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NewStraitsTimes, FRIDAY, NOVEMBER 6, 2020

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NEWS / Nation

2019 AUDITOR GENERAL'S REPORT

CONCERN ABOUT 2019 GOVT LOANS

60pc of loans acquired last year used to settle debts, says auditor general Nik Azman

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AUDITOR General Datuk Nik Azman Nik Abdul Majid has expressed concern about how almost 60 per cent of the federal government's new loans acquired last year were used to settle debts.

He said only 29.7 per cent, or RM41.1 billion, was used for development expenditure, thus affecting the government's ability to boost the economy and earn more income.

Nik Azman said 59.9 per cent, or RM82.723 billion, of the new loans, amounting to RM138.5 billion, was used for principal repayment of domestic loans or matured debts.

"The ideal situation would be to use all the new loans for development to generate economic activities because the government gets to earn revenue through taxes, which can be used to repay



Auditor General Datuk Nik Azman Nik Abdul Majid (right) handing over the '2019 Auditor General's Report' to Public Accounts Committee chairman Wong Kah Woh at the Parliament building in Kuala Lumpur yesterday. BERNAMA PIC

interest and debt principle.

"But given the current situation, we have to focus on the 29.7 per cent for development.

"We must use it more productively so that all projects financed can bring us double the (profits) and generate economic activities," he said at the Parliament building here yesterday after at-

tending a briefing with the Public Accounts Committee.

Pakatan Harapan, the previous government administration, came into power after winning the 2018 general election.

The federal administration was taken over by the Perikatan Nasional government in February.

Nik Azman said based on the loan status, the National Audit Department predicted that the federal government would have to pay about RM10 billion to service its debts in the year 2034, compared with about RM2.4 billion a year now.

"We will spend RM2 billion to RM2.4 billion a year between

2020 and 2027 for debt repayment, but it will increase to RM10 billion in 2034.

"This will be a significant increase, which means we have to start preparing ourselves (by paying off the debts) from now by generating large economic activities to pay off this huge commitment."

Govt revenue up in 2019 mainly due to RM54b Petronas dividend

KUALA LUMPUR: The federal government's revenue last year increased by 13.5 per cent (RM31.532 billion) to RM264.415 billion compared with RM232.883 billion registered the previous year.

The 2019 Auditor General's Report on the federal government's financial statement, released yesterday, stated that the majority, or 68.3 per cent (RM180.566 billion) of the federal administration's revenue, came from tax revenue, followed by RM79.82 billion in non-tax revenue, non-revenue receipts (RM3.292 billion) and RM732 million in revenue from the Federal Territories.

The report said the main contributing factor to the increase in government revenue was the RM54 billion dividend received from Petronas, which was higher than the RM26 billion dividend contributed by the national oil

company in 2018.

"The dividend received from Petronas in 2019 included RM30 billion in special dividends for tax refunds."

The report said the actual operating expenditure incurred by the federal government last year was RM263.343 billion, compared with the RM260.547 billion approved for the purpose.

"The expenditure included RM149.89 billion in fixed charges payment and contribution, which recorded an increase of 29.1 per cent or RM33.782 billion (compared with 2018).

"The increase was due to the special dividend received from Petronas to the Tax Refund Funds and the Goods and Services Tax refund consolidated fund.

"In addition, RM529 million was spent by the government for loan repayments involving four companies."

The national debt expenditure for last year increased by 7.8 per cent (RM2.386 billion) to RM32.933 billion compared with the RM30.547 billion spent for the same purpose the previous year.

"The amount, however, did not include RM83.050 billion spent on principal debt repayments for 2019 since it was not budgeted under provision of management but paid directly from the Consolidated Loan Account."

The federal government, the report said, had a RM51.370 billion deficit, which was 3.4 per cent of the country's gross domestic product (GDP).

The deficit was offset by new loans amounting to RM138.559 billion.

"Of the total loans, RM83.05 billion, or 59.9 per cent, was used to repay matured debts.

"The government also issued

Samurai Bonds amounting to 200 billion yen, or RM7.243 billion, at an annual coupon rate of 0.53 per cent, which will mature in 2029.

"Although the rate for the bond charged is proportionally fixed, the amount of interest and principal paid by the government is dependent on changes in exchange rates between the yen and ringgit."

The report said the federal debt stood at RM792.998 billion, a seven per cent increase compared with RM741.094 billion in 2018. The debt-to-GDP ratio is 52.5 per cent.

Of the total debt amount, 96.4 per cent was domestic debt with the balance of 3.6 per cent being off-shore loans.

So the total federal government debt and liabilities last year was RM1.080 trillion.

The federal government's financial liability for the same year

reached RM287.130 billion.

The audit on state governments' financial statements for the year ending December 2019 found that all 13 state governments' financial statements were given opinions without reprimand.

The audit analysis showed that all financial statements had presented a true and fair view of the financial position and the accounting records were complete and updated.

The National Audit Department had conducted 28 compliance audits at the state government-level involving one ministry in Sarawak, 23 departments and 14 state agencies in 2019/2020.

