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Investigations at Perwaja to continue: Anwar

THE Police and the Anti-Corruption Agency (ACA) have been directed to continue with their investigations on Perwaja Steel and its former managing director Tan Sri Eric Chia.

"A preliminary report (from the investigating authorities) was submitted to Prime Minister Datuk Seri Dr Mahathir Mohamad and he has directed that the investigations be continued," Acting Prime Minister Datuk Seri Anwar Ibrahim told reporters after opening an international conference on Islamic art and architecture at the Institut Teknologi Mara in Shah Alam yesterday.

Anwar, who is also the Finance Minister, was asked to comment on reports that Chia had been arrested following investigations into the RM2.9 billion loss in Perwaja. The ACA had earlier denied that Chia had been taken into custody.

When asked to confirm if his meeting with ACA officials on Thursday had centred on the Perwaja investigations, Anwar said: "The ACA meets me on a regular basis on many issues to update me... the (Thursday) discussion was mainly on amendments to the Anti-Corruption Act."

The probe was launched following an audit by independent accounting firm Price Waterhouse in May 1996 into alleged poor management, irregularities in payments and abuses in awarding of contracts.

On Ericsson Telecommunications Sdn Bhd's statement that it has been cleared of any impropriety in the award of a Telekom Malaysia contract, Anwar said the company is free to make any statement but it is up to the authorities to make an official announcement.

He said he has been given a report on the investigation into the alleged wrongdoing but will leave it to the relevant authorities to make an official announcement.

"I leave it to the authorities conducting the investigation to make the clearance. I have the initial report... I think it is only proper for the relevant authorities to make the official statement," he said.

A May 20 news report quoted an official as saying that Ericsson has been cleared of all alleged improprieties.

Describing the issue as an "unfortunate situation", Ericsson general manager in Malaysia, Mr Tord Larsson, had said the company has always followed stringent rules in relation to tender exercises.

When contacted yesterday, an Ericsson official said the company is looking forward to receiving a positive response from the Government on the matter.

In January, Anwar ordered the contracts division of the Treasury to look into a deal, believed to be related to Perwira Ericsson's successful bid in 1992 to supply digital exchanges, with a capacity for 800,000 lines, to Telekom Malaysia for RM414 million.

The contract was part of a RM2.7 billion tender awarded to five companies.

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