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RM4m fraudulent withdrawals

UNTIL July 31, RM2.35 billion had been withdrawn under the Employees Provident Fund's computer purchasing scheme, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

Dr Mahathir, in his capacity as Finance Minister, said the EPF had stopped the scheme as there were cases of swindling and misuse of the fund.

"The consultant appointed by the EPF to study the scheme found that the abuse was a collaborated `effort' between contributors and vendors," he said in a written reply to Datuk Yap Pian Hon (BN-Serdang).

Deputy Finance Minister Datuk Chan Kong Choy said the EPF had detected 336 cases of fraudulent withdrawals amounting to RM4.02 million from January to September.

Of this, 253 cases involving RM2.1 million were withdrawals under the education scheme.

No cases of fraudulent withdrawals was detected last year.

The Disability Withdrawal Scheme discovered 31 cases amounting to RM1.21 million while the Housing Withdrawal Scheme had 52 cases amounting to RM710,000.

Chan told Siam Kasrin (BN-Batu Pahat) that the EPF had to date taken court action against 34 contributors.

Eight of them had been sentenced by the court. He said two made illegal withdrawals under the Education Withdrawal Scheme and three each under the Disability Withdrawal and Housing Withdrawal schemes.

Replying to a supplementary question, Chan said the Government was still studying appeals made by the public and Malaysian Trades Union Council to increase the payment of exgratia for disability cases.

The decision, he said, would be announced soon.

EPF now pays RM2,000 in exgratia to contributors who suffer disability due to mishaps at their workplace.

Chan said EPF would suggest to the Government the new disability structure payment.

"If the appeals are fair and the demands are reasonable, it should be fine, but let's leave it to EPF to advise the Treasury on it."

Commenting on the status of the scrapped computer withdrawal scheme, Chan said it could be reintroduced if the Government could find measures to prevent abuse.

"To detect and prevent the abuse of the scheme is no easy task as fraud occurs after transactions had been made between contributors and computer vendors.

"With cases like contributors selling their newly purchased computers, it defeats the purpose of the scheme."

This, he said, was why a comprehensive scheme for computer purchase withdrawal was necessary.