Among the findings were occurrences of irregular payments, revenues not collected in an orderly manner and weaknesses in government procurement.

GOVT AID HELPS EASE THE PEOPLE'S BURDEN

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THERE was an air of expectation at a modest home in Taman Indah Seksyen 2, Melaka, on Friday evening when the 2021 Budget was tabled by Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz.

When some of the proposals were read out, siblings Loke Jun Jieh and Loke Chin Yee, who were watching the live telecast closely, celebrated their eligibility to receive government financial aid in 2021.

Jun Jieh, 25, who is disabled, and his sister, Chin Yee, 24, will receive monetary assistance worth RM450 and RM350 respectively.

Chin Yee, who works as a kindergarten teacher, said she was grateful to be a beneficiary next year as she had received RM500 and RM300

under the Bantuan Prihatin Nasional (BPN) and BPN 2.0.

Under Bantuan Prihatin Rakyat (BPR) which replaces Bantuan Sara Hidup (BSH), Chin Yee will receive RM350 under the allocation for single individuals earning less than RM2,500.

"There is a slight increase of RM50 under BPR from BPN 2.0. But any amount is a bonus for me."

"It will help to supplement my monthly income but I want to save it in the bank first. It will be kept for rainy days," she said.

For Jun Jieh, there is an increase in the payout from RM400 last year to RM450 in 2021 under the incentive allowance for disabled workers.

Jun Jieh, who is wheelchair bound, has been working as a food packer on a part-time basis with a non-governmental organisation for the past two years.

"I am happy to receive the assistance as I earn about RM150 a

BELANJAWAN



month. I am able to use the money to buy the things I need instead of depending on my family members," he said.

Meanwhile, mother-of-two Siti Sharmiza Abdul Razak said she was thankful to have qualified for BPR's RM1,200 aid.

The 32-year-old clinic assistant from Pandan Mewah in Ampang falls under the M40 category. She said the aid could not have come at a better time.

"I am grateful and extremely happy as this will ease my financial burden during the Covid-19 pandemic."

"I will use the money sparingly for my family's daily needs and also stock up on our basic supplies," said Sharmiza, whose children are aged 7 and 4.

Sharmiza's colleague, 25-year-old Fazillah Sumarto, will receive RM350 under the category of single individuals.



Loke Jun Jieh



Loke Chin Yee



Siti Sharmiza Abdul Razak



Fazillah Sumarto

"I will be using the money to buy necessities and set aside some as savings," said Fazillah, who lives in Kerinci here.

Salahudin Hyder Ali, 30, was grateful that he still qualified to receive RM350 aid as a single individual.

He said things had been looking up for him. He had quit his beverage business to work at a job which gave him a steady income before the Movement Control Order (MCO) hit.

"However, after the MCO and during the Conditional Movement Control Order, there were fewer chances of doing overtime at the factory. This

aid will indeed help.

"I used this year's BPN for my motorcycle maintenance, including the changing of tyres and I used the balance for my daily expenses."

"Once I get next year's aid, I will only spend on things that are necessary," he said.

Meanwhile, Amirul Akmal Nor Yusre would use the RM350 under the singles category to settle monthly bills.

The 28-year-old content executive said the aid could cover his utility bills for two months.

"With that, I will have extra cash in my hand," he said.

SAFEGUARDING THE WELFARE OF THE VULNERABLE GROUP

STEPPING UP FINANCIAL AID

FINANCIAL ASSISTANCE	2020	2021
• Disabled persons (OKU) who are incapable of work	RM250	RM300
• Older persons		
• Carers of bedridden OKU	RM350	RM500
• Chronically ill patients		
• Incentive allowance for OKU workers	RM400	RM450
• Financial assistance for children	RM100/child maximum RM450/family	RM150/child 7-18 years old RM200/child 0-6 years old maximum RM1,000/family

The rate increase involves an allocation of **RM2.2 billion** (an additional RM700 million). It will benefit more than **400,000** beneficiaries

BANTUAN PRIHATIN RAKYAT (BPR)

WILL REPLACE BANTUAN PRIHATIN NASIONAL (BPN) 2.0 IN JAN 2021			BPN 2.0 PAYMENT OF RM2.2 BILLION WILL BE PAID OUT IN JAN 2021	
HOUSEHOLD INCOME	WITH UP TO ONE CHILD	TWO OR MORE CHILDREN	Single individuals earning less than RM2,500 will receive assistance of RM350 Eligible age 21 years (previous condition was 40 years old)	
<RM2,500	RM1,200	RM1,800		
RM2,501 -RM4,000	RM800	RM1,200		
RM4,501 -RM5,000	RM500	RM750		

The BPR cash assistance is expected to benefit **8.1 million individuals** with an allocation of **RM6.5 billion** (compared with RM4.3 million beneficiaries with an allocation of RM5 billion under BSH)

INFOGRAPHIC NST

Putting more cash in the hands of the vulnerable

KUALA LUMPUR: The first payment of the two tranches of Bantuan Prihatin Rakyat (BPR) will be paid to recipients before next year's Hari Raya Aidilfitri, Finance Ministry national budget director Johan Mahmood Merican said.

