

PKR: PM and Agri minister lied over NFC
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by Hazlan Zakaria

Prime Minister Najib Abdul Razak and Agriculture and Agro-based Industries Minister Noh Omar had lied to the Dewan Rakyat regarding a soft loan awarded to the National Feedlot Corporation (NFC), claims PKR.

“Najib and the agriculture minister (Noh) lied to the Dewan Rakyat...The PM’s written answer stated only RM181 million has been disbursed, while Noh Omar said (the same, and) that there was no conflict of interest,” party strategic director Rafizi Ramli said in a press conference in Parliament House today.

The opposition party contended that the entire soft loan and grant disbursement totalling in excess of RM256 million has been drawn in full by the cattle rearing company owned and operated by the husband and children of a federal minister.

“In the balance sheet and profit and loss statement filed with the Companies Commission of Malaysia (CCM), the non-current liabilities of NFC are listed as just above RM256 million, comprising the RM250 soft loan and the over RM6 million infrastructure grant,” said Rafizi (left), refuting the ministerial replies.

Distributing CCM documents and statements of accounts to back their claim, Rafizi pointed out that transaction details in the documents clearly show that the entire amount has been disbursed two years ago.

“RM130 million was disbursed upon signing of the agreement (between the government and NFC) in 2008. While another RM120 million was paid out on March 31, 2009,” related the PKR official.

Furthermore, Rafizi revealed how RM116 million from the soft loan drawdowns was taken out and deposited into an NFC-owned fixed deposit account at a local bank to sit and gather interest.

“NFC garnered nearly RM670 thousand interest from the fixed deposit, an amount which is one-fourth of the company’s earnings.”

This, he said spoke ill of the financial health of the company.

‘A serious matter’

“A PM lying to the Dewan is a serious matter, and RM250 million is a large amount,” lamented Rafizi.

Both the minister and the PM, he said, should answer with regard to their answerd which go against financial details in audited accounts filed with and affirmed by the CCM.

“If the say our claim is a lie, then they should go open the books,” dared Rafizi.

Asked if it is possible that the money paid to the company is being kept in an escrow account, Rafizi said that the facts spoke against such a possibility.

“I do not discount that it may be an escrow account. But if it is an escrow account it is a screwed escrow account,” he jibed.

He explained that money kept in escrow accounts must be regulated and its movement monitored strictly by signatories which must include government officials as custodians of the public funds.

“As such there cannot be free movement of funds as we see happening here,” he argued.

Escrow accounts, similar to a developer's accounts for property developers, are special purpose accounts where funds for a project are kept, to be drawn down only when specific conditions are met and agreed to by nominated custodians.

Noh had told the Dewan last week that only a portion of the loan has been paid out, that the project is not a failure as claimed by PKR and there is no conflict of interest in the family of a federal minister getting government grants via proper channels.

While Najib also issued a written answer to the Dewan that only RM181 million of the total amount has been paid out, with the remainder still outstanding.

The NFC shot to prominence recently after the opposition dug out details of the project which they said have not only failed to reach its objective and pouring more public funds into loss making projects but also represents conflict of interest in public funds being given to the direct family of a federal minister.

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