

# Comparative corruption scandals in Macau: the cases of Ao Man-long and Ho Chio-meng

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## Abstract

**Purpose** – This paper aims at comparing and contrasting the Ao Man-long scandal with the Ho Chio-meng case in Macau, drawing lessons from the two events and casting lights on the literature on corruption scandals.

**Design/methodology/approach** – The study used documentary research and interpretative and analytical approaches.

**Findings** – The two cases show considerable administrative discretion on the part of the principal officials involved, and remedial measures along the line of having more rigorous and frequent internal auditing may be necessary.

**Originality/value** – Original analyses were conducted together with literature review and documentary research. This paper would be of interest to scholars and practitioners concerned with how Macau combats corruption.

**Keywords** Corruption scandals, Macau, Public maladministration, Auditing, Administrative discretion

**Paper type** Research paper

## Introduction

Since the return of its administrative right and sovereignty from Portugal to the People's Republic of China (PRC) on 20 December 1999, the Macau Special Administrative Region (MSAR) has witnessed two major corruption scandals – the Ao Man-long case and the Ho Chio-meng case. Ao Man-long, a former Secretary of Public Works and Transport, was arrested in December 2006 and found guilty in 2008 for taking bribes, money laundering and abusing his power. Ao was sentenced by the court to 27 years of imprisonment, fined MOP240,000 (US\$29,838), and his corrupt proceeds were confiscated (Meneses, 2019). Ho Chio-meng was a former Prosecutor-General of the MSAR government and was sentenced to 21 years of imprisonment in July 2017 for fraud, money laundering, abuse of power and criminal association (Plataforma Macau, 2019). These two scandals reflect the prominent political corruption of Macau's principal officials. This paper compares and contrasts these two corruption scandals to contribute to the literature on combating corruption in Macau.

## Dynamics of corruption scandals

According to Nathaniel Leff, corruption was seen as an “extra-legal institution” utilized by individuals and groups to “gain influence over the actions of the bureaucracy” (Heidenheimer, 1970, p. 3). There are three major types of definitions of corruption: the public office-centred definition that refers to the misuse of governmental authority for private and personal gains; the market-centred definition that makes corrupt officials see their office as a tool for maximizing their income through the market demands and circumstances; and the



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public-interest definition that refers to corrupt acts as detrimental to the public interest (Heidenheimer, 1970, pp. 4-6). These definitions of corruption are useful for analysing the two corruption scandals in Macau.

An insightful work on the association between corruption and modernization was written by the late Samuel Huntington (1968). He argued that modernization contributed to corrupt acts through the process of creating new opportunities of power and wealth. Moreover, modernization could facilitate corruption because of the expansion of government authority, regulations and activities. The increase in laws might also enhance the likelihood of corrupt acts. Corruption reflects the existence of weak political institutions in which checks and balances are lacking. Those politicians who gain access to political power tend to enjoy more opportunities of access to economic wealth. If absolute power corrupts absolutely, as Lord Acton said, the easier the access to political power and economic wealth, the stronger the likelihood of corruption.

For Huntington, the existence of grand corruption mirrored a very low level of political institutionalization, because the top political institutions, which should ideally be independent of outside influences, were most susceptible to corrupt influences (Huntington, 1968, p. 67). The low level of political institutionalization embraces the existence of a relatively weak anti-corruption apparatus, the lack of anti-money laundering regulations, and the absence of effective checks and balances on the power and arbitrary action of government officials and political leaders. However, Huntington noted that corruption did not necessarily lead to political instability, especially when a society had vertical or upward mobility. However, the lack of upward mobility could exacerbate the harmful impacts of corruption on political instability.

Corruption can also be attributable to the persistence of a “patrimonial bureaucracy” in which public officials attached importance to their parochial interests, cultivated friends and followers, and benefited their own circle of supporters rather than integrating the entire society (Hoselitz, 1970). Jeremy Boissevain (1970) referred to this phenomenon as patronage politics where the rights and obligations of individuals were tied to their families, villages and personal networks. In short, corruption is attributable not only to individual greed but also weak political institutions, strong patronage politics and enduring personal networks.

