

Integrity and Quality Building Financial Management Cases in Perspective

Bribery over Interim Payment of a Renovation Project

An architect of a consultancy firm demanded and accepted \$500,000 from the proprietor of an engineering company as a reward for the release of interim payments and lax supervision. The architect was appointed by a private residential building to coordinate and supervise the works carried out by the engineering company. He was caught red-handed with the bribe money and sentenced to nine months' imprisonment.

False Reimbursement

The chairlady of an owners' corporation (OC) used false receipts with intent to deceive the OC. She had submitted to a clerk of the OC a receipt for reimbursement of \$20,000 purported to be fees charged by a contractor for demolition works and refuse disposal at the roof area of the building. Later, the chairlady had similarly furnished the clerk with another false receipt which purportedly showed that \$1,800 was paid to another contractor for repairing water pipes of the building. In fact, the said contractors had not performed the jobs nor received the money. The chairlady was sentenced to four months' imprisonment, suspended for 18 months, and ordered to pay \$21,800 as restitution to the OC.

Rental Fraud

The chairman of the owners' corporation (OC) of a residential-cum-commercial building and his wife deceived the OC in relation to the leasing of a shop unit of the building. The chairman had concealed from the OC that the shop unit had been leased to a company at a monthly rental of \$3,500. He had also failed to disclose to the OC that the company had subsequently sub-leased the unit to another person at a monthly rental of \$9,500. The chairman and his wife were in fact the owners of the company and they had dishonestly pocketed the rental differences, totalling \$102,000 for 18 months. The chairman was sentenced to community service up to 200 hours and he was voluntary to pay compensation of \$72,000.

Pocketing Parking Fees

An accounts clerk of the owners' corporation (OC) of an industrial building pocketed OC funds totalling \$387,000. The building provided an hourly parking service to its tenants who had to make their parking payments to the cashier at the shroff. The accounts clerk was responsible for depositing the parking fees received into the OC designated bank account. The discrepancies in the ledgers were discovered by the clerk's successor after his resignation. The clerk was sentenced to 15 months' imprisonment.

Misappropriating OC Funds

The chairman of the owners' corporation (OC) of a residential building was sentenced to 11 months' imprisonment for fraudulently transferring a total of \$472,500 from the OC bank account to his personal account. Signatures of two of the OC members were required for withdrawal of funds from the OC bank accounts. The chairman had, on various occasions, presented blank withdrawal slips to another OC member for his signature. The OC member signed the withdrawal slips accordingly, believing that they were transferring funds for the OC's reserve. The chairman transferred the funds to his own account instead.