

PART II
ANTI-CORRUPTION



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I. Introduction

With adherence to the principle of legality, the CCAC spared no effort in combating corruption in 2016. With great importance to accountability, the CCAC kept on fighting corruption in order to safeguard fairness and justice.

At the same time, under more pragmatic anti-corruption policies, the CCAC strived for steady progress, adopted practical and effective strategies and strengthened the staff's sense of duty and capability of law enforcement and the communication with judicial agencies, aiming to fight corruption in a practical, thorough and impartial way regardless of any public praise.

The criminal cases investigated throughout the year were mainly about crimes committed by public servants. Moreover, the CCAC also cracked a corruption case involving the former chief of the Public Prosecutions Office. Compared with the years earlier than 2015, during which there were only a few cases of bribery in the private sector uncovered, there was, in 2016, a slight increase in the number of complaints of criminal nature and in the number of cases concluded.

The features of the criminal cases processed by the CCAC in 2016 included the followings:

Firstly, the cases involved more different public departments. Compared with the previous years during which most of the cases involved disciplinary services, the cases in 2016 involved the departments in different fields, such as the Civic and Municipal Affairs Bureau, the Health Bureau, the Social Welfare Bureau, the Marine and Water Bureau, the Housing Bureau, etc.

Secondly, the cases caused larger sensation in the society and some reports of similar allegations were received subsequently. For example, after the case involving

the Transport Bureau and carpark management companies was cracked, some reports about carpark management were received.

Thirdly, there was an increase of corruption cases in the private sector, which reflected that private companies' awareness of the right to file a complaint over bribery crimes has been strengthened. For instance, there were a few complaints over property owners' committees of residential buildings and building management companies, which reflected the complicated relation between building management companies, property owners and property owners' committees and the conflicts between them were noticeable. Therefore, the legal regime on the building management requires an urgent improvement.

The crimes involved in the cases investigated throughout the year were mainly fraud, document forgery and power abuse. Fraud over government subsidy was the most typical of the cases, such as fraud over Income Subsidy and subsidies from the Environmental Protection and Energy Conservation Fund, Education Development Fund and the Continuing Education Development Plan. To sum up the cases over recent years, it is necessary for the relevant public departments to strengthen the supervision and conduct stricter assessment of the applications for all kinds of subsidies.

The most influential case ever cracked in the year was the corruption case involving the former Prosecutor General. The CCAC discovered in the investigation that the suspect, in collusion with the people in charge of some private companies, awarded most of the contracts of projects and services of the Public Prosecutions Office to certain companies at high prices for a long period of time in order to gain illicit advantages. Despite the difficulties such as tight timeline of the investigation, long time span of the facts and large quantity of related documents, the CCAC managed to crack the case and refer it to the judicial agency for prosecution.

In order to combat electoral corruption and ensure the integrity of the Legislative Assembly Elections 2017, the CCAC commenced the works of research

and preparation in the aspects of allocation of resources and intelligence collection. An anti-electoral corruption task force was established to conduct in-depth research, collect intelligence of possible corrupt acts related to the elections and map out the anti-electoral corruption strategies in order to ensure the integrity, fairness and justice of the Legislative Assembly Elections 2017.

II. Criminal reports and cases filed for investigation

In 2016, the CCAC received a total of 910 complaints and reports, of which 252 criminal cases were qualified for handling. 453 counts of enquiries about criminal matters were received as well. The CCAC completed the investigations of a total of 182 criminal cases and they were archived or referred to the Public Prosecutions Office.

Cases received from 2012 to 2016

Item	2012	2013	2014	2015	2016
All cases received	852	896	865	793	910
Criminal cases qualified for handling	297	264	266	262	252
Cases completed	185	236	492	256	182

III. Summaries of some of the cases concluded

Case 1

In February 2016, the CCAC uncovered the corruption case involving the former Prosecutor General, Ho Chio Meng. The public servants who were also involved in the case included the former Chief of Office of the Prosecutor General and a former advisor of the Office.

It was found in the investigation that during his tenure of over ten years, Ho and his relatives formed some shell companies, which were awarded the contracts of projects, services and supply of goods by the Public Prosecutions Office at high prices and subsequently sub-contracted them to other companies. These shell companies did not provide any services but simply made profit from the price difference. Although they had neither the ability to provide the relevant services nor the qualifications for winning the contracts and the prices they quoted were more expensive than the market, they were awarded many of the contracts by the Public Prosecutions Office at high prices over the years, involving an amount of more than MOP120 million. The illicit gains amounted to more than MOP40 million.

