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MACC confirms detaining CEO

Suspect allegedly linked to uCustoms project cited in AG report

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KUALA LUMPUR: A 56-year-old chief executive officer was detained by graft busters in connection with the uCustoms project.

He was detained on Friday night after going to the Malaysian Anti-Corruption Commission (MACC) to assist with investigations.

The arrest was confirmed by MACC chief commissioner, Datuk Seri Azam Baki.

The suspect, who was brought to the Magistrate's Court in Putrajaya yesterday, was represented by lawyers Daljit Singh and Nicholas Mark Pereira.

Daljit said his client has been remanded for six days. He added that his client's company will issue a

statement on the matter soon.

The uCustoms project was recently mentioned in the Auditor-General's report.

What was supposed to be a cost-saving system ended up becoming a whopping RM273mil loss for the government.

The Customs Department's "uCustoms" project, which kicked off in 2013, was meant to be a modern online system to increase efficiency and save cost.

However, seven years on and five extensions later, the million-ringgit project has yet to materialise.

The Auditor-General's 2019 report (Series 2) found that RM273mil in payments were made towards the project, but the system meant to replace the one in use since 1995, was not completed.

Out of 3,876 deliverables, only 1,056 or 27.2% have been received by the Customs Department, while only three out of 70 main modules have been completed and are operational.

"Overall, it can be summed up that the development of the uCustoms system failed to be completed within seven years and two months (86 months), even after five extensions of time (EOT) were given.

"A total of RM272.99mil was paid to suppliers and the project management office, while liquidated ascertained damages (LAD) of RM55,650 was imposed.

"A notice of LAD charges amounting to RM3.94mil was issued on Dec 31, 2020, for EOT 3 and EOT 4 to Company 374044-H," the report said.



Under investigation: The company CEO linked to the uCustoms project is in remand for six days.

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Narcs plead not guilty to bribery

Five accused of obtaining gratification amounting to RM8,000

By MUGUNTAN VANAR
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KOTA KINABALU: A police inspector and four other cops attached with the anti-narcotics department have been charged at the Kota Kinabalu Special Corruption Court with accepting bribes.

They were alleged to have received a total bribe of RM8,020.

All pleaded not guilty before judge Abu Bakar Manat.

According to the charges, they accepted the bribes as an

inducement not to take action against a man under the Dangerous Drugs (Special Preventive Measures) Act.

Insp Joevian Gubal Michael, 41, who works at the Narcotics Division of the Kota Belud district police headquarters, faces four charges of accepting a bribe worth a total of RM2,400.

All the money was deposited into his bank account between Nov 16 and Dec 17, 2017.

The second accused, Sjn Azizul Ismail, 32, is facing four charges of

accepting a bribe of RM900.

Sjn Azizul, who is also attached to Kota Belud IPD, received a bribe that was put into his personal bank account between April 24, 2017 and July 30, 2017.

L/Kpl Hairul Amid, 36, of the Sabah police headquarters in Kepyayan here, faces five charges of receiving a bribe totalling RM2,000 into his bank account between Aug 11, 2017 and June 9, 2018.

The fourth accused, L/Kpl Afizul Arwan Anuar, 29, is with the Kota Belud district police.

He faces four charges of accepting a bribe of RM470 between April 13, 2017 and May 6, 2017.

Finally, Kpl Abdullah Bakir, 44, of the Kota Belud police district is facing 18 charges of accepting a bribe of RM2,250 between April 14, 2014 and Oct 1, 2015.

The court allowed Insp Joevian and L/Kpl Hairul bail of RM10,000 along with a RM4,000 deposit.

Kpl Abdullah was allowed a RM10,000 bail with a RM5,000 deposit with a local surety.

He was ordered not to approach

the witnesses.

Sjn Azizul was allowed RM8,000 bail with a deposit of RM4,000, while L/Kpl Afizul was granted RM10,000 bail with a RM3,000 deposit with a local surety.

Judge Abu Bakar ordered all the accused to report once every two months to the Malaysian Anti-Corruption Commission (MACC).

They were also instructed to surrender their passports to the court.

The court set the next mention of the case for Nov 24.

