

香港警察總部
香港軍器廠街
警政大樓



HONG KONG POLICE
HEADQUARTERS
ARSENAL HOUSE
ARSENAL STREET
HONG KONG

本署檔號 OUR REF : (18) in CP/IA 20/10/2 SF (15) 05-06 Pt. II
來函檔號 YOUR REF : CB(3)/PAC/R46
電話號碼 TEL NO : 2860 2445
圖文傳真 FAX NO : 2200 4342

19 June 2006

Clerk to Public Accounts Committee
(Attn : Ms Dora WAI)
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Ms Wai,

**The Director of Audit's Report on the
Results of value for money audits (Report No. 46)**

Chapter 1 - Collection of fines imposed by Magistrates' Courts

I refer to your letter of 6 June 2006 to Judiciary Administrator ("JA") requesting the latter to provide further information in connection with Table 13 of the above chapter of the report. In respect of the 77 defaulters who had outstanding parking fines of over \$100,000, PAC would like to know:

- (a) the reasons why they had such a large amount of outstanding fines; and
- (b) the periods of time taken to accumulate such amount.

On 13 June 2006, JA requested me to assist in answering part (a) and provided a table summarizing the details of the 74 defaulters who had outstanding parking fines of over \$100,000 as at 12 June 2006. A copy of the table is attached at **Appendix A** for your reference. I have examined the information of the table and my observations are as follows:

Reasons why the defaulters had such a large amount of outstanding fines

- 1. The defaulters had contravened numerous parking offences and received a large number of fixed penalty tickets (“FPTs”) during the one year period when their annual vehicle licences (“V/Ls”) were still valid**

In the majority of cases, the defaulters took only one year or a period within two calendar years to accumulate such a large amount of fines and abruptly no additional fines were accumulated thereafter. Knowing that under the present mechanism Transport Department (“TD”) would refuse renewal of annual V/L under a person’s name if he has outstanding fines, it is reasonable to believe that the defaulters had contravened numerous parking offences and received a large number of FPTs during the one year period when their annual V/Ls were still valid. Since the defaulters were unable to renew their V/Ls, no more fines were accumulated after expiry of their V/Ls.

- 2. Total amount of outstanding fixed penalty and court cost had accumulated to over \$50,000 to trigger the mechanism for the issue of distress warrants to the defaulters**

The majority of cases met neither criterion (a) that the ownership of the offending vehicle had been transferred nor criterion (b) that the V/L of the offending vehicle had expired for two years. It could be inferred that it was criterion (c) that the total amount of outstanding fines had accumulated to over \$50,000 to trigger the mechanism for the issue of distress warrants to the defaulters. Despite distress warrants had already been issued when the total amount of fines was over \$50,000, the defaulters could still drive their vehicles and receive more and more FPTs before their V/Ls expired. This explains why a number of distress warrants had been issued on the defaulters.

- 3. Distress warrants on the defaulters were unsuccessfully executed.**

Since the majority of the distress warrants on the defaulters were not successfully executed by the Bailiff Office, a large amount of outstanding fines was accumulated as the number of court orders and unexecuted distress warrants on the defaulters piled up. As regards the reasons for the unsuccessful execution of the distress warrants and the actions that had been taken by the Bailiff Office on these unexecuted warrants, the answers would have to be provided by JA.

Based on the further information provided by JA and the Police’s records, I have looked into the cases of the 7 most serious defaulters (each had more than \$300,000 outstanding fines), viz. defaulter nos. 32, 36, 37, 46, 47, 70 and 72, with a view to obtaining more evidences to substantiate my above observations. The findings are summarized at **Appendix B**. It is noted that:

- (i) For 6 out of the 7 defaulters, all FPTs were issued during the one year period when their V/Ls were still valid and each of them had only one vehicle. Only one defaulter (defaulter no. 37) had a small portion of FPTs that were issued within one month after expiry of the V/Ls of his two vehicles.
- (ii) For all 7 defaulters, it was criterion (c) that the total amount of outstanding fines had accumulated to over \$50,000 to trigger the mechanism for the issue of the first distress warrant when their V/Ls were still valid.
- (iii) All distress warrants on the 7 defaulters were unsuccessfully executed.