He said the registration to apply for the BPR will open by the end of January.

"As the scope of the recipients has been widened this year, eligible individuals, who were not last year, will be able to apply for BPR."

"The ones who have received the assistance through last year's BSH (Bantuan Sara Hidup) are not required to do so as we will bring forward the data that we have into 2021 BPR," Johan said.

BPR, which is going to replace BSH, was announced by Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz during the tabling of the 2021 Budget last Friday.

Johan said the rationale behind the wider disbursement of the BPR was to boost the economy by increasing the rakyat's spending power, reduce their burden and putting more cash in the hands of the vulnerable.

"It is evident that in the past, we have seen that when we give out



Johan Mahmood Merican

cash assistance to rakyat, they will spend the money and support the economy," he said.

Under the new cash assistance programme, Johan said there would be more recipients — 8.1 million — with an allocation of RM6.5 billion.

Under BSH, RM5 billion was allocated, benefitting 4.3 million recipients.

Besides that, the assistance for B40 and M40 groups under BPR would be increased with the allo-

cations being in accordance with the income of the household and number of children.

On concerns about the inadequate assistance extended to the M40 group as claimed by several quarters, Johan said the government's focus now was on helping the most affected groups amid the Covid-19 crisis.

He said these included the disabled, B40 as well as the people who had lost their jobs and whose wages were affected.

He said the government, however, was not sidelining the M40. "There are a few measures that aimed at helping the M40, including the lower rate for individual income tax by one percentage point for those earning taxable wages from RM50,001 to RM70,000 which is expected to benefit 1.4 million taxpayers," he said.

Johan said besides that, the finance minister had announced the lowering of the minimum contribution rate towards the Employees' Provident Fund, which was reduced from 11 per cent to nine per cent for a period of 12 months beginning Jan 1. **Farah Adilla**

New Straits Times Paper | 10 November 2020 | Page: 5

Cigarette-smuggling: Tackling the transshipment threat

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THE government's announcement of new moves to limit the transshipment of cigarettes into Malaysia is expected to significantly boost efforts to tackle the long-standing problem of illicit cigarettes in the country.

The finance minister, during the tabling of the 2021 Budget last Friday, announced a slew of measures to address the tobacco industry's woes, including limiting transshipment of cigarettes to dedicated ports, as well as barring transshipment and re-export of cigarettes by small boats.

Transshipment involves cigarettes brought into Malaysia en route to other destinations. Instead of being declared as cigarettes, they are declared as transshipment or non-taxable goods which are destined for a third country, thus freeing them from Customs checks.

However, in most instances such consignments do not leave Malaysia and end up being sold in the country, thus flooding the market with illicit cigarettes and depriving the government of a taxable revenue source.

Greed has been cited as one of the main reasons behind the authorities' failure to curb the acts, which has led to illicit cigarettes making up an estimated 65 per cent of tobacco products sold in the country.

Sources with information on the issue said syndicates are willing to pay between RM100,000 and RM110,000 per 40-ft shipping container that manages to get its way into the Malaysian market.

Corruption on the part of certain authorities, claimed one of the sources, means that the government loses more than RM5 billion annually in taxes as a result.

One source, speaking on condition of anonymity, said each container can hold some 1,000 to 1,040 master cases.

Working on the assumption that each container bears 1,000 cases, this means the syndicates would be bringing in 10 million cigarettes, which have a taxable value of RM4 million. We haven't even touched on the value of the cigarettes themselves.

"If they have a market value of RM5 per box, this translates to RM2.5 million. This also means that each time a container is smuggled in, the country loses RM6.5 million.



A Domestic Trade and Consumer Affairs Ministry officer checking illicit cigarettes seized at Port Klang on Oct 21.

"This is why such syndicates are willing to pay huge sums of between RM100,000 and RM110,000 to the authorities. This is nothing compared to the market value of the cigarettes and the taxes they avoid paying," the source told Harian Metro.

The payments of between RM100,000 and RM110,000 per container, claimed the source, would then be distributed to those involved in the activity.

"There is a vast network handling this, involving not just the authorities but also those working in the ports. These payments would usually be made in cash."

The source explained that the high 'fee' is not just to secure the release of the container from the port but also includes the delivery and safe escort of the contraband goods, usually to a store or warehouse. For example, cigarette containers which arrive in Port Klang, Selangor would, after several days, be brought out from the duty-free zone to specific warehouses in Cheras.

"This involves port staff, enforcement officers as well as 'tonto', comprising members of the public. The tonto's role is to escort the goods or find a safe way to reach the warehouse or store," said the source, adding that ensuring safe passage of the goods involves a large network of syndicates.

On the same matter, another source said the authorities have to deal with several challenges to stem the influx of illicit cigarettes into the country's ports.

Syndicates, claimed the source, have become more brazen and are openly abusing the rules and regulations.

"This is because our country's trade policies actually enable them to do so.

Syndicates no longer have to resort to making false declarations in the hopes of bringing in their contraband.

