

PART II

ANTI-CORRUPTION



PART II

ANTI-CORRUPTION

I. Introduction

2019 marked the 20th anniversary of both Macao's handover to China and the establishment of the Commission Against Corruption. With the efforts and continuous improvement over the years, the anti-corruption work of the CCAC has become increasingly stable and systematic. The CCAC has all along been showing its unwavering dedication and handling the cases impartially regardless of their severity according to the law. In order to build a probity culture in public administration and a fair business environment, the CCAC makes all-out efforts to advocate fair elections and uphold integrity in the society.

The cases investigated in 2019 had the following characteristics:

First, the continuity of anti-corruption policies was maintained. In 2019, the CCAC continued to show its unwavering determination by strictly following up or delving into cases with far-reaching impact on Macao's society. After investigating and handling a few cases of application for residency through provision of false information, the CCAC detected three other similar cases. In July 2019, it completed the investigation of a criminal case involving the former President of the Board of Directors of the Macao Trade and Investment Promotion Institute, a former member of the Executive Committee and a former chief of the Residency Application and Legal Affairs Division, who allegedly committed crimes such as passive corruption to perform illicit acts, document forgery, breach of secrecy and power abuse in the process of vetting and approving the applications for "major investment immigration" and "technical immigration". The investigation was completed and the case was referred to the relevant judicial body. It also investigated some fraud cases involving various subsidies granted by the government, including the subsidies from

the Environmental Protection and Energy Conservation Fund and the Continuing Education Development Plan.

Second, there was a decrease in the types of crime recorded. In 2019, in addition to two cases of power abuse committed by directors and chiefs, document forgery cases took up a large portion of the investigated cases, while there was a decrease in the number of cases involving active and passive bribery.

However, with regard to disciplinary offences and illegal acts committed by civil servants, there was a slight increase in the number of cases committed by police. In 2019, the CCAC handled a few cases of disciplinary offences committed by police, mainly including their unauthorised entry into casinos and frauds, while the offences were more related to duty-related crimes such as bribery in the past.

Third, there were mainly two types of cases recorded in the private sector. One was fraud cases committed by civil associations in their applications for government subsidies. Two such cases were referred to the Public Prosecutions Office in 2019. The other was cases related to building management companies and management committees mainly concerning management fees and building maintenance. Although most of these cases only involved civil disputes on building management between new/old management companies and management committees, the parties involved still resorted to the CCAC for intervention by reporting them as criminal matters. Such cases had to be archived in the end. It is noteworthy that such reporting practice was not advisable.

II. Criminal reports and cases filed for investigation

In 2019, the CCAC received a total of 584 complaints and reports, of which 111 were handled by the Anti-Corruption Bureau. The total number of cases received by the CCAC in the year was 149 less than the 733 cases received in 2018, representing a drop of 20.3%. As the Legislative Assembly Elections were held in 2017, there

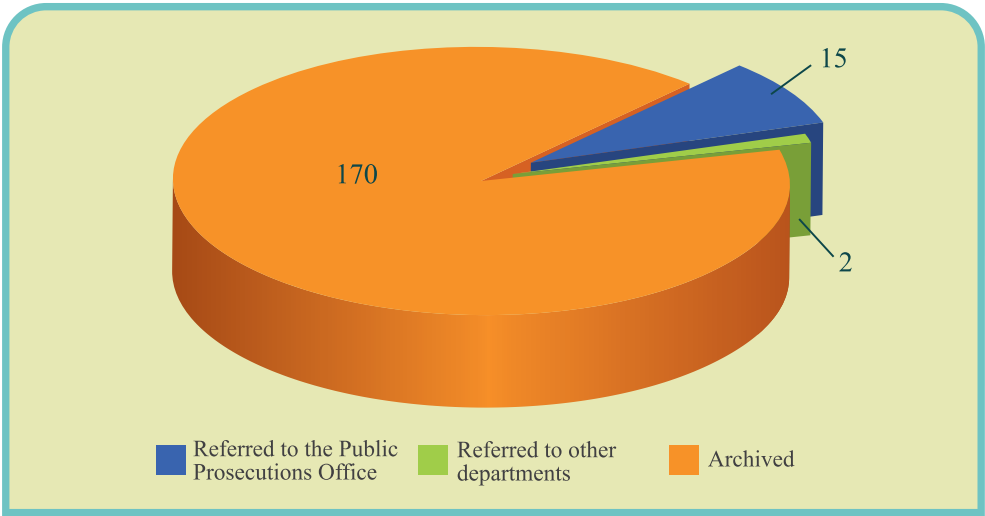
were more complaints and requests/enquires related to the elections recorded in the year. Apart from that, there have been year-on-year decreases in the numbers of complaints and reports as well as corruption cases in recent years.

