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Two senior officials arrested over false claims

By **DURIE RAINER FONG**
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KOTA KINABALU: Graft-busters have detained a former government agency director and a senior government officer for facilitating false claims from a contractor amounting to over RM175,000.

The ex-director, who has been transferred to another department, was believed to have also allegedly accepted payments of over RM60,000 for approving said claims.

The suspects, aged 44 and 50, were arrested when they came to give their statements on the case at the Malaysian Anti-Corruption

Commission (MACC) office here at 12.30pm yesterday.

According to a source, the suspects had used the licences of several companies to validate the claims for the supply of food and drinks amounting to more than RM175,000.

The source said at the same time, the ex-director was believed to have

received monthly payments amounting to more than RM60,000 from the contractor between 2017 and 2019.

Sabah MACC director Datuk S. Karunanithy, when contacted, confirmed the arrests and said the case was being investigated under Sections 17(a) and 18 of the MACC Act 2009.

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Nation 5

Reports by RAHIMY RAHIM, JUNAID IBRAHIM and MESHVINNY NELSON

DBKL's flood prevention measures yet to reach goals

PETALING JAYA: The flood mitigation measures (2018-2022) under Kuala Lumpur City Hall's (DBKL) master plan have yet to achieve their objectives, according to the Auditor-General's Report 2021 Series 1.

The report noted that three projects amounting to RM27.68mil did not comply with procurement principles.

The report stated that DBKL has not fully implemented the proposed short-term flood mitigation measures, with only 11.1% of 18 projects completed, leaving the problem of flash floods in the city unresolved.

"Flash floods keep recurring even after the implementation of flood mitigation projects," said the

Auditor-General in the report, where it was noted that flood management by DBKL involved flood mitigation projects and maintenance works.

It said implementation of the projects was based on the Kuala Lumpur City Rainwater Management Drainage System Master Plan (Master Plan) and flash flood hot-spots.

The report noted that the audit covered two main areas, namely programme performance and programme management, for the period from 2016 to March 2022.

Other weaknesses in programme management that needed attention include variation orders amounting to RM192,553.90 being approved

after the contracts expired.

The report also found that time extensions were approved after the expiry of contracts while records of assets or infrastructure of rivers and flood reservoirs were incomplete and not up to date.

It added that there was no evidence to suggest the maintenance work was monitored.

The report also suggested that DBKL needed to conduct an outcome evaluation of the mitigation programme based on its standard operating procedure in dealing with floods.

In response, DBKL said 10 new projects were proposed this year.

"DBKL has completed two out of 18 projects, while five more will be

completed this year pending the approval of additional budget," it said.

Parliament's Public Accounts Committee (PAC) chairman Wong Kah Woh said the committee would begin its probe into DBKL's flood mitigation measures owing to shortcomings in preventing floods.

"The PAC has agreed to call up the Federal Territories Ministry to begin proceedings involving the management of Kuala Lumpur's flood mitigation worth RM329.3mil," Wong said at a press conference in Parliament's media centre yesterday.

"The management of flood mitigation in Kuala Lumpur will be our priority owing to the recent fre-

quent flooding.

"The PAC will be calling on Federal Territories Minister Datuk Seri Shahidan Kassim and the ministry's secretary-general (Datuk Seri Rosida Jaafar).

"Also to be called up is Kuala Lumpur Mayor (Datuk Seri Mahadi Che Ngah)," he said.

However, Wong said a date had yet to be fixed for PAC to begin its probe.

The DBKL flood mitigation measures are a 10-year plan covering 2010 to 2020. A total of RM415.33mil was allocated for the projects, of which RM150.11mil was spent on flood mitigation and RM179.22mil was spent on maintenance works.

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RM100mil overrun on cost

11 years on, repair work on Parliament far from complete

PETALING JAYA: It's been 11 years, and the cost has shot up from RM520mil to RM626.1mil – but the upgrade and repair works on the Parliament building are still far from complete.

The work that was scheduled to have been completed in 2016 will now only be finished in 2025, says the Auditor-General in the Report 2021 Series 1.

According to the audit report, the project was to be implemented in several phases.

"This project has exceeded the completion target of six years. The first phase started in 2011 and (the project will now take) 14 years to complete, with the last phase expected to be completed by 2025 instead of 2016," said the Auditor-General, who also pointed out the cost overrun of more than RM100mil.

The report said the temporary housing block and the MPs' and administration blocks had yet to reach optimum usage levels.

It also found that the conservation work on the main block and design of the heritage facade on the



For recommendation: Auditor-General Datuk Nik Azman Nik Abdul Majid (right) and Wong with the Auditor-General's Report 2021 Series 1 to be tabled in the Dewan Rakyat. — Bernama

new building did not receive any written comment or approval from the National Heritage Department.

The total of 171 variation orders and 126 contract price adjustments resulted in an increase of contract

prices to RM447.4mil, noted the report.

The project's cost ceiling had increased by RM106.1mil, from RM520mil to RM626.1mil, to cover the scope of work variation for

phases 2B and 2C.

"Value management implemented in 2012 was less effective and was unable to control the cost and implementation duration of the project," it said.

It said there were also delays of between 14 and 90 days to complete the original addendum to the supply of furniture contracts.

"There were no fines and penalty clauses in the furniture supplier's contract to safeguard the interests of the government," added the audit report.

It suggested that the Public Works Department needed to ensure comprehensive governance and effective monitoring to ensure the project is successfully implemented.

In response, the department noted that work for the final phase started on July 14 last year and is expected to be completed by Jan 8, 2025.

Wong Kah Woh stated that the PAC was also considering an investigation into the delay and cost overruns associated with upgrading and renovation work on the Parliament building.

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Funds to urban poor unevenly distributed

PETALING JAYA: Approved aid for the Urban Poverty Eradication Programme under the Housing and Local Government Ministry was not distributed evenly and accurately to the target group, according to the Auditor-General's Report 2021 Series 1.

The report stated that the outcome of the programme was not met as there were still participants who had failed to generate income and rise above the poverty line.

"In addition, the programme's management is less than satisfactory to ensure that the target group can receive benefits," the report said.

The programme consisted of three initiatives, namely the Urban Poor Home Repair Programme (PPKH), the Urban Poor Home Build Programme (Housing) and the Urban Community Economic Empowerment Programme (PEKB).

The target group involved the B40 group in urban centres, with RM201.94mil in funding from 2016 to 2021.

The report said the targets for PPKH were not reached as 113 houses out of the 2,300 participants

failed to be repaired, while it was not deemed feasible to repair five houses.

