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Telekom contract: PM promises investigation

Zainul Arifin in San Francisco

PRIME Minister Datuk Seri Dr Mahathir Mohamad promised to investigate any allegation of impropriety in the awarding of a contract by Telekom Malaysia Bhd to multinational firm Ericsson.

"I have not received much information... but if there are allegations we must investigate," he said at Stanford University in Palo Alto, California.

Dr Mahathir, who had earlier chaired the first meeting of the International Advisory Panel for the Multimedia Super Corridor, said he was briefed on the matter by Deputy Prime Minister Datuk Seri Anwar Ibrahim before he left for the US last week.

He said, however, he was not briefed in detail. "Until the investigation is completed, I would not want to make any comment."

Dr Mahathir was commenting on Anwar's statement on Wednesday that the Government had ordered a probe into alleged discrepancies in the award of a contract by Telekom Malaysia to Ericsson for the supply of equipment.

Anwar said the Government had received preliminary information about the alleged discrepancies about two weeks ago.

He said he had briefed Dr Mahathir before he left for the US on Sunday and in their discussions it was decided that if there was any abuse or mismanagement, punitive action should be taken.

While details were not made available, it is believed the contract was related to Perwira Ericsson's successful bid in 1992 to supply digital exchanges for 800,000 lines to Telekom Malaysia for RM414 million.

It was part of Telekom Malaysia's RM2.07 billion contract for telephone exchanges over five years.

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