

RICHARDS BUTLER

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in association with
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禮德律師行聯營行

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9th January 2008

Dear Sir,

Re: Public Accounts Committee Hearing ("the Hearing")

As you may know, we have received instructions to act on behalf of Mrs. Grace Lee who has been giving evidence at the Hearing.

Having taken our client's instructions, considered some of the exchange of correspondence between the Public Accounts Committee ("PAC") and our client, reviewed the transcript of the Hearing and obtained advice from Leading Counsel, we write to put the following on record:

1. In response to our client's letter dated 6th December 2007 enquiring expressly as to whether there were any allegations which were going to be made against our client at the Hearing, by a letter dated 10th December 2007 from the Clerk to the PAC to our client, she stated that:

"I am directed to clarify that the holding of public hearings on the Director of Audit's reports is part of the Committee's established process for gathering evidence relevant to the reports for the purposes specified in the second paragraph. The Committee is not

PARTNERS:

C G Howse	A K Brown	M R D Pepper	D G Harrington	K C Mok	L J Li	K R Bowers
D M Norman	G P Winter	Nanette Kwong	S J Birt	Janet Cheung	C S K Tang	Doreen Kong
A D Morrison	Denise Jong	Asha Sharma	Alice Hutchens	Ivy Lai	A W M Kaung	Emma Casdagli
C J Williams	J N Green	Delpha Ho	A D Horton	W J G Barber	D Kan	R W K Choy

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concerned with allegations against any person. Hence, there is no question of making allegations against you at the hearings."

Notwithstanding the stated position of the PAC as aforesaid, we note from the transcript that serious unsubstantiated allegations have been directed towards our client by different members of the PAC. This is wholly unfair and inappropriate. For your ease of reference, we attach a schedule with extracts from the transcript of the Hearing. The schedule contains *examples* where members uttered unsubstantiated allegations, appeared to have already made up their minds on issues that were controversial before hearing all the evidence, and where they appear to have been biased. You will appreciate that the Hearing is an inquisitorial proceeding conducted in public which may lead to findings or conclusions by the PAC which may impugn the character and reputation of those involved. Amongst the cardinal principles of such a process are the need to be fair, to inform the witnesses of any allegations against them together with the substance of such allegations, to give the witnesses an adequate opportunity to prepare the case and if necessary an opportunity of testing any evidence/allegations by cross-examination. It is essential that the rules of natural justice are observed. Members of the PAC should refrain from making unsubstantiated allegations against our client and in this regard, we reserve our client's rights to take such actions/steps as may be necessary if allegations continue to be made against her.

2. On the express statement from the PAC (as referred to above) our client has not challenged the composition of the PAC and its independence. However, we would like to let you know that our client reserves her right to object to this tribunal making any findings if any allegations are to be made or suggested against our client on the ground of bias or reasonable apprehension of bias.

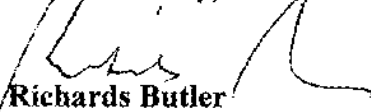
We are further instructed by our client to provide you with the following which is the evidence she wanted to provide orally to put right certain facts which were misquoted by members of the PAC at the Hearing but was either not given the opportunity to do so, interrupted or stopped:

1. In or about February/March 2004 Mrs. Lee received instructions from her superior, Ms. Clara Chong that her request for an upgraded medical has been approved by the then Chairperson of the Hong Kong Tourism Board ("HKTB") (a fact that was verified by Mr. Stanley Ko whilst giving evidence on 19th December 2007) and that Mrs. Lee can proceed to find a suitable plan for Ms. Chong. Mrs. Lee gave instructions to her subordinate, Ms. Brenda Chan to find a suitable plan and to liaise with Ms. Chong directly.
2. Mrs. Lee had no further direct involvement with the decision to select the plan apart from dealing with any questions from Ms. Brenda Chan from time to time and to instruct Ms. Brenda Chan to get the best value out of the plan eventually shortlisted. Mrs. Lee's next major involvement was when she was informed on or about 2nd September 2004 that a plan had been found after which she wrote to the Chairperson by email on 2nd September 2004 seeking her approval on the plan.