"They would fill in legitimate transshipment applications, while their companies would also be registered with the Customs Department as a legitimate cigarettes exporter. This poses a very real and difficult challenge to the authorities to contain," claimed the source.

Syndicates, said the source, would use the transshipment policy to easily transport the contraband, which was supposed to be exported to neighbouring countries, and "hide them in plain sight" in warehouses in the ports' duty-free zones.

"These cigarettes are supposedly to be exported to Thailand after docking in Malaysia. In theory, this is a legitimate and legal way to spur international trade and generate revenue for the country."

However, without realising it, we lose even more because these cigarettes do not even make it to Thailand. They are instead, with the help of insiders, diverted from our ports or the duty-free zones to other areas to meet local market demand.

"In the end, an empty container is loaded onto the ship to supposedly sail to Thailand. We haven't even delved into the issue of using the K8 declaration form to mask a container's destination," said the source when asked to explain the difficulties in stopping the syndicates' activities.

On the use of the K8 declaration form, the source explained that the method of bringing cigarettes into Malaysia is the same as exporting to Thailand.

"When cigarettes arrive at our ports,

the containers would be stored in the duty-free zones for several days, after which they would be brought out for transport to Thailand. However, the containers would not make it to Thailand.

"The only thing that would reach the Customs Department in Bukit Kayu Hitam, Kedah or Padang Besar in Perlis are the K8 declaration forms. The cigarettes would have long found their way to the local market," claimed the source.

The source claimed that was most recently demonstrated by the seizure of illicit cigarettes worth RM3.3 million from Port Klang on Oct 21.

The raid, which was conducted by the Domestic Trade and Consumer Affairs Ministry, saw the seizure of 520,000 packets of cigarettes. These cigarettes were believed to be meant for export to a neighbouring country but were instead targeted at the local market.

Meanwhile, ministry enforcement director Datuk Iskandar Halim Sulaiman said preliminary investigations suggested that the illicit cigarettes were imported from abroad.

"The process was handled by a Petaling Jaya-based company. The consignment was being kept temporarily at Port Klang but was eventually meant to be sold locally," he said.

Iskandar Halim said while the smuggling of cigarettes via 'lorong tikus' (smugglers' routes) at sea does take place, the scale pales in comparison to smuggling using legitimate channels at the country's ports.

"Logically, exporters could easily ship the cigarette consignments from Indonesia or Vietnam directly to Thailand (supposedly the end destination), so why is there a need to have the shipments stop over in Malaysia first?"

"Moreover, cigarettes have a shelf life. Why would importers want to have them stop in Malaysia first before sending them along to Thailand? Wouldn't it be more efficient to ship the items directly to Thailand?" he said, expressing hope that the government would look into the matter.

A Nielsen research conducted up to July this year showed that illicit cigarette syndicates control up to 64.5 per cent of Malaysia's tobacco market.

The study also showed that illicit cigarettes comprise 42.6 per cent of white cigarettes, 15.2 per cent of 'kretek' (clove) cigarettes and 6.7 per cent of cigarettes with fake stamp duties.

Studies also showed that the 10 most commonly-smuggled cigarette brands in Malaysia were John, U2, Gudang Garam, Saat, LA, Canyon, Era, Sampoerna, Luffman and A380.

MODUS OPERANDI (MO) OF CIGARETTE SMUGGLING



- Cigarette factory (Vietnam, Indonesia or Cambodia)
- On board ships — Malaysian ports
- Cigarettes declared for transit to other countries
- Cigarettes are removed (illegally) from warehouses
- Empty containers returned to ships or taken by road to Thailand



- Cigarette factory (Vietnam, Indonesia or Cambodia) — on board ships
- Cigarettes brought to Malaysian warehouses or ports
- Containers declared for the purpose of transit to other countries and enters duty-free zone or bonded warehouse as a stopover
- Cigarettes are smuggled out of the duty-free zone or bonded warehouse
- Trucks carrying contraband cigarettes from the duty-free zone or bonded warehouse stop at certain R&R (cigarette loading) — Bukit Kayu Hitam (Customs Department inspection) — Thailand (empty container)



- Cigarette factory (Vietnam, Indonesia or Cambodia) — on board ships
- Cigarettes unloaded at Malaysian warehouses or ports
- Container declared for the purpose of transit to other countries and enters duty-free zone or bonded warehouse as a stopover
- Cigarettes are taken out of the duty-free zone or bonded warehouse — Bukit Kayu Hitam (Customs Department inspection)
- Arrives at 'no man's land' (cigarette loading) — returns to Malaysia's duty-free area

INFOGRAPHIC M&T

New Straits Times Paper | 13 November 2020 | Page: 12

RM20mil in false claims filed

Minister: Some employers abusing wage subsidy scheme

UNSCRUPULOUS employers have submitted a total of 155 false claims under the Wage Subsidy Programme (WSP) amounting to almost RM20mil, says Deputy Human Resources Minister Awang Hashim.

He said the false claims were among 345 complaints lodged with the Social Security Organisation (Socso) against employers under the WSP.

