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Perwaja graft probe hits snag

reports on "Dewan Rakyat" by Ramlan Said; P. Sharmini; Julia Chan  
THE Anti-Corruption Agency's investigation into the Perwaja Steel scandal has hit a new snag when officials despatched to Japan failed to get co-operation from the banking authorities there.

Minister in the Prime Minister's Department Datuk Seri Rais Yatim said there were "several areas in the probe that officials could not penetrate".

"However, progress has been made in Hong Kong. In Switzerland, the probe has been completed," he told Husam Musa (Pas-Kubang Kerian), who wanted to know how much longer the investigation into the alleged misappropriation of billions of ringgit in the company would take.

The agency is gathering evidence from counterparts in Japan in its investigation into the missing RM76.4 million in Perwaja Steel.

It is trying to obtain information on transactions that were conducted via financial institutions in Japan and Hong Kong.

The Perwaja probe has now dragged on for several years, making it one of the country's longest investigations.

ACA earlier could not get the co-operation from banks in Switzerland but a breakthrough was achieved following a visit to the country by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Replying to points raised during the debate on the Royal address, Rais admitted the Perwaja probe had its fair share of problems.

Later in the lobby, Rais said: "I am afraid it may cause the case to be delayed further. We have to ascertain how substantive the evidence required from Japan is to the case.

"Also, I have to check with the Attorney-General whether prosecution could proceed with evidence gathered by the investigators so far."

Rais said he had yet to be briefed whether the problems in Japan were similar to those faced in Switzerland.

The minister added he had no information whether the obstacles in Japan were related to the absence of legal provisions allowing banks to divulge information about their clients and transactions.

Asked whether ACA had indicated when the probe would be completed, Rais replied in the negative.

Perwaja Steel is saddled with RM10 billion in debts and losses, involving current liabilities of RM926 million, long-term liabilities totalling RM6.013 billion, and losses amounting to RM2.985 billion.

Investigations into the Perwaja affair, ordered by the Government in 1996, were hindered by several factors, including the involvement of foreign institutions and individuals, and the discovery of RM76.4 million belonging to the company in a Swiss bank account.

The sum deposited was the amount paid by the former management of Perwaja Steel to NKK Corp via Frilsham Enterprises Inc in Hong Kong, a non-existent company.

The ACA has so far called more than 50 people, including former Perwaja chairman Tan Sri Eric Chia.

The steel mill was taken over by Maju Holdings Group upon the latter's privatisation about four years ago.

Rais also said the probe into corruption allegations against Selangor Menteri Besar Datuk Seri Dr Mohd Khir Toyo was still ongoing.

He said the case would only be considered as complete when all evidence was collected and the case is referred to the Attorney-General's Chambers.

"Therefore, it is only wise for everyone to be patient and wait for the outcome of the investigation."

Rais had a busy time yesterday deflecting criticism from Opposition MPs on the impartiality and integrity of the Anti-Corruption Agency.

He was bombarded with queries on the progress in the investigations of alleged corruption cases involving government leaders, with Mohd Khir's case topping the list.

Pas Parit Buntar MP Datuk Hassan Ali expressed surprise that after two years, the ACA was still investigating the matter.

He said the case should be wrapped up fast as it involved the integrity and transparency of a State Government as the person being accused is a Menteri Besar.

"But there has been no news at all. The public should be updated on the progress," he argued.

Replying calmly, Rais said the Government had full confidence in the agency, which he explained conducted its duties free of interference from any party.

"The Government will continue to protect this. Although there were cases which did not result in prosecution due to lack of evidence, or a delay in bringing offenders to court, they should not be used as a yardstick to say the agency is not free or prevented from carrying out its duties."

He said the contention that the ACA was selective in investigating graft was baseless.

"There are cases involving government leaders who have been charged with corruption. This demonstrates the commitment of the agency in combating the menace."

To a question from Abdul Rahman Yusof (Kemaman-Keadilan) on the reports lodged against former Chief Justice Tun Eusoff Chin, Rais said the Anti-Corruption Agency Act prohibited details of investigations to be made public before prosecution.

On money politics, Rais said the ACA would conduct an investigation if a report was made.

Responding to allegations of corruption within the judiciary, including judges and magistrates involved in business, Rais said it was a serious matter with grave consequences if such a practice existed.

"The Government hopes MPs can provide the proof, lodge a report and co-operate fully with the ACA to enable an investigation be carried out."

Kerk Kim Hock (DAP-Kota Melaka) asked Rais about alleged false mileage claims by Malacca Menteri Besar Datuk Mohd Ali Rustam and several of his exco members.

The Kota Melaka MP said Mohd Ali submitted claims for attending Umno supreme council meetings in Kuala Lumpur while an executive councillor from MCA claimed for visiting a party member in hospital.

Saying the full facts of the case were not before the House, Rais said Mohd Ali's claims could be legitimate as besides attending the Umno meetings, he could have attended other official functions on the day in question.

Giving another example, he said: "A government leader may have gone to Sanggang to help campaign in the by-election but at the same time, he also visited a department under his ministry in the area. In such a case, he is entitled to claim for the journey to Sanggang."

On another matter, Rais said the absence of the Menteris Besar of Kelantan and Terengganu at the Menteris Besar and Chief Ministers' meeting would not hamper development in the two States.

This was because federal development officials in charge of Kelantan and Terengganu were present at the meeting.