The CCAC also discovered that Ho allegedly abused his power by using public money to pay for his own as well as his relatives' and friends' entertainment. Ho was also suspected of committing offences of fraud, fraud over considerable value, power abuse, unlawful economic advantage, unexplained wealth and untrue declaration of assets and interests. The case is being heard at the Court of Final Appeal. The former Chief of Office of the Prosecutor General and the former advisor have also been referred to the judicial agencies.

Case 2

In June 2016, the CCAC uncovered a case where two chiefs of the Civic and Municipal Affairs Bureau (IACM), for a long period of time, covered up for two subordinates who were late to work and left early from the workplace without any reason.

According to the investigation, a staff member of the IACM and his immediate supervisor frequently came in late to work and left early between January 2011 and August 2014 and there were clear clock in and clock out records. However, despite the two chiefs of their department had come to know the irregular acts of the two subordinates, they wilfully did not fulfil their duties and obligations as chief to

inform the superior about the problems. Therefore, the leadership of the IACM was not able to realise the facts and initiate disciplinary process against them. As a result, the IACM improperly paid them the remuneration amounting to MOP550,000.

In the course of CCAC's investigation, one of the chiefs, with the intention to conceal the illegal act of covering up for the subordinates for a long period of time, accepted several dozen absence records without proper evidence or explanation as justified absence, albeit with the knowledge that such act would go against the legal procedures. The two chiefs allegedly committed offences of "power abuse" under the *Penal Code* and were referred to the Public Prosecutions Office.

The IACM attached great importance to the case and initiated disciplinary process against the relevant personnel. The workers who came in late to work and left early were sentenced to a 240-day suspension of duty.

Case 3

In November 2016, the CCAC uncovered a case where a division head of the Public Security Police Force used public vehicles for private purposes for a long period of time and instructed his subordinates to repair his private vehicle during working hours.

It was found in the investigation that between September 2015 and June 2016, the division head repeatedly instructed his subordinates to drive his family members in public vehicles to the places other than his working place for private activities, such as taking his son and domestic helper to and from school and taking his family members to the hospital for consultation.

Moreover, in June 2016, the division head, through a police sergeant, instructed two front-line police officers to go to his home during working hours to repair his spouse's car.

The public servant allegedly committed offences of “power abuse” under the *Penal Code* and was referred to the Public Prosecutions Office.

Case 4

In April 2016, the CCAC unveiled a case involving a chief and a functional head of the Marine and Water Bureau (DSAMA) who allegedly committed fraud of allowance for shift work.

The investigation revealed that a functional head of the DSAMA who knew that he needed to work according to normal working hours only without working on shifts but still conspired with his superior to deliberately fabricate reasons for the need for shift work for that position. The functional head made a proposal suggesting the change of normal working hours to the way of rotation, so as to receive a rotation allowance of 17.5%. The proposal was agreed by his supervisor and was subsequently approved by the superior. In fact, the so-called rotation of the work of the functional head involved himself only. There were no other people taking over his duties after he finished the shift and there was indeed no need to work on shifts.

From January to December 2010, the functional head had successfully received a monthly rotation allowance of 17.5% of his salary, a total fraud amount of some MOP50,000. They were suspected of committing the offence of “fraud involving high value” under the *Penal Code* and the case was referred to the Public Prosecutions Office.

Case 5

In November 2016, the CCAC uncovered a suspected case of fraud and document forgery involving a couple of public servants who worked in the Housing Bureau (IH) and the Office of the Prosecutor General respectively.

It was found after the investigation that the couple involved in the case owned

a flat in Zhuhai before their application for economic housing. However, when completing the application form, they did not follow the requirements and declare their property in Zhuhai. During the review process conducted by the IH, they continued to conceal the fact that they owned a property in Zhuhai and grasped the time to sell the property. Subsequently, they submitted a document proving that they did not own any property in Zhuhai, so that they could defraud the IH and continue to keep the acquired economic housing. In addition, when the couple declared their assets and interests in 2013 and 2015 respectively, they did not truthfully fill in the information regarding what they owned in Zhuhai.

