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Whither Tabung Haji?

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WHETHER it was a coincidence or a deliberate decision, the side-by-side publication by the Star newspaper of two court judgements on March 4 is worthy of greater examination.

In the first article, the paper reported a 29-year jail sentence imposed on an employed man for cheating the Pilgrims Management and Fund Board (Tabung Haji), and in the second, an order against Mayban Finance to compensate 18 of its clients who were victims of a robbery.

Judge Mohd Zaki Abdul Wahab of the Kuala Lumpur Sessions Court sentenced Ahman Khaironi Ahmad, 45, to jail with 19 strokes of the rotan for cheating, impersonation and forgery involving RM4.4 million of Tabung Haji's money two years ago.

In the second case, Kuala Lumpur High Court Judge Abdul Hamid Said ordered the finance arm of Maybank Bhd to compensate the 18 for their losses when the company's Taman Cheras branch was robbed in 1995. He held the company 'wholly liable for the losses' suffered by the plaintiffs when safe deposit boxes they rented were stolen during the robbery. He said the company was negligent as it had failed to safeguard the plaintiffs' valuables kept in the boxes.

While Tabung Haji is not being sued and none of its depositors have suffered any losses as a result of the fraudulent withdrawals, the board itself has lost a considerable sum of money. Thus, those responsible for allowing the crime to be committed must also be held liable. Had they been vigilant, the perpetrator would not have been able to repeatedly cheat the board and walk away with such a large sum of money. After all, the officers issued not one cheque to the criminal but five on different occasions between April 16 and May 25 of 2001.

The crime would not have been exposed had the real depositor not reported to the board that he had not withdrawn the money. In plain language, the board had failed to safeguard the depositor's interest.

It surfaced during the trial that the accused had three previous convictions on drug related charges.

It is most unfortunate that a Government body entrusted with safeguarding the deposits of would-be pilgrims and advancing the economic status of the Muslims has, in many ways and on many occasions, failed to live up to expectations.

Personally, I entrusted my money to the board only briefly to enable me to perform the Haj, which I did just after the 1991 Gulf War.

The board's performance in recent years, other than taking reasonably good care of the pilgrims, leaves much to be desired. Its dividends have deteriorated alarmingly from a peak of 9.5 per cent in 1995 to a meagre 3.25 per cent in 2001. Its financial woes are far from over. With two former very senior members of its management - Datuk Mohd Amin Sidek, 52, (senior general manager (finance)) and Datuk Mohamad Shafie, 53, (senior general manager (investment)) - being charged with cheating and criminal breach of trust involving RM400 million, the board is assured of bad publicity it can ill afford.

It is shameful that instead of showing the rest of the world the virtues of Islamic-based management, the board is mired in one crisis after another. The time to make excuses and be lenient has long gone. Drastic measures are needed.

While some changes have been made to the management of the board, in

particular its investment advisory panel, more are needed to redeem its image and to rekindle depositors' confidence. The future of over four million depositors is at stake.

Perhaps, it is not too much to say that if Tabung Haji itself can become the target of theft and other deceitful deeds by Muslim criminals, nothing in this country is safe from bad Muslims.

STATE UNIT TRUST POSER

STILL on the issue of bad investments, it would appear that the question of the sagging fortunes of state-owned unit trusts has yet to be seriously addressed.

The fact that there has not been a major complaint from unitholders or widespread media reports should not be treated as a source of comfort or as a reason for not acting. The seven state-based unit trusts, namely, Amanah Saham Johor, Amanah Saham Selangor, Amanah Saham Kedah, Amanah Saham Sarawak, Amanah Saham Sabah, Amanah Saham Darul Iman (Terengganu) and Kumpulan Modal Pahang are in dire straits.

They are trading well below their par values and have either been paying dismal dividends or none at all for several years. So far, only Selangor is reported to be taking steps to sort out the problem. It may wind up the fund.

With the Government having acted decisively to sort out the problems of debt-ridden public listed companies and privatised public transport projects, leaving the problem of the state-run unit trusts unattended to would blemish its overall economic recovery plan.

The fact that there is little or no outcry from unitholders is not too difficult to understand. The majority of unitholders are Malays and other Bumiputeras, in the case of Sabah and Sarawak. Either out of ignorance or their very nature, the Malays appear to be less demanding or even indifferent when it comes to their investments. This is ironical as they do not have a lot of money to invest to begin with, and every sen of return is important to them. Yet, when they invest they seem to be very cool about it.

They lost money when their local cooperative societies went bankrupt and they lost even more when Bank Rakyat, also a cooperative society, collapsed in the seventies. But the majority of them stayed on with the bank. Others went on to become victims of get-rich-quick schemes.

