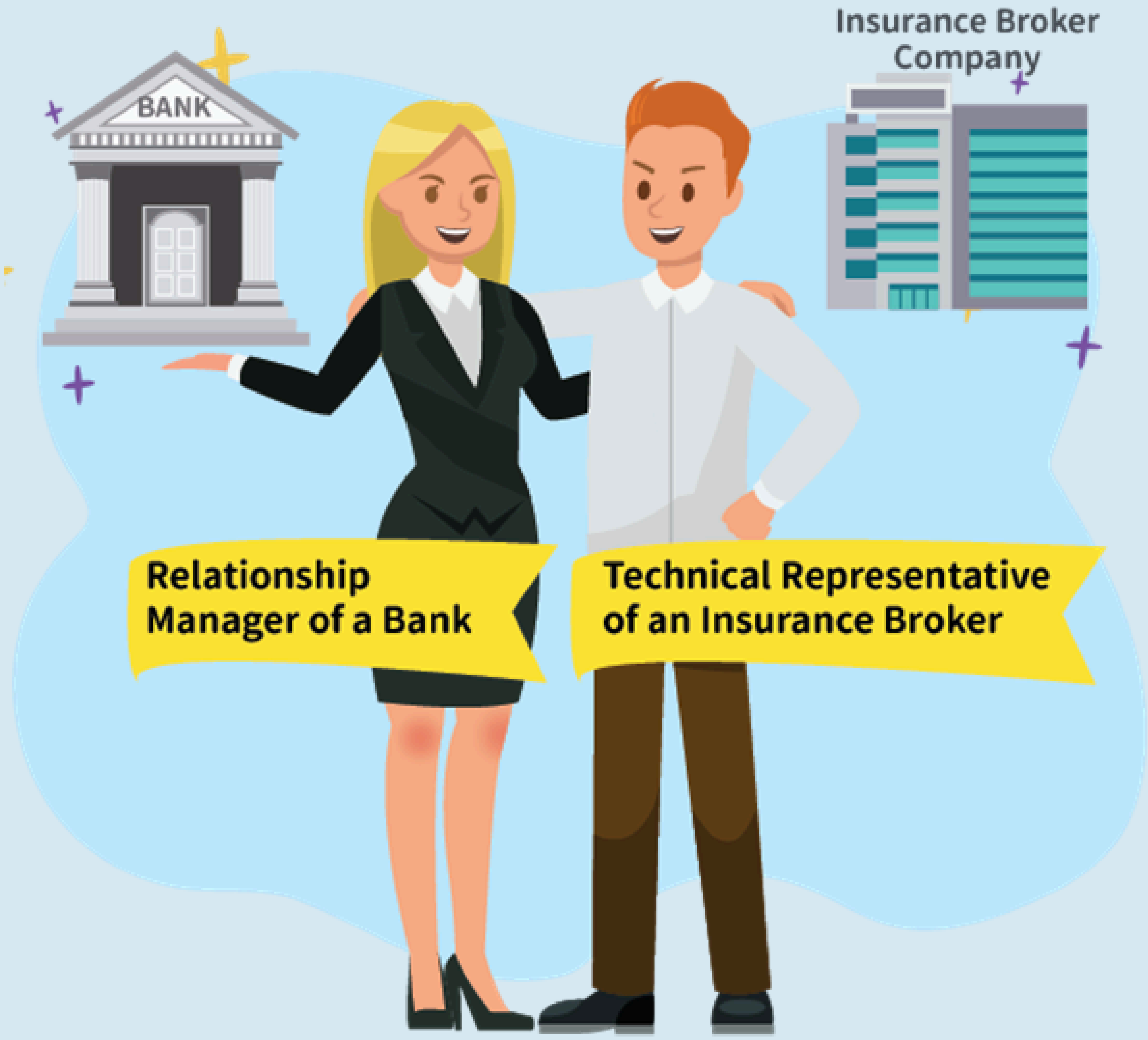
Common Corruption Risks and Malpractices - ICAC Past Cases

Diverting / obtaining business by corrupt means



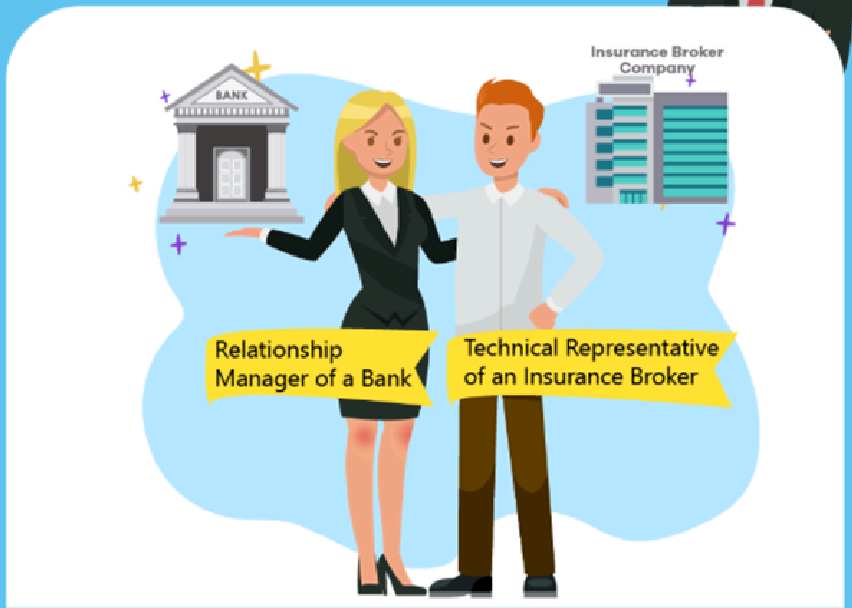
Accepting illegal commission for diverting business