They allegedly committed the offences of document forgery and fraud involving relatively high value under the *Penal Code*, as well as the offence of inaccurate data under the *Legal Regime of Declaration of Assets and Interests*. The case was referred to the Public Prosecutions Office.

Case 6

In November 2016, the CCAC unveiled a suspected case of document forgery to obtain financial aids from the Environmental Protection and Energy Conservation Fund (FPACE) by fraudulent means.

After the investigation, it was discovered that a supplier of energy conservation products, in the period between 2012 and 2015, through the process of assisting companies in handling the formalities in applying for the “Funding Programme for the Acquisition of Products and Equipment for Environmental Protection and Energy Conservation” and the actual supply of energy conservation products, exaggerated the prices of the energy conservation products provided, in order to obtain funding from the FPACE through fraudulent means.

Through forging of documents, exaggerating the prices of products and other fraudulent practices, the supplier concerned caused the FPACE to grant a financial support in excess of what it was supposed to grant, causing a loss in terms of public

money. Besides, the energy conservation products supplied by the supplier concerned were not in conformity with the brand, model and quantity of the products stated in the applications. A total amount of some MOP600,000 was involved in the case.

The supplier concerned was suspected of committing the offences of “document forgery”, “fraud” and “fraud involving high value” under the *Penal Code* and was referred to the Public Prosecutions Office.

Case 7

In April and May 2016, the CCAC detected two suspected cases of document forgery involving fraud over the “Income Subsidy” of the Macao SAR Government.

It was found after the investigation that between 2009 and 2014, the owner of the property management and cleaning company, when applying for the “Income Subsidy” on behalf of his employees, submitted false information to the Financial Services Bureau (DSF) by understating the wages and overstating the working hours of the employees and even faked their personal data in an attempt to fraudulently obtain the supplementary allowance amounting to over MOP700,000.

It was discovered after the investigation that the president of a property administration committee concerned, when applying for the income subsidy from the government on behalf of the property administrators, intentionally excluded the allowance and bonus on top of their basic salaries from the total amount of income, so as to obtain more subsidies through fraudulent means. It was calculated that between 2012 and 2015, the president, during the applications for income subsidy to the DSF on behalf of 29 property administrators, made a total of 113 false claims, involving a total amount of MOP250,000.

The company owner and the president mentioned above had allegedly committed the crimes of “fraud” and “document forgery” stipulated in the *Penal Code*. The cases were referred to the Public Prosecutions Office.

Case 8

In November 2016, the CCAC cracked down a private sector bribery case.

After investigation, it was discovered that a real estate agent, while working in the real estate company A, privately set up real estate company B for selling and transaction of real estates. The said agent, knowing well that commissions are one of the main sources of revenue for a real estate company, used pecuniary advantages to entice another agent in real estate company A with the intent to transfer the clients of company A to company B in private.

In the course of the investigation, the real estate agent concerned confessed the practice of the above-mentioned acts and company A also exercised its legal right to take legal actions. The acts of the agent concerned allegedly violated the provisions of “active bribery in the private sector” in Law no. 19/2009 on *Prevention and Suppression of Bribery in the Private Sector* and was referred to the Public Prosecutions Office.

IV. Mutual case assistance in cross-border investigation

(1) Requests for case assistance to CCAC from law enforcement agencies outside the Region

In 2016, the number of requests for case assistance to CCAC from law enforcement agencies outside the Region increased from four cases in 2015 to 19 cases in 2016. Among the cases, 15 cases were from the anti-graft agencies of the Chinese mainland and four cases were from the Independent Commission Against Corruption (ICAC) of Hong Kong. Three of the cases have been completed while the remaining 16 are still being processed.

(2) CCAC's requests for case assistance to law enforcement agencies outside the Region

In 2016, there was a slight increase in the number of requests for assistance to law enforcement agencies outside the Region. The number was increased from seven cases in 2015 to nine in 2016. Among the cases, six cases were requests for assistance to the anti-graft agencies of the Chinese mainland and the remaining three cases were requests for assistance to the ICAC of Hong Kong.