Corruption scandals occur in many ways. First, most corruption scandals are triggered by competition among government actors because insiders can leak damaging information about other competing political actors as part of the intra-elite struggle for power and resources (Balan, 2011). Denouncers and whistle-blowers are usually government insiders. Hence, unlike usual causes that highlight the role of political opposition, societal groups, and the media in denouncing and exposing corruption, intra-elite conflicts can bring about the exposure of corruption scandals. Second, corruption scandals can suddenly come out as a “cluster” in which political opposition and the mass media reveal the dirty side of the political arena. According to Barrett and Zirker (2016, p. 231):

Corruption scandals tend to be centrally linked with extensive news media coverage. They also tend to shed a very different light on the political arena than do individual scandals in terms of their impact on the erosion of values, and on casting doubt upon the viability of institutions, while confirming in their repetition the reality of problems in moral, institutional, and political leadership. This contrasts sharply with the portrayal of individual, isolated scandals, which are often seen as rallying efforts in favour of bringing simple solutions to occasional shortcomings of the system.

Third, corruption scandals take place when institutions evolve naturally and when they need to undertake reforms (Zurnic, 2014, p. 186). As Huntington had long emphasized, corruption was due to the lack of political institutionalization. If so, corruption scandals are exposed because of the degeneration and deficiencies of the political institutions. After corruption scandals are reported in the mass media, political institutions and administrative procedures

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require to be reformed so that these scandals would hopefully and ideally be avoided in the future.

In a nutshell, the occurrence of corruption scandals can be attributed to the intra-elite conflicts and intra-governmental competition, the natural development in the lack of political institutionalization, and the exposure by the mass media in the form of clusters.

The literature on Macau's anti-corruption has perhaps neglected the relevance of the political opposition and mass media. While Lo has traced the development of Macau's anti-corruption from an institutional and comparative perspective, Yu has focused on its law-making and legal enforcement (Lo, 2017; Yu, 2013). However, given that Macau has a political system where the political opposition is relatively "limited" and the Chinese mass media overwhelmingly pro-government and pro-Beijing (European Union, 2019; Yu and Chin, 2012), the comparative neglect of the dual roles of political opposition and mass media is understandable.

### **The Ao Man-long scandal**

Unlike the literature that refers to the revelation of corruption scandals by intra-elite conflicts, political opposition and mass media coverage, the Ao Man-long case was investigated by the Macau Commission Against Corruption (MCAC) in 2005. There were rumours saying that the British banking authorities found a suspected case of money laundering originating from Hong Kong, and eventually the Hong Kong authorities found that the person involved was a Macau government official. In early December 2006, the Hong Kong Independent Commission Against Corruption (ICAC) alerted the MCAC on the suspected money-laundering activities of Ao. The MCAC then took action and arrested him on 6 December 2006. On 7 December, Macau Chief Executive Edmund Ho reported the situation to the central government in Beijing, which then removed Ao from his position as the Secretary of Public Works and Transport. Hence, the Ao case originated from a cross-border complaint, suspicions and investigation rather than stemming from intra-elite struggle, let alone the revelation from political opposition and the mass media. The mass media were basically reactive to the Ao scandal, playing a negligible role in exposing it but commenting on and reacting to it once the scandal was revealed. The situation of Macau reflected the relatively weak mass media, for most print and electronic media were pro-government at that time.

Macau's situation was very different from other countries in the eruption of corruption scandals because the territory has a relatively "limited" political opposition and a comparatively compliant pro-government and pro-Beijing mass media (European Union, 2019; Yu and Chin, 2012). There were perhaps some difficulties for the local politicians and mass media to unveil any corruption "cluster". In any case, once the Ao case was investigated and revealed, the Macau Chief Executive had the duty to report it to the central authorities for removing Ao from his office at once. The outbreak of the Ao case also illustrated a triumph of cooperation between the Hong Kong ICAC and the MCAC.

According to the 2008 *Annual Report* of the MCAC, the Ao scandal was significant for three reasons. First, Ao was a principal official whose suspected corruption involved a huge amount of money. Second, Ao was such a high-level minister that the corruption scandal would generate "strong negative impacts." Third, "despite the illegal action of taking bribes and laundering money, which reflect the genuine greedy behaviour of the defendant, Ao himself did not admit all these facts. Nor did he feel regretful." As a result, the court found Ao guilty of 40 counts of bribery acts, including individual and group actions, 13 cases of money-laundering activities, two cases of abuse of power, one case of incorrectly reporting his assets, and one incident of having assets and properties disproportionate to his income (MCAC, 2009, p. 29). As a result, he was sentenced initially to 27 years of imprisonment, fined MOP240,000,

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and all his illegal proceeds were confiscated. He was given a final maximum sentence of 29 years imprisonment in 2012.

