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Court throws out Wirecard's case against Singapore police; Motions filed by Wirecard baseless and fundamentally wrong, state prosecutors argue

BYLINE: Ng Jun Sen

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The High Court has thrown out a case lodged by beleaguered payment giant Wirecard that sought to limit the scope of police investigation here amid an ongoing international probe into fraud allegations.

Wirecard, whose Singapore offices were raided by Commercial Affairs Department (CAD) officers last month, called the wide-ranging probe "a fishing expedition". It claimed that some of the evidence obtained from it, such as e-mails and accounting records, went beyond the allegations being investigated.

It wanted this evidence returned and for investigators to take only evidence limited to the fraud allegations, according to motions filed by Wirecard Asia and Wirecard Singapore, subsidiaries of the firm's German operation.

State prosecutors told the court yesterday that the motions were baseless and fundamentally wrong.

They said Wirecard's applications sought to nullify the CAD's orders and to compel it to disclose the investigations.

"Not only is there absolutely no basis in law for such a prayer, but it also discloses their agenda of interfering with a legitimate investigation and stifling the exercise of police powers," said deputy public prosecutors Gordon Oh, Kelvin Kow and Genevieve Pang.

Justice Chua Lee Ming agreed with the lack of legal basis for Wirecard's criminal motions and dismissed the case but noted that the production of "all documents" on Wirecard's part is not justified.

Timeline of events
Jan 30-Feb 4: Britain's Financial Times (FT) publishes three articles alleging that Wirecard executives had knowingly conducted accounting fraud, forgery and falsification of accounts. Singapore police said they are looking into the matter. Wirecard sheds around US\$10 billion (S\$13.6 billion) on the blue-chip DAX Index.

Feb 8: The Commercial Affairs Department (CAD) raids the premises of Wirecard in the morning, taking documents and information it says are relevant to the investigation. The CAD requests access to the complete e-mail archives of some Wirecard employees. The company does not accede to the request.

Feb 9: The last time Wirecard has contact with Mr Edo Kurniawan, a suspect in the fraud allegations, it claims.

Feb 11: The CAD issues an order for e-mail archives of 15 Wirecard employees. The firm says the following

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day that the archives are not in its possession.

Feb 15: The CAD seizes 229 boxes of Wirecard documents from document storage service Crown Records' warehouse.

Feb 17: Germany's financial regulator BaFin bans new short sales of Wirecard's stock over excessive price movements.

Feb 18: Wirecard's subsidiaries file a criminal motion against the CAD to limit its evidence collection.

Feb 20: The CAD visits Wirecard's Singapore office again, accessing the computers storing the e-mail archives it had sought. The archives of nine employees are taken, as well as financial data of eight entities.

March 5: The CAD visits Wirecard again, taking the e-mail archives of three employees and the employment contracts of 19 staff members.

March 11: Singapore's High Court dismisses the case lodged by Wirecard to limit the scope of police investigations.

"Unless strong grounds can be given that a production order for all documents is somehow necessary, and I am saying that is an exceptional case, the production order cannot refer to just 'any items relevant' to the investigation," he said.

Coleman Street Chambers solicitor Daniel Chia, who represented **Wirecard**, told The **Straits Times** that his client felt the CAD was going beyond an investigation into the allegations that were published in Britain's Financial Times.

A **Wirecard** spokesman said: "We are cooperating fully with the CAD and are convinced that the whole matter will be resolved very quickly."

FT reported last month that Wirecard had orchestrated a "round-tripping" scheme from its Singapore office with the knowledge of senior executives.

Funds were moved around between its subsidiaries to artificially pad the books, FT alleged.

The paper named Mr Edo Kurniawan, a vice-president at Wirecard Asia, as the key executive behind the scheme to cook the books.

Documents submitted by prosecutors confirmed that he was suspected to be involved in "arrestable offences", and Wirecard had allegedly lost contact with him.

Also named are several senior executives - Wirecard Asia managing director Ng Fook Sun, Wirecard Singapore managing director Jeffrey Ho Kok Hoong, its executive vice-president of payment services Grigory Kuznetsov, head of finance Irene Chai Ai Lim, and international finance process manager James Wardhana.

Mr Ng had signed off on Wirecard's application yesterday, noted prosecutors.

According to court documents, CAD officers had launched at least three operations to seize a range of evidence from Wirecard and its third-party service providers.

A locked pedestal belonging to Mr Kurniawan was also taken, which Wirecard's Mr Ng opposed as investigators had no way to suspect it contained evidence.

Prosecutors said this was absurd. "Mr Ng Fook Sun's logic contradicts his claims that Wirecard seeks to cooperate with CAD," said the prosecutors.

GRAPHIC: Wirecard's Singapore offices were raided last month. The firm claimed some of the evidence

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