Some of the information obtained from the investigation was very important and became the key evidence to successfully crack down the cases. For example, in November 2016, during the investigation of the case involving public servants who allegedly forged documents to obtain an economic housing flat fraudulently, the CCAC, through the mechanism of co-operation and case assistance with the law enforcement agencies in the Chinese mainland, managed to get hold of the information on the purchase and sale of property in the Chinese mainland by the suspects and unveiled that they were allocated by the Housing Bureau an economical housing flat through previously concealing the ownership of real estate in Zhuhai.

(3) The 12th Seminar on Mutual Case Assistance of Guangdong, Hong Kong and Macao

In December 2016, the “12th Seminar on Mutual Case Assistance of Guangdong, Hong Kong and Macao” was hosted by the ICAC of Hong Kong. Representatives of the CCAC participated in the event. Representatives from the Hong Kong and Macao Affairs Office of the State Council and the Supreme People's Procuratorate also attended the seminar and delivered speeches respectively and gave full affirmation of the good foundation laid down by the anti-corruption agencies of the three places in the area of mutual case assistance over the past decade and more. At the same time, guiding opinions for future case assistance work were also put forward. At the meeting, the representatives of the People's Procuratorate of Guangdong Province, the ICAC of Hong Kong and the CCAC reviewed the problems encountered in the

work of case assistance in the past year and exchanged views on this.

Given the different legal systems in Guangdong, Hong Kong and Macao, during the investigation of mutual assistance cases, it will inevitably encounter the conflict of law applicable arising from the differences in the criminal systems. As the legal framework of mutual judicial assistance between the three places has not yet been established, the seminar on mutual case assistance will be held regularly in rotation so that the three places can fully exchange opinions and seek common ground while reserving differences, so as to jointly solve specific problems. It will facilitate the building of a stronger and mutually trusted and beneficial anti-corruption mechanism, so that cross-border corruption cases can be handled in a timely manner.

V. Court verdicts

In 2016, 12 cases investigated by the CCAC were tried and sentenced by the court, including the corruption case detected in 2015 about a former chief of the Transport Bureau that the public is more concerned. A total of 32 persons were involved in the cases.

The summaries of relevant verdicts are as follows:

No.	Court	Suspect	Charge	Result of adjudication
1	Court of First Instance	Lei XX Wong XX	Document forgery	Lei XX was sentenced to a 120-day fine at MOP300 per day, totalling MOP36,000. Wong XX was sentenced to a 120-day fine at MOP50 per day, totalling MOP6,000.

2	<p>Court of First Instance</p> <p>Court of Second Instance</p>	<p>Ho XX</p> <p>Wong XX</p>	<p>Electoral corruption</p>	<p>The Court of First Instance sentenced Ho XX to imprisonment of 1 year and 6 months.</p> <p>The Court of First Instance sentenced Wong XX to imprisonment of 1 year and 3 months.</p> <p>The two persons were also sentenced the accessory penalty of suspension of political rights for 2 years.</p> <p>The Court of Second Instance rejected their appeals and upheld the original judgments.</p>
3	<p>Court of First Instance</p> <p>Court of Second Instance</p>	<p>Leong XX</p> <p>Kou XX</p> <p>Lok XX</p> <p>Hong XX</p> <p>Lam XX</p>	<p>Fraud</p>	<p>The Court of First Instance sentenced Leong XX and Kou XX to imprisonment of 2 years respectively.</p> <p>The Court of First Instance sentenced Lok XX to imprisonment of 6 months without suspension.</p> <p>The Court of First Instance sentenced Hong XX to imprisonment of 1 year and 6 months, with the execution of the sentence suspended for 2 years.</p> <p>The Court of First Instance sentenced Lam XX to imprisonment of 1 year, with the execution of the sentence suspended for 2 years.</p> <p>The Court of Second Instance upheld the original judgments.</p>

