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Duo jailed for offering HK\$28m bribes to Ao Man-long

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A former president and a former director of a waste services company, charged by the ICAC, were today (Wednesday) each sentenced to three years and three months' imprisonment at the District Court for having conspired to offer MOP 29 million (equivalent to about HK\$28 million) in bribes to Macao former official Ao Man-long in return for cleansing contracts of the Macao SAR Government.

Lionel John Krieger, 63, former president of Companhia de Sistemas de Resíduos Limitada (CSR), and James Tam Ping-cheong, 57, former director of CSR, were today found guilty of a joint charge of conspiracy to offer advantages to an agent, contrary to Section 9(2)(a) of the Prevention of Bribery Ordinance and Section 159A of the Crimes Ordinance.

In sentencing, Judge Stephen Geiser said the bribery offence committed by the defendants had spoiled the good name of the Swire Group.

The judge added that the offering of bribes to an official to secure contracts was completely unacceptable in Hong Kong society.

The court heard that at the material times, CSR was a joint venture set up by Swire SITA Waste Services Limited (Swire SITA), a company of the Swire Group, and a Macao company.

Being a shareholder of the Macao company, Frederico Marques Nolasco da Silva was also a director and minority shareholder of CSR.

In 1992, CSR secured a waste collection services contract from the Macao SAR Government. After one renewal in 1999, the contract was due for second renewal in 2006.

On several occasions between 2002 and 2003, Ao, then Secretary for Transport and Public Works of the Macao SAR Government, told Krieger and Nolasco da Silva that he was expecting "something" or a "present" for the renewal of the contract.

Ao further demanded five per cent of the contract sum as kickback when the Macao SAR Government was about to award two other waste disposal contracts.

The court heard that Krieger, Tam and Nolasco da Silva had discussed and agreed in Hong Kong to pay MOP 29 million (equivalent to about HK\$28 million) in bribes to Ao in 2005 for securing the renewal of the first contract as well as the two other contracts.

The bribes were disguised as consultancy fees payable to Ao through Polymile Limited (Polymile), a company owned by Nolasco da Silva's wife in Hong Kong. Between March 2006 and February 2007, Swire SITA transferred over HK\$22 million to Polymile as consultancy payment.

Subsequently, the Macao SAR Government renewed and awarded the three contracts worth over MOP 1.1 billion to CSR.

Upon receipt of the first consultancy payment by Polymile in March 2006, Nolasco da Silva gave Ao five cash cheques for over HK\$7.3 million. The remaining bribes were not paid to Ao after his arrest in late 2006, the court was told.

The prosecution was today represented by prosecuting counsel Neil Mitchell, assisted by ICAC officers Winnie Lee and Phoebe Saesam.

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