

PART III
ANTI-CORRUPTION



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I. Introduction

2017 was a crucial year for the CCAC in the fight against corruption. In the first half of the year, the CCAC proactively facilitated the adducing of evidence for the major case relating to a former leader of the Public Prosecutions Office. As the case covered a long timespan and involved a great number of persons and complicated information, after the Public Prosecutions Office initiated an investigation and referred it to the CCAC for an inquiry in February 2015, the personnel of the CCAC overcame various challenges before the case could be concluded. Eventually, strong evidence was presented to the court after the strenuous efforts made by the CCAC's personnel and the team from the Public Prosecutions Office. In July 2017, the Court of Final Appeal reached a verdict of guilty against the former Prosecutor-General Ho Chio Meng for 1,092 charges and sentenced him to 21 years in jail. The conclusion of the case not only ensured that justice was done but also demonstrated the determination and capabilities of the Macao SAR Government in the fight against corruption.

In the second half of the year, the main focus of the CCAC shifted to the monitoring work of the 6th Legislative Assembly Elections of Macao. While heavily engaged in the monitoring work, the CCAC's personnel strictly and unremittingly fulfilled the statutory duty to fight against corruption as always. Due to the Legislative Assembly Elections, 2017 saw a significant year-on-year increase in the corruption-related cases investigated or concluded. Judging from the cases investigated by the CCAC in the year, the following characteristics may be found:

First, the CCAC had zero tolerance to corruption crimes of different severity. In addition to its successful testimonies against the former Prosecutor-General, the

CCAC also detected some fraud cases and duty crimes that were less severe, where document forgery, embezzlement and provision of “inaccurate data” under the *Legal Regime of Declaration of Assets and Interests* were committed. The CCAC also investigated for the first time some minor violations of the new provisions about declaration under the *Electoral Law of the Legislative Assembly*.

Second, the CCAC carried out in-depth and persistent investigations. After detecting a case in the end of 2016 where subsidies granted by the Environmental Protection and Energy Conservation Fund were deceived, the CCAC continued to carry out in-depth investigations and detected some similar fraud cases in 2017. Likewise, after detecting a case where document forgery was committed to deceive temporary residency under the category of “major investment plan”, the CCAC continued to investigate and handle a few other similar cases. In addition, when probing into a case where a racer deceived subsidies and a case where an inspector of the Civic and Municipal Affairs Bureau (IACM) abused power, the CCAC discovered that some others were involved in similar cases.

Third, the CCAC attached importance to both punishment and prevention so as to plug corruption loopholes. During the fight against corruption, the CCAC found that while crimes stem from wrongdoings, the existence of loopholes in the supervisory mechanisms often plays a major part. Therefore, after uncovering a case where a functional head of the IACM allegedly committed embezzlement and a case where racers allegedly deceived subsidies from the Macao Foundation, the CCAC promptly notified the relevant functional departments of the situations and requested them to take proper steps to prevent similar cases from happening, hoping that the whole society of Macao would work together to promote integrity building.

II. Criminal reports and cases filed for investigation

In 2017, the CCAC received a total of 1,264 complaints and reports, of which 545 were handled by the Anti-Corruption Bureau. By the end of December 2017, the CCAC completed the investigations of a total of 537 criminal cases and they were archived or referred to the Public Prosecutions Office.

Statistics on caseloads (2013-2017)

| Item | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------|------|------|------|-------|
| Total number of cases received | 896 | 865 | 793 | 910 | 1,264 |
| Number of cases handled by the Anti-Corruption Bureau | 264 | 266 | 262 | 252 | 545 |
| Number of cases with investigation completed | 236 | 492 | 256 | 182 | 537 |

III. Summaries of some of the cases concluded

Case 1

In January 2017, the CCAC uncovered a case where a functional head of the Civic and Municipal Affairs Bureau (IACM) allegedly committed abuse of power and embezzlement.

It was found after investigation that, between mid-2015 and early 2016, the aforesaid functional head took advantage of his position and power by asking a subordinate working in the carpentry room to make wood furniture for him for seven times from the materials procured by the IACM during working hours. Afterwards the functional head had the finished furniture items delivered to his home for personal use.

The acts of the functional head allegedly constituted abuse of power and embezzlement provided for in the *Penal Code*. The case was referred to the Public Prosecutions Office.

The CCAC already notified the IACM of the incident and requested the latter to take proper measures so that similar cases would not happen again.

