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## Another charity scandal brewing: \$3.9m missing from home's coffers

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JUST a day after one chapter was brought to a close in the National Kidney Foundation scandal, another multi-million-dollar bombshell rocked the charity scene.

The Commissioner of Charities on Friday launched an inquiry into the disappearance of some \$3.88 million from the coffers of the St John's Home for Elderly Persons, apparently drawn without authorisation by a staff member.

The loss was discovered on June 8 when two of the home's cheques to its vendors bounced.

The home checked with the bank and found that a fixed deposit account, from which the cheques were to have been paid, had been emptied out.

The next day, a check with another bank revealed that all the home's fixed deposits with it had also been withdrawn, according to a joint press release issued by the National Council of Social Service (NCSS) and the home on Friday.

A report was filed with the Ministry of Community Development, Youth and Sports and the police last Monday.

That same day, home superintendent Benjamin Ho, 60 — who had gone on overseas leave in late May — did not return to work as he was scheduled to. He could not be reached despite repeated calls to his home and mobile phone.

The home, which was set up in 1959 at Macpherson and now has 62 residents — some of whom are destitute and homeless — does not get any government grants and relies wholly on donations from various churches and members of the public.

When this newspaper dropped in on Friday evening, its Annual General Meeting was under way and the managerial committee had just informed donors and volunteers about the loss. They received the news calmly.

Speaking for the board, honorary treasurer Mr Andrew Lioe told Today: "We all feel very sad. A lot of this was based on trust and so we are quite stunned. Our trust has been betrayed."

Chairman Wilfred Anthonisz declined to speculate on Mr Ho's involvement as the matter is under police investigation.

But the possibility that forgery was involved was raised. According to the home, any withdrawals from the banks required Mr Lioe's signature and that of one of three approved people -- Mr Anthonisz, vice-chairman Mr Woon Wee Yim and honorary secretary Mdm Laureen Tan.

All four have told police they did not sign off on any withdrawals.

Meanwhile, Mr Anthonisz gave the assurance that the home had enough funds to carry on. Its total monthly spending is about \$40,000. He said: "We want to carry on running it as normally as possible."

The NCSS is helping to ensure that residents continue to be cared for and, at the home's behest, will take over its financial administration functions in the interim. It will also look at ways to improve the home's financial systems and internal controls.

According to the home's 2005 financial statements posted online, its total expenditure that year was \$583,000, while its total assets amounted to \$4.66 million and total funds were \$4.62 million. The total receipts – including from donations, grants, members' fees and investments – stood at \$613,000.

This development, so close on the heels of other high-profile lapses among charities – which led to an overhaul of regulatory systems – has shocked observers.

Said Associate Professor Mak Yuen Teen, who sits on the Charity Council and heads the Corporate Governance and Financial Reporting Centre at the National University of Singapore: "The charity sector certainly does not need another one of these episodes. But the commissioner is doing the right thing by stepping in quickly to announce it to the public and investigate it as speedily as possible."

The COC will look into how the loss occurred and assess the governance and financial control systems at the home, whose Institution of Public Character status will be reviewed.