

8 February 2010

## **NOTIFICATION TO SECURITY COMPANIES AND TRAINING PROVIDERS**

A security firm was recently prosecuted in court for making falsified claims in obtaining the training grants from the Skills Development Fund (SDF) and the Absentee Payroll (AP) funding. The company was found to have submitted claims for trainees who were not genuine employees of the company. It did not pay the trainees remuneration but declared in its claim submissions that trainees were paid. The Director and an employee of the security firm were convicted of committing the offences and sentenced to a \$20,000 fine in default of 20 weeks imprisonment and a \$10,000 fine in default of 10 weeks imprisonment respectively.

As the SDF and AP funding are public monies meant to benefit workers and encourage companies to upgrade the skills of their employees, the Singapore Workforce Development Agency (WDA) will not condone any misuse of the funding or abuse of the rules and regulations governing the schemes. Offenders will be subjected to penalty actions ranging from recovery of grant for errant claims, removal from the nett fee system to suspension from all WDA funding, depending on the severity of errant practices committed.

Over the past three financial years, five security firms were suspended from WDA funding for periods ranging from two to nine months and another 20 Security firms being given warning or advisory letters. One common malpractice is companies submitting claims for trainees who are not employees of the company (refer to Annex A for more details). Some companies also over declared the hourly basic salaries being paid to the trainees during training period which resulted in over claiming of AP funding. There have also been instances of companies which did not fully sponsor the training costs and even collect deposits from the trainees. Such practices clearly do not meet the objective and spirit of SDF and AP funding.

WDA takes a serious view of any training provider or company who seeks to exploit the system and will not hesitate to take actions against them. We would like to remind grant applicants to observe SDF and AP terms and conditions. WDA will continue to conduct audit checks on companies and training providers to ensure that grant applicants abide by the terms and conditions governing these schemes.

For the latest news and revised guidelines on SDF and AP funding, companies and training providers can visit [www.sdf.gov.sg](http://www.sdf.gov.sg) and [www.srp.org.sg](http://www.srp.org.sg).

**EXAMPLES OF VIOLATIONS  
OF THE TERMS AND CONDITIONS OF  
SDF AND AP FUNDING**

Examples of practices which do not meet the terms and conditions of SDF and AP funding regarding employment of trainees:

- Trainee is not paid salary and/or CPF during the training period
- Trainee is paid salary but no CPF contribution is made
- Trainee is not paid salary, CPF nor benefits during the training period
- Trainee is paid only a token salary/allowance and CPF during the training period, and is not employed by company after training
- Trainee is given different employment contract during and after training. For example, trainee is given contract of service during training and contract for service after training
- Payment of course fees in lieu of salary to trainee
- Trainee does not have an employment contract with the Applicant Company