

13/06/2002

Swiss bankers willing to be witnesses (HL)

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KUALA LUMPUR, Wed. - Swiss bank officials are willing to be called as witnesses should the case of the alleged misappropriation of funds and mismanagement of Perwaja Steel Sdn Bhd be heard in a Malaysian court of law.

This was among the assurances given by Switzerland's Federal Office of Justice in Zurich to officers of Malaysia's Anti-Corruption Agency today.

ACA director of investigations Datuk Nordin Ismail, who led the ACA team of three, said Swiss officials also gave an assurance that the bank in question would furnish the ACA with relevant documents and information.

Nordin also said that several of the bank's officials would soon be called by the ACA to provide evidence and other information.

However, he declined to identify the officials or when they would arrive.

Nordin and his two senior ACA colleagues, in Zurich to compile evidence in connection with the Perwaja case, are expected to return tomorrow.

They were part of the delegation that accompanied Prime Minister Datuk Seri Dr Mahathir Mohamad on his three-day visit to Switzerland, which ended on Monday.

Nordin said the Swiss authorities' assistance was a major breakthrough as the ACA would now be able to proceed with their probe without hindrance.

ACA sources said the Swiss bank officials could stand as witnesses in the case upon the enactment of the Mutual Assistance in Criminal Matters Bill 2002, which has been passed by Parliament.

Under this Act, the ACA will also be able officially to request Swiss authorities to freeze the bank accounts of those alleged to have engaged in financial criminality.

Investigations into the Perwaja affair, ordered by the Government in 1996, were hindered by several factors including the involvement of foreign institutions and individuals, and the discovery of RM76.4 million belonging to the company in a Swiss bank.

The deposited sum is the exact amount of a payment made by the former management of Perwaja Steel Sdn Bhd to NKK Corporation via Frilsham Enterprises Inc in Hong Kong - a company later found to be non-existent.

The Swiss authorities have in the past refused to divulge information pertaining to the funds, citing their highly secretive banking policy.

However, on Monday, at a joint Press conference with Swiss President Kaspar Villiger in Berne, Switzerland, Dr Mahathir said that the Swiss Government had assured him of its full co-operation in the Perwaja Steel probe.

Dr Mahathir said the Swiss authorities had made it clear they would not tolerate the abuse of their banking system for criminally obtained funds.

The ACA has so far called more than 50 people, including former Perwaja chairman Tan Sri Eric Chia, to assist in the investigation.

Perwaja Steel is saddled with RM10 billion in debts and losses, involving current liabilities of RM926 million, long-term liabilities totalling RM6.013 billion and losses amounting to RM2.985 billion.

Following the investigation, the debt-ridden steel mill was taken over by Maju Holdings Group upon the latter's privatisation some four years ago.

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