The above findings corroborate my observations.

Police is reviewing the existing criteria (b) and (c) for application of distress warrants relating to parking contraventions. For criterion (b), the proposed revision from when “the V/L of the offending vehicle has expired for two years” to “as soon as the V/L expires” would not be an effective measure against these serious defaulters as distress warrants had already been issued on them when their V/Ls were still valid. For criterion (c), a reduction of the threshold of \$50,000 would trigger the mechanism for the issue of distress warrants to the defaulters at an earlier stage. However, the deterrent effect on these serious defaulters should not be significant as they could still drive their vehicles and receive more and more fixed penalty and court cost before their V/Ls expired. Having considered the information of these 74 defaulters provided by JA, I believe that any changes of the existing criteria for application of distress warrants could not effectively reduce the large amount of outstanding fines imposed by courts in these cases if the success rate of the execution of distress warrants by the Bailiff Office remains at the present level.

A Chinese translation of this letter will be forwarded to you shortly.

Yours sincerely,



(Mrs. Kitty CHENG)

for Commissioner of Police

c.c. Judiciary Administrator
Deputy Director of Public Prosecutions
Commissioner of Transport
Secretary for Financial Services and the Treasury (Attn: Miss Amy TSE)
Director of Audit

**Case details of Table 13 in para. 6.19 of the Audit Report in respect of
74 defaulters who each had parking outstanding fines of over \$100,000 as at 12.6.2006**

Defaulter	Person/ Company (P/C)	No. of cases involved	Total outstanding amount \$	Period of time taken to accumulate the outstanding amount	No. of warrants issued	Payment status
1	P	162	174,960	1997 - 1998	18	Unpaid
2	P	116	125,280	1997 - 1998	13	Unpaid
3	P	238	257,040	1997 - 1998	17	Unpaid
4	P	109	120,440	1998 - 1999 2001 - 2002	16	Unpaid
5	P	239	258,120	2000 - 2001	20	Unpaid
6	P	124	133,920	1995 - 1996	4	Unpaid
7	P	168	120,000	1993 - 1995	2	Unpaid
8	P	216	108,300	1993	5	Unpaid
9	P	116	125,280	2000	6	Unpaid
10	P	105	113,400	1996- 1997	3	Unpaid
11	P	193	208,440	1997 - 1998	9	Unpaid
12	P	179	193,320	1998	10	Unpaid
13	P	130	140,400	2003 - 2004	18	Unpaid
14	P	117	126,360	1999	5	Unpaid
15	P	232	249,600	1996 - 1997	13	Unpaid
16	P	164	177,120	1999 - 2000	5	Unpaid
17	P	200	100,100	1992 - 1993	7	Unpaid
18	P	168	181,440	2001	5	Unpaid
19	P	144	155,520	1996 - 1997	12	Unpaid
20	P	135	145,800	2000	7	Unpaid
21	P	93	100,440	1998 - 1999	4	Unpaid
22	P	270	205,200	1994-1995	5	Unpaid
23	P	99	106,920	2000 - 2002	20	Unpaid
24	P	125	135,000	2000	9	Unpaid
25	P	98	105,840	2002 - 2005	3	Unpaid
26	P	107	115,560	1999 - 2001	3	Unpaid
27	P	138	116,400	1994 - 1995	7	Unpaid
28	P	324	175,200	1992 - 1993	5	Unpaid
29	P	354	177,000	1991 - 1992	5	Unpaid
30	P	117	126,360	2000 - 2001	3	Unpaid
31	P	135	133,800	1994 - 1995	2	Unpaid
32	P	295	318,600	2000 - 2001	12	Unpaid
33	P	166	174,240	1995 - 1996	3	Unpaid
34	P	138	149,040	1998	6	Unpaid
35	P	132	142,560	1999 - 2000	4	Unpaid
36	P	301	325,080	2001	8	Unpaid

