

# Daily checks with banks to beat fraud

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PENANG: Stung by the cloned cheque scam, which resulted in RM3.1 million being siphoned from the Penang Treasury in the past two months, the state will now tightly monitor and coordinate its banking transactions.

Penang Chief Minister Tan Sri Dr Koh Tsu Koon said yesterday that instead of monthly reconciliation with the banks, it will eventually be "daily check and balance".

"The present practice is for the banks to have monthly checks with the Treasury on all dealings done throughout the month like the number of cheques issued, those banked in and other transactions," he said at his office after receiving Cuban ambassador to Malaysia Pedro Monzon Barata.

"We are coming up with a system to reconcile with the banks once a week, and later, this will be done daily."

Koh said that with this system, both the Treasury and the banks can trace fraud immediately.

"We need this system, even though it will mean more work on both sides," he said.

Koh also called on Bank Negara to look into enhancing security features on cheques.

"The cheques issued by the treasury were computer-generated with signatories, specifying the names of those receiving the payments and even these could be duplicated using sophisticated equipment," he said.

Asked if he still stood by his statement that the scam was not an "inside job", Koh clarified that he never said it was not an inside job.

"All I said at the onset of this scam

was that the state government has been practicing standard procedures and a tested system at the Treasury.

"I didn't say there was not, nor did I say there was. Even until now, there is no evidence to prove or establish that it was an inside job," he said.

"I don't want to speculate on this matter as we are leaving it to the police to investigate and we are confident they will get to the bottom of this."

Koh also welcomed Prime Minister Datuk Seri Dr Mahathir's announcement on the setting up of a body to monitor government financial transactions

within the Finance Ministry to prevent fraud and forgery.

Meanwhile, at a press conference Keadilan hit out at Koh for a reported statement that no government official was involved in the scam.

Its Penang Liaison Communities Bureau chief Peter Lim urged Koh to give his full support and cooperation to the police in the investigation.

Keadilan deputy state chairman Cheah Kah Peng at the same press conference demanded the state legislative assembly convene an emergency meeting to discuss the matter.