From the perspective of deterring corruption, the confiscation of the proceeds in the Ao scandal appears to be relatively minimal. Even though the Macau government later recovered the proceeds from the UK where Ao and his accomplices laundered a huge amount of money, the monetary penalties show that, in Macau, the corrupt officials' risks of being punished are relatively low but their rewards are comparatively high. This low risk, high reward scenario perhaps laid the foundation for the Ho Chio-meng scandal, which will be examined below.

The MCAC reported the detailed actions of Ao's accomplices. First, Chan Meng-ieng, the wife of Ao and an advisory technician at the Government Information Office, was criticized by the MCAC for assisting Ao's illegal activities, engaging in money-laundering activities, and failing to report her assets accurately. The MCAC said that Chan was aware of Ao's illegal acts, but still "assisted him to avoid the law" (MCAC, 2009, p. 30). She was sentenced by the court to 23 years imprisonment and had to pay back MOP360,000 to the Macau SAR government. Second, Ao had three close relatives – Ao Man-fu, Ao Chan Choi-wah, and Ao Wing-kwong – who provided protective umbrellas for his illegal activities. These relatives were guilty of money-laundering activities and they received sentences of five years, four years and six months, and four years, respectively. Clearly, Ao Man-long made use of his network of relatives to assist him to launder his illegal proceeds. His patronage politics was conducted through his close relatives – a hallmark of utilizing *guanxi* (personal connections) in the corruption scandal (Pye, 1992).

Third, a crucial businessman who assisted Ao was Ho Meng-fai, a board director of the New Meng Fai Construction Company. Ho was guilty of bribing Ao to secure the public construction projects, thereby violating the principles of "fairness, openness and justice." Another two business persons involved in the corruption scandal were Chen Dongsheng, a manager of the China Railway Group Limited in Macau, and Frederico Marques da Silva, a director of the Macau Cleaning Company Limited. Both of them were also guilty of bribing Ao and engaging in the process of money laundering (MCAC, 2009, p. 30). The third businessman involved in the Ao case was Tang Kim-man, who was a director of a construction and an engineering company. Tang was also guilty of paying bribes to Ao and participating in money-laundering activities. Overall, Ao's network of bribery and corruption involved not only his close relatives but also a small group of trusted business persons, including a mainlander, a local Macau Chinese and a local Portuguese.

The Ao scandal had three other important features (Lo, 2017). First and foremost, it was grand corruption involving not only the abuse of public power for private gains but also Ao's perception that what he did was acceptable "business behaviour." He contended in the Court of Final Appeal (COFA) that he helped the construction companies "in accordance with the legal procedures and administrative behaviour." Ao reportedly accepted 3 per cent commission from the construction costs of Macau's Stadium for the East Asian Games, a total amount of MOP 39 million. The Stadium was originally estimated to cost MOP 7 billion, but the final construction bill increased to MOP 13 billion. The increase in construction costs was likely due to the delay in the inception of the construction project – a delay that was and is common in Macau's government practices that outsource projects to private-sector companies. The phenomenon also reflected and shows the relatively lax manner in which the government supervises private-sector contracting-out projects.

Secondly, the Ao scandal revealed the absence of political institutionalization in the process of granting land and construction projects in the MSAR. Ao revealed that there were three ways of issuing construction tenders: open bidding, inviting companies to bid for projects, and granting tenders to companies (*Sing Tao Daily*, 2007a). Nevertheless, open bidding was seldom used when Ao was the principal official responsible for land development and construction

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projects. He appeared to utilize his power to grant land and projects to companies. No wonder the COFA criticized him for excessively exercising his discretion in the process of granting land and projects to land developers and construction companies, respectively. Third, the checks and balances mechanism did not work effectively in the Ao scandal. The Land Development Consultative Committee, which was established to make decisions on land and construction projects, failed to work effectively. Ao's subordinates appeared to become his loyal officials without questioning his decisions and judgments. It was reported that the Land Development Office, which was composed of civil servants, appeared to fail to check Ao's decisions and behaviour; two of its officials were either demoted or rotated to work in other departments after the scandal, whereas one of them who worked with Ao decided to resign (*Macao Daily News*, 2008). Therefore, it was obvious that institutional deficiency was one of the key reasons contributing to the outbreak of the Ao scandal.