Approved repairs or building of houses for 39 participants, at a total value of RM620,000, were not carried out by the Kota Kinabalu City Hall and Kota Belud District Council.

"As for the housing programme, nine local authorities did not have a dedicated bank account for the programme; 22 local authorities had unspent account balances ranging between RM11,808.43 and RM2.06mil, for a total of RM4.82mil," the report said.

It said 17 local authorities did not ensure that application forms were completed, while 10 others did not conduct site visits to verify the poverty status of applicants and the physical condition of their houses.

"A total of 603 participants (6.6%) were not registered in the eKasih programme; 472 participants (5.6%) received home repair/rebuild assistance from other government agencies; and aid received by 1,974 participants (23.3%) was not updated in eKasih.

"Works were not implemented or not fully implemented in accordance with specifications, resulting in improper payment amounting to RM402,046," the report added.

On the PEBK, which aimed to empower the urban poor's economic management with the help of NGOs, the report said several NGOs were reappointed despite their poor performance.

The report also noted that four NGOs did not conduct survey and verification exercises on participants in the programme.

"Equipment supplied by NGOs did not meet specifications, while RM18,315 worth of equipment was left unused.

"There were excess payments for accommodation, food and beverage to NGOs totalling RM9,210," the report added.

The ministry was advised by the National Audit Department to review the eligibility criteria for the programme so that it would reach the target group (urban B40) and that there would be no redundancy.

"The ministry needs to review the selection process and the courses

offered to the participants by considering their needs and market demand so that income can be generated optimally and continuously, thus helping them to get out of the poverty cycle."

In response, the ministry said order letters had been issued to Kota Kinabalu City Hall and Kota Belud District Council to return the funds following their failure to implement the programme.

The ministry added that statistics for the B40 group were not acquired from the Statistics Department.

Instead, poverty line income was used in considering the applications.

On the selection of NGOs involved in PPKH, the ministry said approvals were made following the applications put forward by the NGOs.

"The ministry had no objection to the locations chosen by the NGOs," it said.



Angkasapuri suffers losses over project delays
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250-page report on LCS scandal out today

KUALA LUMPUR: A report on the scandal involving the multibillion-ringggit procurement of Littoral Combat Ships (LCS) will be tabled in the Dewan Rakyat today, says Public Accounts Committee (PAC) chairman Wong Kah Woh.

He said the report would be placed on the tables of MPs so that they could study the report.

"The report contains 250 pages which does not include text from the Hansard proceedings.

"It will contain several improvements with regard to its contents to make it easier for the public to understand the issues contained in the PAC report," he told reporters at the Parliament House media centre here yesterday.

Wong said the PAC faced challenges in completing the report, which had been hampered by the Covid-19 pandemic and its resultant movement control orders.

The PAC began its probe into the procurement of the ships in late 2020 and had called several officials to testify before it.

The issue was first raised in the 2019 Auditor-General's Report, with the PAC calling former defence minister Datuk Seri Dr Ahmad Zahid Hamidi and several former senior officials to testify.

The RM9bil LCS project was awarded in 2014 and the order was for six of the ships to be constructed by Boustead Naval Shipyard Sdn Bhd (BNS).

The ships should have been delivered in April 2019 but so far, none has been built despite the government having paid RM6bil to the company.

In November 2020, BNS parent company Boustead Heavy Industries Corporation Bhd (BHIC) lodged a report with the Malaysian Anti-Corruption Commission (MACC) on the possibility of irregularities concerning the LCS project.

Several individuals have since been arrested by the MACC in connection with the case, including a former top BHIC official.

On July 27, Deputy Defence Minister Datuk Seri Ikhmal Hisham Abdul Aziz told the Dewan Rakyat that the MACC had completed its investigations into the scandal.

He said the MACC had sufficient evidence to charge several individuals and it was now up to the Attorney General to decide the next course of action.

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Angkasapuri project delays have bled RTM of audience, says report

PETALING JAYA: Only one out of three projects in the redevelopment of the Angkasapuri Complex to Media City by the Communications and Multimedia Ministry has been completed, according to the Auditor General's Report 2021 Series 1.

Calling the implementation "less than satisfactory", the report said it had caused the state broadcaster, Radio Televisyen Malaysia (RTM), to lose viewers and listeners in 2021 compared with the previous year.

"The delay in the completion of the project has caused losses in terms of staff discomfort, limited storage space, delays in the use of facilities and new buildings that should have been occupied and used earlier," it said.

The report also attributed the delays to the selection of a concession company with an unstable financial position.

The redevelopment project was proposed by the government in 2009, with a RM2.406bil allocation under the 11th Malaysia Plan.

It contains two main components – the construction of new buildings and the supply of broadcasting facilities – under a private finance initiative model, and involves RM860mil consisting of three agreements.

It also involves the exchange of 4.6ha of land worth RM137.19mil.

The project also aimed to upgrade two existing analogue transmission channels to 10 digital TV channels.

"Though the upgrading of the two SD (standard definition) analogue transmission channels to 10 HD (high definition) digital TV channels has been achieved, the result assessment has not been carried out as the project is yet to be fully completed," the report pointed out.

Other weaknesses include a delay in the delivery of and inefficient maintenance services of the concession company that could disrupt broadcasting, the report added.

The National Audit Department recommended that the ministry and the Public-Private Partnership Unit (Ukas) base the selection of concession companies on guidelines to enable the government to get value for money.

The ministry and RTM are also advised to ensure that matters related to governance are comprehensive and effective, especially in the aspect of maintenance management.

In response, the ministry said it would ensure that proposed companies for future projects would be based on Ukas guidelines.

On the declining viewership and listenership, the ministry said RTM was working to increase its TV and radio ratings through its Strategic Plan (2021-2025). It said the decline in viewership in 2020 and 2021 was due to the Covid-19 pandemic that resulted in a lack of fresh content production.

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Paying just to meet them

Pay to interview foreign workers

More obstacles for SMEs to clear as they seek to beef up manpower

By FAZLEENA AZIZ
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PETALING JAYA: "Appointments up for sale" - this is the latest obstacle faced by some employers - especially those from small and medium enterprises (SMEs) - in their bid to secure foreign workers for their companies.

Some of the employers interviewed by The Star said the appointments were difficult to obtain because of the red tape in the process of procuring foreign workers.

One of them, who asked not to be named, said if any employer were to get an interview to secure workers, chances were he or she would only get less than half of what was requested.