The programme was implemented in June to assist employers hard-

est hit by the Covid-19 pandemic.

"From the complaints, Socso identified 155 claims as fraudulent and misuse of WSP funds," he said when replying to a question from Datuk Mahfuz Omar (Amanah-Pokok Sena).

Awang said employers who made the false claims and got the money had to refund them while payments for claims under investigation would be halted.

He added that investigations

were still ongoing for the remaining complaints as the complainants were required to provide more details on the matter.

He also said Socso was working with the Human Resources Ministry and the Malaysian Anti-Corruption Commission to act against employers who made the false claims.

"Action can be taken against them under Section 415 and 417 of the Penal Code for cheating or

making false claims," he said.

On whether the amount under the WSP could be increased to RM1,200 from the current RM600 like Singapore, which was providing aid amounting to 75% of a worker's average salary, Awang said Singapore should not be used for comparison.

"The entire population of that country is about five million compared to Malaysia's workforce of over seven million," he said.

New Straits Times Paper | 15 November 2020 | Page: 13

Professor held over RM100,000 bribes

SHAH ALAM: A professor and former general manager of a research institute was remanded for six days yesterday for allegedly soliciting and receiving bribes amounting to RM100,000 in relation to a land purchase deal. The remand order was issued by magistrate Syajaratudur Abd Rahman following an application by the Malaysian Anti-Corruption Commission. A source said the 54-year-old suspect was arrested at the Selangor MACC office at 6pm on Friday after giving his statement. He allegedly solicited and accepted the money as a consultation fee for the land purchase deal at a price higher than the market rate. State MACC director Datuk Alias Salim confirmed the arrest. **Bernama**

New Straits Times Paper | 18 November 2020 | Page: 1 & 2



Major syndicate
comprising
Immigration Dept
officers busted

REPORT ON PAGE 2



Some of the 13 individuals, including nine Immigration Department officers, who have been remanded leaving the Johor Baru magistrate's court yesterday. PIC BY ZAH AHMED

BORDERS BREACHED

MACC NABS 27 ROGUE IMMIGRATION OFFICERS

Sting operation busts
syndicate that aided
movement of illegal
immigrants, foreign
workers in past year

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THE Malaysian Anti-Corruption Commission (MACC) has busted a syndicate involving 27 Immigration Department officers that caused a serious breach in the country's borders by corruptly facilitating the movement of illegal immigrants and foreign workers.

The Immigration officers, 14 foreign worker agents and five civilians were arrested by MACC following a sting operation codenamed Op Selat with the help of the Immigration Department.

The suspects, aged 21 to 46, were arrested in various locations in Putrajaya, Selangor, Johor, Sabah

and Sarawak on Monday.

The suspects are expected to be remanded at several magistrate's courts.

It is learnt that the syndicate has been active in the past year.

MACC and Immigration officers started monitoring the syndicate's activities after getting wind of it earlier this year.

Officers from both agencies staked out entry and exit points to the country, especially at Kuala Lumpur International Airport (KLIA), Klia2 and Sultan Ismail Building in Johor Baru, to learn more about the syndicate's modus operandi before moving in to arrest the suspects.

The syndicate allegedly misused border entry and exit stamps to facilitate the movement of illegal immigrants and foreign workers.

A source close to the investigation said the syndicate had been especially active since the Movement Control Order (MCO) was enforced in March.

The syndicate is said to target foreign workers and illegal immigrants who were left stranded in Malaysia due to the MCO.

The high demand from employ-

ers who want an extension for their workers coupled with the huge number of workers seeking to return to their home countries made the situation ripe for booming business for the syndicate.

The syndicate operated by getting foreign worker agents to collect passports of those wanting to leave the country or extend their stays here to be stamped by the rogue Immigration officers.

The other method the syndicate used was by setting up counters, especially at KLIA and Klia2, where those on the Immigration blacklist could get in and out of the country by paying between RM500 and RM6,000 each.

"This was a very serious case of a breach of our borders."

"MACC is very appreciative of the cooperation given by the Immigration Department director-general in exchanging information about this syndicate."

MACC investigation director Datuk Norazlan Mohd Razali confirmed the arrests.

He said the suspects would be investigated under Section 16 of the Malaysian Anti-Corruption Commission Act 2009.

New Straits Times | 22 November 2020 | Page: 2

Of crooked officers and illicit incomes

Corruption in civil service a
give-and-take game

HUMAN trafficking Immigration officers? Yes, we have come to that. On Friday, *Utusan Malaysia's* front-page story exposed the arrests of 28 Immigration officers involved in helping international syndicates smuggle people from China, Vietnam, Bangladesh and Indonesia into Malaysia through KLIA and klia2 in return for cash, luxury cars, jewellery and land. This is no breaking news. This story has been told for the longest time. Consider a slice of this aged national agony. In July, the nation's media was abuzz with the arrest of an assistant director of the Immigration Department in Johor and three of her officers for helping an international syndicate smuggle Indonesian nationals into the country. Sadly, the Immigration officers weren't the only uniformed personnel arrested. In a July 3 press conference, Johor police chief Commissioner Datuk Ayob Khan Mydin Pitchay told of 14 policemen and five army officers being involved in the scourge. The Malaysian Anti-Corruption Commission's graft statistics from 2014 to 2016 are a telling reminder of how serious this scourge is in the civil service. Of the people arrested for being involved in corruption, 46.3 per cent were civil servants.

