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THE STAR | 06/09/2021 | PG 04

Ex-civil servant held over abuse of power

JOHOR BARU: An ex-civil servant has been arrested by the Malaysian Anti-Corruption Commission (MACC) for allegedly falsifying company ownership details in order to obtain work to supply printer toner, involving RM1.03mil.

According to sources, the 35-year-old suspect was detained at the Johor MACC office at 11.30am yesterday to assist in investigations.

Initial investigation show the suspect, who was then an administrative assistant in a state government office, had allegedly abused his power and position as the secretariat of the quotation committee to award the work to his companies.

The suspect was said to have falsified the ownership details of three companies he owned from 2016 - 2019, sources said.

The case will be investigated under Section 23 (1) of the MACC Act, which carries a maximum jail term of 20 years or a fine of five times the bribe value or RM10,000, whichever is higher, if convicted.

— Bernama

THE STAR | 10/09/2021 | PG 6

MACC arrests several Silterra key personnel

PETALING JAYA: The Malaysian Anti-Corruption Commission (MACC) has arrested several key management personnel of Silterra Malaysia Sdn Bhd, a unit under Dagang NeXchange Bhd's (DNeX) technology division, to assist in an investigation of a potential offence under the MACC Act 2009.

DNeX, which provides services in the technology and energy sectors, said the investigation might potentially be related to a legacy issue, based on the limited information available to the company.

"The company does not condone nor tolerate any form of misconduct among its employees and contractors and will ensure that Silterra provides its full cooperation and assistance to the authority in their investigation," it said in a filing with Bursa Malaysia.

DNeX said Silterra's business operations would not be affected and there was no financial or operational impact to the DNeX group arising from the MACC probe. — Bernama

THE STAR, FRIDAY 20 AUGUST 2021

Nation 9

'Open tender not stated in MOUs'

Deals for Penang project showed no such specification, witness tells court

By RASHVINJEET S. BEDI
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KUALA LUMPUR: None of the Memorandum of Understandings (MOUs) signed in 2011 between the Penang state government and Beijing Urban Construction Group (BUCG) in relation to the paired roads and undersea tunnel project specified that it would be awarded via an open tender, the Sessions Court heard.

Witness Datuk Lim Hock Seng affirmed this when testifying in the graft trial of former Penang Chief Minister Lim Guan Eng yesterday.

"It is not stated in the MOUs," the former Penang state executive

councillor said to a question by deputy public prosecutor Wan Shaharuddin Wan Ladin.

The two MOUs were signed in March 2011 and April 2011, while the tender for the project only opened in July 2012.

Altogether, eight companies including BUCG were shortlisted at the request for proposal (RFP) stage.

The result of the tender which was awarded to BUCG was announced in March 2013.

Hock Seng, however, said that BUCG was verbally told that there would be an open tender for the project despite the MOUs signed.

Hock Seng and Guan Eng were

part of a 10-member state delegation to China in May 2011 to see BUCG's construction of mega projects there.

When asked what was the need for a working visit to China, Hock Seng said it was upon the invitation of then Chinese Premier Wen Jiabao to Guan Eng.

He said the Penang state government paid for the visit.

"At the time, we didn't know who would get the project. We didn't want to give the wrong impression," he said to a question by deputy public prosecutor Nik Haslini Hashim.

The trial continues today.

Guan Eng, 60, is facing four cor-

ruption charges involving the construction of an undersea tunnel and paired roads project in Penang.

For the first amended charge, the Bagan MP is charged with using his position as then Penang chief minister to corruptly receive RM3.3mil to help a company owned by Datuk Zarul Ahmad Mohd Zulkifli to secure the undersea tunnel and paired roads project in Penang worth RM6,341,383,702.

The offence was allegedly committed between January 2011 and August 2017 at the Penang chief minister's office.

For the second amended charge, Guan Eng is charged with soliciting

10% of profits from Zarul to help the company be appointed for the same project.

Guan Eng is charged with committing the offence near The Gardens Hotel, Lingkaran Syed Putra, Mid Valley City here in March 2011, between 12.30am and 2am.

The former finance minister was also charged with two counts of causing two lots of land owned by the Penang state government worth RM208.8mil to be disposed of by the developer linked to the undersea tunnel project.

