

## News Clipping

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### COURT

# Contractor sentenced to 35 months in jail over bid rigging

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**LUIS LIU** in Hong Kong

A former engineering company proprietor was sentenced to 35 months imprisonment for offering HK\$44 million in bribes to rig the bids for several private residential estate renovation projects in Sha Tin.

It was the biggest bid-rigging case in terms of the amount of money involved in the city's history. It was also the first major case of its kind to be successfully prosecuted in recent years.

The local sub-contractor, Yau Shui-tin, 58, pleaded guilty to four counts of conspiracy to offer bribes to building managers and owners' corporation members in return for securing his renovation contracts between 2010 and 2014.

His renovation project at Garden Vista had amounted to some HK\$260 million. This meant each of the 800 households was expected to pay as much as HK\$330,000. About

10 people involved were arrested by the Independent Commission Against Corruption (ICAC).

Yau was also linked to some bribe offers related to other renovation projects in Sha Tin and To Kwa Wan.

District Court judge Josiah Lam Wai-kuen said the case had exposed common bid-rigging practices in the city, although he is the only person who has been convicted in this case.

Lam said such practices are "rampant" in the city. He advised people to be more aware of the issue.

He urged the Hong Kong government to set up a statutory body should regulation, since ordinary home owners lack the professional knowledge to determine whether certain renovation procedures are necessary and, if so, how much they cost.

Kacee Ting Wong, barrister and executive councilor of CA Legal Exchange Foundation, said the court had increased the penalty for Yau's offenses to

have a deterrent effect.

He said 35 months of imprisonment was regarded as a long sentence in such cases. "The judge has sent a positive and clear message to contractors that the interests of individual owners must be well protected."

The result had also set a precedent for other contractors across the city if similar cases occur, Ting added.

Former chairman of the Hong Kong Institute of Surveyors Vincent Ho Kui-yip welcomed the sentence. He revealed bid-rigging in building maintenance work is not uncommon in Hong Kong.

He asserted the necessity of setting up a regulatory body to oversee the work of construction contractors.

"The new regulator shall monitor the local projects through comprehensive guidelines for engineering companies, as well as making stringent entry requirements for renovation industry," he added.

The authority should also build a registration system for



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all qualified engineering businesses, Ho suggested. He said their companies should be removed from the list if violation of relevant ordinances is revealed.

In a statement, the Development Bureau also praised the judge's ruling for its future deterrent power. However, it said the government has no intention to set up a new statutory body to regulate such practices. This is because it would overlap with the current regulator's authority.

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