

Singapore to Curb Civil Servants' Casino Visits: Southeast Asia

By Sharon Chen - Aug 13, 2013 11:40 AM GMT+0800

Singapore is planning to tighten rules for public servants visiting the city's two casinos after a handful of corruption charges against government officials in the past year.

Civil servants who go to the gaming halls "frequently" or those who buy annual passes will be required to declare such visits, Teo Chee Hean, Singapore's deputy prime minister, said in Parliament yesterday. The city has a S\$100 (\$79) daily levy or S\$2,000 annual tax for citizens and permanent residents entering the casinos.



Munshi Ahmed/Bloomberg

Visitors gather outside the casino at Resorts World Sentosa in Singapore.

Plans for the casino rules come after a number of corruption charges against senior government officials in the past year. The head of the city's anti-corruption agency was replaced last week after an assistant director was charged with misappropriation. In June, Peter Lim, former civil defense chief, was sentenced to six months in jail for trying to help a contractor win business in exchange for sex.

"It is certainly a reaction to the recent events," Eugene Tan, an associate law professor at Singapore Management University who's a nominated member of Parliament, said in an interview yesterday. "I don't think there is any foolproof safeguard but certainly this measure is a signaling effect. It recognizes that officers can be compromised."



Nicky Loh/Bloomberg

Visitors look out from the SkyPark observation deck atop the Marina Bay Sands hotel and casino in Singapore.

Flouting Rules

Singapore lifted its four-decade ban on casinos, giving licenses to Las Vegas Sands Corp. and Genting Singapore Plc, which opened their respective gaming resorts about three years ago. The two companies, which are recovering from falling gaming revenues, have been penalized for flouting rules including the visits by locals without paying levies.

The city, which was ranked fifth on Transparency International's Corruption Index last year, wants to maintain its reputation as it competes for more foreign investors after lowering its forecast for exports this year. Singapore has also been ranked the easiest place to do business for seven straight years by the World Bank.

The government is "concerned about the recent spate of cases involving public officers," Teo said in response to queries from lawmakers before detailing restrictions for civil servants in casinos. "Although the statistics do not show an uptrend, we are concerned that these cases should not undermine public confidence or convey the impression that standards have slackened over time."

Officers from the city's casino regulator are restricted from entering the gambling halls of the two operators and those run by their parent companies, he said.

Restricting Locals

Singapore should bar locals from entering the casinos because the "specific economic and strategic intent" for the gaming resorts was to boost the city's tourism, said Jonathan Galaviz, managing director of Galaviz & Co. The Las Vegas-based analyst, who advised gaming operators and real estate developers when they explored bids for the Singapore licenses, said locals were supposed to be a secondary revenue source.

Galaviz said he agreed with the minister's proposal and the city should also maintain its reputation by creating a "China wall" between government servants and casinos.

"Singapore has always been a great example of an efficient government and there's no reason civil servants need to be exposed to the casino-gaming environment," he said in a phone interview today. "Singapore civil servants are infamous for working so hard that they probably don't have time to go to the casinos."

Law-enforcement officers from the police and other agencies are also required to declare their casino entries within seven days, Teo said, while Trade Ministry officials working on gaming-related issues are also asked to disclose such trips.

Strengthening Safeguards

The government's "Public Service Division is currently working out the implementation details for these new rules to strike a balance between strengthening safeguards and imposing too many checks and rules on the system and public officers," said Teo, who also heads the Home Affairs Ministry, which oversees the casino regulator.

Las Vegas Sands, whose Marina Bay Sands resort in Singapore includes a convention center, reported a second-quarter casino revenue increase of 7.3 percent to \$590.3 million, after falling 11 percent in the first three months. Lisa Williamson, a spokeswoman for Marina Bay Sands, declined to comment on the minister's comments in Parliament yesterday.

Genting Singapore, whose Resorts World development on the resort island of Sentosa includes a Universal Studios theme park, posted a 2 percent drop in second-quarter gaming revenue to S\$548.6 million, after a 20 percent slide in the first three months of the year.

Tougher Rules

"Resorts World Sentosa is committed towards responsible gambling, and will continue to work closely with the National Council on Problem Gambling and relevant agencies on implementing a comprehensive responsible gambling program," Genting Singapore's unit said in an e-mailed response to queries to Teo's comments.

Singapore toughened its casino laws in November by raising the maximum penalty for operators and imposing monthly limits on the number of visits by "vulnerable" locals. The two gaming operators will have to pay as much as 10 percent of their annual gaming revenue for breaching regulations, up from a maximum of S\$1 million, according to amendments passed in the Parliament at the time.

"It remains to be seen how effective the measure is," Tan said, referring to the latest plans announced by Teo. "The government is responding to public concerns but there is no silver bullet in this particular measure. There needs to be a combination of measures" to fight corruption, he said.