The offences were allegedly committed at the Penang Land and Mines Office, Komtar on Feb 17, 2015 and March 22, 2017.

THE STAR, SATURDAY 21 AUGUST 2021

Nation 9

Conflict of interest raised

BUCG reps joined meetings on Penang project before tender opened, court told

By RASHVINJEET S. BEDI
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KUALA LUMPUR: There appeared to be a conflict of interest when the representatives of contractor Beijing Urban Construction Group (BUCG) sat in meetings with Penang government officials in relation to the paired roads and undersea tunnel project before it was opened for tender, the Sessions Court heard.

A senior government official agreed that it was improper for the company to sit in meetings with state government officials in the preparation of documents pertaining to the project before the tender process started.

Azrai Zaini, 39, who was then an assistant director in the Penang State Economic Planning Unit (Upem) said that the draft of the documents contained specifications of

the projects that would give BUCG an advantage over other companies that were interested to bid for the project.

"It wasn't proper if they were going to join the request for proposal (RFP) process as bidders (later)," he said when questioned by deputy public prosecutor Wan Shaharuddin Wan Ladin at the graft trial of former Penang chief minister Lim Guan Eng yesterday.

Azrai said that he was only a junior officer who was inexperienced at the time, and did not think that he had to inform his immediate boss about this.

Azrai is currently the principal private secretary to Penang Chief Minister Chow Kon Yeow.

He said the representatives of BUCG had three meetings with Penang state government officials, the last being in July 2011. The court

heard that the tender for the project was opened a year later.

BUCG had signed two memorandums of understanding (MOUs) with the Penang government in March and April of 2011.

Former prime minister Datuk Seri Najib Razak and former Chinese premier Wen Jiabao had witnessed the MOU that was signed in Putrajaya in April 2011.

Cross-examined by defence counsel Gobind Singh Deo, Azrai however, agreed with the suggestion that there was no issue with the BUCG representatives being at the meetings as they were tied by the MOUs signed.

Azrai also agreed to a suggestion by Gobind that BUCG did not have an advantage since the bidding for the project only opened one year after the July 2011 meeting.

The hearing continues on Sept 10.

Guan Eng, 60, is facing four corruption charges involving the construction of an undersea tunnel and paired roads project in Penang.

For the first amended charge, the Bagan MP is accused of using his position as then Penang chief minister to corruptly receive RM3.3mil to help a company owned by then chairman of Consortium Zenith BUCG Datuk Zarul Ahmad Mohd Zulkifli to secure the undersea tunnel and paired roads project in Penang worth RM6,341,383,702.

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BUCG is a large-scale construction company from China which had joined Consortium Zenith BUCG that won the tender for the Penang Undersea Tunnel project in 2013. It pulled out in 2017 and the corporation was then renamed Consortium Zenith Construction.

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Three MACC officers detained

Trio to assist probe into alleged abuse of power

KUALA LUMPUR: Three Malaysian Anti-Corruption Commission (MACC) officers were detained to assist investigations into allegations of abuse of power and malpractice in a case involving a former senior government servant who has been discharged but not acquitted by the court.

The commission said it would not compromise or protect any of its personnel who were involved in crime and would take appropriate action if it was proven.

It added that all three officers were brought to the Putrajaya Magistrate's Court and remanded under Section 117 of the Criminal Procedure Code for six days from Sept 14 to 19.

"A thorough investigation is underway and we hope that all parties will not speculate on this matter as it would affect investigations," the MACC said in a statement yesterday.

The said accused, who was discharged not amounting to an acquittal by the court early this year, was investigated by the MACC in 2018 and was formerly a department head in a government agency.

Meanwhile, Bukit Aman has not received any police report of an alleged US\$6mil (RM25mil) theft involving the person who was previously investigated by the MACC.

Bukit Aman CID director Comm Datuk Seri Abd Jalil Hassan said he was aware that the viral news also claimed that three MACC officers were remanded for the theft.

"We have not received any police report pertaining to the alleged incident.

"We advise the public to be responsible social media users and avoid spreading unverified news or information," he said in a statement.

Stern action will be taken against those spreading fake news, he added.

A report in a blog about the remand and the alleged theft went viral on social media.