Statistics on caseloads (2015-2019)

Item	2015	2016	2017	2018	2019
Total number of cases received	793	910	1,264	733	584
Number of cases handled by the Anti-Corruption Bureau	262	252	545	141	111
Number of cases with investigation completed	256	182	537	180	187

Among the cases investigated by the Anti-Corruption Bureau in 2019, 15 were referred to the Public Prosecutions Office for criminal investigation, two were referred to other departments and the remaining 170 cases were archived.

Cases concluded in 2019 (handled by the Anti-Corruption Bureau)



III. Case summaries

(I)

In April 2019, the CCAC detected a case of document forgery allegedly committed by a police commissioner of the Public Security Police Force (CPSP).

After investigation it was found that the aforesaid police commissioner, during his application to the CPSP for taking up a part-time job as a physiotherapist, allegedly submitted certificates with forged signatures to the competent departments. The police commissioner, along with three other persons, submitted documents with untrue information to the Health Bureau for licence renewal for a medical centre, including letters of appointment, a staff list and a consultation schedule.

The aforesaid police commissioner and persons involved allegedly committed document forgery under the *Penal Code*. The case was referred to the Public Prosecutions Office for follow-up action.

(II)

The Anti-Corruption Bureau of the CCAC carried out an investigation of a case handed over by the Ombudsman Bureau where a restaurant owner allegedly involved in a scam during his application for subsidies from the Environmental Protection and Energy Conservation Fund.

After investigation it was found that, between 2012 and 2016, an eco-friendly kitchenware supplier involved handled the application procedures for at least seven merchants in order to help them obtain subsidies from the Energy-Saving Products and Equipment Subsidy Scheme of the Environmental Protection and Energy Conservation Fund. In order to attract merchants who would entrust it to handle the application, the supplier claimed that it could help merchants to make

applications and install energy-saving products for free. To obtain subsidies from the Environmental Protection and Energy Conservation Fund by deception, the supplier submitted false documents for the merchants to the Environmental Protection and Energy Conservation Fund, provided them with products at odds with those stated in the applications and overstated the transaction amounts.

The supplier involved allegedly committed fraud and document forgery under the *Penal Code* and the total amount involved in the scams reached over MOP2 million. Upon completion of the investigation in June 2019, the case was referred to the Public Prosecutions Office for follow-up action.

(III)

In the course of looking into a few cases concerning residency application, the CCAC found that some applicant allegedly submitted documents with untrue information when applying for temporary residency. Suspecting that the applicant involved obtained residency in Macao through false documents, the CCAC opened an independent file for the case and carried out an investigation.

After in-depth investigation, it came to light that the former President of the Board of Directors of the Macao Trade and Investment Promotion Institute (IPIM) allegedly colluded with a criminal syndicate composed of a business couple and three other persons. The former president, through his wife, daughter and his mistress in the Chinese mainland, received illicit advantages from the syndicate head for a long time and provided illicit assistance to the syndicate when approving the immigration applications submitted by its members. It was found that the former president had intended to approve the residency applications and some of the applications were successfully approved. The former president allegedly committed passive corruption to perform illicit acts, document forgery and breach of secrecy and violated the provision of inaccurate data set forth in the *Legal Regime of Declaration of Assets and Interests*.

The CCAC also found in the investigation that a former chief of the IPIM's Residency Application and Legal Affairs Division was directly involved in the criminal activities relating to the fraudulent immigration applications made by the aforesaid syndicate. Also, a former member of the Executive Committee of the IPIM allegedly capitalised on his powers and functions by providing illicit assistance and disclosing internal confidential information to two "technical immigration" applicants so their applications were approved smoothly. His acts allegedly constituted power abuse and breach of secrecy.