"If you apply for 50, you will get 20 workers, and SMEs bear the brunt of it because their turnover sales are between RM5mil and RM20mil.

"Giant organisations get priority because they have the government to back them up but for SMEs, they are the forgotten lot at times unless you know somebody.

"You have to lobby because applications get rejected easily as there

are so many requirements to fulfil, documents to fill up and upload.

"You also need a bit of help from the association to help push your applications," he said.

The source said this followed the series of arrests made by the Malaysian Anti-Corruption Commission over alleged bribery in the employers' securing of quotas for foreign workers.

Among those arrested was the chief executive officer of an information technology company.

The source also said that locals work as general workers for a good three months until they could buy a vehicle, and then they change to become chaffing drivers or "entrepreneurs".

This, he added, was the shelf life of a local worker in the manufacturing sector, which is why local companies still need to hire foreign workers.

At present, the process of procuring foreign workers in Malaysia is done via the Foreign Workers Centralised Management System (FWCMS) under the Human Resources Ministry.

An employer has to create a company profile online and upload all the required documents, including

turnover and Employee Provident Fund to the system.

There is also a ratio involved for an SME; it is 1:1, while for bigger companies it is 1:3 (one local to three foreign workers), depending on the size of the organisation and turnover.

Another source close to the industry also revealed that they were aware of those who offer to pay for an interview.

The price is set at RM1,300 to RM1,500 per head and one does not need to worry about the quota.

"The ones who pay in three weeks will get it, while those who actually attend the interview without any payment may not even get it after three months. It is an open secret.

"We already have a system in place, and those who know their responsibilities should carry out their work honestly, so that these things do not happen," the source said.

In George Town, some companies wanting to hire foreign workers have been facing issues with "agents" who claim to be able to help these companies secure interview sessions for the application and vetting process in Putrajaya.

Small and Medium Enterprises

Association (Samanta) policy and government relations chairman Datuk William Ng said these companies reported the incidents to Samanta and raised their concerns of possible "banky-panky" behind the approach.

"We received many complaints from members who faced difficulty in hiring foreign workers, which is done via the FWCMS.

"After registering, they are required to undergo an interview, which is in Putrajaya.

"It is either they are physically present or via agents.

"However, there have been many cases in which applicants are informed that the interview appointments have been cancelled or postponed for reasons such as understaffing and wrong scheduling, while on their way (to Putrajaya).

"What's strange is that after the interviews are postponed, cancelled, or their applications rejected, there would then be 'agents' making contact shortly after.

"These 'agents' would offer to assist and expedite the process for a fee of between RM1,000 and RM1,500 per applicant.

"It raises suspicion and we wonder how those 'agents' know about our application status within such a short period," said Ng.

He said the association hoped that the interviews could be done at state levels or through industry or association bodies with qualified officers present.

"In the past, during interviews with ministries such as the International Trade and Industry Ministry (MITI), there would be officers from other agencies sitting in as well.

"However, since this year, they have removed third-party interviewers.

"We hope to eliminate the involvement of agents and keep the process of procuring foreign workers simple.

"The interviews might not even be necessary.

"If the process can be delegated to state or association levels, then relevant agencies may assist within the panel and help to decide, instead of relying entirely on the Human Resources Ministry," he said.

Ng said by simplifying the process, it would not only save time and cost but also eliminate the risk of unscrupulous parties taking advantage of opportunities.

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LCS project in deep water

RM1.4bil diverted and not one ship ready in RM9bil deal

ALMOST RM1.4bil of government allocations meant for the multi-billion-ringggit littoral combat ship (LCS) project was diverted for other uses.

On top of that, not even one of the ships has been completed although five should have been delivered by this month, the Parliament's Public Accounts Committee (PAC) said.

Another RM255mil worth of LCS equipment, or 15% of the RM1.7bil worth kept in store for the project, is now obsolete.

These were among the findings contained in the bipartisan committee's 250-page report that was tabled in the Dewan Rakyat yesterday.

"Payments made by the government to Boustead Naval Shipyard Sdn Bhd (BNS) were not fully used for the LCS project," PAC chairman Wong Kah Woh told reporters in Parliament.

He said a witness, Kapt (Rtd) Azhar Jumaat, had testified that RM400mil was used to repay previous debts incurred under the New Generation Patrol Vessel (NGPV) project.

"Another RM305mil was used for an integration facility in Cyberjaya while RM700mil was cost overrun, which was above the ceiling agreed under the LCS contract," he added.

The two-year investigation also revealed that the RM9bil project was done through direct negotiations with BNS and linked in 2014.

"The government paid out RM6.083bil for the project but not even one ship has been completed," said Wong.

"Based on the original schedule, five ships should have been completed and delivered by August 2022."

In other findings, the PAC said 63.8% was paid for completed work for the first ship although only 42.7% of the work was done.

The PAC probe also showed that BNS' financial standing was critical and weak.

"As at 2018, BNS debts to original equipment manufacturers (OEMs) amounted to RM801mil while the company owes RM956mil to financial institutions," added Wong.

He called on the prosecuting

authorities to charge those involved with corruption.

"We can't wait any longer anymore," he said, referring to recent reports that the Malaysian Anti-Corruption Commission (MACC) had wrapped up investigations into the LCS scandal.

The Star reported on July 19 that MACC had enough evidence to charge several people over the scandal.

It said a "considerable amount of money" had been transferred out without the knowledge of the company's board of directors.

On July 27, Deputy Defence Minister Datuk Seri Ikmal Hisham Abdul Aziz told the Dewan Rakyat that the MACC had wrapped up investigations into the scandal and submitted recommendations to the Attorney General's Chambers.

Wong, meanwhile, said the Defence Ministry would have to report back to the PAC in the next two months on its recommendations.

"This is the largest single procurement by the Defence Ministry in

history. As such, for the first time, the PAC will require the ministry to report back on the work progress every three months until the LCS is finally completed," he added.

Under the project, a total of six ships were to have been built by BNS with the first delivery due in 2019.

So far, none have been built although the government has paid RM6bil to the company.

The PAC began its probe into the procurement in late 2020 after the issue was first raised in the Auditor-General's Report 2019 Series.

The PAC called former defence minister Datuk Seri Dr Ahmad Zahid Hamidi and several former seniors officials to testify.

In November 2020, BNS' parent company Boustead Heavy Industries Corporation Bhd (BHIC) lodged a report with the MACC on the possibility of irregularities concerning the project.

Several individuals have since been arrested by the MACC in connection with the case, including a former top BHIC official.

