

Why report on \$2.4bil BMF affair prejudiced

THE report of the Inquiry Committee into the \$2.4 billion Bumiputra Malaysia Finance Ltd scandal cannot be believed because the committee was not independent, the Prime Minister said yesterday.

Datuk Seri Dr Mahathir Mohamad told the Dewan Rakyat that two of the three members of the committee, including its chairman, were not independent.

He named the biased member as Mr Chooi Munsou.

Former Auditor-General Tan Sri Ahmad Noordin Zakaria was its chairman.

Dr Mahathir was replying to points raised during the debate on the Sixth Malaysia Plan when he came to allegations made by Opposition Leader Lim Kit Siang (DAP-Tanjong) on the BMF scandal.

"There is a strong possibility that there is bias to protect certain people because the chairman and Mr Chooi had shown an anti-Government attitude and were for the former BBMB chairman.

"We should pay serious attention to the involvement of certain people as mentioned by Lorrain in his documents.

"Lorrain seems angry that while he is languishing in prison in the United Kingdom, his boss is free and living in luxury."

Dr Mahathir was referring to Mr Lim's allegation last week that former BMF general manager Lorrain Esme Osman was "associated" with him as Lorrain was a director of Fima while Dr Mahathir was the chairman.

The Prime Minister hit out at Mr Lim for using his approach of "guilt by associ-

ation" to say that he was associated with Lorrain.

He said it was true that Lorrain was a Fima director while he was chairman but that was before the BMF offences were committed.

"Is it that if one commits an offence later in life, one is already guilty before that? If this is so, then a baby will already be guilty before he commits a crime when he grows up.

"While he is trying to use this tactic of guilt by association saying that I used to work with Lorrain, he is reluctant to raise the fact that his new friend was very close to Lorrain at the time Lorrain was alleged to have committed the offences.

"We know his friend was the executive chairman of BBMB while Lorrain was managing BMF. For this, I want to mention facts about the history of the incorporation of BMF."

Dr Mahathir said BMF was incorporated on March 1, 1974, and began operating on Dec 15, 1977.

"At the time of incorporation, the executive chairman of BBMB was Tengku Razaleigh Hamzah. Tengku Razaleigh and Lorrain were the people who signed the memorandum of incorporating BMF.

"At the time of commencing operations, the board of directors comprised Lorrain and Mohd Hashim Shamsuddin.

"We know how many times his friend went to Hong Kong, received by Rolls Royce cars and attended parties where Lorrain and George Tan were also present."

The Prime Minister asked why Mr Lim did not raise the association of his "good

friend" with Lorrain under more questionable circumstances during the time of the BMF offences.

He also asked why Mr Lim did not question the relationship between his "new friend" with Hashim Shamsuddin who was now imprisoned in Hong Kong.

"Why not raise the matter of Rais Saniman who is now a fugitive?"

"In fact, these two are not only friends of the former BBMB chairman but they were also appointed by him to their posts at that time.

"Actually, a senior BBMB officer was pushed aside by the former BBMB chairman so that Hashim could be promoted to that position.

"And Hashim is known by all within and outside the bank as his trusted man."

Dr Mahathir noted that Mr Lim's speech on BMF this time had differed from that he made in the House in 1984 and which was recorded in the Hansard.

"Does this mean he has changed his views of the involvement of his new friend in the BMF scandal?"

"Has he forgiven him now that he has become his strong supporter and had stepped aside to let him continue being the Opposition Leader?"

He also asked whether Mr Lim had extended his logic of "guilt by association" to "innocence by association" as the person was now associated with him.

Dr Mahathir drew loud laughter and raps of support when he added: "If we extend further his logic, can we say that he is also guilty by associating with his friend, that is guilty by associating with one who associates with Lorrain."