“With civil servants such as these, Malaysia's civil service needs no enemy.”

With civil servants such as these, Malaysia's civil service needs no enemy. Malaysia, let alone the world, hasn't found the silver bullet to end corruption. But this doesn't mean that we should let it happen. If we do, we will be the cause and not the cure for corruption. Rather, we must be the reason for its prevention. And prevention must begin with a reimagining of the civil service. No less than the top civil servant, the chief secretary to the government, should lead the transformation. Leadership matters. There is something in the way the civil service is organised that allows corruption to seep through the cracks of its structure. It is a “control and culture” thing. If controls fail, corruption will become a culture. And culture leads to impunity as corruption in the Immigration Department is turning out to be. Picture this: a low-ranking Grade 19 officer earning between RM1,360 and RM4,052 owning a Rolls-Royce Phantom, a Ford Mustang, a Range Rover and an Audi. If this isn't impunity, what is? Corruption is best seen as a two-faced demon: giver and taker. There is a myth that if we get rid of the bribe giver, corruption will end.

The fallacy of this is silenced once we hear the frequent laments of the many contractors to the government, who out of fear of losing their contracts, are forced to succumb to the demands for money. The taker is equally a dangerous devil in the evil equation. Such devils can be kept out of the service if the hiring process is airtight. Character assessment and background checks are indispensable. The civil service needs to take as much time as is needed to see this process through. Hurrying to recruit new hires will only make it easy for crooks to get through the cracks. Character checks may not be able to weed out the corrupt who are already in the civil service, but at least it will keep away those who are so inclined. That in itself is a big bang.

New Straits Times Paper | 24 November 2020 | Page: 7

TO BE CHARGED TODAY

Ex-CEO, wife nabbed over RM140m graft, CBT

PUTRAJAYA: A former chief executive officer of a listed company and his wife, who is the company director, were detained by the Malaysian Anti-Corruption Commission here yesterday.

Sources said the couple were nabbed to assist investigations into a RM140 million graft and criminal breach of trust case.

"The company is listed on Bursa Malaysia. The man holds the title of Datuk, while his wife is a Datin."

They are expected to face several charges at the Shah Alam Sessions Court today.

They are expected to be charged under Section 18 of the MACC Act 2009 and Section 409 of the Penal Code.

New Straits Times Paper | 24 November 2020 | Page: 7

KP 19 GRADE OFFICER

POSER OVER CRIMINAL IN CIVIL SERVICE

Investigators question appointment of Immigration officer who has record for vehicle theft

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INVESTIGATORS, probing the recently-busted international smuggling syndicate run by Immigration officers, are baffled how someone with a criminal record can be appointed to the civil service.

This was revealed after an Immigration officer, on a KP 19 grade, was found to have a record for vehicle theft.

Sources close to the investigation said the Immigration officer was also believed to be a member of a vehicle theft syndicate masterminded by a foreign worker agent.

"The Immigration officer is also said to be a secret society member. How can someone with previous convictions be appointed to the civil service?"

Prior to this, the Immigration officer was found to have four luxury vehicles, including a Rolls Royce Phantom, Mustang, Range Rover and Audi.

A source said 12 foreign workers, detained by the Malaysian Anti-Corruption Commission (MACC) during Op Selat with the help of the Immigration Department since last Monday, were members of an international mi-

grant smuggling syndicate.

The source added that one of the agents detained was on the police wanted list.

"He was involved in three police cases involving vehicle theft and conspiracy in a prostitution syndicate among Chinese nationals.

"He is the same agent who helped keep the Immigration officer's four luxury vehicles."

MACC Investigations director Datuk Norazlan Mohd Razali confirmed that 56 people had been detained.

He said they included 34 Im-

migration officers, 12 foreign worker agents and 10 civilians.

"The 10 civilians had allowed their bank accounts to be used to conceal the graft money that was collected.

"We will take action against the foreign worker agents.

"We will work with the Immigration Department and police to ensure a thorough probe into the matter."

On Saturday, MACC arrested three Immigration officers, including a deputy director, as probes into the syndicate widened.



Some of the suspects linked to a syndicate involving Immigration officers at the magistrate's court in Johor Baru recently. BERNAMA PIC

It was reported recently that MACC had busted a syndicate involving Immigration officers which caused a serious breach in the country's borders.

It was reported that visitors who had been blacklisted and wanted to enter Malaysia would be managed by the syndicate, where their details — such as name, passport number and travel itinerary — would be handed to agents here.

The agents would contact Immigration officers at the Kuala Lumpur International Airport (KLIA) and klia2 to help the

blacklisted foreign workers and visitors enter Malaysia.