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Hisham: Combat ship project to continue

By SHARON LING
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KUCHING: The littoral combat ship (LCS) project will be continued to meet the Royal Malaysian Navy's needs, says Defence Minister Datuk Seri Hishammuddin Hussein.

In doing so, he said the ministry would study the recommendations of Parliament's Public Accounts Committee (PAC) into the troubled project.

"I have informed the Cabinet and PAC about the timeline to complete the ships.

"What is important now is our journey in the next six months after getting the green light from the Cabinet to continue the project," he told a press conference after opening the Armed Forces' polyclinic at Kem Penrissen here yesterday.

On Datuk Seri Anwar Ibrahim's call for phase six of the LCS project to be cancelled, Hishammuddin said it was made for political mileage.

He said cancelling the project would go against the PAC's recommendations as well as the Pakatan Harapan administration's decision to continue it when the coalition was in power.

"If you look at the PAC report and its recommendations, none of them say the project should be cancelled.

"In addition, over 400 vendors are depending on it to continue, 90% of whom are involved with Armed Forces veterans.



Health benefit: Polyclinic staff members taking a selfie with Hishammuddin at Kem Penrissen. — Bernama

"If (Anwar) wants to help the veterans, cancelling the project is not the way to do it," Hishammuddin added.

On Thursday, Anwar called for phase six of the project to be cancelled as it had not started.

He said the RM571mil allocation for phase six should be used instead to address the rising cost of living

and the welfare and pension of veterans.

It was reported that the over RM9bil LCS project was awarded to Boustead Naval Shipyard in 2014 for the construction of six combat ships but none have been built despite the government having paid RM6bil to the company.

In November 2020, a report was

lodged with the Malaysian Anti-Corruption Commission, which then arrested several individuals in connection with the case.

In a PAC report on the multibillion-ringgit project that was tabled in the Dewan Rakyat on Aug 4, it was revealed that nearly RM1.4bil in government allocations had been diverted for other purposes.

Reports by MAZWIN NIK ANIS, RAHIMY RAHIM, TARRENCE TAN and RAGANANTHINI VETHASALAM

Wrongdoers to be charged

PM gives guarantee that LCS probe will be transparent

PUTRAJAYA: The Malaysian Anti-Corruption Commission (MACC) has been told to expedite investigations into the Littoral Combat Ship (LCS) case, and should there be solid proof, for the Attorney General to prosecute and bring those responsible to court, says Prime Minister Datuk Seri Ismail Sabri Yaakob.

"Two high-level investigative reports about the LCS will also be made public."

"I have met Attorney General Tan Sri Idrus Harun, and Malaysian Anti-Corruption Commission chief commissioner Tan Sri Azam Baki."

"I think the investigations are underway and there are several files that have been opened," he said after opening an international muay thai championship event in Petaling Jaya yesterday.

In a statement, the Prime Minister said, on behalf of the government, he wanted to give his "assurance and guarantee that an investigation into the issue will be transparent."

"The government will not protect anyone who is involved," he said.

The Prime Minister said the Cabinet's decision would not affect or interfere with the LCS Project Recovery Plan that had been decided on April 20 this year.

The government, he said, remains committed to proceeding with the project in the interest of national defence and in line with meeting the needs of the Royal Malaysian Navy.

On July 19, *The Star* reported that anti-graft investigators were convinced that they had enough evidence to bring charges against several individuals involved in the multimillion-ringggit LCS project.

Azam recently said the MACC is in the final stages of its probe into the scandal.

On Aug 4, Parliament's Public Accounts Committee (PAC) said that some RM1.4bil in government allocation for the LCS project had been used for other purposes, including cost overruns.

The two-year probe by PAC also revealed that the RM9bil project was done through direct negotiations with Boustead Naval Shipyard Sdn Bhd and was linked in 2014.

On the two reports, Ismail Sabri said the Cabinet had agreed that the governance, procurement and finance investigation committee's

Next port of call – court

It was a complex case that involved travelling abroad to gather evidence but it was well worth the anti-graft investigators' time. MACC is preparing to press charges against several individuals linked to the multimillion-ringggit Littoral Combat Ship scandal. > See report on page 5 by MAZWIN NIK ANIS

EXCLUSIVE



The real deal: A 2019 file photo of US Navy's littoral combat ship USS Montgomery sailing in formation with ASEAN navy ships during a maritime exercise at the gulf of Thailand. – AFP

report on the LCS would be made public.

He said the Cabinet also proposed that the forensic audit report on LCS that was conducted in 2019 be declassified.

"However, the views and advice of the Attorney General and the Auditor-General will be sought first before this is done," he said.

The governance, procurement, and finance investigation committee, led by former auditor-general Tan Sri Aminin Buzing, was set up in 2018 and its first task was to investigate procurements made by the Defence Ministry.

Separately, Defence Minister Datuk Seri Hishammuddin Hussein said: "The leadership in Mindef and I have nothing to hide and in fact, I want this matter to be resolved and (the project to be) continued for

the sake of the interest of the Royal Malaysian Navy (RMN) and the public funds which were spent for the country's interest."

Meanwhile, several political leaders have also called for a Royal Commission of Inquiry (RCI) into the project.

MCA secretary-general Datuk Chong Sin Woon said the RCI should be formed before the 15th General Election to prevent another issue from undermining Barisan Nasional's performance in the election.

"Opposition parties have started to make this another big scandal. It is wise for us to act fast. Learning from what happened in the 1MDB scandal, we should not let this new issue be played up," Chong told a press conference at Wisma MCA yesterday.

Former prime minister and Perikatan Nasional chairman Tan Sri Muhyiddin Yassin also made a similar call, adding that the scandal involving losses in the billions of ringgit had also affected the Navy's ability to keep the country's territorial waters secure.

Umno Youth chief Datuk Dr Asyraf Wajdi Dusuki on Tuesday said the RCI members appointed by the Yang di-Pertuan Agong must comprise experts who have expertise in engineering and ship building.

He said they must be esteemed individuals and must be "independent" without politicians who have certain "interests."

PAC chairman Wong Kah Woh said the key report related to the LCS scandal must be fully declassified, unlike what was done with the report for another project where important information was redacted.

"The PAC would like to remind the government that the decision to declassify the report has to be implemented fully, unlike what was done with the Investigating Committee on Procurement, Governance and Finance (ICSTUPK) report on the AIS project, where key information was redacted on the pretext of protecting the governments' interest," he said in a statement.