The CCAC made allegations of active corruption against the aforesaid business person for his act of offering bribes to the public servants of Macao. Also, the business person and the other syndicate members provided agency services in Macao and applied for residency through "technical immigration" and "major investment immigration" for clients. It was found that the syndicate, through fake transfer of shares of the "shell companies" it held or controlled to the applicants, fabricated the investment projects or investment amounts of the companies so that the applications would appear to meet the requirements for "major investment immigration". It also fabricated employment of applicants in specialised technical positions by the companies so that they appeared to have met the requirements for technical immigration. It even falsely stated their working experience and fabricated payroll records. Through the aforesaid means, the syndicate helped those applicants who actually did not meet the requirements for immigration to obtain temporary residency in Macao and asked for huge amounts of money as "agency fees" from them, which involved a sum of over MOP10 million. The members of the syndicate allegedly committed the crimes of criminal association, document forgery and use of false documents. The CCAC also made allegations of document forgery and use of false documents against the involved applicants of temporary residency.

The relevant investigation was completed and the case was referred to the Public Prosecutions Office in July 2019. After hearing the recommendation of the Public

Prosecutions Office, the judge of the Criminal Investigation Court decided that the former President of the IPIM be subject to coercive measures and held in custody.

(IV)

In July 2019, the CCAC completed investigation into a case where a division head of the Municipal Affairs Bureau (IAM) and a personnel of the Public Administration and Civil Service Bureau (SAFP) allegedly obtained economic advantage in legal acts, committed power abuse and made false declarations of their assets and interests.

It was found in the investigation that the division head of the IAM allegedly committed power abuse in the course of handling the greyhound incident by seeking advantage for an animal clinic in which he secretly had a stake. As a result, the clinic won a contract to provide medical care for and perform neutering surgery on over 500 greyhounds. Furthermore, without the approval from the IAM, the division head asked his subordinates to lend the clinic the medical equipment belonging to the IAM.

The CCAC also discovered in the investigation that the division head had abused his power by asking his subordinates to include a company in which he secretly had a stake in the list of suppliers in the course of goods and services procurement. As a result, the company won procurement contracts for over 140 times, which involved an amount of over MOP10 million, and the two public servants as well as the involved business person allegedly gained over MOP2.6 million from it. It was also discovered that the aforesaid personnel of the SAFP and his spouse (a public servant from another department) deliberately made false declarations of their assets and interests.

The division head, the public servant and the business person involved allegedly violated the provisions of unlawful economic advantage and power

abuse under the *Penal Code* and the provision of inaccurate data set forth in the *Legal Regime of Declaration of Assets and Interests*. (See the verdict of the criminal case no. CR2-19-0320-PCC of the Collegiate Bench of the Court of First Instance)

(V)

In September 2019, the CCAC detected a case where a local education centre allegedly involved in defrauding subsidies from the Continuing Education Development Plan of the Education and Youth Affairs Bureau. An investigator of the Judiciary Police (PJ) was also found to be involved in the scam.

It was found after investigation that in 2016 a person in charge of a local education centre allegedly conspired with an investigator of the PJ and other persons to dupe and lure residents who had yet to use part or all the subsidy from the Continuing Education Development Plan to the aforesaid education centre to complete the course application procedures. They guaranteed the applicants that, upon receipt of the subsidies from the government, about 30% would be paid to them as cash kickbacks. The person in charge of the education centre was suspected to have inputted false application information in the computer system. The courses in the applications were selected by the education centre and the applicants did not attend the courses at all.

According to the investigation, the person in charge of the education centre, together with the aforesaid investigator of the PJ, launched some fictitious courses. The latter, posing as a course instructor, stood by at the classroom in case the Education and Youth Affairs Bureau (DSEJ) would conduct an on-site inspection, during which no students would show up – only the “instructor” would be present. The person in charge submitted the attendance sheets with fabricated student sign-in records verified and signed by the “instructor” to the

DSEJ for inspection. Furthermore, the centre also submitted the fabricated course completion records to the DSEJ through its computer system. The suspects defrauded subsidies worth over MOP540,000 from the Continuing Education Development Plan of the DSEJ.

In 2018, the person in charge of the education centre conspired with others to lure some elderly people to complete the course application procedures at his another education centre. He changed the names and other information of the courses enrolled by the students through the computer system and successfully defrauded subsidies worth over MOP140,000 from the DSEJ.

The aforesaid persons allegedly committed fraud, document forgery and use of false documents under the *Penal Code* and computer forgery provided for in Law no. 11/2009 (*Law on Combating Computer Crime*). The case was referred to the Public Prosecutions Office for follow-up action.

(VI)

The CCAC received a report from a gaming company in Macao, claiming that some of its employees bought sick leave certificates and submitted them to the company for application for sick leave without seeking any medical advice, and that all the certificates were issued by a doctor of a local clinic.