Police corporals claim trial to bribery

KOTA KINABALU: Two police corporals have pleaded not guilty in a Corruption Court here to 11 bribery charges.

Kpl Sabestino Bong, 42, and Kpl Haikal Ibrahim Abdullah, 32, claimed trial to the charges before Special Corruption Court judge Abu Bakar Manat here yesterday.

Kpl Bong, who was attached with the Kota Belud narcotics division, is accused of first receiving RM200 from a drug-related crime suspect on June 6, 2017, as an inducement to not proceed with the case.

He is accused of a second charge of receiving another RM100 for the same purpose.

Kpl Haikal, who was also attached with the same police station, faces nine charges of receiving bribes totalling RM1,570 between May 23, 2017, and July 6, 2018.

The court set RM6,000 bail with a local surety for Kpl Bong and RM8,000 bail with a local surety for Kpl Haikal.

Kpl Bong, who is now based in Lahad Datu, is required to report to the Malaysian Anti-Corruption Commission (MACC) office in the district once every two months and surrender his passport to the court.

Kpl Haikal is required to do the same in Sandakan.

Both accused are warned against contacting or tampering with any of the prosecution witnesses throughout this trial.

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Retired cop fined for accepting bribes

KOTA KINABALU: A retired policeman pleaded guilty to charges of accepting bribes at the Kota Kinabalu Special Corruption Court.

The accused, Jangli Mamat, 58, was fined RM3,000 by judge Abu Bakar Manat.

Jangli, formerly with the Narcotics Department of the Kota Belud police, was charged with accepting a total of RM650 from a man between Oct 6, 2016 and March 3, 2017.

The accused was charged under Section 165 of the Penal Code, which carries a jail term of up to two years, a fine or both. Two other alternative charges were dropped by the prosecution after the accused pleaded guilty to the first charge.

Separately, at the same court, a police inspector and a corporal, also with the Kota Belud police, were charged with accepting bribes.

Both accused, however, pleaded not guilty to accepting bribes involving RM4,400.

The first accused, Bobby Rhyne Warry Nawari, 38, was charged with eight counts of accepting RM3,800 in bribes between May 1 and Aug 30, 2017.

He was granted a RM10,000 bail with a deposit of RM5,000 in one surety and ordered to surrender his passport.

The second accused, Jameswell Anak Lakin, 44, faced three charges for accepting bribes totalling RM600.

Loss due to non-compliance

Auditor-General's report points to RM620mil in losses by ministries

KUALA LUMPUR: Non-compliance of federal ministries and departments with financial management has led to issues involving irregular payments, loss of public funds and wastage amounting to RM620.07mil in 2020, says the National Audit Department.

Auditor-General Datuk Nik Azman Nik Abdul Majid said of the RM510.49mil in irregular payments, RM499.19mil involved payments for maintenance service claims without being verified at the National Security Council level.

Meanwhile, of the RM104.79mil loss in public funds, RM81.69mil involved unclaimed penalties not imposed by the Immigration Department, RM4.79mil involved equipment that was received late and not installed at Istana Budaya, among others.

"To enable corrective action and improvements to be taken, the Auditor-General has submitted 29 recommendations, namely four recommendations for verification of financial statements and 25 recommendations for compliance audits of federal ministries and departments to be considered for implementation by ministries and departments," he said.

He said this in a statement to Bernama after the Auditor-General's report on the Federal Government's financial statements and the 2020 Federal Ministries

and Departments Compliance Audit was tabled at the Dewan Rakyat yesterday.

Nik Azman said compliance audits involving a total of RM899.44mil had been carried out on three ministries and five federal departments, covering aspects of contract management amounting to RM772.40mil, government procurement (RM54.8mil) and revenue collection (RM72.24mil).

The Federal Government's debt in 2020 amounted to RM879.560bil or 62.1% of the GDP. Federal debt increased by RM86.562bil or 10.9% compared to RM792.998bil or 52.4% in 2019.

According to the Auditor-General, 50.4% or RM98.058bil of the RM194.555bil of new loans in 2020 was used to finance the principal repayment of matured loans.