The PAC welcomed the Cabinet's decision to accept its recommendations pertaining to the LCS scandal.

The two recommendations include the declassification of the report by the ICSTUPK headed by Amrin and for the MACC to act immediately on the findings of the said report, along with that of the PAC report as well as the forensic audit, and to prosecute wrongdoers.

Ship we launched was the real thing, says ex-Navy chief

PETALING JAYA: Holding a launch and naming ceremony for combat ships which are yet to be fully completed is part of a long-standing naval tradition, says former Royal Malaysian Navy chief Admiral (Rtd) Tan Sri Ahmad Kamarulzaman.

He defended the launch of the Littoral Combat Ship (LCS) in Lumut in 2017, saying it was not a dummy but the actual vessel under construction.

Ahmad Kamarulzaman was responding to allegations on social media that the launch of *KD Maharajalela* (referred to as LCS 1) was just for show and that the actual ship was not at the event.

Ahmad Kamarulzaman said the tradition was also practised in other parts of the world, adding that the same was done for the LCS built by France's Naval Group for the United Arab Emirates.

"Claims that the LCS launch in Lumut in 2017 was to dupe and confuse the people are false," he said in a statement yesterday.

"That was the actual LCS 1 under construction, not a dummy. This includes the mast that was also said to be fake," he said.

He also included the explanation by Boustead Naval Shipyard Sdn Bhd chief executive officer Capt (B) Ir Azhar Jumaat on its launch and naming ceremony to the Public Accounts Committee (PAC) in December.

Azhar was also the director-general for the LCS Project for the Navy from 2012 to 2016.

Ahmad Kamarulzaman said he felt compelled to set the record straight to protect the dignity and good name of the Navy.

He also told people to refrain from "creating issues" for their own interests which could confuse the public.

It has been reported that as of now, not one of the six ships commissioned has been completed.

The six ships had been scheduled to be handed over by this month, according to the PAC.

LTAT CEO: Portion of funds used to settle debts

PETALING JAYA: Boustead Holdings Bhd had to take over debt-laden PSC Industries Bhd (PSCI) after the privatisation of the construction of Navy ships had failed, says Armed Forces Pension Fund (LTAT) chief executive officer Datuk Ahmad Nazim Abdul Rahman.

He also said the construction of the vessels stipulated in the now controversial Littoral Combat Ship (LCS) project was in fact ongoing.

Ahmad Nazim said a portion of the funds allocated for the LCS project was used to pay off the debts of PSCI, which was eventually taken over by Boustead Holdings and is now known as Boustead Heavy Industries Corporation Bhd (BHIC).

Boustead Holdings had to take over the debt-laden PSCI to rein in losses after the failure of the privatisation project, he added.

The takeover includes a major bank debt which is now being foot-

ed by Boustead Holdings and Boustead Naval Shipyard Sdn Bhd (BNS).

"Hence, a portion of the LCS funds was used to pay off the debts of PSCI. This is in the Public Accounts Committee's (PAC) report," he said.

Bursa Malaysia-listed PSCI had secured a RM5.4bil contract to build six ships known as offshore patrol vessels (OPVs) for the Navy in the late 1990s. However, the vessels were never delivered.

This reportedly was part of a larger deal to build 27 OPVs for a whopping RM25bil. LTAT-controlled Boustead Holdings eventually took over PSCI, which was previously led by businessman Tan Sri Amin Shah Omar Shah, and restructured the company.

On Dec 16, 2011, the Defence Ministry issued a letter of award to BHIC's unit to design, construct, equip, install, commission, inte-

grate, test and conduct trials and deliver six Second Generation Patrol Vessels LCS (Frigate Class) for RM9bil.

The first vessel was originally scheduled for delivery in 2017.

The LCS controversy gained momentum over the past few days after the PAC revealed that none of the ships has been completed so far, although five should have been delivered by this month.

Ahmad Nazim, however, said: "The LCS construction is in progress at the Lumut Shipyard."

"I can confirm that the construction of the ships is ongoing," Ahmad Nazim posted on Facebook yesterday, adding that their hulls could be seen if one travels to Pangkor Island by boat.

Ahmad Nazim also said the contract stipulates that all six ships must be built concurrently, adding that the Lumut Shipyard was huge and had the capacity to accommo-

date the project.

He also addressed why RM6bil out of the contract value of RM9bil was paid when the construction of the first five ships had merely reached an average stage of 55%.

"RM6bil was spent on almost all items needed to procure the equipment needed to build all six ships," he said, adding that buying the necessities in bulk was a cheaper option.

"A big portion of the expenditure was for the basic design and detailed design that France-based Naval Group came up with."

He added that each ship would cost around RM1.5bil, which is cheaper than what other countries have spent on LCS vessels.

To illustrate his point, Ahmad Nazim said Egypt and the United Arab Emirates each spent almost RM1.9bil on one LCS ship of French make.

Comparatively, the United States,

which has built a more advanced vessel, spent RM2.4bil.

Nevertheless, he said the LCS shipbuilding project by BNS had created technical and engineering job opportunities for almost 3,000 engineers and 400 local vendors in several fields, with a project value of RM4bil.

He added that the project was put on hold in 2019 and resumed with the cheapest option following a Cabinet decision in April 2022.

"The decision was taken based on three options," he said.

This included the government having to scrutinise BNS' restructuring plan, which took about eight months.

Nazim said he was directly involved in the LCS project recovery plan along with the Defence Ministry and the Navy.

He added that he had visited the Lumut Shipyard several times to monitor the project.

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THE STAR, MONDAY 15 AUGUST 2022

Stories by WONG CHUN WAI from the Public Accounts Committee report on the LCS project

'Navy fought a losing battle'



Work in progress: One of the five littoral combat ships being built at the Boustead Naval Shipyard dockyard in Lumut. (Inset) Abdul Aziz who had reservations about the project.



Abdul Aziz: My concerns about LCS project were ignored

PETALING JAYA: When Royal Malaysian Navy (RMN) Chief Admiral Tan Sri Abdul Aziz Jaafar was about to retire after serving for 40 years, he was offered the plum job as the executive deputy chairman managing director of Boustead Heavy Industries Corporation (BHIC).

The highly respected career officer did not have to think twice. He said no to the tempting offer, which would have included a remuneration of over RM80,000 a month and other perks.

"I refused. I was offered to take over from (Tan Sri Ahmad Ramli Mohd Nor). I refused and I said no. I did not want to go and eat my (word/decisions earlier)," he told the Public Accounts Committee (PAC).