4	Court of First Instance	Kou XX Leong XX Choi XX	Fraud	<p>Kou XX was found guilty of 10 counts of aggravated fraud and was sentenced to 3-year and 9-month imprisonment for each count. He was subject to a concurrent sentence of 10-year imprisonment for the 10 offences committed.</p> <p>Leong XX was found guilty of 10 counts of aggravated fraud and was sentenced to 3-year imprisonment for each count. He was subject to a concurrent sentence of imprisonment of 8 years and 6 months for the 10 offences committed.</p> <p>Choi XX was acquitted.</p>
5	Court of First Instance	Chan XX Lei XX	Power abuse Breach of confidentiality Unexplained wealth Inaccurate data	<p>Chan XX was guilty of 2 counts of inaccurate data, with a 120-day fine for each count. The concurrent sentence was a fine of 210 days at MOP2,000 per day for the 2 offences committed, totalling MOP420,000. He was acquitted of power abuse, breach of confidentiality and unexplained wealth.</p> <p>Lei XX was acquitted of power abuse and breach of confidentiality.</p> <p>The case was heard by the Court of Second Instance on appeal.</p>
6	Court of First Instance Court of Second Instance	Kong XX	Active corruption	<p>The Court of First Instance handed down a sentence of 7-month imprisonment, with the execution of the sentence suspended for 1 year and 6 months.</p> <p>The Court of Second Instance upheld the original judgment.</p>
7	Court of First Instance	Cheong XX	Active corruption	<p>He was sentenced to a fine of 60 days at MOP120 per day, totalling MOP7,200.</p>

8	Court of First Instance	Wong XX	Document forgery	He was sentenced to 9-month imprisonment, with the execution of the sentence suspended for 1 year and 6 months.
9	Court of First Instance	Wong X	Active corruption	He was sentenced to 6-month imprisonment, with the execution of the sentence suspended for 1 year and 6 months.
10	Court of First Instance Court of Second Instance	Chan XX Wong XX Chio XX Chu XX Ao Ieong XX Cheong XX Ng XX	Passive corruption Active corruption	<p>Verdicts by the Court of First Instance are as follows:</p> <p>Chan XX was sentenced for 3 counts of passive corruption for performing illicit acts. He was subject to a concurrent sentence of 2-year imprisonment for the 3 offences committed.</p> <p>Wong XX was sentenced for 3 counts of active corruption for performing illicit acts. He was subject to a concurrent sentence of 2-year imprisonment for the 3 offences committed.</p> <p>Chio XX was sentenced for 2 counts of active corruption for performing illicit acts. He was subject to a concurrent sentence of 1-year imprisonment for the 2 offences committed, with the execution of the sentence suspended for 3 years.</p> <p>Chu XX was sentenced for 2 counts of active corruption for performing illicit acts. He was subject to a concurrent sentence of 1-year imprisonment for the 2 offences committed, with the execution of the sentence suspended for 3 years.</p> <p>Ao Ieong XX was sentenced for 2 counts of active corruption for performing illicit acts. He was subject to a concurrent sentence of 1-year imprisonment for the 2 offences committed, with the execution of the sentence suspended for 4 years.</p>

				<p>Cheong XX was sentenced to imprisonment of 9 months for 1 count of active corruption for performing illicit acts, with the execution of the sentence suspended for 3 years.</p> <p>Ng XX was sentenced to imprisonment of 6 months for 1 count of active corruption for performing illicit acts (accomplice), with the execution of the sentence suspended for 2 years.</p> <p>Verdicts by the Court of Second Instance are as follows:</p> <p>Of the above individuals, only Chan XX filed an appeal. The Court of Second Instance sentenced Chan XX to a combined sentence of imprisonment of 2 years for 3 counts of passive corruption for performing illicit acts, with the execution of the sentence suspended for 4 years under the condition of fulfilling the obligation of donating MOP30,000 to the Macao SAR within 6 months by the applicant.</p>
11	Court of First Instance	Chan XX	Document forgery	<p>He committed 5 counts of document forgery and was sentenced to imprisonment of 7 months for each count. The concurrent sentence was 1 year and 3 months' imprisonment, with the execution of the sentence suspended for 2 years, on the condition that a monthly payment of not less than MOP5,000 would be made to the Financial Services Bureau (DSF) until the full payment totalling MOP111,600 was fulfilled.</p>