Of course, thanks to Government intervention and the appointment of capable and trustworthy people to its management, Bank Rakyat has not only recovered but is also doing well. Let us hope it stays that way.

This is not the case with the Chinese. When the Chinese-based Deposit Taking Cooperatives (DTCs) went under during the mid-eighties' economic crisis, their Chinese depositors not only caused a run on many of them but precipitated a major rescue effort involving the Government.

On the political front, it is useful to recall that the DTCs crisis ended the career of several top MCA leaders and tarnished the image of the party. The fiasco now threatening the state unit trusts can have a similar negative effect on Umno.

There is no need to apportion blame for the failure of these unit trusts although there is no shortage of it. One was the lack of critical thinking at the point of launching these unit trusts. The 1997 regional economic crisis and the moribund stock market helped to put paid to what was essentially a weak business model.

To avoid repeating the mistake, we must admit that state unit trusts were launched more as a result of economic and political euphoria rather than sound investment considerations.

They were the product of the high-rolling nineties when conventional wisdom gave way to stock market-induced euphoria.

SPARING A THOUGHT FOR THE DOWNTRODDEN

WHILE we 'celebrate' the success of our corporate citizens and marvel at their untold wealth, we must not forget that there are still the disenfranchised and the poor in our country.

We must acknowledge that behind the palatial homes and across the guarded parameter of the exclusive residential enclaves are people who live in rickety huts under Tenaga Nasional Bhd's power lines, by the bank of Klang River and in the shadow of skyscrapers.

For every millionaire and billionaire in this magazine's list of 40 richest Malaysians, there are thousands of poor paddy farmers, rubber tappers, fishermen and displaced plantation workers.

In fact, poverty has risen since the 1997 economic crisis. The Eighth Malaysia Plan (2001-2005) statistics show that the incidence of poverty rose from 6.1 per cent in 1997 to 7.5 per cent in 1999, causing the number of poor households to rise from 274,200 to 351,100.

Assuming that there are an average of five to each household, we are talking about 1.75 million people. With the economy yet to recover fully and society becoming more cash dependent, the threat of poverty taking its absolute form is not to be discounted.

Statistics, in fact, showed that hardcore poor households had risen from 62,400 in 1997 to 64,100 due largely to the 1997 crisis.

As if this is not bad enough, we are also burdened by the influx of foreigners - legal or otherwise - making the incidence of poverty even worse. Taking them into account, the incidence of overall poverty rose from 6.8 per cent or 332,400 households in 1997 to 8.1 per cent or 409,300 households in 1999.

Yet, we hear less and less about the war on poverty. Ministers and other high-ranking officials, it would seem, turun padang (go down to the field) to be with the poor and the downtrodden only when these people quarrel and kill each other.

It would appear that the pathetic story of Habihah Mohd Zin, a single mother with four school-going children living under TNB high-tension cables a stone's throw away from the gleaming Sunway Pyramid shopping complex, is better left untold as it threatens to spoil somebody's sumptuous dinner and night out at El Nino.

So much for our masyarakat penyayang (caring society).

KEEPING POLITICAL MISCHIEF AT BAY

THE Prime Minister, Datuk Seri Dr Mahathir Mohamad, has gone abroad on two months leave. His deputy and anointed successor, Datuk Seri Abdullah Ahmad Badawi, has been made acting Prime Minister.

Dr Mahathir may not be spending as much time on his favourite pastime - horse riding - this time around. It is said that he is busy putting the final touches to his book, or some say, memoir.

In the meantime, the politicians who are left behind, being the perpetual optimists that they are, may be mulling over their own grand dreams and schemes.

Whatever they do, they must try to spare Abdullah unnecessary headache. And headache he will have. But let it be one that is caused by the concern for the country and not by somebody's political career or ambition.

As for my media colleagues, one trap door they may want to avoid this time around is asking the Prime Minister to make a public assessment of the performance of his deputy in his acting capacity. He has been asked this question before - not once but twice. The first was when he made Tan Sri (then Datuk) Musa Hitam acting Prime Minister in the mid-eighties and again when Datuk Seri Anwar Ibrahim was appointed to the same post in the mid-nineties. On both occasions, his response was complimentary.

As for their dreams and schemes, the politicians must make sure they are

manageable. After all, that's what politics is all about - dreams and schemes.

But whoever they are, it is advisable that they measure their clothes not according to the size of their ambitions, and, in the case of some, their egos but by the size of the votes they received in the last election and are likely to receive in the coming one.

They ought to be reminded that the standard call for the people to vote for the party and not the person is losing its shine. The party cannot be good if the people leading it are bad.