The most sensitive issue of the Ao case was his possession and utilization of his "friends notebook" that recorded all the details of his transactions and dealing with various business persons and companies, including the amount of bribes he received (*Ming Pao*, 2007b). It was reported that some famous business persons in both Macau and Hong Kong were involved. Ao's notebook included the birthdays of some of these people and his appointments with mainland officials (*Next Magazine*, 2014). The Hong Kong mass media speculated on the details of Ao's notebook, which remained a highly mysterious document in his corruption scandal.

The Ao scandal was procedurally puzzling. It was unclear whether the Financial Secretary and the Secretary of Administration and Justice were involved in the process of approving the contracts signed by Ao in the process of tendering. It was also unclear what the role of the Chief Executive was. It seemed that the power of dealing with all the land and construction projects was delegated from above to the Secretary of Public Works and Transport. Furthermore, the procedures of approving these projects were not transparent. The Tenders Assessment Committee was expected to judge the tenders submitted by the construction companies, but there were reports saying that it merely supported Ao's decision (*Sing Tao Daily*, 2007c). Procedurally, there were six steps in the tendering process: (1) project cost estimated by the Secretary of Public Works and Transport, (2) the publication of the tendering process by the government gazette, (3) the Tenders Assessment Committee reviewing the tenders, (4) assessment of the Secretary and his subordinates, (5) the Secretary's instruction, and (6) modification of the assessment of the different companies by the Committee (*Ming Pao*, 2007a). On the surface, the Tenders Assessment Committee did not work effectively, thereby enabling Ao to manipulate the final stages of giving out instructions and adjusting the assessment of the tendering companies. Again, administrative discretion was involved in the tendering procedures, a hallmark of the lack of political institutionalization in Macau. The Land Development Consultative Committee and the Tenders Assessment Committee did not provide effective checks and balances against the political power and administrative discretion enjoyed by the Secretary for Public Works and Transport. In reality, the existence and utilization of Ao's "notebook" to deal with all the details demonstrated the extent of control by the Secretary for Public Works and Transport amidst the superficiality of the institutional set-up.

From the perspective of administrative efficiency, it could be argued that Ao as the Secretary expedited the processes of granting and deciding land and construction projects by centralizing all the power. In fact, the rapid modernization of Macau's casino industry and its related land and construction projects meant that personal whims, administrative discretion and *guanxi* networks came into the picture too easily without effective checks and balances. In short, rapid casino-based modernization and its expansion of land and construction projects, together with the lack of political institutionalization, contributed to the Ao corruption scandal.

It was in the process of laundering his proceeds that Ao exposed all his illegal acts. He reportedly utilized his close relatives to open bank accounts through which his proceeds were deposited (*Sing Tao Daily*, 2007d). However, these accounts were located in Hong Kong where a more rigorous anti-money laundering system was and is in place. As such, the Hong Kong ICAC reportedly found that Ao owned 39 bank accounts in Hong Kong (*The Sun*, 2007). Apart from Hong Kong, Ao was reportedly opening bank accounts and shell companies in the United Kingdom and Virgin Islands (*Sing Tao Daily*, 2007b). From the perspective of anti-terrorist financing, it was natural that the United Kingdom could find Ao's transactions suspicious. Therefore, the ways in which Ao laundered his huge amount of illegal proceeds were the weakest link in his corruption scandal, explaining why the scandal erupted suddenly after his "accelerated" processes of receiving bribes, playing his *guanxi* politics, and granting land and construction projects quickly.

### The Ho Chio-meng scandal

Ho Chio-meng was arrested in February 2016 for his suspected corrupt activities of awarding contracts for public works and services when he worked in the Public Prosecutor's Office. Surprisingly, Ho was charged with 1,536 crimes, which range from fraud to abuse of power, from money laundering to promotion and establishment of "criminal association" (*Plataforma Macau*, 2019). Ho stood trial in the COFA, while other defendants had their cases heard by the lower court. In 2015, the MCAC received a complaint about Ho's activities and started an investigation. The MCAC and mass media did not reveal the origin of the complaint, which was probably an insider who knew the malpractices of Ho for some time. Unlike the Ao case, which erupted because of his money-laundering activities, it appeared that whistleblowing played a crucial role in the revelation of the Ho case. Ho was sentenced to 21 years of imprisonment for his illegal acts, including embezzlement, fraud, money laundering, unjustified economic wealth, and inaccurately reporting his income. Some members of the public were surprised by the number of charges laid on Ho. Critics of the case speculated that because Ho Chio-meng once toyed with the idea of running for the candidacy of the Chief Executive in Macau, he might be a "target" of political "persecution." However, there was and is no evidence to prove this claim.