Common Corruption Risks and Malpractices - ICAC Past Cases

Diverting / obtaining business by corrupt means

#1

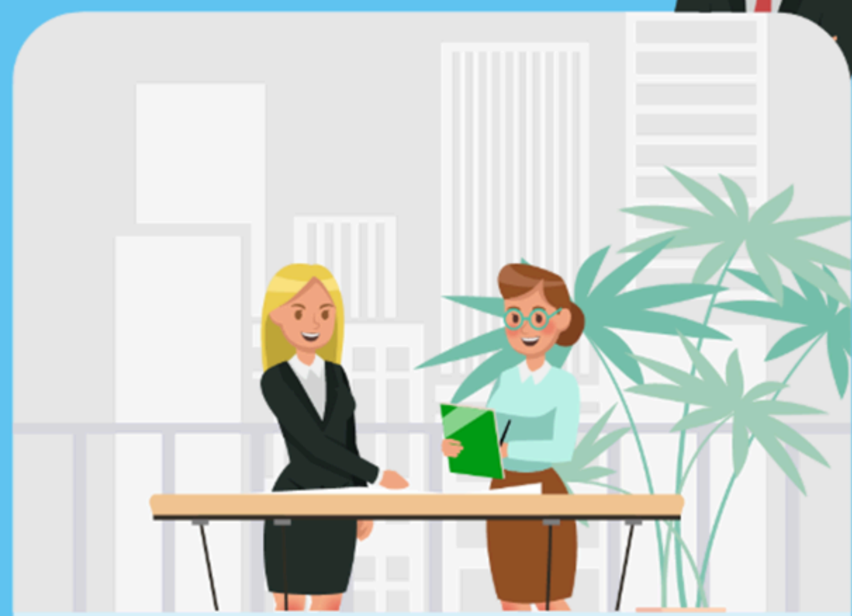
ACCEPTING ILLEGAL COMMISSION FOR DIVERTING BUSINESS



A relationship manager of a bank was responsible for promoting insurance products to the bank's clients. Her friend was a technical representative of an insurance broker.

#2

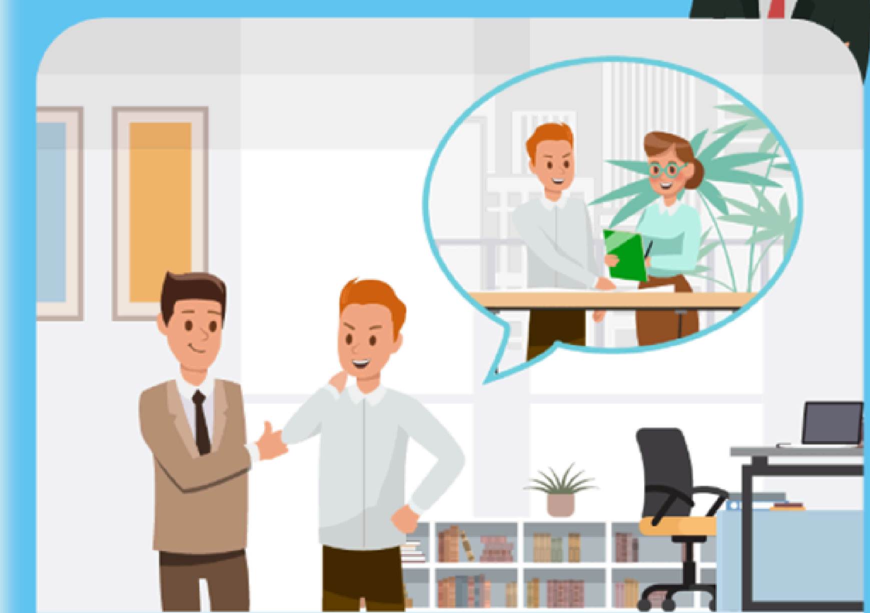
ACCEPTING ILLEGAL COMMISSION FOR DIVERTING BUSINESS



To help her friend meet his sales target, the relationship manager promoted an unauthorised insurance product to a bank client in her office and had the client signed the application form.

#3

ACCEPTING ILLEGAL COMMISSION FOR DIVERTING BUSINESS



The technical representative then signed on the form, falsely represented that he was the handling financial consultant and had met the client to explain the policy.

