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The better option is to discontinue EPF's computer scheme altogether

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IN his unfinished winding up speech at the 56th Umno general assembly last Saturday, Umno president Datuk Seri Dr Mahathir Mohamad raised a pertinent point about the Employees Provident Fund's computer purchase withdrawal scheme.

With a tinge of sarcasm, the Prime Minister said he was intrigued as to how "enterprising" some Malaysians could be. They were willing to fraudulently withdraw a part of their life savings under the pretext of buying a computer via the Government's "One Home, One Computer" campaign.

The truth is, Dr Mahathir said, they collect a few thousand ringgit in exchange for the receipt which legitimises the purchase which never took place.

The dealer on the other hand, makes a substantial sum from a single customer.

The modus operandi is simple. The dealer or sub-dealer furnishes the receipts to the customer who in return submits it to the EPF to show that the transaction took place.

The cash-desperate customer gets a few thousand ringgit, while the dealer makes a quick profit of a few hundred ringgit.

Due to these fraudulent withdrawals, the EPF announced on Thursday a three-month suspension of the CPWS with immediate effect.

EPF chairman Tan Sri Abdul Halim Ali said in a statement the Government's decision to suspend the CPWS was to enable EPF to carry out a comprehensive study on the CPWS's effectiveness following several cases of fraud and abuse committed under the scheme.

The EPF will not accept any new withdrawal application for the CPWS until the suspension is lifted, he said.

The suspension follows an earlier order made on May 19, when EPF announced a two-week suspension of the processing of applications following rampant fraudulent withdrawals.

The directive was issued by Deputy Finance Minister Datuk Chan Kong Choy following a meeting between the Treasury, Pos Malaysia, EPF and Odasaja (M) Sdn Bhd on May 23.

In March, the New Straits Times had reported that EPF members were paying up to RM400 more for computers they bought under the CPWS despite the Government's assurances that the cost would not be higher than the market price.

Pos Malaysia is currently the only agent, appointed by the Government in July 2000 to undertake the CPWS. Odasaja acts as the co-ordinator. Checks had shown that those who bought established brands paid an average of RM200 more for their computers while those who got generic brands paid as much as RM400 more.

It boggles the mind that EPF still needs another three months to review the scheme when it is already well established that the programme is beset with fraud, and infested with unscrupulous blood-sucking cheats from among the vendors and sub-vendors.

While everyone from the common man to the Prime Minister is well aware of this, EPF seems to need more time to study its effectiveness. How long EPF will actually take to complete its study is best left to one's imagination.

One would ask why EPF needs a company like Odasaja to act as a co-ordinator of such a scheme.

They will argue that Odasaja is neither a computer manufacturer nor dealer. The problem arose when Odasaja sub-contracted the distribution of computers to dealers and sub-dealers who total more than 3,000.

With so many vendors and sub-vendors, Odasaja and Pos Malaysia lost control of the situation. When the CPWS was first launched, even the smallest computer dealer jumped into the bandwagon, hoping to make as much money as possible from the multi-million dollar programme.

As a result the CPWS ended up in a state of disarray.

For the right-thinking Malaysian, the entire scheme fell outside the margin of logic from the very start.

As neither Pos Malaysia nor Odasaja are computer-related businesses, their profits are solely derived from the transaction between the customer and the computer dealer.

In other words, they serve as the go-between and make 7.5 per cent commission in the process. Simple as that!

If the EPF wants to continue with the scheme, then it should scrap the current arrangement and deal directly with reputed computer-manufacturing companies. There is no necessity for go-betweens. It may not be totally fool-proof, but the problem of EPF contributors fraudulently obtaining receipts from these organisations will be solved.

The overall cost of the scheme can also be reduced, as it will no longer involve the payment of commissions to go-betweens.

The Government also has the alternative of discontinuing with the provision to allow EPF contributors to withdraw their savings to purchase computers. The EPF after all was founded with the sole aim of ensuring that working Malaysians could live comfortably after their retirement.

But this should not spell the end of the Government's aspiration of achieving the One Home, One Computer target. In an era of Information Technology, a computer in every household is absolutely necessary.

The target can still be realised if a consortium of banks is appointed to give low-interest loans to those interested in purchasing computers.

As competition between computer manufacturers become stiffer by the day, the price of machines continue to drop. Computers no longer cost as much as they used to. An average Malaysian can afford to pay for one if soft loans are available.

To weed out the unscrupulous dealers and sub-dealers under the current arrangement will be a task too arduous to achieve.

The best solution, at least to the mind of this writer, is to scrap the entire scheme, and to begin thinking of alternatives.

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