It was clear from the testimony by Abdul Aziz, 66, that he made the decision because many of the actions by Boustead Naval Shipyard (BNS), a unit of BHIC, was allegedly against the interest of the navy.

Ahmad Ramli, a former navy chief, is one of the two names implicated and mentioned repeatedly in the PAC report on the RM9bil littoral combat ships (LCS) scandal.

The other is Anuar Murad, a former navy captain, whose name was mentioned 23 times in the PAC report.

He was the BNS' LCS programme director.

In the 247-page report, Abdul Aziz said he had written 10 letters, including to the then prime minister Datuk Seri Najib Razak and then Defence Minister Datuk Seri Dr Ahmad Zahid Hamidi, as well as to

the Chief Secretary to the Government and the secretaries-general of the Defence Ministry and the Treasury.

None of them, he said, bothered about his incessant protests.

Abdul Aziz's main grievance was RMN's objection to the design of the ships as he felt the navy, as the end user, should have a say but his views were ignored by the contractor, BHIC, which was supposed to build the six LCS.

The six LCS are supposed to be delivered in stages, with the last one scheduled for 2023, but today, not a single ship is ready and RM6bil has been paid to BNS.

In his testimony before the PAC in 2021, Abdul Aziz said RMN fought a "losing battle, right from the start" with "Boustead (BNS) given the leeway to choose what was right for themselves".

The core of the dispute is that RMN had wanted the Sigma design of the LCS by a Dutch firm and the combat management system (CMS) from a French firm but following intense lobbying, BNS had opted for the Gowind design and the SETIS CMS - both from France.

Abdul Aziz said he felt "very dejected" as it was claimed then that Ahmad Zahid had agreed to Gowind-SETIS but he had not seen any letter from the then minister expressing preference for Gowind-SETIS.

Ahmad Zahid is said to have earlier agreed to the Sigma design.

"The French design was not a proven design while Sigma was already operational in Indonesia, Morocco and a few other coun-

tries," he said, adding there was also a lost opportunity as the builder had wanted to make Malaysia its hub.

The Gowind design is by France's Naval Group, formerly DCNS, which had also built the controversial Scorpene submarines in 2002 for Malaysia.

Abdul Aziz said: "We had had experiences with the French, especially with the submarines. I did not want to tell the government that we have been cheated but short of saying it, there was some element there. If anybody were to be in my position, I say you must be ready."

Although he felt "something gravely wrong" from the beginning, Abdul Aziz did not issue any statements externally but declared that the PAC was the best opportunity to say, "I have registered my greatest disappointment to everyone that was supposed to be listening to me".

"If I were to build a house, if I say I want that, you will get it done. *Betui atau tidak?* (Right or not?) The fact that happened (was) the other way around, *jelas menunjukkan bahawa tidak telus*, (it just shows that it's not transparent)," he said.

In his testimony, Abdul Aziz also asked to be put on record that he had called for an investigation into Contraves Advanced Devices Sdn Bhd (CAD) - one of the two companies appointed by BNS as main contractors for the LCS project. The other is Contraves Electrodynamics Sdn Bhd (CED), in which BNS has 51% stake with the foreign Rheinmetall Group having the other 49%.

The testimony by Abdul Aziz is

serious as he has a shiny 41-year journey as a naval officer, including seven-and-a-half years as RMN chief.

He was enlisted into the RMN in 1974 soon after graduating from the Royal Military College in Sungai Besi.

Among the milestones Abdul Aziz had achieved were serving on board nine operational ships at sea, including commanding three of them.

He was also part of a commissioning crew for four RMN ships - the fast-attack craft *KD Paus* at the Hong Leong-Lurssen Shipyard in Buttersworth, Penang, in 1976; the multipurpose command and support ship *KD Seri Indera Sakti* at Bremen Vulkan Shipyard in Bremen, Germany, in 1980; the corvette *KD Kasturi* at HDW Shipyard in Kiel, Germany, in 1984, and the missile corvette *KD Laksamana Muhammad Amin* at Fincantieri Shipyard in La Spezia, Italy, in 1999.

On page 80 of the PAC report, in an apparent reference to Ahmad Ramli, Abdul Aziz said there were many proposals made by the navy regarding 17 main management systems - 10 were agreed and seven disagreed by BNS.

"So I said 'My God.' Short of telling him, 'Being an ex-navy, *beliau ini* (this person), you are not helping the navy at all,'" he said.



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RM13.4mil loss traced to unilateral forex decision by ex-MD

PETALING JAYA: A decision by Tan Sri Ahmad Ramli Mohd Nor to pay for the purchase of parts of the littoral combat ships (LCS) in euros instead of the ringgit cost Boustead Naval Shipyard Sdn Bhd (BNS) a net loss of RM13.4mil.

Ahmad Ramli was the former managing director of Boustead Heavy Industries Corp Bhd (BHIC) and ex-chairman of BNS, a unit of BHIC.

According to Prabhat Kumar of Alliance IPA, which carried out a forensic audit, the loss was a result of currency fluctuation, and could have been avoided.

Ahmad Ramli, he said, had agreed to a change of payment for the letters of award (BOAs) in the purchase of the towed array sonar and main surveillance radar system, following a request by Gordon Haugreave, who was the chief executive officer of Rheinmetall Defence Electronic.

BHIC was the 51% partner in Contraves Advanced Devices Sdn Bhd (CAD) and Contraves Electrodynamics Sdn Bhd (CED), with Rheinmetall having 49%.

CAD and CED are the two contractors in the LCS project.

The chairman (Ahmad Ramli) could have suggested plenty of available measures to minimise the loss. For example, booking the foreign currency in advance and so on," said Prabhat, adding that the burden was pushed to BNS "without informing and seeking approval from the BNS board," he told the Public Accounts Committee (PAC).

He also said Ahmad Ramli could have considered the larger interest of BHIC group, which he was representing, rather than CAD.

The BNS audit committee, he said, raised concerns about the impact of forex losses on the profitability of the LCS project.

"But it was in vain - nobody took any action. As a result of his unilateral (and) detrimental commitment, it was noted that the currency of the said two LOAs were changed from ringgit to euros and resulted in a net loss of RM13.4mil to BNS on that day itself based on the difference in the currency rate," he added.

Prabhat said Ahmad Ramli's decision gave the impression that "Tan Sri was more inclined to safeguard the interest of CAD".

"This resulted in an additional liability on the record of increased ringgit value of the said procurements."