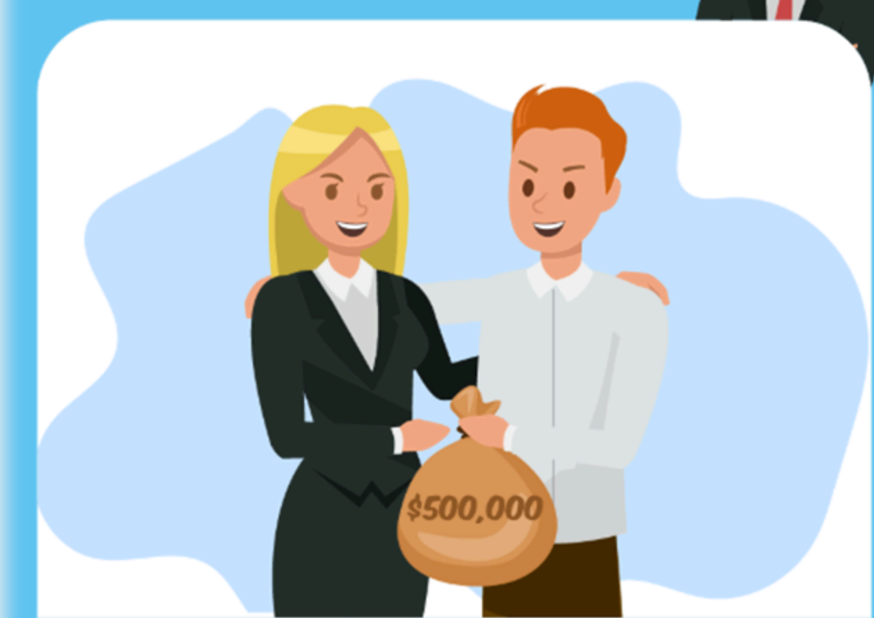
#4

ACCEPTING ILLEGAL COMMISSION FOR DIVERTING BUSINESS

The insurance company concerned approved the application and released a commission to the insurance broker.

#5

ACCEPTING ILLEGAL COMMISSION FOR DIVERTING BUSINESS



The relationship manager accepted $500,000 from the technical representative for having successfully promoted the insurance policy to the client.

#6

ACCEPTING ILLEGAL COMMISSION FOR DIVERTING BUSINESS

The relationship manager was jailed for 18 months while her friend was jailed for eight months for accepting bribe and fraud respectively.

Accepting illegal commission for diverting business

Common Corruption Risks and Malpractices - ICAC Past Cases

Commission fraud

Senior agent diverting policies to down-line agent to deceive commissions

Common Corruption Risks and Malpractices - ICAC Past Cases

Commission fraud

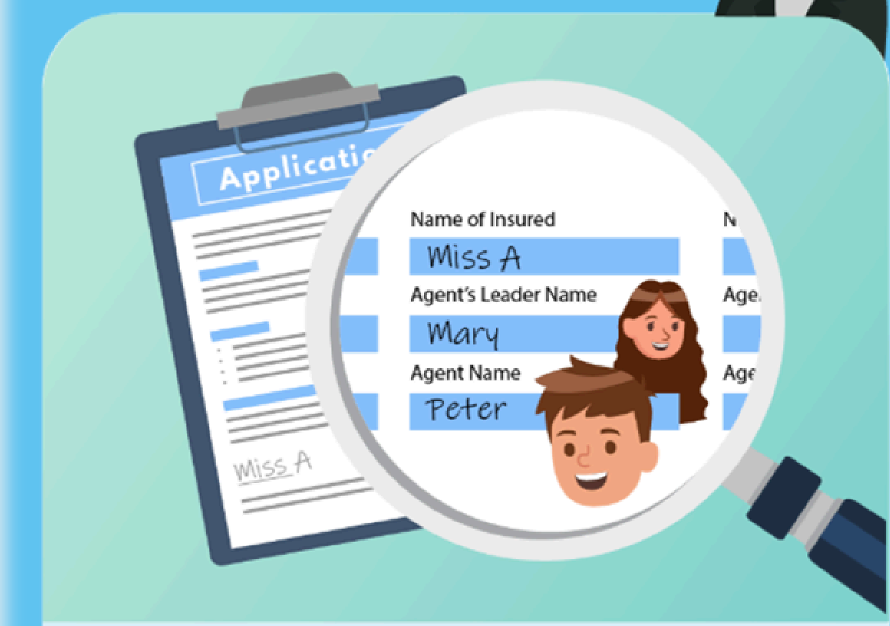
#1

SENIOR AGENT DIVERTING POLICIES TO DOWN-LINE AGENT TO DECEIVE COMMISSIONS

A regional director of an insurance company met two clients who then signed on their respective application forms for taking out insurance policies with her company.

#2

SENIOR AGENT DIVERTING POLICIES TO DOWN-LINE AGENT TO DECEIVE COMMISSIONS



She then falsely represented to the company that her husband, who was her down-line agent, was the handling agent of the two insurance policies.

