Samy: Chithirakala drafted supporting letter to Najib
Malaysiakini.com
April 7, 2011

Former Maju Institute of Educational Development (MIED) chief executive officer P Chithirakala drafted a supporting letter to then deputy prime minister and defence minister Najib Abdul Razak over an application for the National Service Camp project, the Sessions Court in Kuala Lumpur was told today.

Former MIC president S Samy Vellu said the letter, dated July 28, 2006, was signed by him on a works ministry letterhead, based on trust on Chithirakala (left) after she had convinced him that Silver Line Services Sdn Bhd was 100 percent Indian-owned company and the community could benefit from it.

"I signed the supporting letter for the purpose of the Indian community and not for the benefit of Chithirakala's family," he said when cross-examined by defence counsel Salehuddin Saidin.

Nevertheless, Samy Vellu agreed with Salehuddin's contention that he, as a senior minister then, should have been more careful in knowing the contents of the letter since it involved the ministry's official letterhead.

"I signed it since I trusted her and believed she would not put me in trouble," said the former MIC president who acknowledged earlier in court that during his entire political career, he had never testified in court.

To another question, he said he was unaware of the nature of Silver Line Services.

Denying he had sent the letter to Najib since his son, Vell Paari, had shown an interest in that particular company, he said: "It's an abundance of lies".

Samy Vellu, who is also MIED chairman, told the court that Chithirakala was first appointed as MIED accountant in 1995 before being promoted as group financial controller. She left MIED in 2002 and was rehired, two years later, as CEO (chief executive officer).

He said, as CEO, Chithirakala was given power to decide on the amount of payments to creditors of the education arm of the party and also carried out the task as secretary, including convening meetings of the MIED trustee board.

"She failed to call for meetings for nearly four years and never submitted financial accounts before her sacking in early 2010," he explained.

On May 11, last year, Chithirakala, 40, claimed trial to cheating former MIC treasurer-general M Mahalingam, 74, a director and signatory of MIED Sdn Bhd, by inducing him to sign three cheques for RM1 million, RM1 million and RM2 million, respectively, in 2007.

During the trial, even though Samy Vellu disagreed with Salehuddin's contention that Chitirakala was re-hired as CEO because he trusted her capability, he said at that point, they needed someone with experience, not only to manage MIED but also another group of companies.

A monthly salary of RM10,000

On the appointment letter dated May 23, 2004 tendered by the defence, Samy Vellu agreed with Salehuddin that Chithirakala was paid a monthly salary of RM10,000, an increment of RM2,000 after confirmation of six months.

She was also paid an increment of RM2,000, upon one year of service and annual increment of 10 percent.

Chithirakala was also paid transport allowance of RM2,300, living allowance of RM5,000 yearly, RM5,000 entertainment allowance (yearly), RM15,000 holiday allowance (yearly) and travel in business class on all travels related to MIED.

Samy Vellu (right) also agreed with Salehuddin that other MIED directors enjoyed similar allowances.

On another issue raised by Salehudin over the affidavit filed by Mahalingam in a related civil action that Samy Vellu never consulted the board affairs related to MIED, especially on awarding contracts of AIMST medical college, he categorically denied it.

"It's a collective decision where board of trustees normally commenced each month, where most of the MIC CWC members were trustees and contracts awarded were based on the studies and recomendation of consultancy firms hired by us," he explained.

Questioned further by Salehudin why Mahalingam, whom he described as "good friend", said something very damaging against him, Samy Vellu said: "Good friends become bad friends when you remove them from their position", in reference to Mahalingam's removal as treasurer-general, three years ago.

The hearing before Judge Che Mohamad Zulkifly Jusoh continues tomorrow where Samy Vellu is expected to be cross-examined further before the prosecution calls its second witness, (Samy Vellu's son) Vell Paari.

Salehuddin was assisted by counsel J Chandra, while the prosecution comprised deputy public prosecutors Kevin Morais and Wong Pooi Yoke.

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Source : http://www.malaysiakini.com/news/160932