

22/03/2002

Tabung Haji issues showcause letters to six senior staff

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KUALA LUMPUR, Thurs. - Tabung Haji issued showcause letters to six senior management staff members today over alleged involvement in the Metrowangsa Asset Management investment case.

Five are serving officials while the other resigned recently.

Parliamentary Secretary in the Prime Minister's Department Datuk Noh Omar said the letters were issued by the fund board's internal disciplinary committee.

He said the committee would conduct a domestic inquiry next week when the fate of the six would be decided.

"If there is proof of malpractice or corruption, then legal action will be taken. We will also not hesitate to lodge a report to the Anti-Corruption Agency," he told a Press conference at the Parliament lobby.

It is understood that the officials have been hauled up for having acted against the fund board's investment policy.

Noh said Tabung Haji investments were under review by the new investment committee which took over the task early last year.

"I do not rule out the possibility of Tabung Haji taking action to `correct' its investments if that is the advice of the investment committee," he added.

The investment committee, comprising experts from within and outside Tabung Haji, was announced by Prime Minister Datuk Seri Dr Mahathir Mohamad.

It is understood that Dr Mahathir, who is also the Finance Minister, had instructed the committee to carry out an overall study and rectify investments considered inappropriate or risky.

Noh said investments in Metrowangsa were classified "high risk" by the new investment committee in October last year.

"On Oct 19, the fund management company was informed of Tabung Haji's intention to pull out the RM200 million investment.

"We recovered RM120 million by Nov 10 and the final instalment of RM80 million was supposed to be paid to Tabung Haji on Dec 10. But Metrowangsa did not fulfil its obligation," Noh said.

He said Tabung Haji then appointed audit firm Price Waterhouse to investigate the asset management company.

Tabung Haji lodged a complaint with the Securities Commission as investigations indicated that Metrowangsa could have breached several clauses in the investment agreement.

The pilgrims fund later filed a civil suit against the company, obtaining an injunction preventing Metrowangsa from moving or disposing its assets.

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