The blog also claimed that the said victim demanded for the seized cash to be returned.

However, the blog claimed that only some of the cash was still available while the remaining were purportedly counterfeit notes.

The Star | 29 September 2021 | Page 3

MACC task force to probe failed 'uCustoms' fiasco

By MAZWIN NIK ANIS and
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PUTRAJAYA: The anti-graft agency has assigned its number two in command to lead a task force to investigate the Customs Department's failed project fiasco.

The team is to start work immediately to probe the millions of ringgit that have been paid by the department for the uCustoms online system that is not functioning, said Malaysian Anti-Corruption Commission chief commissioner Datuk Seri Azam Baki.

"I have directed the team, led by MACC deputy commissioner Datuk



Probe begins: Ahmad Khusairi (left) and Azam Baki

Seri Ahmad Khusairi Yahya, to work on the case immediately.

"The team will be meeting officials from the Auditor-General's office as well as the Public Accounts Committee (PAC) to get hold of

reports and documents (today) so we can begin the probe," he said.

On whether Customs officials would be called up, Azam said that would be decided after reviewing the Auditor-General report.

"The officers will have to study the documents to determine who needs to be questioned.

"The immediate investigation into the case reflects our commitment to investigate issues raised by the PAC and the Auditor-General," he said.

Parliament's PAC chairman Wong Kah Woh, when commenting on the payment of RM272.9mil by the Customs Department for a failed project, said the MACC should be aggressive and view issues raised

by the AG report categorised as punitive seriously.

Wong said the PAC will meet to discuss the findings of the AG's report next month to begin proceedings to haul up the appropriate departments for inquiry. This, he said, included the Ministry of Finance and Customs Department with regard to the uCustom project.

Wong said any investigations by the MACC into the project will not jeopardise the PAC inquiry into the issue later this year.

Watch the video
TheStarTV.com



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Graft *busters* move in

The MACC has put its number two to investigate how the government lost **RM273mil** on a long-delayed and unfinished Customs systems project. The Public Accounts Committee will also haul up the relevant ministries in an inquiry. > See reports on page 3 by MAZWIN NIK ANIS, MARTIN CARVALHO, ALLISON LAI and JOSEPH KAOS Jr

RM273mil lost in 'uCustoms'

2013 system to save costs, boost efficiency never completed

By ALLISON LAI
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PETALING JAYA: What was supposed to be a cost-savings 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 that was to increase work efficiency and help 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 have been made towards the project, but the system that was supposed to replace the one in use since 1995 was never 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

"There was a high turnover rate among senior officers of the uCustoms supplier team."

Auditor General's 2019 report

(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 a liquidated ascertained damages (LAD) of RM55,650 has been 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.

Some of the weaknesses that were revealed showed that a feasibility study was not conducted prior to the development of the uCustoms system.

The report said there were shortcomings in the payment process, where 13 payment vouchers amounting to RM64.89mil could not be confirmed because complete documents were not attached.

Also, it was revealed that a selection of suppliers did not take into account the evaluation and report prepared by the Technical Evaluation Committee.

"PMO (Prime Minister's Office) did not prepare, update and save project management files in both soft copy and hard copy centrally.

"There was a high turnover rate among senior officers of the uCustoms supplier team.

"Six contracts were signed late between 58 and up to 204 days," the report said.

According to the report, the total development of the uCustoms system involved four supplier contracts and three PMO contracts amounting to RM397.43mil.

Of the total, RM390.01mil was for system development contracts while RM7.42mil was the cost for the PMO contracts.

The report has recommended a comprehensive study of the Customs system requirements to be conducted before the development

of a new system.

It said sound project governance should be established so that the actual progress, implementation of the go-live system, module development, deliverables as well as progress payment can be monitored with the appropriate action.

"Ensure the implementation of the project in accordance with the terms of the contract that has been agreed and within the stipulated period.

"This is to ensure that the system can be developed in accordance with the required specifications and achieve the objectives that have been set," said the report.

It also called for the maintenance of system development documents so that future system development can be done efficiently, orderly and comprehensively.

"The system shall ensure the security of government data and information is preserved.

"Ensure that the source code for the system development is the property of the Malaysian government to avoid complete dependence on suppliers for the purpose of completing future system development and maintenance," the report said.