

For discussion
on 19 March 2008

LegCo Panel on Administration of Justice and Legal Services

Recovery Agents

The object of this paper is to brief members of the recent developments on the topic of recovery agents. As reported to the Panel in previous meetings, the Administration is taking a three-pronged approach to address the problems caused by recovery agents. These are public education, law enforcement through investigation and prosecution, and possible legislation. The respective areas of work are updated below.

Public Education

2. In order to increase public awareness of the risks of the activities of recovery agents, we have produced a radio Announcement of Public Interest (API) which is ready to be launched.

3. Bearing in mind the views expressed in the last Panel meeting held in April 2007, the Administration decided to produce a television API on this subject. Production will be completed very soon. We have received very helpful comments from the two professional bodies in the course of producing the APIs.

4. We have been liaising with the Police with a view to determining the most opportune time for broadcast of the APIs in order to maximize their effect and impact in terms of public education. We will inform the Panel and the two legal professional bodies once the timing for broadcasting of the APIs is confirmed.

5. The Administration has referred to the Police and relevant government departments and public organisations complaints received from legal practitioners and members of the public in respect of possible illegal and touting activities of recovery agents. These bodies have taken appropriate follow-up actions reported in the Annex to curb such

activities and to remind the public of the risks posed by the activities of recovery agents.

Prosecution

6. The Police are currently investigating nine cases relating to recovery agents. We are informed by the Police that all victims have been interviewed and statements have been taken. Members will appreciate that the Administration is not in a position to divulge details of cases which are under investigation by the Police. Seven cases are now being actively pursued. While the Police are still investigating the cases referred to them, we can confirm that three arrests have been made. Significant progress has also been made in respect of at least one case which may result in the taking of prosecution action. We will report to the Panel on any further developments in the investigation.

7. In response to the complaints referred to the Police in respect of touting activities by recovery agents, the Police reported that they have taken preventive measures by stepping up patrol at black spots for recovery agent activities.

Possible Legislation

8. The Administration does not rule out the possibility of introducing legislation for the purpose of protecting the interests of the public against abuse by recovery agents. Champerty and maintenance are common law offences in Hong Kong. The Police may bring prosecution under these common law offences. We will review the need for legislation pending the outcome of prosecution actions. If introduction of legislation is deemed desirable, the AJLS Panel, the two legal professional bodies, as well as other stakeholders will be consulted.

Department of Justice
March 2008

The following are measures taken by government departments and organisations to counter the activities of recovery agents in or near their premises—

Labour Department

2. In November 2007, a solicitor reported that certain touting activities were carried out by recovery agents in the vicinity of the office of the Labour Department in Cheung Sha Wan. This complaint was referred to the Labour Department for investigation.

3. The Labour Department reported that they were aware of the touting activities by some recovery agents in the lift lobby leading to the Employees' Compensation Division (ECD) and Occupational Medicine Division (OMD) offices located at the 10th floor of Cheung Sha Wan Government Offices (CSWGO). The following measures have been taken to guard against touting activities –

- (i) Injured employees were advised of the possible pitfalls of seeking help from recovery agents. The Labour Department has been distributing cautionary leaflets to injured employees through the ECD and OMD offices, including those offices located at the 10th floor of CSWGO. They also enclose the cautionary leaflet in their correspondence with injured employees.
- (ii) Cautionary leaflets are distributed at 14 public hospitals where the Employees' Compensation Assessment Boards meet to assess the permanent loss of earning capacity of injured employees.
- (iii) A poster on this subject was produced and posted conspicuously in the waiting area of the ECD/OMD offices and at 14 public hospitals where the Employees' Compensation Assessment Boards meet to assess the permanent loss of earning capacity of injured employees.

- (iv) Cautionary messages are uploaded on the digital display panel in the waiting area of the ECD offices for the information of injured employees. A public announcement system was used to broadcast cautionary messages in the waiting areas of these offices.
- (v) In the course of handling disputed or unresolved employees' compensation claims, officers will duly advise the injured employees of the availability of legal aid and other proper free legal advisory services. If the employees so wish, they will refer the employees to apply for legal aid or assist them in registering their claims directly at the District Court.
- (vi) They have sought the help of the relevant property manager to station security guards in the vicinity of the ECD/OMD offices to monitor and stop touting activities of recovery agents.
- (vii) Special "no-staying zones" were designated at the corridors and lobbies of ECD/OMD offices located at 10/F of CSWGO for the purpose of prohibiting recovery agents from staying there to wait for their target clients, and special security guards were deployed to patrol the no-staying zones and to assist officers-in-charge to remove any recovery agents.

Hospital Authority

4. In November 2007, a solicitor reported that touting activities have been carried out within the premises of Tuen Mun Hospital, Princess Margaret Hospital, and Caritas Medical Centre. These complaints were referred to the Hospital Authority. We were informed by the Hospital Authority that further measures have recently been taken or will be taken by these 3 hospitals –

Princess Margaret Hospital

- (i) In November 2007, CCTVs were installed at the location of the Medical Assessment Board (MAB).
- (ii) More security guards have been deployed to the MAB area to reinforce the patrols during each MAB assessment session.

Caritas Medical Centre

- (i) A “no-staying zone” has been set up near the MAB area.
- (ii) During each MAB assessment session, hospital staff will assist the Labour Department to give a cautionary leaflet on “Beware of Touting Activities of Claims Recovery Agents” to each MAB patient.
- (iii) More security guards have been deployed to the MAB area to reinforce the patrols during each MAB assessment session.

Tuen Mun Hospital

- (i) A public announcement system will soon be installed outside the MAB area and an anti-touting message will be broadcast.
- (ii) Security guards have been deployed to the MAB area during each MAB assessment session.

5. In order to stem the touting activities of recovery agents, members of the public have been encouraged to report any or any suspected activities of recovery agents on the spot to hospital staff to enable them to take immediate preventive action.