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Court-Money Laundering

MINISTRY DID NOT ISSUE GUARANTEE LETTER, COURT TOLD

KUALA LUMPUR, July 13 (Bernama) -- The Sessions Court here was told today that the Health Ministry never issued a guarantee letter to Safire Pharmaceuticals (Malaysia) Sdn Bhd in connection with 10 promissory notes which were sold to a German financial services company for US\$12 million.

Former deputy health minister Datuk Seri Dr Sulaiman Mohamad said that throughout his term with the ministry from 1999 to March last year he had never issued such a letter on behalf of the Malaysian government.

He said that issuing a guarantee letter from the ministry to any company was a breach of ethics and against the government's policy.

Dr Sulaiman, 57, was testifying at the trial of former Safire executive director Dr Hamimah Idruss, 57, charged with eight counts of money-laundering involving a total of RM41.332 million allegedly committed at several banks here on different dates in June 2003.

She is the first person to be charged under Section 4(1) of the Anti-Money Laundering Act 2001 which carries five years jail or RM5 million fine upon conviction.

Dr Sulaiman said police recorded his statement during the investigation of the case and showed him a document purported to be a guarantee letter.

He said the signature on the document was not his and the letterhead was in the name of the office of the deputy health minister whereas he used a letterhead in the name of the deputy health minister which was specially for his use.

He said he did not know Dr Hamimah prior to this case.

However, he knew that Safire had a contract to supply pharmaceuticals to the health ministry under a bumiputera scheme known as adoption scheme.

Meanwhile, Dr Sulaiman's former private secretary, Zaiedy Nor Abu Nasir, said he knew Dr Hamimah because she had met him several times over financial problems faced by Safir.

Zaiedy said Dr Hamimah informed him that Safire would be taken over by Danaharta and so he and Dr Sulaiman helped her set up a meeting with former prime minister and finance minister Tun Dr Mahathir Mohamad to resolve her problem.

He said he and Dr Sulaiman also gave her a letter of support to give to Tun Dr Mahathir but he did not know whether she met the former prime minister.

He said Dr Hamimah did ask him to sign a letter pertaining to a contract to supply pharmaceuticals to the ministry to be kept for reference.

Dr Hamimah never told him that the letter would be used to get loans or to sell promissory notes, he added.

The letter was addressed "to whom it may concern" and this showed that it was only for reference purposes because normally, for other purposes, the name of the party concerned would be written on it, he said.

Zaiedy said that when he signed the letter, it did not occur to him that Dr Hamimah would use it for the purpose as had happened in this case.

He said the adoption scheme was created by the ministry to enable bumiputera companies to remain in the market after the distribution and supply of pharmaceuticals was privatised.

He also said that he knew that Pharmaniaga Logistik, a subsidiary of Pharmaniaga Berhad, acted as a middleman by buying pharmaceuticals from companies under the adoption scheme and selling them to the health

ministry.

The other witnesses were the senior vice-president of Siemens Financial Services Incorporated United States, Richard James Kershaw, and commissioner for oaths Sheikh Salim Abood.

The hearing before judge Akhtar Tahir continues tomorrow.

-- BERNAMA

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