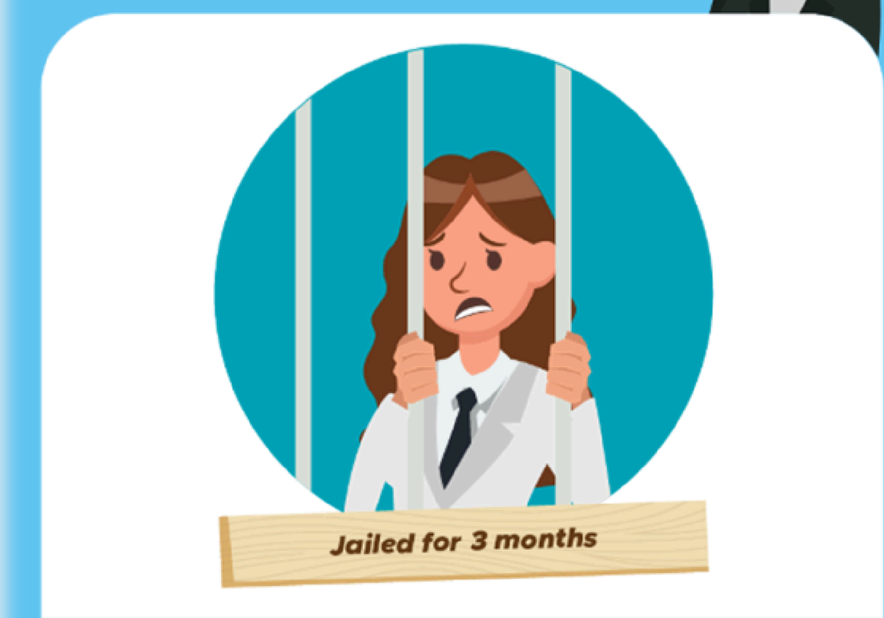
#3

SENIOR AGENT DIVERTING POLICIES TO DOWN-LINE AGENT TO DECEIVE COMMISSIONS

The insurance company released about $30,000 overriding commissions and commissions to both the regional director and her husband.

#4

SENIOR AGENT DIVERTING POLICIES TO DOWN-LINE AGENT TO DECEIVE COMMISSIONS

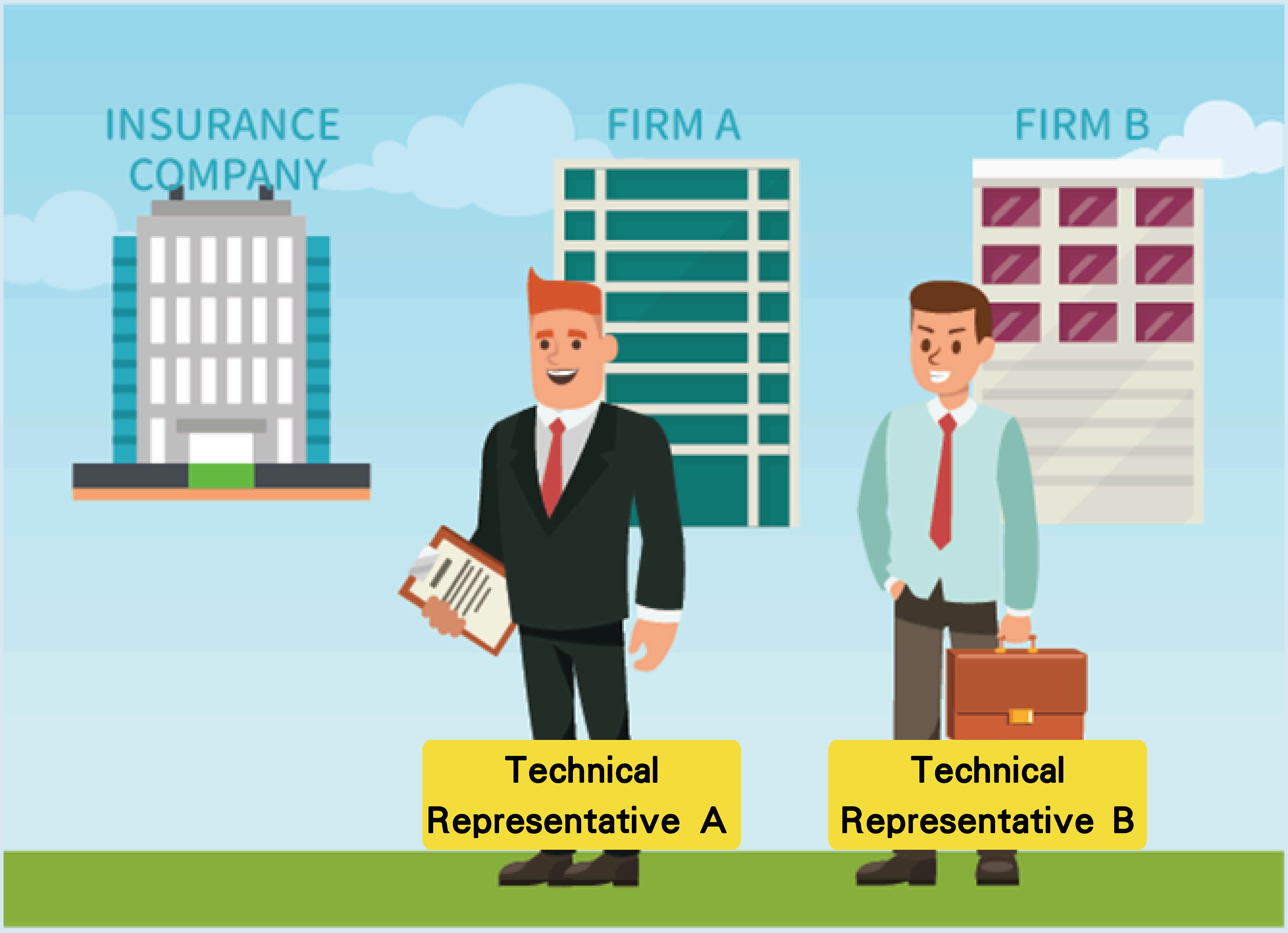


She was convicted of fraud and sentenced to three months' imprisonment.