Case 2

In March 2017, the CCAC uncovered a case where a constable of the Public Security Police Force (CPSP) allegedly committed fraud.

It was found after investigation that a Mainland Chinese who allegedly committed aggravated larceny was detained by the CPSP and sent to the Public Prosecutions Office for preliminary investigations. During this period, a constable made a false claim to the friend of the Mainland Chinese that he was able to release him from detention with the help of the staff from the Public Prosecutions Office. To gain the confidence of the friend of the Mainland Chinese, not only did the constable arrange someone pretending to be a staff member of the Public Prosecutions Office to contact the friend, but he also provided the friend with the data relating to the case still subject to judicial secrecy. In the end, the involved constable deceived some HKD200,000.

The acts of the constable allegedly constituted high-value fraud and violation of judicial secrecy provided for in the *Penal Code*. The case was referred to the Public Prosecutions Office.

Case 3

In June 2017, the CCAC uncovered a case where an applicant of “major investment immigration” allegedly committed document forgery to obtain residency in Macao.

A Mainland Chinese, in the name of a shareholder of some souvenir shop in Macao, obtained temporary residency under the category of “Major Investment/Investment Plan” of the Macao Trade and Investment Promotion Institute. However, it was discovered after investigation that the investment plan was fabricated by the applicant, who had never made actual investment or been involved in the business operations of the shop. He did not have any connection with the capital, bank deposits and inventories of the shop either. He was not an administrative management member and did not take up any position or receive any remuneration from it. In order to obtain the statutory documents required for the temporary residency application, the person even forged the signature of the managing director of the souvenir shop on a statement helpful towards the application and submitted a forged academic certificate.

The acts of the aforesaid person allegedly constituted document forgery provided for in Law no. 6/2004 (*Illegal Immigration and Expulsion*). The case was referred to the Public Prosecutions Office.

Case 4

In July 2017, the CCAC uncovered a case where an examinee allegedly attempted to bribe an examiner of the Transport Bureau during a test for a light vehicle licence.

It was found in the investigation that the examinee had failed the driving test twice previously. During his test, he took out MOP2,000 from his pocket and offered it to the examiner in an attempt to pass it through bribery. However, the examiner

refused to accept it immediately and made a report to the CCAC straight away. During the investigation, some confessed having attempted to offer the pecuniary advantage to the examiner.

The act of the examinee allegedly constituted active corruption provided for in the *Penal Code*. The case was referred to the Public Prosecutions Office.

Case 5

In September 2017, the CCAC uncovered cases where two local racers allegedly obtained subsidies from the Macao Foundation through document forgery.

It was found after investigation that a local racer, who was a serving deputy superintendent of the Public Security Police Force, allegedly submitted the racing results of his teammates in two races to the Macao Foundation in an attempt to deceive subsidies. It came to light that he himself did not take part in the two races in the Chinese mainland but used the said racing results as proof of his participation and successfully obtained approval from the Macao Foundation for his “Application for subsidies for local racers participating in races abroad for 2012”. At a later time, the deputy superintendent allegedly obtained subsidies from the Macao Foundation again for the year of 2013 using untrue information.

During the investigation, it came to light that another local racer successfully deceived subsidies from the Macao Foundation by the same means in 2012.

The two aforesaid racers deceived a total of some MOP130,000 from the Macao Foundation and their acts allegedly constituted document forgery and fraud provided for in the *Penal Code*. The cases were referred to the Public Prosecutions Office.

The CCAC already notified the Macao Foundation of the relevant situations so that the latter would take proper measures to immediately plug the loopholes by improving the relevant operation and monitoring mechanism.

Case 6

In September 2017, the CCAC uncovered another case where an applicant of “major investment immigration” allegedly committed document forgery to obtain residency in Macao.

It was found in the investigation that three Mainland Chinese entrusted a former employee of the Macao Trade and Investment Promotion Institute (IPIM) as intermediary. With the help of a family member of this intermediary, the three persons established companies or purchased tenements in Macao. Based on such investments they applied to the IPIM for temporary residency under the category of “major investment plan” and the applications were approved.

Later, when applying for renewal of temporary residency or making extension application of family members, the aforesaid three applicants submitted to the IPIM “documents proving their investments” through the intermediary and his family member, including Social Security Fund contributions, “Salaries Tax – Income Declaration” and financial statements. They also claimed the addresses of the relevant tenements as their company addresses, which made themselves and their family members successfully obtain Macao Resident Identity Cards (BIR).