Rheinmetall Group had more say than majority shareholder BHIC

PETALING JAYA: A foreign partner, Rheinmetall Group, which held a 49% share in the two main contractors involved in the littoral combat ship (LCS) building project, ended up having more power and authority than the majority shareholder - Boustead Heavy Industries Corporation (BHIC).

The two companies were Contraves Advanced Devices Sdn Bhd (CAD) and Contraves Electrodynamics Sdn Bhd (CED).

Forensic auditor Alliance IPA (M) Sdn Bhd's Prabhat Kumar questioned why more power and authority was given to Rheinmetall, saying the agreement was lopsided.

"The board of directors of BHIC, (chairman) Tan Sri Che Lodin Wok Kamaruddin, agreed to this decision which jeopardised the interest of BHIC," he said, adding "that agreement had given absolute power to RAD (Rheinmetall Air Defence) to run this company (CAD)".

Prabhat told the Public Accounts Committee (PAC) that the firm had difficulties gaining access to the information needed to understand the details of the operation of CAD and to conduct an internal audit.

"They did not even have a copy of the board of directors (BOD) meeting. Very surprising. You are spend-

ing millions of dollars and you are totally at the mercy of a foreign company who is virtually a supplier."

"You have no technical control; you have no technical expertise in that area, and you are blindly depending on someone who is here to do a business."

"Certainly, he will extract the cream to the maximum of his ability and that was exactly what happened," he said.

Prabhat, who has over 20 years of experience in forensic accounting, also brought up the issue of banking mandate, saying that the normal practice was to have the controlling

power (majority shareholder) in terms of the signatory of the bank.

"The letter, which was approved by the board of directors, in which the representatives of BHIC were also there, representatives of RAD were also there, they drafted in such a manner that CAD could have virtually issued cheques without having any control from the other joint venture partner."

"Even when you enter a 100-dollar business or a 1,000-dollar business, we would like to see the banking control is equally maintained so that the person may not misuse the funds," he added.

The decisions at BNS/BHIC were

made by BNS chairman and BHIC managing director Tan Sri Ahmad Ramli and its director Annuar Murad, a former navy captain.

Annuar was also the director of the LCS project.

He said CAD's involvement with LCS resulted in a "much higher cost than expected and provided an umbrella to hide the actual cost."

"I would like to tell you that based on my 20 years of investigative experience, whenever manipulation is required to be done in a given contract, variation order is the biggest culprit and that is what we have seen in this whole episode," he said.

THE STAR, TUESDAY 16 AUGUST 2022

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TheStar

Stories by WONG CHUN WAI from the Public Accounts Committee report on the LCS project



Controversial project: One of the littoral combat ships under construction at the Boustead Naval Shipyard in Lumut.

The bills kept flowing in

Ships not ready, but money was spent on spare parts, TVs

PETALING JAYA: A huge amount of money meant for the uncompleted RM9bil littoral combat ships (LCS) project was used to buy spare parts, including even TV sets, a special panel headed by former auditor-general Tan Sri Amrin Buang has revealed.

Fellow panel member Datuk Dr Mohd Tap Salleh also pointed out that the contract was drawn up in such a way that any activity or movement was considered progress and the government just had to pay.

"I think the point to note is that a lot of money was spent on buying spare parts when the ships were not ready," said Amrin.

"I think they are in the position to know exactly what they should be paying? When exactly should they make the purchase?"

"So, if ada elemen-elemen yang tidak sihat, beli duit you know, dalam keadaan apa sekali pun dan dapatkan duit itu cepat-cepat. (So, if there are unhealthy elements, buy first, you know, in whatever situation and get the money quickly).

"That is a different story-lah," Amrin said in his testimony to the Public Accounts Committee (PAC).

Amrin had headed the Special Committee

"They just buy because the money is there or the contract was there."

Datuk Dr Mohd Tap Salleh

on Governance Investigation, Government Procurement and Finance's report on the LCS project.

Dr Mohd Tap said the committee wanted to show to the PAC "that money was simply spent".

"Just to show you or to demonstrate to you, how crazy it was. They just buy because the money is there or the contract was there. So, we must call pay. Activity means you buy anything or you move something, you have to pay," he said.

Dr Mohd Tap described the LCS project as contractor-driven in the sense that the views of the end user – the Navy – was not taken seriously in terms of its needs.

"That is why the change from Sigma (class) to Gowind (class) was done within a few days and the negotiation of the pricing was also done within a few days, which is not possible.

"Unless there are hidden hands involved in this, I think the biggest issue that JKS (the committee) has faced all this while the end user – the military – was never very high on the agenda," he said.

The Navy had wanted the Sigma design of the LCS by a Dutch firm and the combat management system (CMS) from France but following intense lobbying, Boustead Naval Shipyard (BNS), a unit of Boustead Heavy Industries Corporation (BHIC), opted for the Gowind design and SETIS-CMS from France.

Former Royal Malaysian Navy chief admiral Tan Sri Abdul Aziz Jaafar had told PAC that Gowind was not a proven design while Sigma was already operational in Indonesia, Morocco and in a few other countries.

Dr Mohd Tap, who was the Malaysia Integrity Institute president, died on Nov 30, 2021, at the age of 72. According to PAC members, he was very vocal in the meetings to investigate the LCS issue.)

Double claims, marked-up prices and no supporting documents

PETALING JAYA: Overlapping letters of award (LOAs), double claims for the same services, marked-up prices and the absence of supporting documents involving the two contractors in the setting up of a Built-in Test (BIT) centre for the littoral combat ships have cost taxpayers over RM898mil.

In its report, the Public Accounts Committee (PAC) named the two contractors as Contraves Advanced Devices Sdn Bhd (CAD) and Contraves Electrodynamics Sdn Bhd (CED).

The two companies belong to Boustead Heavy Industries Corporation (BHIC), which has a 51% stake, while German-owned Rheinmetall Group has the other 49%. CAD and CED are the contractors of the uncompleted six littoral combat ships (LCS) project.

Forensic auditor Alliance IFA Sdn Bhd's Prabhat Kumar said the involvement of the two contractors had resulted in possible damages, such as overlapping LOAs for the BIT centre and double claims for the same services in the LOAs over the combat management system (CMS) amounting to RM898mil.

The BIT centre is set up to conduct trials and test the functionality of all equipment, supposedly for the six LCS, before these are accepted for installation on the ships.

Prabhat told the PAC of discrepancies, such as payments made without supporting documents.

"Payment milestones without deliverables and necessary documents. We did not see any supporting documents.

