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IGP: We will not hesitate to use ISA

PENANG, Tues. - Police have not received any report on locals alleged to be involved in supporting rogue foreign exchange speculators, Inspector-General of Police Tan Sri Rahim Noor said today.

However, he said, police would not hesitate to use the Internal Security Act against them as they were deemed to be economy saboteurs. He said the Act had provisions for police to detain people suspected of trying to sabotage the country's essential services and economy.

Rahim was asked at a Press conference at the Penang police headquarters if he knew of any police report lodged against people suspected of manipulating the stock market and currency.

"As far as I know, there is no such report.

"If there is a report, we will look into the possibility of taking action under the ISA," said Rahim.

Prime Minister Datuk Seri Dr Mahathir Mohamad said on Thursday that foreign manipulators had caused more than RM400 billion to be wiped off from the Malaysian stock market while the value of the ringgit had fallen by more than 10 per cent.

Local traders have reportedly been helping the rogue speculators by providing funds and shares.

Two banks and three stockbroking firms are also reportedly believed to be under investigation for abusing short-selling privileges by allowing share scripts held by them to be used to depress the Kuala Lumpur Stock Exchange.

At least one of the institutions allegedly colluded with a foreign fund in entering the market repeatedly to push down prices in the already bearish market to profit from it.

Deputy Finance Minister Datuk Dr Affifudin Omar had told TV3 in Kuala Lumpur on Sunday that the Government had proof of such abuse of short-selling privileges.

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