This applied to those who were leaving the country, including those blacklisted, those with expired social visit passes and forged passports.

Only selected counters at KLIA and klia2 would be used by these foreign workers and visitors.

More than RM800,000 in cash has been seized, along with 26 luxury vehicles and four high-powered motorcycles.

Also seized were houses, land and jewellery.

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DATUK, WIFE CLAIM TRIAL

EX-CEO, WIFE CHARGED WITH RM145M CBT

Couple slapped with multiple counts of using fake invoices for non-existent steel supplies

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A MARRIED couple was hauled to the Sessions Court here yesterday over multiple counts of using fake invoices for the payment of non-existent prefabricated structural steel supplies, criminal breach of trust (CBT) and abetment involving over RM145 million.

Datuk Lee Son Hong, who was slapped with 11 counts of using fake invoices and CBT, and his wife, Too Sooi Keng, who faced seven counts of abetting her husband in the CBT offences, pleaded not guilty to the charges before judge Rozilah Salleh.

According to the first three counts, Lee, 63, had in his capacity as an agent, which was WRP Asia Pacific Sdn Bhd chief executive officer, used three invoices under the name of Tower Success Group Ltd dated March 27, Aug 18 and Dec 22, 2015, totalling RM8.4 million, which contained false details intended to deceive the principal.

The purported details were for the payment of supplies of "Pre-Fabricated Structural Steel For Surgical Packing Plant Size: 280' x 400' x 40' (H)" which were never

carried out.

Lee committed the offences at WRP Asia Pacific Bhd, Lot 1, Jalan 3, Kawasan Perusahaan Bandar Baru Salak Tinggi, Sepang, Selangor between March 27 and Dec 12, 2015.

The offences, under Section 24 (2) of the Malaysian Anti-Corruption Commission (MACC) Act 2009, carry a maximum jail term of 20 years and a fine of five times the value of the offence committed, or RM10,000, whichever is higher, if convicted.

On the fourth to 11th counts, Lee was accused of having in the same capacity committed CBT of RM137 million, which was entrusted to him by the company.

He allegedly committed the offences at the same place between Dec 12, 2013, and Dec 27, 2016.

The offences, under Section 409 of the Penal Code, carry an imprisonment for a term of not less than two years and not more

than 20 years, with whipping and a fine upon conviction.

Too, 63, was charged with seven counts of abetting him in the CBT offences involving RM108 million. The offences were allegedly committed at the same place between Dec 12, 2013, and Jan 18, 2018. The charges against her under Section 109 of the Penal Code read with Section 409 carry the same punishment.

The prosecution did not offer bail to both accused, saying that the offences were non-bailable.

However, deputy public prosecutor Ahmad Akram Gharib said if the court were to allow bail, he proposed the amount of RM2 million with an additional condition of surrendering their passports to the court as Lee was a flight risk.

Deputy public prosecutor Mohd Mokhzany Fariz Mokhtar proposed a RM1.5 million bail for Too and the same additional con-

ditions proposed by Akram.

In pleading for lower bail, Lee's counsel P.G. Cyril said his client was no longer WRP Asia Pacific CEO and that his business was underperforming due to the Covid-19 pandemic.

"He came voluntarily to court today on police bail. He had never failed to show up whenever he was called to give his statement," he said.

Too's lawyer Nur Aminahatul Mardiah Md Nor also pleaded for a lower bail, saying her client, who was a florist, was a first time offender.

She said Too was no longer working, but her name was still listed as one of WRP Asia Pacific's directors.

The court allowed RM1.5 million bail in one surety for each accused and ordered them to surrender their passports.

Their case will be up for mention on Jan 4.



Datuk Lee Son Hong (front row, centre) and his wife, Too Sooi Keng (back row, centre), being led to the Shah Alam Sessions Court yesterday. PIC BY FAIZ ANUAR

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KLANG VALLEY DOUBLE-TRACK PROJECT PHASE 2

Wee, Loke trade barbs over dismissal of contractor

A WAR of words ensued between Transport Minister Datuk Seri Dr Wee Ka Siong and his predecessor, Anthony Loke (PH-Seremban), during the winding-up of the 2021 Budget for the ministry at the Dewan Rakyat.

Wee, who was clarifying the Klang Valley Double-Track Project Phase 2 (KVD2T), said the government decided to reopen tenders as the original contractor was appointed through direct negotiation.

The decision effectively dismissed Dhaya Maju Infrastructure (Asia) Sdn Bhd (DMIA) and its partner, Lembaga Tabung Angkatan Tentera (LTAT) (Dhaya Maju-LTAT Sdn Bhd), as the project contractor.

Wee said KTM Bhd had also raised concerns about Dhaya Maju-LTAT's competency to carry out works on KVD2T, based on its observation of the first phase carried out by the company.

He said Malaysian Anti-Corruption Commission Chief Com-

missioner Datuk Seri Azam Baki, in a letter, had said the procurement process for the project was not done in accordance with standard operating procedures.

Loke blew his top at this point, saying that the project was approved during the tenure of Datuk Seri Liow Tiong Lai when Wee was also in the cabinet (as minister in the Prime Minister's Department).