However, all of the aforesaid companies were found to be shell companies and there were no actual business operations or employees. The tenements claimed to be where the companies were located had been leased out to others all along.

The acts of the aforesaid persons allegedly constituted document forgery provided for in Law no. 6/2004 (*Illegal Immigration and Expulsion*). The case was referred to the Public Prosecutions Office.

Case 7

In October 2017, the CCAC uncovered a case where an inspector of the Labour Affairs Bureau (DSAL) allegedly solicited bribes.

The case was referred to the CCAC by the DSAL. After the CCAC's investigation it was confirmed that, when carrying out an inspection on a target company, the inspector found that the non-local employees of the company might be carrying out duties not stated on the blue cards and that the owner did not pay accommodation allowances to them according to the regulations. Afterwards, the inspector, through a third person, invited the owner to meet up at a concealed place in the Chinese mainland and asked for a bribe of MOP50,000 from the owner so the irregularities of his company would be settled. The company owner however rejected the request on the spot.

After his attempt to solicit a bribe was futile, the inspector violated the law knowingly when handling the case file of the involved company - he did not truthfully reflect the irregularities of the companies in the file and even concealed a few documents evidencing the relevant irregularities. The intention was to hide the incident from his superior and settle the problems.

The acts of the inspector allegedly constituted “receiving bribes to commit illegal acts”, document forgery and abuse of power committed by public servants provided for in the *Penal Code*. The case was referred to the Public Prosecutions Office.

Case 8

In December 2017, the CCAC detected a case where the shareholders of some car park management companies allegedly committed fraud and abuse of power.

It was found in the investigation that the shareholders of three car park management companies allegedly exaggerated the maintenance costs for 13 local public car parks and submitted false documents to the Transport Bureau (DSAT) in an attempt to deceive public funds. The three shareholders of the involved companies, after obtaining the contracts for managing the public car parks, should have requested reimbursements from the DSAT for the purchased maintenance services for the car parks on an accountable basis. However, they deliberately overstated the costs in order to obtain illicit advantage.

The investigation also found that four shareholders of different car park management companies allegedly abused their power as the managing bodies by helping their relatives and friends to “jump the queue” for the renting of public parking lots with an allowed monthly-pass mechanism, which undermined the interests of residents who were queuing up for these parking lots according to the normal procedures.

The acts of the aforesaid persons allegedly constituted fraud, document forgery and abuse of power provided for in the *Penal Code*. The cases were 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

There is a slight decrease in the requests for case assistance to CCAC from law enforcement agencies outside the Region from 19 cases in 2016 to 12 cases in 2017. Among the cases, eight were from anti-graft agencies of the Chinese mainland and four were from the Independent Commission Against Corruption (ICAC) of Hong Kong. Five of them have been completed while the remaining seven are still being processed.

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

There is also a slight decrease in the requests for assistance to law enforcement agencies outside the Region from nine cases in 2016 to six in 2017. Among the cases, five were requests for assistance to anti-graft agencies of the Chinese mainland and the remaining one was made to the ICAC of Hong Kong. Three of them have been completed while the remaining three are still being processed.

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

The “13th Seminar on Mutual Case Assistance of Guangdong, Hong Kong and Macao” took place in Chaozhou, Guangdong between 13th and 15th December 2017. The mutual case assistance team attended the seminar, during which all parties summarised and affirmed the results and achievements of mutual case assistance over the years. Due to the reform of the procuratorates and anti-corruption agencies in the Chinese mainland, they stressed that no matter how the reform would be, the partnership of mutual case assistance between the anti-corruption agencies of the three places would go on. In addition, they also explored the new cooperation methods following the reform with an aim to expand the regional cooperation on mutual case assistance and the exchange of intelligence.

V. Court verdicts

In 2017, a total of 20 cases processed by the CCAC were tried and sentenced by the court, while some of them are in the appeal process. A total of 46 people were involved in the adjudicated cases, including the former Prosecutor-General, who was sentenced to a 21-year imprisonment for 1,092 charges by the Court of Final Appeal.

