

Ex-lawyer on trial for cheating clients out of \$5.7m

Accused spent six years on the run before being caught in Germany

BY KHUSHWANT SINGH

THE trial of a former lawyer accused of cheating three clients out of more than \$5.7 million before going on the run opened yesterday.

Tan Cheng Yew, 42, was portrayed by the prosecution as a smooth talker who convinced clients to entrust him with their money - only to disappear.

He spent six years on the run before he was caught in Germany last year.

The one-time debater at the National University of Singapore has been charged with six counts of cheating and criminal breach of trust.

About \$4.8 million of the money he is accused of taking belonged to the family of Mr Tan Kwee Khoon.

Deputy Public Prosecutor Siva Shanmugam said that in December 2000, Mr Tan Kwee Khoon asked his lawyer, Tan, to sell 24 million shares in Poh Lian Holdings, a construction firm founded by his father.

Tan sold nine million shares for \$1.94 million and told his client the money would be invested in a fixed deposit account in an Australian bank.

In fact, this account did not exist and Tan had deposited the money into his personal accounts, the court heard.

In May 2002, Tan, a permanent resident from Malaysia, allegedly convinced his client to add another \$900,000 to the fictitious fixed deposit in Australia.

While this was going on, Mr Tan Kwee Khoon's family, who are not related to Tan, loaned the Central Christian Church \$1.5 million in April 2001 to buy a piece of land and build a church on it. Because the tendering process for the land had not yet begun, Tan was able to talk the family into placing the money with his firm for safe keeping, the court heard.

Instead, he is said to have put it into a fixed deposit account and pledged it as security for his personal loan facility.

In January 2002, he allegedly tricked the family into believing that, under the law, the church had to start paying back the loan immediately.

Because the church was only due to



Former lawyer Tan Cheng Yew being taken to court in October last year. ST FILE PHOTO

start repaying in the third year, the family issued the lawyer a cheque for \$480,000 to make it look as if the church had started its repayments.

Tan denies two charges of cheating and two charges of criminal breach of trust in relation to the family.

Another criminal breach of trust charge, for allegedly pocketing \$150,000 and US\$490,000 (S\$636,300) belonging to Mr Lim Kok Koon in 2002 and 2003, and a charge of cheating Mr Robert Ang

De Wei of \$100,000 in 2003, were stood down.

Tan, dressed in the white T-shirt and brown pants of a remand prisoner, was busy taking notes while seated in the dock.

His father, a retired lawyer, also appeared to be following the proceedings closely from the public gallery.

The trial, scheduled to last nine days, resumes today.

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Case led to new rules

BEFORE Tan Cheng Yew disappeared in February 2003, he called staff at his firm in Cecil Street and told them that he was in Perth but could not return to Singapore as he had lost his passport and cellphone.

Shortly after that, the firm cut him off as a partner.

Tan, a bachelor, was known as a skilled lawyer and a top debater.

His disappearance occurred at a time when a number of other lawyers had run off with their clients' funds. This led to accounting procedures for law firms being tightened.

Under rules that came into force in 2004, withdrawals of over \$5,000 require two signatories who are practising lawyers.

Alternatively, the law practice must engage an approved bookkeeper to write up the firm's accounts each month.

Tan's case was believed to be the biggest, in terms of the amount of money involved, until it was eclipsed by lawyer David Rasif, who skipped town in June 2006 with \$11.3 million of his clients' money. Rasif is still at large.

If convicted of criminal breach of trust, Tan could be sentenced to life imprisonment or jailed for up to 10 years and fined. Each of the two cheating charges carries a maximum sentence of seven years in jail and a fine.