"You are lying. We only made the decision to carry on to avoid legal and financial implications to the government. You are only confusing the dewan."

To this, Wee said: "Why are you jumping? If I'm found to be lying, I will resign."

He said he would present the documents as proof if challenged in court.

"You (Loke) had 15 minutes to attack me (during debate) while I was lying on a hospital bed, it is our right to explain what actually happened."

"I will definitely take legal ac-



Datuk Seri Dr Wee Ka Siong (left) and Anthony Loke

tion to clear my name. Stop being a spokesman for the company (Dhaya Maju-LTAT) and respect the court's decision," said Wee, to which Loke said he was a spokesman for the people.

Wee said he stood by the decision made by the cabinet, saying that any company to be awarded through open tender must cooperate with LTAT to carry out the project.

Loke had previously questioned the government's motive for cancelling the contract with Dhaya Maju-LTAT, saying that the government would have to fork out RM1 billion in settlement to the company.

It was reported that Dhaya Maju-LTAT received the original Letter of Award (LoA) dated April 4, 2018 for the KVD2T project during the Barisan Nasional administration and had commenced work.

The original KVD2T award was, however, terminated on Oct 19, 2018 by the Pakatan Harapan government.

However, on July 5 last year, the PH government agreed to reappoint Dhaya Maju-LTAT to implement the KVD2T project after taking into consideration the legal implications.

They had entered into a Settlement Agreement under which the government agreed to issue a new LoA, with Dhaya Maju-LTAT waiving all its claims against the government for the wrongful termination.

The High Court had, on Sept 18, dismissed an application by Dhaya Maju-LTAT for an injunction against the government and Wee to bar them from terminating a contract with the company for the construction of the KVD2T, despite having completed 24 per cent of the project.

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3 foreign worker agents held over fake border stamps

KUALA LUMPUR: Three foreign worker agents have been arrested by the Malaysian Anti-Corruption Commission (MACC) to facilitate investigations into the falsification of entry and exit stamps at the Kuala Lumpur International Airport (KLIA) and klia2. According to an MACC source, the agents, aged between 30 and 66, were nabbed in Kuala Lumpur on Wednesday. "One of them is a lawyer, while the other two run businesses relating to foreign workers. About 59 individuals have been arrested since Op Selat was launched. They comprise 15 foreign worker agents, 34 Immigration personnel and 10 civilians involved in mule accounts," the source said, adding that all three were taken to the Putrajaya magistrate's court for remand. **Bernama**

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PROSECUTION TO APPEAL

EX-DBKL OFFICER WINS APPEAL

High Court quashes
2018 verdict over
purchase of 8 condo
units worth RM2m

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TEARS rolled down the cheeks of former Kuala Lumpur City Hall's (DBKL) executive director Datuk Seri Syed Afendy Ali Syed Abid Ali as he walked out of the High Court here a free man.

Five years after he was charged with abusing his power to obtain eight condominium units with a total value of almost RM2 million, the High Court yesterday allowed his appeal against the conviction.

Syed Afendy, who appealed to set aside the guilty verdict, eight-month jail time and RM80,000 fine imposed on him by a lower court, was freed after judge Collin Lawrence Sequerah ruled that the prosecution had failed to prove the elements of the charges against the 58-year-old appellant.

Sequerah said the prosecution



Datuk Seri Syed Afendy Ali Syed Abid Ali leaving the Kuala Lumpur High Court after winning his appeal yesterday. PIC BY HAIRUL ANUAR RAHIM

had not succeeded in proving that the appellant had obtained the interests for the properties.

"I find that in all the circumstances of the case, the prosecution had failed to prove the ingredients of Section 165 of the Penal Code that the appellant had obtained for the people mentioned in the charges a valuable thing which was the interest of

immovable properties mentioned in all the charges.

"The appeals are therefore allowed."

The judge also ordered for the fine to be refunded to the appellant.

Syed Afendy, upon hearing the verdict, fell to his knees and bowed in gratitude before the court.

He was represented by counsel Hamidi Mohd Noh.

Deputy public prosecutor Norzilati Izhani Zainal@Zainol said the prosecution intended to appeal against the decision.

On March 20, 2018, the Sessions Court sentenced Syed Afendy to eight months' jail and fined him RM80,000 after finding him guilty of the offences.

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5 held for offering RM1,000 bribe to cop

KOTA BARU: A Malaysian and four Myanmar nationals were detained for allegedly offering RM1,000 to bribe a policeman recently. The five were travelling in a car when they were arrested in Simpang Tiga Alor Hijau in Selising, Pasir Putih. Kelantan police chief Deputy Commissioner Shafien Mamat said the five were passing a roadblock when they were stopped by policemen at 6.35pm on Nov 21. "Four of them could not provide travel documents. One of the foreigners got out of the vehicle and handed over RM1,000 to the sergeant so that his friends would not be arrested." Shafien said the Malaysian, 39, was detained to help in investigations. He added that the foreigners were handed over to the Immigration Department for action.