12	Court of First Instance	Lou XX	<p>Passive corruption</p> <p>Breach of confidentiality</p> <p>Illicit financial participation in legal acts</p> <p>Money laundering</p> <p>Power abuse</p> <p>False declaration in declaration of assets and interest</p> <p>Unexplained wealth</p>	<p>He was guilty of 42 counts of passive corruption and was sentenced to imprisonment of 4 years for each count.</p> <p>He was guilty of 10 counts of breach of confidentiality and was sentenced to imprisonment of 9 months for each count.</p> <p>He was guilty of 12 counts of illicit financial participation in legal acts and was sentenced to imprisonment of 1 year and 6 months for each count.</p> <p>He was guilty of 1 count of money laundering and was sentenced to imprisonment of 3 years and 6 months.</p> <p>He was guilty of 2 counts of power abuse, 2 counts of false declaration in declaration of assets and interests and 1 count of unexplained wealth.</p> <p>He was subject to a concurrent sentence of 12 years and 6 months and a fine of MOP36,000 for the offences committed.</p>
		Pun X	<p>Passive corruption</p> <p>Breach of confidentiality</p> <p>Illicit financial participation in legal acts</p>	<p>He was guilty of 42 counts of passive corruption and was sentenced to imprisonment for 3 years for each count.</p> <p>He was guilty of 10 counts of breach of confidentiality and 12 counts of illicit financial participation in legal acts.</p> <p>He was sentenced to imprisonment of 7 years and 9 months for a total of 64 counts of crimes.</p>
		Chan XX	<p>Active corruption</p> <p>Illicit financial participation in legal acts</p>	<p>He was guilty of 28 counts of active corruption and 12 counts of illicit financial participation in legal acts and was sentenced to imprisonment of 6 years and 3 months.</p>

		Chan XX	Active corruption	He was guilty of 28 counts of active corruption and was sentenced to imprisonment of 4 years and 6 months.
		Leong XX	Illicit financial participation in legal acts	He was guilty of 12 counts of illicit financial participation in legal acts and was sentenced to imprisonment of 4 years.
		Ian XX	Active corruption	He was guilty of 14 counts of active corruption and was sentenced to imprisonment of 4 years and 3 months.

VI. Declaration of assets and interests

In order to promote the culture of probity and to be in line with the government's policy of transparency, the CCAC has scrupulously carried out the legal regime of declaration of assets and interests of public servants in accordance with the law. Since its implementation in 1998, the regime of declaration of assets and interests has been effective for 18 years. During this period, the regime has been revised twice with a view for better improvement. The mechanism of the moderate disclosure of assets and interests was introduced in the *Legal Regime of Declaration of Assets and Interests* that entered into force in 2013, which plays an important role in establishing an image of integrity and transparency of the government.

The legal regime of declaration of assets and interests is not only an important measure to ensure the integrity of public servants, but also an effective instrument for combating corruption. Public servants are required to truthfully declare their assets. Failure to do so may cause violation of the criminal provisions in the *Legal Regime of Declaration of Assets and Interests*.

In the past two years, the CCAC cracked down several cases of the offences of "inaccurate data" and "unexplained wealth" stipulated in the *Legal Regime of Declaration of Assets and Interests*. The cases were referred to the Public Prosecutions Office and the defendants of some of the cases were convicted by the

court. These cases show that declaration of assets has become an important part of the construction of a clean government in the Macao SAR.

In terms of external promotion, the CCAC published the main contents of the *Legal Regime of Declaration of Assets and Interests* through various means such as the publication of information on the internet and the distribution of brochures, as well as the production and distribution of the guidelines to fill in the declaration forms. The CCAC continued to hold “briefing sessions on declaration of assets and interests” and answer questions for departments that had greater number of new recruits, which enabled the new staff to better understand the relevant legislation and to be aware of the notes in filling out the declaration forms.

In line with the overall planning of the e-government of the Macao SAR Government, the CCAC continues to use the “notification processing system of declaration of assets and interests” as a channel for delivery and receipt of notifications. The system was first launched in early 2013 and has been adopted by 53 public departments and entities by 2016. The adoption of the system has reduced the manpower and financial resources in the delivery of the notifications and enhanced work efficiency. It also achieved a significant effect in the process of implementing the legal regime of declaration of assets and interests.

In 2016, the work concerning declaration of assets and interests was carried out smoothly. The CCAC collected the declaration forms from a total of 13,450 public servants. Details are listed below:

Statistics of declaration of assets and interests in 2016

Reasons for submitting declaration	Total
Appointment	2,863
Alternation of position	4,382
Termination of position	2,005
5-year renewal	2,084
Renewal with that of spouse	551
Pursuit of data-provision duty	1,395
Voluntary renewal	170
Total	13,450