Senior agent diverting policies to down-line agent to deceive commissions

Common Corruption Risks and Malpractices - ICAC Past Cases

Commission fraud



Brokers diverting clients' policies to defraud higher commissions

Common Corruption Risks and Malpractices - ICAC Past Cases

Commission fraud

#1

BROKERS DIVERTING CLIENTS' POLICIES TO DEFRAUD HIGHER COMMISSIONS

An insurance company entrusted broker firms A and B to promote the company's investment-linked insurance policies and agreed to pay the two firms commissions in accordance with the rate stipulated in the broker agreements.

#2

BROKERS DIVERTING CLIENTS' POLICIES TO DEFRAUD HIGHER COMMISSIONS

However, the commission rate offered by firm A to its technical representatives was higher than that offered by firm B.

#3

BROKERS DIVERTING CLIENTS' POLICIES TO DEFRAUD HIGHER COMMISSIONS

To earn more commissions, a technical representative of firm B falsely represented to four policy holders that they had taken out their insurance policies through firm B.

#4

BROKERS DIVERTING CLIENTS' POLICIES TO DEFRAUD HIGHER COMMISSIONS

In fact, without their knowledge, the insurance policies were taken out through firm A and a technical representative of firm A was named as the handling technical representative.

#5

BROKERS DIVERTING CLIENTS' POLICIES TO DEFRAUD HIGHER COMMISSIONS

As a result, the insurance company released over $600,000 commissions to firm A. The two technical representatives then shared the commissions.

#6

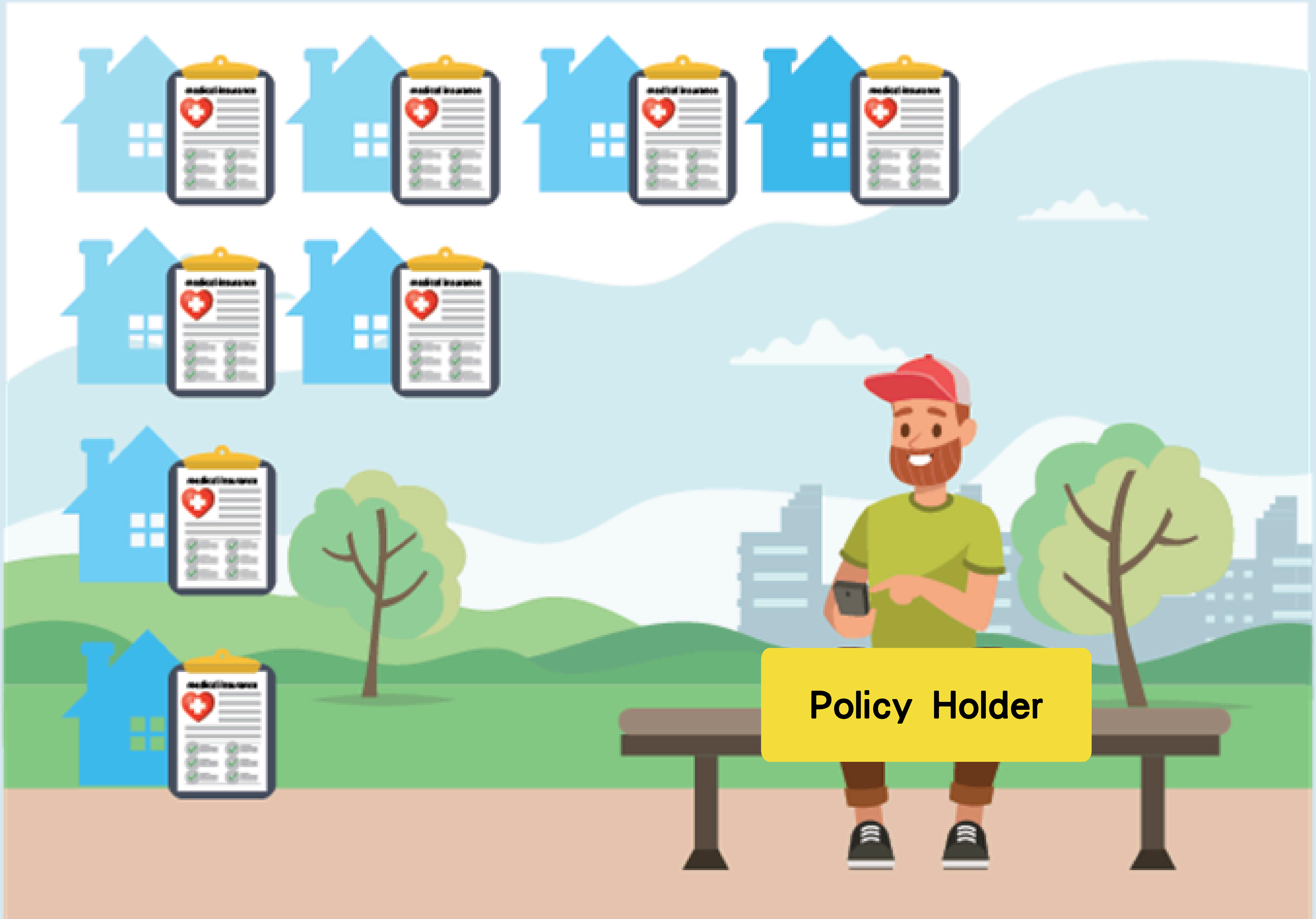
BROKERS DIVERTING CLIENTS' POLICIES TO DEFRAUD HIGHER COMMISSIONS

Both technical representatives were charged for defrauding the insurance company of commissions and were jailed.