Appendix A

Defaulter	Person/ Company (P/C)	No. of cases involved	Total outstanding amount \$	Period of time taken to accumulate the outstanding amount	No. of warrants issued	Payment status
37	P	653	705,240	2000 - 2001	23	Unpaid
38	P	135	145,800	1996	6	Unpaid
39	P	115	124,200	1996	3	Unpaid
40	P	105	113,400	1998	5	Unpaid
41	P	103	111,240	1995 - 1996	14	Unpaid
42	P	118	127,440	1998	8	Unpaid
43	P	107	115,560	1995 - 1996	3	Unpaid
44	P	134	144,720	1995 - 1997	2	Unpaid
45	P	103	107,640	1994 - 1995	5	Unpaid
46	P	362	390,960	1998 - 1999	16	Unpaid
47	P	536	578,880	1996 - 1997	21	Unpaid
48	P	121	130,680	2001 - 2002	7	Unpaid
49	P	142	153,360	1997 - 1999	16	Unpaid
50	P	163	176,040	2000	8	Unpaid
51	P	150	162,000	1997 - 1998	15	Unpaid
52	P	160	172,800	2000 - 2001	5	Unpaid
53	P	100	108,000	2004 - 2005	9	Unpaid
54	P	97	104,760	2000 - 2001	13	Unpaid
55	P	120	129,600	2000 - 2001	11	Unpaid
56	P	128	129,120	1995	2	Unpaid
57	P	177	174,840	1995	5	Unpaid
58	P	180	194,400	2000 - 2001	6	Unpaid
59	P	126	136,080	1995 - 1996	6	Unpaid
60	P	102	110,160	1995 - 1997	9	Unpaid
61	P	165	104,760	1993 - 1994	4	Unpaid
62	P	94	101,520	1998	4	Unpaid
63	C	105	113,400	2002 - 2003	15	Unpaid
64	C	139	129,240	1994 - 1995	3	Unpaid
65	C	100	108,000	2003	12	Unpaid
66	C	112	117,600	1994 - 1996	4	Unpaid
67	C	113	116,040	1995 - 1996	3	Unpaid
68	C	138	149,040	1995 - 1996	8	Unpaid
69	C	234	252,720	2000	16	Unpaid
70	C	689	744,120	1997 - 1998	30	Unpaid
71	C	118	127,440	1998 - 2000	11	Unpaid
72	C	364	393,120	1998	9	Unpaid
73	C	202	192,720	1994 - 1995	4	Unpaid
74	C	116	118,560	1994 - 1995	3	Unpaid

An analysis of 7 defaulters
who had more than \$300,000 of outstanding parking fines as at 12.6.2006

Defaulter (Case reference)	Date of 1st Distress Warrant (Notes 1 & 2)	Expiry date of V/L of offending vehicle (Notes 3 &4)	No. of FPTs issued within last valid V/L period (Note 5)	No. of FPTs issued after expiry of V/L (Note 6)
Defaulter no. 32 (L/M 162/01)	2001-07-14	2002-01-31	311	0
Defaulter no. 36 (L/M 113/01)	2001-11-03	2001-11-29	301	0
Defaulter no. 37 (L/M 006/01)	2001-02-03	Vehicle 1: 2001-01-25 Vehicle 2: 2001-08-19	Vehicle 1: 200 Vehicle 2: 427	Vehicle 1: 15 Vehicle 2: 11
Defaulter no. 46 (L/M 226/98)	1998-09-05	1999-06-26	363	0
Defaulter no. 47 (L/M 241/96)	1996-08-10	1997-02-28	536	0
Defaulter no. 70 (L/M 316/97)	1997-12-06	1998-06-17	689	0
Defaulter no. 72 (L/M 055/98)	1998-07-04	1999-01-24	364	0

Note 1 : The 1st distress warrant was issued when the total amount outstanding fines had accumulated to \$50,000.

Note 2: All distress warrants on the 7 defaulters were not successfully executed.

Note 3: Each defaulter had only 1 offending vehicle, except defaulter no. 37 who had 2 offending vehicles.

Note 4: V/Ls of all offending vehicles were not renewed after the expiry dates.

Note 5: For defaulters nos 32 & 46, there were slight differences between no. of FPTs issued and no of outstanding cases in Appendix A. It is believed that the 2 defaulters might have paid a few FPTs.

Note 6: For defaulter no. 37, the FPTs were issued within one month after expiry of V/Ls concerned.