong Kong Government between August 1, 1986 and December 31, 1990, the court was told.

The prosecution was today represented by Senior Counsel Daniel Marash and Senior Public Prosecutor Beney Wong, assisted by ICAC officer Lawrence Hong.

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