The summaries of relevant verdicts are as follows:

| No. | Court | Suspect | Charge | Result of adjudication |
|-----|---|---|--|---|
| 1 | Court of First Instance | Chan XX | Fraud Document forgery | <ul style="list-style-type: none"> - Due to lack of effective criminal complaint against 42 counts of fraud, termination of the criminal proceedings was declared. - 1 - y e a r - a n d - 3 - m o n t h imprisonment for 5 counts of document forgery, with the execution of the sentence suspended for 2 years. A compensation of MOP111,600 plus interest shall be paid to the Financial Services Bureau. |
| 2 | Court of First Instance Court of Second Instance | Lio XX | Computing forgery Power abuse | <p>Court of First Instance: 2-year imprisonment for 2 counts of computing forgery and 1 count of power abuse.</p> <p>The Court of Second Instance upheld the original judgment.</p> |
| 3 | Court of First Instance Court of Second Instance | Lou XX Pun X Chan XX Chan XX Leong XX Ian XX | Passive corruption to perform illicit acts Breach of secrecy Unlawful economic advantage Money laundering Power abuse Untrue declaration Unexplained wealth Active corruption | <p>Court of First Instance:</p> <ul style="list-style-type: none"> - Lou XX: 12-year-and-6-month imprisonment and a fine of MOP36,000 for 42 counts of passive corruption to perform illicit acts, 10 counts of breach of secrecy, 12 counts of unlawful economic advantage, 1 count of money laundering, 2 counts of power abuse, 2 counts of untrue declaration and 1 count of unexplained wealth; - Pun X: 7-year-and-9-month imprisonment for 42 counts of passive corruption to perform illicit acts, 10 counts of breach of secrecy and 12 counts of unlawful economic advantage; |

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|---|-------------------------|-------------------|---------------------------|---|
| | | | | <ul style="list-style-type: none"> - Chan XX: 6-year-and-3-month imprisonment for 12 counts of unlawful economic advantage and 28 counts of active corruption; - Chan XX: 4-year-and-6-month imprisonment for 28 counts of active corruption; - Leong XX: 4-year imprisonment for 12 counts of unlawful economic advantage; - Ian XX: 4-year-and-3-month imprisonment for 14 counts of active bribery. <p>Court of Second Instance:</p> <ul style="list-style-type: none"> - In response to Lou XX’s appeal, Lou was acquitted of the charge of untrue declaration. The term of imprisonment was mitigated by 3 months and Lou was sentenced to a 12-year-and-3-month imprisonment and a fine of MOP36,000. <p>Other suspects’ appeals were rejected and the original sentences were upheld.</p> |
| 4 | Court of First Instance | Ngai XX Tou XX | Fraud Document forgery | <ul style="list-style-type: none"> - Ngai XX: 2-year-and-6-month imprisonment for 4 counts of fraud and 2 counts of document forgery, with the execution of the sentence suspended for 3 years under the condition of donating MOP20,000 to the Macao SAR; A compensation of MOP70,909.2 for loss of property shall be paid to the Macao SAR Government; (appeal still being processed) - Tou XX: 8-month imprisonment for 1 count of document forgery, with the execution of the sentence suspended for 2 years under the condition of donating MOP10,000 to the Macao SAR; |

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|----|-------------------------|-------------------|--|--|
| | | | | - Moreover, both of them shall pay MOP1,000 respectively to the Coffe of Justice of Macao as the fund of compensation for victims in criminal cases. |
| 5 | Court of First Instance | Lou XX Pun XX | Active corruption | - Lou XX: acquitted; - Pun XX: 1-year imprisonment for 2 counts of active corruption, with the execution of the sentence suspended for 2 years under the condition of donating MOP5,000 to the Macao SAR. |
| 6 | Court of First Instance | Kuok XX | Misappropriation | 4-month imprisonment with the execution of the sentence suspended for 1 year and 6 months under the condition of donating MOP500 to the Macao SAR. |
| 7 | Court of First Instance | Kuong XX | Forgery of technical mark | 5-month imprisonment with the execution of the sentence suspended for 1 year under the condition of donating MOP15,000 to the Macao SAR. |
| 8 | Court of First Instance | Lo XX | Document forgery | 6-month imprisonment with the execution of the sentence suspended for 1 year under the condition of donating MOP30,000 to the Macao SAR. |
| 9 | Court of First Instance | Lei XX Wong XX | False testimony | They were sentenced to a 150-day and a 120-day fine at MOP100 per day respectively. |
| 10 | Court of Final Appeal | Ho XX | Embezzlement Misappropriation Destruction of object subject to public authority Aggravated fraud over considerably high value Aggravated fraud over high value | The Court of Final Appeal found him guilty of the following charges: - 9 counts of embezzlement, 1 count of misappropriation, 1 count of destruction of object subject to public authority, 23 counts of aggravated fraud over considerably high value, 65 counts of aggravated fraud over high value, 450 counts of fraud, 490 counts of unlawful economic advantage, 1 count of promotion and establishment of criminal organisation, 49 counts |

