

## Ex-bank manager jailed for stealing \$20m from corporate client

28.02.11

A former relationship manager of the Standard Chartered Bank (Hong Kong) Limited, charged by the ICAC, was today (Monday) sentenced to six years' imprisonment at the District Court for using a bogus instruction note to steal a \$20 million loan from the bank account of a corporate client.

Ronald Mok Wai-man, 45, was earlier found guilty of a total of 22 charges - eight of using a false instrument, two of using a copy of a false instrument, 10 of procuring the making of an entry in a record of a bank by deception, one of theft, and one of dealing with property known or believed to represent proceeds of an indictable offence.

In sentencing, Deputy Judge Johnny Chan Jong-herng said the defendant played an active and major role in the case. His acts constituted a serious breach of trust placed in him by the bank, and undermined the banking system in Hong Kong.

The case arose from a corruption complaint. Subsequent ICAC enquiries revealed the above offences.

The court heard that at the time of the offences, the defendant was responsible for handling various corporate customers of the bank, including Lok Heung Yuen Caf? Shop (LHY) and Chyau Fwu Holdings Limited (Chyau Fwu).

Between November 2000 and December 2003, the defendant fraudulently increased the overdraft limit of LHY from \$5.5 million to \$20.7 million by falsely putting up Chyau Fwu as the corporate guarantor of LHY, without their consent or knowledge.

Afterwards, the defendant used eight false instruction notes and a copy of a false instruction note, purportedly signed by the sole proprietor of LHY, to effect transfers of \$14.452 million in total from its bank account to various recipients. In fact, the sole proprietor of LHY had never approved those fund transfers.

The court heard that of the \$14.452 million, \$6 million was transferred to a corporate client of the bank handled by the defendant but the purpose of the transfer could not be ascertained. The remaining \$8.452 million was transferred to various bank accounts under the control of a person who was the owner of two companies, the accounts of which were also handled by the defendant.

The defendant falsely represented to the said person, who was then in financial difficulties, that some lenders were willing to lend money to him at a higher interest rate. He accepted the defendant's suggestion and received the \$8.452 million loan, the majority of which was used to settle his outstanding credit facility amount with the bank.

After the \$14.452 million was transferred out of the bank account of LHY, its overdraft balance accumulated to over \$20 million. In order to settle this outstanding overdraft balance, the defendant used a copy of a false instruction note, purportedly signed by the owner of Chyau Fwu and its subsidiary Luckyfield Holdings Limited (Luckyfield), to draw down a \$20 million loan in the name of Luckyfield, and credit it into the bank account of LHY.

The defendant, however, falsely represented to the bank that he had confirmed the loan with Luckyfield. In fact, the owner of Chyau Fwu and Luckyfield was unaware of the loan drawdown.

Between April and December 2003, the said person repaid the loan plus interest to the defendant. The defendant had never returned any money to Chyau Fwu.

The defendant knew that the said person's repayments which he had handled represented the crime proceeds, the court was told.

The prosecution was today represented by prosecuting counsel Bernard Yuen, assisted by ICAC officer Ron Kiong.