After the investigation it was found that a few employees of a department of the company submitted sick leave certificates issued by a doctor in Macao between January and October 2017 in order to apply for sick leave from the company. However, the employees concerned did not seek any medical advice. Some of them were even found to be out of Macao on the days they claimed to have sought medical advice. Afterwards, the doctor concerned confirmed that his signatures on the sick leave certificates were forged and all the certificates were false. After investigation it was found that the aforesaid employees, in order to apply for sick leave from the

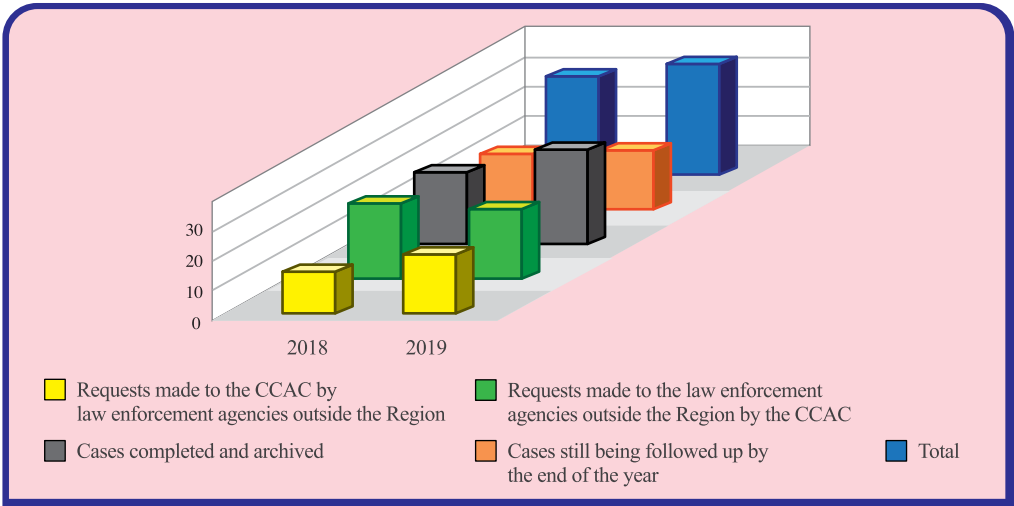
company, allegedly purchased false sick leave certificates from others, with each of them costing MOP50. Most of the false sick leave certificates were purchased from a local Chinese medicine practitioners.

The aforesaid persons allegedly committed use of false documents provided for in the *Penal Code*. The case was referred to the Public Prosecutions Office for follow-up action in December 2019.

IV. Mutual case assistance in cross-border investigation

For mutual case assistance in cross-border investigation, in 2019, the CCAC handled a total of 29 cases, of which 16 were requests made to the CCAC by law enforcement agencies outside the Region and 13 were requests for assistance made by the CCAC to law enforcement agencies outside the Region. 18 of them have been completed and archived while the remaining 11 cases are still being followed up.

Statistics on mutual assistance cases in 2018 and 2019



According to the statistics, there was an increase in the number of requests for assistance from the Chinese mainland in 2019. The main reason was that the reform of supervisory systems of the Chinese mainland basically came to an end and the cooperation between the CCAC and the National Supervisory Commission has gradually got back on track. There was a slight decrease in the number of requests for assistance made by the CCAC compared with the previous year. The second half of 2019 also saw an improvement in multilateral collaboration.

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

In 2019, the CCAC maintained close cooperation with the National Supervisory Commission and the Independent Commission Against Corruption (ICAC) of Hong Kong. There was an increase in the number of requests for case assistance made to the CCAC by law enforcement agencies outside the Region. Of the 16 requests received in 2019, nine were made by the National Supervisory Commission and the other seven were made by the ICAC of Hong Kong. 11 have been completed while the remaining five are still being followed up.

2. The CCAC's requests for case assistance to law enforcement agencies outside the Region

There was a slight decrease in the number of requests for assistance to law enforcement agencies outside the Region in 2019. Among the 13 requests of the CCAC, six and seven were made to law enforcement agencies of the Chinese mainland and the ICAC of Hong Kong respectively. Seven have been completed while the remaining six are still being followed up.