Brokers diverting clients' policies to defraud higher commissions

Common Corruption Risks and Malpractices - ICAC Past Cases

Fraudulent insurance claims

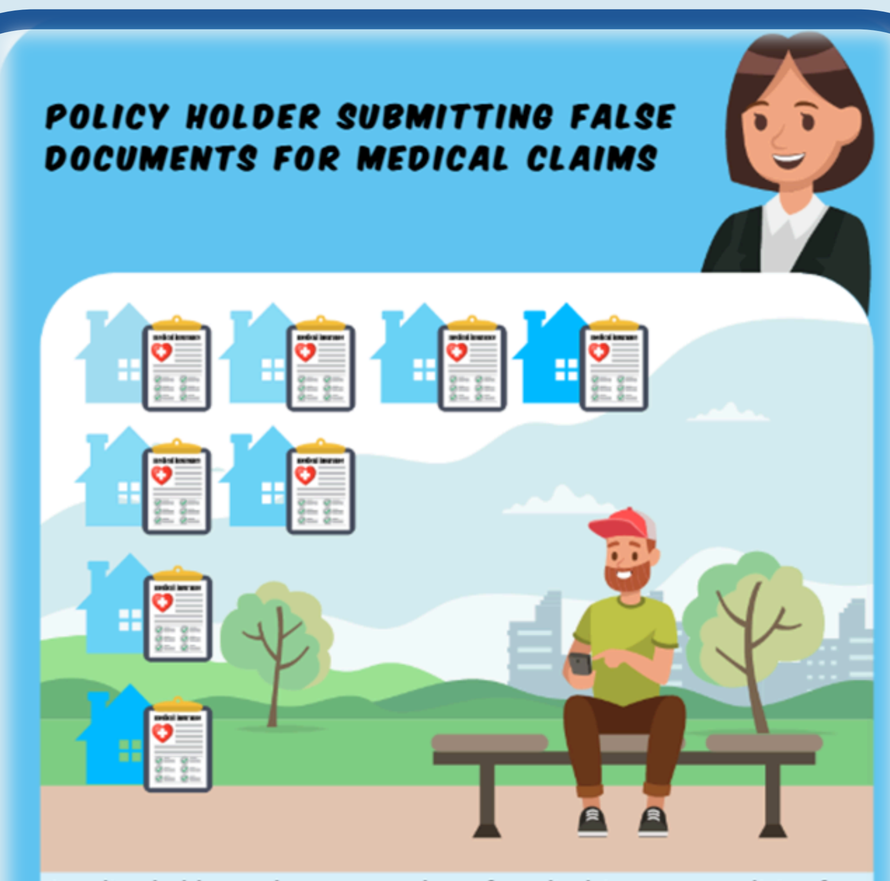


Policy holder submitting false documents for medical claims

Common Corruption Risks and Malpractices - ICAC Past Cases

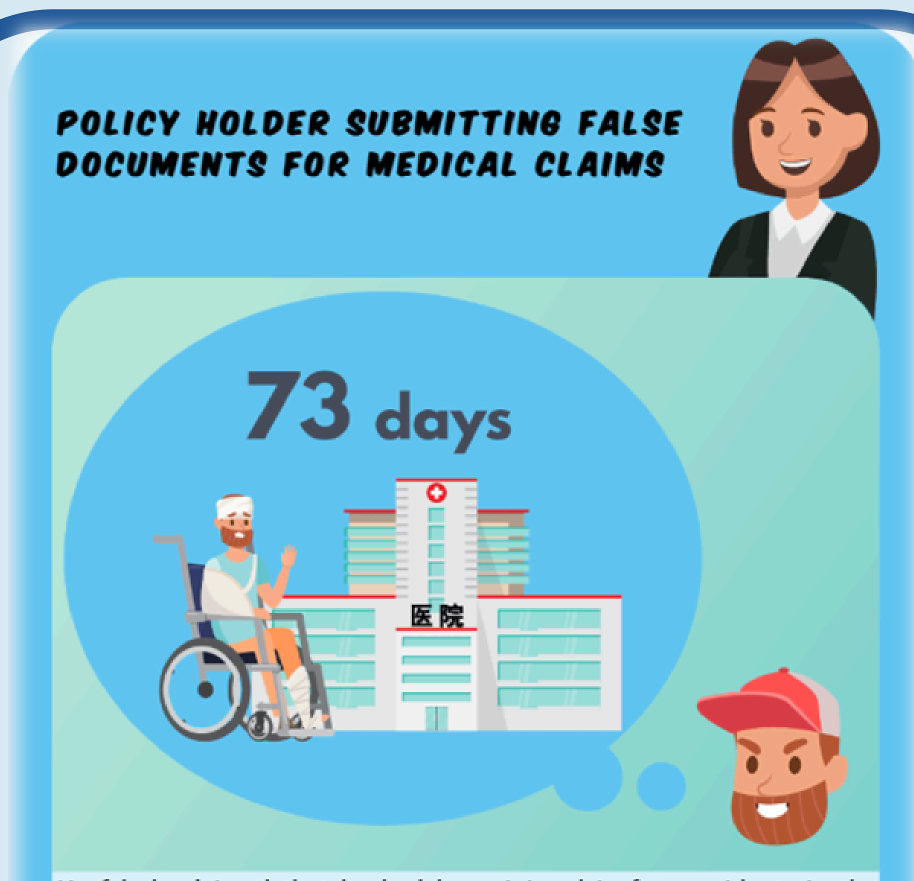
Fraudulent insurance claims

#1



A policy holder took out a number of medical insurance policies from eight authorised insurers through an agent.

#2



He falsely claimed that he had been injured in four accidents in the mainland and hospitalised for a total of 73 days.

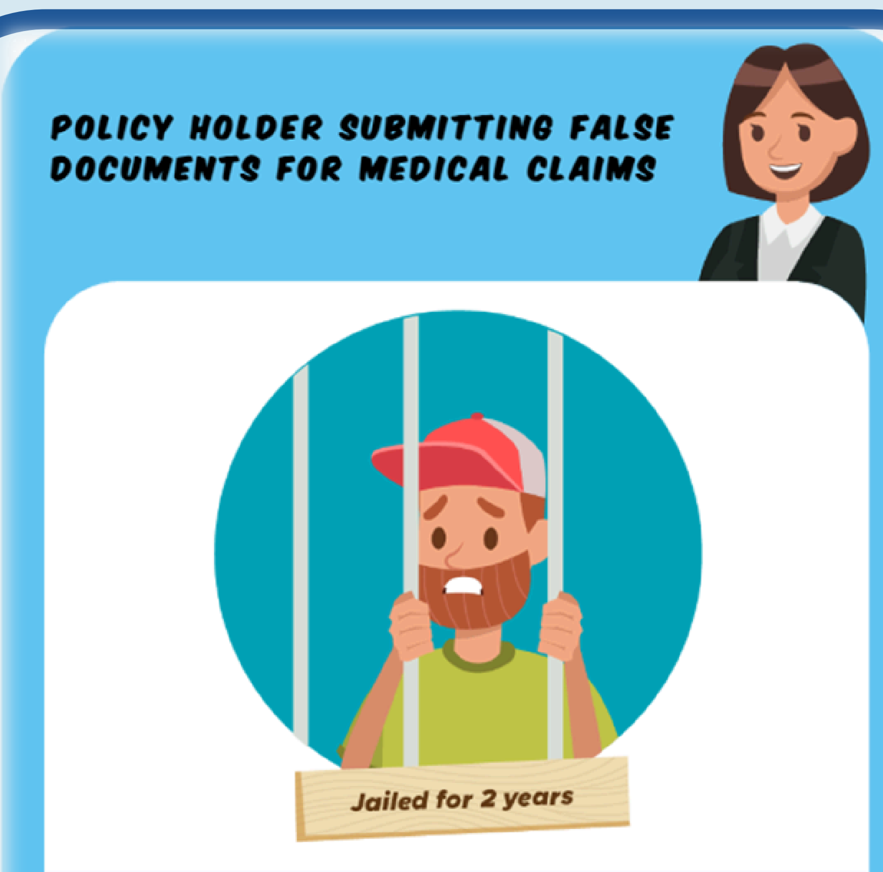
#3

He filed claims with invoices, receipts and medical reports, allegedly issued by a hospital in Shenzhen, for hospital cash benefit and medical expenses, deceiving over $430,000 from eight insurers.

#4

However, immigration records revealed that he was in Hong Kong for a total of 58 days during the purported hospitalisation periods.

#5



He pleaded guilty of fraud and was sentenced to two years' imprisonment.

Policy holder submitting false documents for medical claims

Common Corruption Risks and Malpractices - ICAC Past Cases

Fraudulent insurance claims

Agents accepting bribes for processing fraudulent claims

Common Corruption Risks and Malpractices - ICAC Past Cases

Fraudulent insurance claims

#1

AGENTS ACCEPTING BRIBES FOR PROCESSING FRAUDULENT CLAIMS

Two brothers who were the senior manager and the insurance agent of an insurance company were the masterminds of a syndicate running an insurance scam.

#2

AGENTS ACCEPTING BRIBES FOR PROCESSING FRAUDULENT CLAIMS

They took out insurance policies with various insurance companies using the names of persons who had either lost or sold their identity cards to a criminal gang.

#3

AGENTS ACCEPTING BRIBES FOR PROCESSING FRAUDULENT CLAIMS

The syndicate recruited a number of mainland residents who agreed to inflict injury to their eyes for making false medical claims.

#4

AGENTS ACCEPTING BRIBES FOR PROCESSING FRAUDULENT CLAIMS

The syndicate conspired to submit to 16 insurance companies for a total of $23 million fraudulent claims.

#5

AGENTS ACCEPTING BRIBES FOR PROCESSING FRAUDULENT CLAIMS

A team manager of an insurance company accepted $30,000 bribe from the syndicate and assisted in submitting the false certificates of compensation assessment for claims.

