

# PM has doubts about BMF inquiry panel

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PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday said he now has doubts about the impartiality of the Committee of Inquiry into the Bumiputra Malaysia Finance (BMF) scandal headed by former Auditor-General Tan Sri Ahmad Nordin.

"We had a committee of inquiry headed by Tan Sri Ahmad Nordin who now is aligned to Parti Semangat 46," he said.

The Prime Minister said this to reporters in Kuantan when approached for comment on Semangat 46 president Tengku Razaleigh Hamzah's statement on Tuesday night that he is prepared to testify before a similar committee of inquiry into the scandal.

"If the committee absolved Tengku Razaleigh, we have reservations about Tan Sri Ahmad Nordin's bias in the report," the Prime Minister said.

Newspaper reports yesterday quoted former BMF chairman Lorrain Esme Osman as having named Tengku Razaleigh and former BMF general manager Ibrahim Jaafar as the two people responsible for the BMF-scandal.

Tengku Razaleigh is a former director of BMF and Bank Bumiputra Malaysia (BBMB).

Encik Lorrain was arrested in December 1985 and kept in custody at the Pentoville prison in England until two weeks ago when he was moved to the Brixton high security prison in London.

The Prime Minister said he only read about Encik Lorrain's disclosures in the newspapers and he believes the former BMF chairman was apparently disillusioned with his misfortunes.



"He is apparently frustrated because he has been in prison for the past five years without trial. It seems he is dismayed because the person who gained most is free and now aspires to be prime minister whereas he stays in jail," said Datuk Seri Dr Mahathir.

The Prime Minister said, for that matter, anyone who suffered the same fate as Encik Lorrain, would be disillusioned too.

Encik Lorrain had reportedly made the disclosures in a special statement distributed by a legal representative to Malaysian journalists based in London.

Tengku Razaleigh, in saying he is prepared to face a Royal Commission of Enquiry into the BMF scandal hopes others will also be prepared to appear before the Royal Commission to settle

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the matter.

Encik Lorrain alleged that it was Tengku Razaleigh "more than anyone" who was responsible for what happened in Hong Kong to BMF and Carrian.

Encik Lorrain is fighting extradition to face trial with Carrian chairman George Tan in Hong Kong on fraud and bribery charges in connection with \$1.9 billion worth of BMF loans channelled to Tan's now defunct

group of companies.

Tengku Razaleigh was Finance Minister between 1979 and 1983 when the BMF scandal took place.

Approached by reporters for his comments on the allegation, Tengku Razaleigh, said he was not aware of Encik Lorrain's statement.

He said he was all for a Royal Commission and "everybody should appear together and we'll clean this up".

In Kuala Lumpur, Parti Semangat 46 Youth leader Ibrahim Ali said Encik Lorrain's statement was a lie.

Encik Lorrain, who faces various charges of fraud, corruption, theft and false accounting in Hong Kong relating to the affair, said he decided to break his silence because "Tengku Razaleigh is unfit for the role that he is now seeking in Malaysian politics".

He alleged that in 1979

when Tengku Razaleigh was Finance Minister responsible for BBMB and Bank Negara, he (Tengku Razaleigh) met George Tan, Carrian's group chairman, and agreed that Malaysia would support Tan's ambitions provided Tan gave him funds to finance his "insatiable political ambitions".

Among Lorrains' allegations were that:

■ Tan made substantial financial donations of mil-

lions of dollars to Tengku Razaleigh;

■ Tan confirmed to Tengku Razaleigh that he would arrange for him to receive 25 million shares in Carrian in 1984, at an estimated worth of US\$50 million (US\$1=M\$2.70).

■ Other smaller payments were made through Encik Ibrahim in travellers cheques totalling US\$40,000;

■ Encik Ibrahim, who was "essential to (Tengku) Razaleigh's Hong Kong ambitions", was offered substantial shareholding in Tengku Razaleigh's family company.

Encik Lorrain's allegations about Tengku Razaleigh's symbiotic relationship with Tan were repeated in another part of the statement which read: "What (Tengku) Razaleigh offered in return was the support of the Malaysian exchequer via BBMB, and with that support George Tan was able to begin to create the empire that he hoped would become a major multi-national company."

Encik Lorrain said that for the last 10 years he had lived with the fact of the collapse of Carrian resulting in the loss of millions of Malaysian petrodollars in Hong Kong, facts which he claimed constituted "some"

of the reasons for his being locked away for almost five years now.

Encik Ibrahim, he claimed, was responsible for his incarceration by his lies, and Tengku Razaleigh "by both his silence and his lies".

Encik Ibrahim, who obtained immunity from prosecution, now lives as a free man in Hong Kong.

Encik Lorrain claimed that when Encik Ibrahim was BMF general manager, the "fact" of Encik Ibrahim's relationship with Tengku Razaleigh was kept from the board of BMF.

Also released with the statement Tuesday were photocopies of documents purported to substantiate some of the financial transactions mentioned in the statement.

A source close to Encik Lorrain explained that he (Encik Lorrain) felt it was time for him to speak up after all that he had suffered in London.

In Ipoh, former BBMB executive chairman Dr Nawawi Mat Awai said Encik Lorrain's disclosure implicating Tengku Razaleigh in the BMF scandal can erode the confidence of opposition supporters in the Semangat 46 president. — Bernama