3. Cooperation and exchanges on mutual case assistance among Guangdong, Hong Kong and Macao

The Seminar on Mutual Cases Assistance of Guangdong, Hong Kong and Macao has been held for 13 times by Guangdong, Hong Kong and Macao on a rotating basis. The CCAC has all along been playing an active role in it. Driven by the positive communication among the three places, the mutual case assistance mechanism has been running smoothly. In 2019, the CCAC received representatives from the National Supervisory Commission and supervisory commissions of Beijing, Inner Mongolia, Gansu, Liaoning, Fujian, Shandong and Anhui, where the work concerning case assistance was continuously discussed. The CCAC also maintained close cooperation and communication with the ICAC of Hong Kong on the relevant work.

IV. Court verdicts

According to the statistics published by the Court of First Instance, a total of 21 criminal cases processed by the CCAC were tried in 2019, where 33 suspects were involved. Final judgements have been rendered on 13 cases while some cases are still at the appeal stage.

After analysis of the 13 cases with final judgement, the CCAC made allegations of document forgery, fraud involving a considerably high value, embezzlement, active bribery, fraud and power abuse against the suspects involved. Among the 13 criminal cases, nine were handed down the sentences by the Court of First Instance for the same offences.

Regarding the other four cases, after they were appealed to the Court of Second Instance, one was handed down the sentence by the Court of First Instance for the same offence charged by the CCAC and the Court of Second Instance upheld the decision; one was also handed down the sentence by the Court of First Instance

for the same offence charged by the CCAC and the Court of Second Instance only changed the penalty; for the criminal case where the CCAC made allegations of passive bribery to perform illicit acts and active bribery, the Court of First Instance handed down a judgement of acquittal on the charge of passive bribery to perform illicit acts, while the Court of Second Instance changed the judgement and decided the offenders concerned convicted; for the criminal case where the CCAC made allegations of document forgery and fraud, the Court of First Instance handed down a judgement of acquittal on the charge of fraud. However, an appeal was filed with the Court of Second Instance, which was supported by the Public Prosecutions Office and the case was remanded for retrial and was handed down a joint punishment for two cases.

VI. Declaration of assets and interests

The regime of asset declaration has been implemented for 21 years since 1998. It has been subject to two major revisions and the relevant provisions have been improved. The current legal regime of declaration of assets and interests keeps abreast with the times and increasingly caters to the needs of the society, which is in line with and upholds the government philosophy of “sunshine governance”.

To carry out the work of declaration of assets and interests more smoothly, the CCAC maintains good communication with all the departments and agencies so as to optimise the procedures of the relevant work. It is noteworthy that, since the implementation of the regime, applicants and their spouses/co-habiting partners have been supporting the relevant work of the CCAC and fulfilling their obligation as declarants according to the law. As a matter of fact, there has been no case of punishment due to unjustified failure to submit the declaration so far.

In the past year the CCAC detected two cases of suspected violation of the provision of inaccurate data set forth in the *Legal Regime of Declaration of Assets and Interests*. They were referred to the Public Prosecutions Office. A verdict of

guilty was handed down by the Court of First Instance on one of the cases.

In 2019, the work of the declaration of assets and interests was carried out smoothly. The CCAC collected the declaration forms from a total of 14,175 persons. The details are listed below:

Statistics of declaration of assets and interests in 2019

Reasons for submitting declaration	Total
Appointment	2,301
Alternation of position	4,416
Termination of position	1,785
5-year renewal	3,453
Renewal with that of spouse	511
Pursuit of data-provision duty	1,462
Voluntary renewal	247
Total	14,175

To facilitate the development of e-governance of the SAR Government, the CCAC continuously optimises and upgrades its work procedures and equipment. The “notification processing system of declaration of assets and interests” developed by the CCAC has been operated for over five years. At the beginning, some 40 departments that frequently communicated with the CCAC by official letters adopted this system. Currently, the number has significantly increased to almost 60.

In addition to a great amount of work related to the reception of declaration forms, the CCAC has been continuously promoting the *Legal Regime of Declaration of Assets and Interests*, such as providing both printed and electronic

guidelines and samples for filling in the forms as well as shooting and producing video clips. Also, in 2019, at the invitation of the Public Security Forces of Macao, the CCAC held three seminars on declaration of assets and interests, which recorded more than 400 participants. These seminars allowed recruits to the public services to have correct and more profound understanding of the aforesaid regime and, more importantly, to know how to fill in the declaration forms correctly and their legal responsibility, which contributes to effective implementation of the law.