In fact, Ho was a rising star in Macau's political arena. He was born in Macau in 1955, studied law in China and Portugal, and was later appointed in 1999 as the Attorney General of the Public Prosecutor's Office. Ho worked in the Guangdong People's High Court from 1987 to 1990 as a judge, accumulating his legal experiences in the mainland before returning to work in Macau. In 1990, he went to Portugal to study Portuguese language and law. He formerly worked in the MCAC as a coordinator in 1993 and later promoted as a deputy commissioner from 1995 to 1999, when the transfer of sovereignty and administrative right of Macau from Portugal to China was made in December 1999. After the handover, Ho became the first prosecutor-general of the Public Prosecutions Office until December 2014. In July 2014, when Chief Executive Fernando Chui Sai-on ran for the second term of office, Ho Chio-meng decided not to compete in the election (*Fraser*, 2014).

Ho's corruption scandal appeared to stem from his lax behaviour toward administrative ethics and personal conduct. He was accused of utilizing taxpayers' money to build a rest room in his office for foreign guests and the room was accompanied by a suite with a table for playing table-tennis, massage and sauna equipment and expensive furniture (*Carvalho*, 2017). Ho was criticized for moving confiscated items by customs to his private premises. Moreover, he was accused of being a "big spender," renting a villa to receive guests and using it himself, asking his driver to transfer lots of cash from Macau to Zhuhai's bank account, having encounters with mainland women in Macau and Zhuhai's hotels, networking with his relatives to open shell companies that deposited the proceeds from outsourced contracts,



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hiring a mainland female “friend” to be an adviser, and utilizing official expenses for foreign trips together with his wife and relatives (Carvalho, 2017). Ho responded to some of these accusations by saying that the mainland female adviser advised him on cases involving large casinos and mainland political leaders, and that his foreign trips were made known to the authorities. Ho’s first lawyer resigned from the case on the grounds that the court did not treat the defence and prosecution “equally” (Plataforma Macau, 2019).

There was a rumour saying that Ho was a target of political “persecution” due to his political ambition of trying to run for the Chief Executive election in Macau. However, there was and is no evidence to corroborate this rumour. Whether Ho considered the idea of competing in the Macau Chief Executive election, his personal conduct and ethical behaviour would cause concern among his colleagues and attract media attention. The whistle-blower who exposed Ho’s malpractices to the MCAC might or might not be concerned about whether Ho would run for the Chief Executive’s position.

Yet, the more than 1,500 charges that were made against Ho were shocking and surprising to outsiders. Questions arose on whether Ho knew his malpractices, or whether Ho took some or all of them for granted. Another question was whether internal auditing took place regularly. The trial of Ho did not address the issue of auditing. As such, the government did not emphasize the importance of internal auditing and failed to recommend more frequent and rigorous checks on the Public Prosecutor’s Office.

### **Comparative analysis and remedial measures**

Both Ao and Ho were high-level principal officials and underwent their trials at the COFA, although there were complaints from the Ho case that the lower courts should have dealt with the accusations against him and his defence first. Both of them were apparently driven by personal greed, for the large amount of bribes received by Ao, and the way in which Ho contracted out services to “friendly” companies and dealt with his lifestyle demonstrated their personal and ethical weaknesses. Both were also involved in the exercise of administrative discretion, which ideally should be curbed by the government through the use of stricter guidelines governing the tendering processes, the contracting-out services and internal auditing controls. It appeared that rigorous internal auditing controls were deficient in the two cases, which meant that while internal auditing of various government departments is constantly and regularly conducted, such auditing targeted at principal officials should have been enhanced in order to plug the administrative and institutional loopholes.