"This shows that the government is dependent on new loans to repay mature loans and the use of Development Fund amounting to RM8.265bil for the repayment of Private Financing Initiative Liabilities and Guarantee Commitments," he said.

Besides this, a total of RM2.65bil was used to pay for the Health Ministry's hospital and clinic support as well as maintenance of facilities in the Education Ministry which was previously paid using operating expenditure allocations.

"Funds from the Development



Facts and figures: Nik Azman (right) with Public Accounts Committee chairman Wong Kah Woh, showing the Auditor-General's Report 2020 during the press conference at Parliament House. — Bernama

Fund financed through loans should in fact be used to finance physical development projects that contribute to the creation of new capital that can enhance the country's development and have a high multiplier effect to generate economic activity," he said.

Meanwhile, Federal Government revenue declined 14.9% to RM225.075bil in 2020 from RM264.415bil the previous year while Covid-19 expenditure amounted to RM38.019bil.

Operating expenditure declined 14.7% to RM224.6bil, a decrease of

RM38.743bil compared to 2019, while development expenditure amounted to RM51.36bil, a decrease of RM2.813bil or 5.2% compared to RM54.173bil in 2019.

Nik Azman said overall, the Federal Government had a deficit of RM87.645bil with a deficit to GDP ratio of 6.2%, compared to 3.4% or RM51.37bil in 2019.

He added that the Federal Government's financial statements showed a true and fair view of the government's financial position for the year ended Dec 31, 2020 and that its accounting records were

orderly and up to date.

It is the second tabling of report in the Dewan Rakyat a year after AG Report 2019 Series was tabled on Sept 28.

The National Audit Department also briefed the Public Accounts Committee on the main issues the Audit findings.

The AG report can be accessed by the public via <http://www.aud.gov.my> while issues in the report Compliance Audit of Ministries and Federal Departments 2020 will be uploaded on the Auditor-General Dashboard Portal (AGD).

Govt loan repayment practice 'worrying', says AG

KUALA LUMPUR: The government's over dependence on taking new loans to finance the repayment of loan principals which have matured, has been described as worrying, says Auditor-General Datuk Nik Azman Nik Abdul Majid.

This is because the loans should be paid using existing proceeds or any surplus of the government proceeds, he added.

"However, in 2020, the country was facing the Covid-19 pandemic and the government was forced to take measures to improve the health system for the people to combat Covid-19," he told reporters at Parliament House yesterday.

The press conference was held following the tabling of the Auditor-General's report on the Federal Government's financial statements

and the 2020 Federal Ministries and Departments Compliance Audit.

In the report, the Federal Government's debt in 2020 amounted to RM879.56bil or 62.1% of the GDP.

The federal debt increased by RM86.562bil or 10.9%, compared to RM792.998bil or 52.4% in 2019.

A total of 50.4% or RM98.058bil of the RM194.555bil of new loans in 2020 was used to finance the principal repayment of matured loans.

Therefore, Nik Azman said, the department proposed prudent spending that ensured all development expenditures were financed with loans that should be serviced according to schedule within reasonable costs without leakages or wastage.

The audit report also found that not all the funds under the Development Fund were used for the purpose of development, said Nik Azman.

"We found RM2.6bil used to fund maintenance expenditure.

"This is usually funded by operating expenditure.

"The funds for development are mostly from borrowings which should be used to generate revenue in future even though it is allowed under the act in Development Fund.

"But from the economic aspect, we feel it is not so appropriate.

"We hope the government will look into the matter," he added.

He said that the Audit Department had made 25 recommendations in the form of

punitive and corrective measures.

"Punitive action will be taken if there (cases of) negligence, misconduct and practice, including investigations by Malaysian Anti-Corruption Commission (MACC)," he added.

Meanwhile, Public Accounts Committee (PAC) chairman Wong Kah Woh, who is present at the press conference, expressed worry over the Auditor-General's statement on the government's growing debt.

He added that the PAC had found a close to a fourth of 2020 gross borrowings meant for the Development Fund was used to pay liabilities, operating expenditures and other guarantees.

The PAC is expected to hold proceedings to scrutinise issues raised in the report.