

Selangor to sue MCA over RM1bil scandal claim
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By Leven Woon

Selangor Menteri Besar Abdul Khalid Ibrahim today said that the state government will take MCA to court over its allegation that it was involved in a RM1 billion questionable deal.

This, Abdul Khalid added, was decided by the exco after chairing its meeting this afternoon.

"The decision to take legal action is not only because the accusation was untrue and serious but it also tarnishes the good name of the Selangor government," he said.

However, Abdul Khalid declined to elaborate on the matter.

"We will not be making any comments for now to ensure that we do not prejudice the future legal processes," he said.

Abdul Khalid said apart from MCA, other quarters that uttered the allegation will also be named as defendants.

When asked whether this involved members of the press, he burst into laughter without answering.

Yesterday, MCA central committee member Chua Tee Yong released documents which allegedly indicate that Selangor had used more than RM260 million to bail out ailing construction firm Talam Corporation Bhd through complicated accounting.

Chua said that the state had received RM392 million worth of assets from Talam in an offset deal for payment of the debt.

The Labis MP pointed out that instead of just collecting the RM392 million debt in the form of assets, the state also entered into a settlement whereby Talam disposed of RM676 million worth of assets.

This would mean that the state had paid the differential amount of more than RM260 million for the additional assets.

Additionally, Talam had owed state companies Universiti Selangor (Unisel), Permodalan Nasional Selangor Berhad (PNSB) and Kumpulan Hartanah Selangor Berhad (KHSB) a total RM392 million, with RM115 million owed to KHSB.

However, Chua noted that the KSHB's financial statement as of March 31, 2012, shows that the company is still owed RM115 million.

Additionally, he said, the Selangor government must explain what had happened to the RM392 million it obtained through a supplementary budget in 2009 to facilitate the debt recovery exercise.

'White paper supposed to be tabled'

"We don't know if it was used to pay the RM266 million. They should answer... A white paper on this was supposed to be tabled by the end of 2010. It is now 2012," he said.

The amount given in the supplementary budget and the value of the Talam settlement would thus amount to about RM1 billion, he said.

PKR treasurer-general William Leong also slammed MCA, saying the party should have tackled the issue when they were part of the Selangor BN state government.

Leong, in responding to the Talam debt issue raised by the Deputy Agriculture Minister Chua Tee Yong, said before MCA is qualified to question Khalid and his system to restructure the Talam Corporation, they had better ask themselves what were their actions to tackle the debts issue when they were in power.

“Why didn’t the MCA cancel any contracts and projects with Talam when they were in power?” he asked.

“When Pakatan Rakyat took over the Selangor government and reclaimed the debts, they bring this matter up,” said Leong.

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