#6

AGENTS ACCEPTING BRIBES FOR PROCESSING FRAUDULENT CLAIMS

The insurance companies concerned paid out over $8 million compensation in the scam.

#7

AGENTS ACCEPTING BRIBES FOR PROCESSING FRAUDULENT CLAIMS

The senior manager, insurance agent and the team manager were all sentenced to jail for conspiracy to defraud and other crimes. Four other accomplices were also jailed.

Agents accepting bribes for processing fraudulent claims

Common Corruption Risks and Malpractices - ICAC Past Cases

Use of falsifying documents to deceive principals

Procurement staff using falsified invoices to deceive payments

Common Corruption Risks and Malpractices - ICAC Past Cases

Use of falsifying documents to deceive principals

#1

PROCUREMENT STAFF USING FALSIFIED INVOICES TO DECEIVE PAYMENTS

A senior marketing manager of an insurance company was responsible for placing printing orders for the insurance company.

#2

PROCUREMENT STAFF USING FALSIFIED INVOICES TO DECEIVE PAYMENTS

Over a period of three years, she instructed her relatives and some others to inflate or falsify invoices of various companies.

#3

PROCUREMENT STAFF USING FALSIFIED INVOICES TO DECEIVE PAYMENTS

She then submitted these false invoices, together with those of the genuine printer to the insurance company for claiming payments.

#4

PROCUREMENT STAFF USING FALSIFIED INVOICES TO DECEIVE PAYMENTS

As a result, the company paid out a total of $18.2 million, of which $15.7 million inflated amount was subsequently deposited into her personal bank account.

#5

PROCUREMENT STAFF USING FALSIFIED INVOICES TO DECEIVE PAYMENTS

She was sentenced to five years' imprisonment.

Procurement staff using falsified invoices to deceive payments

Common Corruption Risks and Malpractices - ICAC Past Cases

Use of falsifying documents to deceive principals

Agent submitting insurance applications with false information to deceive premiums

Common Corruption Risks and Malpractices - ICAC Past Cases

Use of falsifying documents to deceive principals

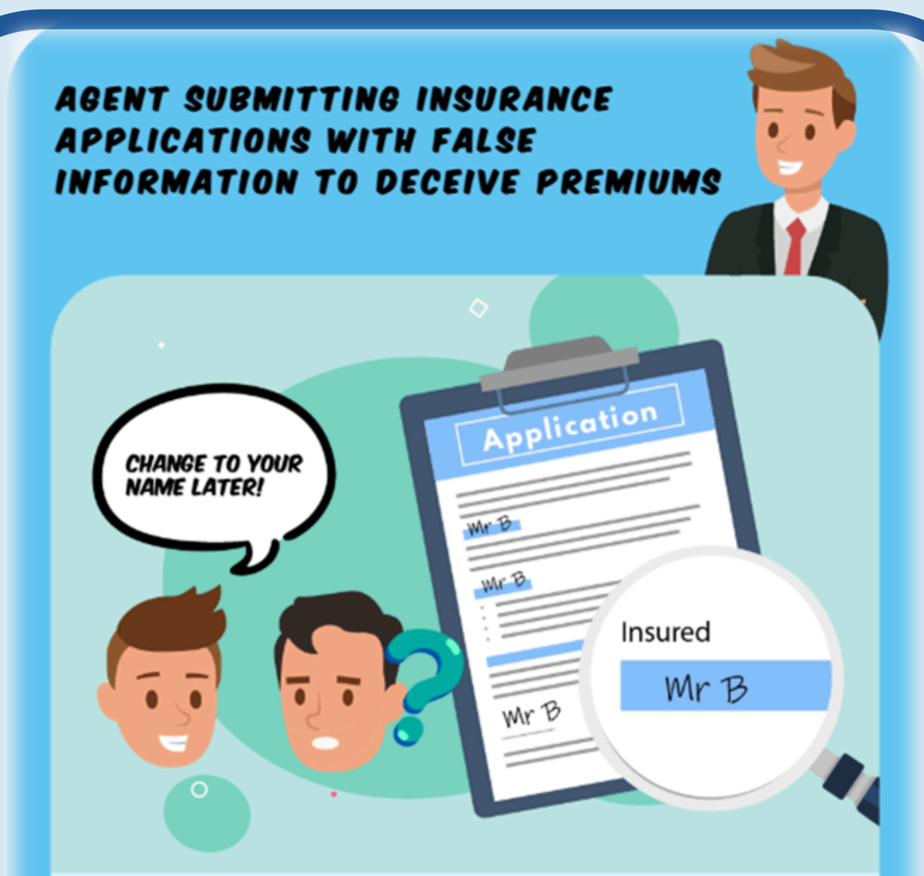
#1

A relationship manager of a bank was appointed as a licensed insurance agent of the bank's subsidiary.

#2

He dishonestly misled a client to pay over $12 million premiums for six insurance policies of which his friend was the policy holder and beneficiary.

#3



He falsely claimed to the client that the policies would later on be changed back to the client's name. The insurer approved five of the policies without knowing that the premiums were paid by the client.

#4

He was jailed for using false document to deceive his principal, contrary to Section 9(3) of the Prevention of Bribery Ordinance.

Agent submitting insurance applications with false information to deceive premiums