| | | | | |
|--|--|--|--|---|
| | | | <p>Fraud</p> <p>Unlawful economic advantage</p> <p>Promotion and establishment of criminal organisation</p> <p>Aggravated money laundering</p> <p>Inaccurate data of declaration of assets and interests</p> <p>Unexplained wealth</p> | <p>of aggravated money laundering, 2 counts of inaccurate data of declaration of assets and interests and 1 count of unexplained wealth.</p> <p>He was subject to a concurrent sentence of 21-year imprisonment for the offences listed above.</p> <p>Moreover, he shall pay the following compensations:</p> <ul style="list-style-type: none"> - Own payment of MOP18,367,439.64 to the Office of the Prosecutor-General; - Own or joint payment of MOP4,323,629.40 with Wong XX to the Office of the Prosecutor-General; - Own or joint payment of MOP3,327,804.00 with Wong XX, Mak XX, Ho XX and Lei XX to the Office of the Prosecutor-General; - Own or joint payment of MOP49,902,265.40 with Lai XX, Chan XX, Wong XX, Mak XX, Ho XX, Lei XX and Lam XX to the Office of the Prosecutor-General. |
|--|--|--|--|---|

VI. Declaration of assets and interests

Since its entry into force in 1998, the regime of declaration of assets and interests applicable to public servants in Macao has been implemented for nearly two decades. The effective system provided for in the *Legal Regime of Declaration of Assets and Interests* has become one of the foundations of an efficient and clean government of Macao.

Over the previous year, the CCAC cracked down three cases involving the offences of “inaccurate data” of assets and interests declaration in strict accordance with the *Legal Regime of Declaration of Assets and Interests* and the cases have already been referred to the Public Prosecutions Office. In addition, among the cases adjudicated by the court in 2017, the defendants in one case of “inaccurate data” and two cases of “unexplained wealth” were found guilty. These cases have reminded public servants to provide true information when declaring their assets and interests and carry out their duties with integrity, observance, and self-discipline.

Ever since the implementation of the legal regime, the CCAC has been following up the matters related to declaration of assets and interests in an orderly way. Both the declarants and their spouses/co-habiting partners cooperate fully with the CCAC and fulfil their obligation in accordance with the law. As a result, the works of handling the declarations runs smoothly. In 2017, the CCAC collected the declaration forms from a total of 15,061 public servants. The details are listed below:

Statistics of declaration of assets and interests in 2017

| Reasons for submitting declaration | Total |
|------------------------------------|---------------|
| Appointment | 2,750 |
| Alternation of position | 5,605 |
| Termination of position | 2,218 |
| 5-year renewal | 2,163 |
| Renewal with that of spouse | 557 |
| Pursuit of data-provision duty | 1,547 |
| Voluntary renewal | 221 |
| Total | 15,061 |

As to external promotion, the CCAC received several visits in 2017 and introduced the operation of the assets and interests declaration system of Macao SAR to the visitors. Both sides also exchanged and shared their views and experiences. Meanwhile, at the request of some public departments, the CCAC continued to organise briefing sessions on declaration of assets and interests for many new recruits, whose questions were answered right away through the interaction during the sessions. Moreover, in order to effectively promote the *Legal Regime of Declaration of Assets and Interests*, apart from publishing the guidelines to fill in the declaration forms, the CCAC also introduced the content of the law on the internet in order to enable public servants and citizens to understand the significance of the declaration system through diversified channels and strengthen their attention and understanding of the legal regime.

In response to the implementation of e-government by the Macao SAR Government and the demands related to practical works, the CCAC developed the “notification processing system of declaration of assets and interests” in 2012 and launched it in the following year. Up to 31st December 2017, a total of 59 public departments and entities have adopted the system to deliver the notifications. In fact, the system not only facilitates the departments and entities’ fulfilment of the obligation of notification but also makes the operation of the declaration system ran by the CCAC more effective, thus improving the administrative procedures and enhancing the administrative efficiency.