In the Ao scandal, the lack of auditing contributed to the continuous malpractices and discretion of Ao, whose powers remained unchecked by the senior authorities – the Financial Secretary, Chief Secretary and even perhaps the Chief Executive – or the subordinates. Yet, after the Ao case, the Macau government in June 2008 plugged the administrative loophole by improving the system of granting land and the procurement of public projects. The MCAC advocated the use of public participation in urban planning and design, proposed to reform the Land Committee and set up a new Land Development Consultative Committee, together with a clearer system of declaring self-interest, and suggested the amendment of Law No. 60/99/M to include non-civil servants. The idea was to introduce institutional checks and balances on the power of the Secretary of Public Works and Transport. The MCAC also proposed that citizens who were experts in urban development, transport, logistics, history, culture and environmental protection should be appointed to the Land Committee. Moreover, the Land Committee’s decisions should ideally be made known to the public and its documents should be publicly accessible. As such, transparency in the operational procedures of tendering, procurement of projects, and contracting-out decisions would be made known to the members of the public.

Both Ao and Ho played *guanxi* politics, cultivating circles of close friends and followers, and achieving their personal gains through abusing their power and exercising their administrative discretion excessively and easily (Pye, 1992). Both scandals undermined the legitimacy of the Macau government, especially the Ao Man-long case which eventually sparked a violent confrontation between the protesters and the police on 1 May 2007, when some 2,400 workers and citizens protested against corruption and illegal immigrants working in the local construction industry. The Ho case did not erode the legitimacy of the Fernando Chui Sai-on administration, but tarnished its image to some extent. Chui's administration remained popular due to his housing and social welfare policies (Lo, 2020). The Ao scandal had a tremendous impact on the Macau administration, because the government since 2008 had given cash subsidies through the Wealth Partaking Scheme to all citizens for the sake of returning the fruits of economic success to the society (Lo, 2020). Hence, the political and social impacts of the Ao scandal were more far-reaching and extensive than the Ho case.

The two scandals differed in terms of public administrative reforms. The Ao case had the consequences of plugging the institutional loopholes through a revamped Lands Committee and its consultative mechanism. However, there is no evidence to show that the Ho case triggered a change in the internal auditing practices of the Macau government. Article 60 of the Basic Law of Macau states that the Commission of the Audit and its Director are accountable directly to the Chief Executive. Both the Ao and Ho scandals did not result in a review of the Commission of the Audit, which implies that the Macau government was satisfied with the Commission's work, and that it was unnecessary to rectify the existing institutional loopholes. Consequently, the internal auditing practices of the Macau government departments have not been improved by increasing their frequency and strengthening the role of the Commission of Audit. From the perspective of policy learning, the Macau government could perhaps have consolidated the internal auditing practices of all government departments and all principal officials so that a more rigorous system of auditing would prevent a recurrence or any sudden eruption of corruption scandals involving key principal officials, as shown in the Ao and Ho scandals. The occurrence of the Ho scandal in 2014 confirms the ineffectiveness of the weak remedial auditing measures introduced after the Ao scandal in 2006.

The Ao scandal broke out amidst the rapid process of casino-driven modernization without sufficient institutional checks and balances. The Ho scandal occurred mainly because of excessive administrative discretion and personal abuse of power instead of having a context of rapid modernization. The Ho case was more concerned with high-level official misconduct in the Public Prosecutor's Office, whereas the Ao case occurred in a much broader context of modernization without political institutionalization. As the Secretary of Public Works and Transport, the portfolios of Au were more comprehensive than that of Ho and Ao was also more vulnerable to the temptation of being bribed in the processes of dealing with public tenders, outsourcing projects and construction plans.

### Conclusion

The Ao Man-long and Ho Chio-meng scandals in Macau originated from similar and slightly different sources of corruption scandals. The two cases were similar in that both principal officials were involved in personal misconduct and administrative discretion. The Ao case was slightly different from the Ho scandal in that the former pointed to rapid modernization without political institutionalization. Both cases fit into the three main definitional aspects of corruption: public office-centred, market-centred and public interest-centred. The Ao case could be argued as a result of rapid economic development and modernization amidst a market situation where competitive tenders were avoided so as to achieve not only administrative convenience but also personal greed and patronage politics. The case of



Macau shows that corruption scandals were triggered mostly by patronage politics in which a close network of friends and followers led to the corrupt behaviour of high-level political officials. The Ao Man-long case was even more enlightening in the sense that Macau's developmental state had to achieve modernization within a relatively short period of time, leading to his corrupt behaviour. Interestingly, the anti-corruption campaign launched by the PRC, the motherland of Macau, at the same time meant that Ao's behaviour was bound to be exposed after his money-laundering activities were checked and penalized. It was unclear when Ao began his corrupt and money-laundering activities, but his bank accounts were firstly checked by the banking authorities in the United Kingdom and later in Hong Kong.