3. In or about late March 2004, Mrs. Lee was informed by the former Chairperson that the renewal of Ms. Chong's contract had been approved and was instructed to prepare the new contract. She therefore proceeded to prepare the new contract on the basis of the old contract. According to manuscript notes on the draft renewal contract it appears that Mrs. Lee got confirmation from the Chairperson to continue allowing cash in lieu of the travel allowance and recorded the fact that an upgraded medical plan had been agreed to by the Chairperson. The former item as well as Ms. Chong's personal portion of her monthly mobile phone bill although never formed part of even the original written employment contract between the HKTB and Ms. Chong were nevertheless verbally approved by the former Chairperson and provided to Ms. Chong. Further, there were other items in the original employment contract of Ms. Chong, namely the provision of a private car with driver and membership of clubs which were not in the list of items submitted by the former Chairperson to the Financial Secretary for approval. Our client was therefore not aware that the Financial Secretary's approval was required for such items. These factors coupled with the fact that the former Chairperson personally told Mrs. Lee that it was not necessary to incorporate the cash in lieu of travelling allowance into the written contract caused no concern to Mrs. Lee that she was not asked to include the upgraded medical plan as a specific term in the written contract. The renewed written contract was then passed to the former Chairperson to be forwarded to Ms. Chong and it now appears from emails in the possession of the HKTB that the renewed contract was probably not yet signed by February 2005. Of course, the very fact that Ms. Chong continued working for the HKTB is evident of the existence of a renewed contract which had been agreed orally (including the approval given orally by the then Chairperson for Ms. Chong to have an upgraded medical plan), leaving only the creation of a written document to be executed by the parties.

In the meantime, we expressly reserve all our client's rights.

Yours faithfully,



Richards Butler
in association with Reed Smith LLP
(Encl.)

cc: Ms. Clara Chong

SCHEDULE

13 December 2007

Verbatim transcript (in Chinese): R49/5/VER2 pp.95-96

劉江華議員：

主席，我覺得非常詫異，就剛才臧女士和李太說的一番說話。臧女士說她這些手續，其實這些手續基本上是超越了合約，修改了合約，她說她不知道要跟財政司司長說。我最初以為李太會知道，但李太卻說她也不知道。作為總幹事和副總幹事，這麼高級的職員，也不知道要按規矩行事，那麼誰才知道呢？誰去做呢？這似乎從你兩位的薪酬和職位，似乎有點不大相稱。

14 December 2007

Verbatim transcript (in Chinese): R49/5/VER3 pp.45-46

鄭經翰議員：

.....你是一位資深的行政人員，每年有數百萬元工資，“大佬”，你連合約也不懂得看，只是在這裏說“廢話”。接着翻看Handbook，在1999年前入職的，家人便有coverage，但1999年之後入職的人是沒有的，就是這麼簡單。我就是想你回答我的問題，你有沒有看過合約？有沒有根據合約execute？有沒有根據合約advise主席，她是entitled這方面，即主席的問題還主席問題，現在你的問題最大，所以我想你回答。你不要說那麼多了，因為我們身為委員.....你現在是在浪費公帑，我們昨天已用了差不多4個小時，今天又用了兩個小時，聽你回答一些與我們的提問完全無關的東西。主席，我希望你叫她回答這個問題，我不想再聽其他東西。

14 December 2007

Verbatim transcript (in Chinese): R49/5/VER3 pp.51-52

鄭經翰議員：

李太，我已經很……我覺得我自己，尤其是我本身是比較心急的人，我已經很容忍你在昨天和今天的作供，我一直也沒有作聲。但我現在問你的問題是很到點的，便是看看合約。你現在告訴我，臧小姐叫你做甚麼你便做甚麼，你說她告訴你，你要看合約的，你的工作不是做她的“阿四”。你是在旅遊發展局做副總幹事，年薪數百萬元。你不要對我說，臧小姐叫你甚麼……除非我現在問你的問題，是給你機會澄清。你是否有壓力呢？是否臧小姐給你壓力：第一，找一個這麼貴的plan；第二，要誤導主席或要求主席endorse這件事呢？你是否有壓力呢？我想先問你這個問題。

14 December 2007

Verbatim transcript (in Chinese): R49/5/VER3 p.73

林健鋒議員：

…… 其實，她是否真的有盡責做這些事情呢？就這樣隻手遮天，她認為沒事便沒事，只相信一念之詞[一面之辭]，是沒有文件的，別人告訴她是怎樣便怎樣。我想問一問李太，她在這方面是否犯了一個很……對不起？是不是沒有想過這樣是不符合合約中的要求？她的直覺是覺得這些是完全沒有問題的。

14 December 2007

Verbatim transcript (in Chinese): R49/5/VER3 p.80

劉江華議員：

主席，剛才周太最後的證供，我覺得對李太和對臧小姐其實十分不利。周太點出9月的電郵，事實上，可以看到計劃或保金也是在合約之內的，所以周太覺得是誤導，李太對此也無可否認，當然，究竟是

有心抑或無意，她稍後也可以談談。但對臧小姐的不利之處，第一，臧小姐一直說她曾口頭跟主席說過，但主席，即周太卻表示沒有，沒有這回事，你們兩個或者3個閉門.....但這個計劃與你本身很有關係，而且還有利益關係，主席說沒有，沒有應承過，而你繼續堅持說有，我們如何能夠相信你呢？

