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Microchips to beat cheque cheats

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BANDAR MUADZAM SHAH, Sat. - The Government may place microchips into cheques to prevent forgery and falsification of government financial transactions.

Second Finance Minister Datuk Dr Jamaludin Jarjis said more complex security features must be used in the production of financial documents such as cheques.

"The cheats are getting smarter and we have to ensure we are always one step ahead of them," he said at his parliamentary community service centre here today. Jamaludin is MP for Rompin.

On Thursday, Penang police announced that Syed Ismail Syed Alwi was the main suspect behind the syndicate that siphoned off RM3.1 million from the State treasury over the past two months.

Police believe Syed Ismail, in his 30s, was also behind the cloned State treasury cheque scam that hit four or five other State Governments over the past three years.

This includes the cloning of 111 cheques belonging to the Malacca Chief Minister's Office in April. Malacca is said to have lost about RM770,000.

On Friday, Prime Minister and Finance Minister Datuk Seri Dr Mahathir Mohamad said all government financial transactions would be monitored by the Finance Ministry.

Jamaludin said the ministry would meet all relevant financial representatives, including those from Bank Negara, to discuss how to counter this problem.

"We will be calling for a meeting soon and I am confident we can find a solution to this."

The ministry also plans to meet representatives of State Governments to get a clearer picture on how their treasuries carry out their transactions.

One microchip that has been identified for use is the Malaysian Microchip.

With a 0.5-millimetre square contact patch, an area as large as the head of a safety pin, it contains one of the world's smallest radio frequency identification antenna-integrated circuit.