The remedial measures of the Ao and Ho scandals were different. The Ao case led to the determination of the Macau government to address the lack of institutional checks and balances, especially at the level of the Lands Committee and its consultative mechanism. Public participation has been encouraged in order to institute more checks and balances on the principal official concerned. However, these remedial measures stopped short of addressing the procedural relations between the Secretary of Public Works and Transport and his senior authorities, implying that a moderate approach was adopted. The Macau government also did not institute more rigorous and frequent auditing practices of all principal officials and their departments concerned. This phenomenon was obvious in the aftermath of the Ao scandal, which allowed the *status quo* of regular and weak auditing practices to continue. Consequently, the Ho scandal broke out in 2014, eight years after the arrest of Ao. The occurrence of the Ao and Ho scandals after December 1999 highlights the need for more rigorous and frequent internal auditing practices. However, the need for enhancing the Commission of Audit's role was not acknowledged in the aftermath of both the Ao and Ho cases. The Commission of Audit has published its reports regularly and exposed examples of public maladministration after 20 December 1999. Nevertheless, the need for enhanced auditing remains a serious gap in preventing future corruption scandals in Macau.

The consequences of the two scandals were also quite different. When Ao was arrested in late 2006, public outcry and anger were prominent, leading to a confrontation between the police and protesters on 1 May 2007. The legitimacy of the Edmund Ho Hau-wah administration was severely undermined by the Ao scandal. Fortunately, the Ho administration took prompt remedial measures and its relatively strong economic performance stabilized the regime. The Ho case did not result in public outcry because most Macau citizens were satisfied with the performance of the Fernando Chui administration in 2014, when the Ho scandal erupted. In between the outbreak of the two scandals, the Macau government addressed the social welfare of the Macau people by increasing the supply of public housing units, and by giving individual subsidies to each citizen annually amidst the relatively booming casino-driven economy. As such, the political context of the two scandals was quite different. The Ao scandal broke out in Macau seven years after its handover from Portugal to China and at a time when public confidence on the new government was not very secure. The Ho case occurred at a time when most citizens of Macau were satisfied with the performance of the Macau government. Hence, while the violent confrontation between the police and some protesters, who demonstrated against the Ho administration for "corruption" and insufficient social protection, took place in May 2007 shortly after the Ao scandal, there was no police-citizens confrontation in the aftermath of the Ho case.

Unlike other corruption scandals in Western states in which the political opposition, mass media and even intra-governmental and inter-elite conflicts could play a decisive role in exposing such scandals, the Macau example is different. Perhaps Macau remains a "developmental state" in which the government has to tackle development quickly in many aspects, including economic growth, casino management, and construction sector (Lo, 2009).

The persistence of the “developmental state” means that Macau needs to have a highly efficient and clean bureaucracy. Ironically, Macau’s political development and institutionalization needs to be accelerated. Without a strong political opposition or strong mass media that scrutinizes the administration, and with a fast-growing economy that demands rapid governmental responses, the challenge is how to maintain the developmental state and a clean administration simultaneously. While the MCAC is working diligently by educating the members of the public, especially civil servants, on the evils of corruption, its work remains educative and cannot penetrate the psyche of all principal officials easily.

The Ao Man-long scandal remains a haunting one to Macau. Given the huge amount of money flows in the casino industry and its related construction projects, high-ranking government officials have to guard themselves against the temptation of being bribed. The lack of an accountable political system with sufficient checks and balances from the legislature, opposition and media means that Macau remains a potential hotbed for corruption. If so, a highly vigilant attitude toward corruption is needed in the psyche of principal officials if Macau is to maintain a good and successful image of “one country, two systems.”

Fortunately, perhaps, the central government in Beijing is keen to utilize the anti-corruption campaign to clean up corrupt acts throughout the mainland. This is a gigantic task that has to be observed and implemented in Macau as a special administrative region and as a model of “one country, two systems.” Moreover, fortunately, Macau’s anti-corruption work remains rigorous and the revelation of the Ao and Ho cases proved that its clean government has been maintained. As such, the Macau case study provides some unique insights into the dynamics of corruption scandals in this special developmental city-state amidst the motherland’s drive toward clean governance.

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