另外一點，主席，即周太剛才說曾吩咐你，如果有改動的話，便應該交給理事會、財政司，但臧小姐說沒有，而且也不知道要這樣做，但我想強調一點，這是你的利益，對嗎？你一直的做法是否都是“自把自為”呢？所以，我認為對你十分不利便是這個意思，除非你能提出一些證據，推翻周太所有的說話。

14 December 2007

Verbatim transcript (in Chinese): R49/5/VER3 p.83

劉江華議員：

主席，我勸李太今天回去後真的要想清楚整件事，特別是提到7月的電郵，我們幾位同事分別也.....大家看過後也十分明白，特別是你寫那封email，基本上heading、subject是Clara's Medical，即是有關醫療的，如果你扭曲至以其他事為重點，其實，我便覺得有點是否誠實的問題，而且你當中亦有一句話，說你曾直接跟主席說過，但昨天你的供詞卻否認了，說要多加數個字，這真的是很難處理的。我們只能看這封email作準，你今天卻說推翻當時的email是沒有作用的，所以，我希望你再重整一下真相是甚麼。你來到立法會便要說真相，不是“兜”，也不是“包抄”，不是的，你一定要說出真相，似乎現在我們覺得你說的並不是真相，所以我想請你真的要想清楚。

14 December 2007

Verbatim transcript (in Chinese): R49/5/VER3 p.91

鄭經翰議員:

.....還有一點。當你發出誤導周太的電郵那兒.....如果有一個這樣的電郵，這是很重要的，為甚麼你不把電郵的內容告知周太呢？多謝主席。

14 December 2007

Verbatim transcript (in Chinese): R49/5/VER3 p.98

鄭經翰議員:

是否你想給你上司"著數"呢？要please她呢？還是她給你壓力呢？我不知道。

14 December 2007

Verbatim transcript (in Chinese): R49/5/VER3 p.105

石禮謙議員:

.....如果她要按照條例，處理每件事也須合法，為何不要求周太處理，而要Grace向周太取得同意，然後在9月2日，Grace很清晰地保護你及她自己，要求Brenda緊記存放在file，日後便是“釘死”周太就是這是.....

14 December 2007

Verbatim transcript (in Chinese): R49/5/VER3 p.116

鄭經翰議員:

我想先問李太，因為7月12日的email是很重要的，.....如果我的理解正確，這真是無法無天的，便是"I have the Chairman's words directly."，即是周太直接對她說，"Since the amount is not significant," 錢是很濕碎的，"the Chairman agreed that these terms need not be written into the contract."所以錢少的關

	<p>係，便無須寫在合約內，即無須依法辦事。”You can keep a copy of this in Clara's file for record and future reference.”，<u>作為一個法規部主管，怎能寫這些，錢，一個仙，貪污就是貪污；一個仙，我們負責衡工量值的，有一個仙使不得其所，我們都要針對及檢討，她怎可說因為錢額不大……但問題是，她怎可以這樣 advise human resources 的同事，告知因為錢銀很濕碎，我們根本無須理會合約，因為周太說這樣就這樣，這叫法規部嗎？周太或臧小姐 run 旅發局是否真的如此，是否反映了其實這就是個架構，是人治的？我想問，她寫這 email 時，是否知道自己完全失職及罔顧法規呢？</u>多謝主席。</p>
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14 December 2007

Verbatim transcript (in Chinese): R49/5/VER3 p.117

鄭經翰議員：

……主席，如果我接受她的解釋，第一點我想提醒她，現在牽涉公帑，我作為市民、納稅人及立法會也感到很悲哀，悲哀的地方是她寫過的東西可以全部否認，……即使、即使我接受她那麼牽強、不合法及不合情理的解釋，即使提到 travelling allowance，也不可以這樣做，我就跟她說這一點，她也不可以這樣做，當我接受她說 travelling allowance：不用理會，主席說這些很濕碎無須寫入合約，她便說 OK，她根本是失職。她有甚麼資格掌管企業行政、掌管法律顧問、財務管理及人力呢？如果她以這種方式做事，她有甚麼資格呢？即有法不依，這是很悲哀的。

17 December 2007

Verbatim transcript (in Chinese): R49/5/VER4 pp.38-39

譚香文議員：

你沒有想清楚以員工(副總幹事)的身份，繼續跟進或者檢討在一個良好管治的精神之下，究竟這個超豪華的保險是否有需要、有沒有一些方法可以節省一些金錢呢？你不作跟進，只是依賴人事部做，你是副總幹事的，你在這方面是否失職呢？