"Exceptional mark-up, except for the signature of the person. You know, approve, approve, approve.

"Exceptional mark-up as a middleman resulted in the loss of cash. That is why there was a person who was caught," he was quoted as saying on page 139 of the 247-page report.

He did not name the person caught.

Prabhat also pointed out irregularities relating to the LOAs for the CMS, which were issued to CAD and CED.

The LOA for the CMS, equipment, and engineering and integration was awarded to CED at RM1.185bil on the basis of a quotation from DCNS, a French company.

DCNS is the former name of France's Naval Group, which had also built the Scorpene submarines for Malaysia.

Prabhat said the quotation from DCNS was dated Dec 23, 2010, but this was issued even before the signing of the LOA with the government.

"This reflects the intent of those involved in this project. They had no intention to deliver the LCS project.

"They only want – intent to maximise their gain which was issued even before the signing of the LOA with the government," he said, adding the LOA was issued, "sidelining the evaluation process by restricting the involvement of the technical and commercial team."

He said within six months, a supplemental LOA was issued in favour of CED by former Boustead Heavy Industries Bhd managing director Tan Sri Ahmad Ramli Mohd Nor and ex-navy captain Anuar Murad, the head of the LCS programme at the Boustead Naval Shipyard (BNS), for the development of the BIT Centre at RM305mil.

"The scope of this LOA appeared to overlap with the original LOA. No specific approval was obtained from the board for the issuance of the LOA. The cost of investment was not budgeted in the LCS programme.

"The most important thing, payment was being made by them. Ownership lies with CAD and not BHIC," he added.

Deals signed without board meetings

PETALING JAYA: The managing director of the company undertaking the RM9bil littoral combat ships (LCS) project had so much power that he could sign all agreements, including letters of award (LOAs) to the main contractors involved in building the six ships.

In fact, 12 LOAs were given by former Boustead Heavy Industries Bhd (BHIB) managing director Tan Sri Ahmad Ramli Nor to two main contractors – Contraves Advanced Devices Sdn Bhd (CAD) and Contraves Electrodynamics Sdn Bhd (CED) totalling RM3.3bil – without the need to call for full board meetings.

The involvement of the two contractors inflated the cost to RM9bil.

"Tan Sri was given sweeping authority to execute and sign all agreements, LOAs with CAD. He was extremely confident that 'whatever I'm going to do, it is ultimately going to be condoned by my boss'," said forensic auditor Alliance IFA Sdn Bhd's Prabhat Kumar.

He revealed that the appointment of CAD as lead contractor to procure components for the LCS was made through a directors' circular resolution (DCR).

A DCR is normally issued as approval for routine matters and where the board feels that calling all the members is a waste of time. The directors merely need to sign the document.

Prabhat expressed his surprise at how such a major decision was made through a DCR as it was more appropriate to have a full board of directors meeting.

"The reason is that when the board meeting is being conducted, (at) that time every board member has the opportunity to raise a number of questions to clarify doubts and issues," he added.

He told the Public Accounts Committee (PAC) that in his investigations of over 60 companies that "whenever DCRs, in a very critical situation, are used, it is always used to avoid discussions".

CAD and CED are two companies which are jointly owned by BHIB and German firm Rheinmetall Group.

Ahmad Ramli, an ex-navy chief, was managing director of BHIB and former chairman of Boustead Naval Shipyard Sdn Bhd (BNS), a unit of Boustead Heavy Industries Corporation (BHIC).

His name has been repeatedly mentioned in the 247-page PAC report on the RM9bil scandal.

The LCS was supposed to have been delivered in stages with the last one scheduled for 2023 but until today, not a single ship is ready although RM6bil has been paid to BNS.

"Primary evidence suggested that CAD was used as a vehicle – this is very important – to minimise transparency and to avoid the scrutiny and detection by the procurement team, the steering committee, and the internal audit of BHIC.

"The scrutiny by the three was avoided because BHIC is a public-listed company," said Prabhat.

He said: "CAD will be the vehicle ... (that) by entering into such a contract, (that) does not allow them to enter and to look into the details and the nitty-gritty of the business, which has been taken by them."

The involvement of CAD in the LCS project, said Prabhat, had "resulted in a much higher cost than expected and provided an umbrella to hide the actual cost, which was paid to secure various components for this programme".

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THE STAR, TUESDAY 16 AUGUST 2022

Former Navy chief to be charged

Ahmad Ramli allegedly committed RM20mil CBT as head of shipyard firm in scandal

By MAZWIN NIK ANIS
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PUTRAJAYA: Former Navy chief Tan Sri Ahmad Ramli Mohd Nor (pic) is expected to be charged in court today with criminal breach of trust totalling more than RM20mil in connection with the littoral combat ship (LCS) scandal.

The 78-year-old was the former managing director of Boustead Naval Shipyard Sdn Bhd (BNS), the company building the six ships which have yet to be delivered.

He will face at least three charges at the Kuala Lumpur Sessions Court

at Jalan Duta, according to sources with knowledge of the investigation.

"Yes, he (Ahmad Ramli) will be charged," a source told *The Star*.

Ahmad Ramli is expected to be charged under Section 409 of the Penal Code for committing criminal breach of trust involving BNS funds.

He is alleged to have approved payments without the agreement of the company's board of directors.

One of the charges involved a payment of about RM13mil to Setaria Holdings Limited, which



was done without BNS board approval.

Ahmad Ramli was named Navy chief in October 1996.

He retired in 1998 after serving the Royal Malaysian Navy for 35 years.

In July, *The Star* said that anti-corruption investigators were sure they had enough proof to charge a number of people involved in the multi-billion ringgit LCS project.

On Aug 4, Parliament's Public Accounts Committee (PAC) revealed that some RM1.4bil in government

allocations for the LCS project had been used for other purposes, including cost overruns.

The two-year probe by PAC also revealed that the RM9bil project was done through direct negotiations with Boustead Naval Shipyard Sdn Bhd and was inked in 2014.

Ahmad Ramli was one of the two names implicated and is mentioned repeatedly in the PAC report.

Following the report, Prime Minister Datuk Seri Ismail Sabri Yaakob directed the Malaysian Anti-Corruption Commission (MACC) to expedite investigations into the LCS case and told the Attorney-General

to prosecute those responsible if there was enough evidence.

The Prime Minister said the Cabinet had also decided that two high-level investigative reports, including one by the governance, procurement and finance investigation committee, be made public.

The other, a forensic audit report on the project conducted in 2019, will be declassified.



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