17 December 2007

Verbatim transcript (in Chinese): R49/5/VER4 p.43

鄭經翰議員：

你說是主席同意，但卻說是臧小姐告訴你的，怎可以聽第三……你是一位專業……現在說的是一項專業服務，你怎可以這麼想？你全都是聽第三者說的，但有一項十分專業的意見告訴你，人事部告訴你，這個plan是不可行的，你亦說得很清楚 — 你剛才也沒有“車大炮”，你有時候也很誠實 — 你說你並不是只看一個電郵，經常就著Clara的保險問題，與Brenda商討很多次，不只1次，這是事實，電郵也是這樣說，她是忍無可忍了，所以她不再repeat、不再重複跟你說過的話，只是很斬釘截鐵地告訴你，如果看過這些電郵，任何有正常判斷力的行政人員也知道“大鑊”了，這是行不通的，你怎可以相倍一面之詞，便說Clara告訴你已得到主席批准。我這個問題你無須回答了，因為我已經有……我想大家也是公道的。

……你諮詢主席同意了，問她你可否行使、執行這件事，你是完全誤導的。

17 December 2007

Verbatim transcript (in Chinese): R49/5/VER4 pp.45-46

鄭經翰議員：

你為甚麼……問題是你為甚麼誤導周太？在你的電郵中，替……其實今次的聆訊，看到這封電郵後，周太好像沒有甚麼責任，即看起來，因為是你告訴她合約內有這樣的條款。你剛才說Grace告訴你得到周太的同意，但合同卻沒法說出來的，是有白紙黑字，你告訴我，為甚麼你會有這樣的感覺呢？這種感覺是人事部已經告訴你是不可行的，之後你自己作出這個決定，你可否告訴大家，你是如何決定的呢？

17 December 2007

Verbatim transcript (in Chinese): R49/5/VER4 p.47

鄭經翰議員：

……你和周太在合約上簽署。根據僱傭合約第 14.3 條，你完全沒有做的。我真的想問你，究竟你做過甚麼？究竟你每天上班是否魂遊四海，像我一樣呢？因為我聽你說話便開始魂遊四海。

17 December 2007

Verbatim transcript (in Chinese): R49/5/VER4 p.70

譚香文議員：

……作供這麼久給我的感覺，李太偏幫她的上司，對嗎？

19 December 2007

Verbatim transcript (in Chinese): R49/5/VER6 p.53

譚香文議員：

……剛才兩個專家所說的意見，在你的電郵中，你有否誤導主席，這個新的要求，這個 contract

renewal 所謂 form 它的內容呢？即新的合約的釐定的跟進的條款呢？

19 December 2007

Verbatim transcript (in Chinese): R49/5/VER6 p.84

鄭經翰議員：

..... 李太你沒有回答我的問題，你是在迴避問題，很不好意思，我不是要指責你，我只是告訴你，你給我的感覺或者給公眾的感覺，是你在迴避問題。我是問你.....terms 是很簡單的，大家也懂得這個字“t-e-r-m-s”，這個字十分簡單，terms 便是 refer to 合同的 terms，verbal agreement 並不是 terms，OK？terms 便是 terms，我問你在這份合約內，有一點有這個 terms？是沒有的，你無須回答了，我已經替你看過，你無中生有，我也覺得技術非常高。

20 December 2007

Verbatim transcript (in Chinese): R49/5/VER7 p.81

劉江華議員：

.....而我們看回你的職責，你跟政府有很多事情是有瓜葛的，是由你負責跟政府聯繫的，但在這件事情上，似乎你沒有跟政府有任何商討，或跟財政司司長有商量等。你覺得在整件事情中，你應否負上較大的責任呢？

20 December 2007

Verbatim transcript (in Chinese): R49/5/VER7 p.85

劉江華議員：

我知道，歸根究底，我的問題是，就整件事情來說，你是否應該負很大的責任？你是否同意？應該溝通的你却没有溝通，是嗎？

20 December 2007

Verbatim transcript (in Chinese): R49/5/VER7 p.98

石禮謙議員:

.....1,500 萬元的 contract, 不是 1,000 萬元, Albert。這是“濕濕碎”的。但問題不是這樣, 你這樣回答她, 你有 misrepresentation, 你錯.....故意引.....我不知道你是故意, 還是你說的無意, 你令她做一個 resource....Human Resources GM, 有一個很大的“老細”這樣說, 她便不可以再問, 為甚麼你.....如果你覺得你有做錯, 為甚麼你不告訴她呢? 因為 Brenda 可以口頭告訴我, 是不是你收到那個, 你便已經 chapter closed? Brenda。

20 December 2007

Verbatim transcript: R49/5/VER7 p.102

石禮謙議員:

直至我再看, 便很難相信。為甚麼呢? 她混淆了數件事, 套在一個 medical scheme 中, 這件事.....Grace 你是做錯了.....