

Explosive video reveals licence abuses by Taib family
MalaysiaKini.com
March 19, 2013

EXCLUSIVE An undercover investigation by an international NGO has revealed video evidence of how Sarawak Chief Minister Abdul Taib Mahmud's family members and business associates abuse logging licences to enrich themselves at the expense of ordinary Sarawakians.

Two of Taib's first cousins, a family member of Taib's key business partner and a lawyer who represented the cousins have been caught on video explaining the mechanisms of circumventing existing laws to profit from the scheme.

The video was discreetly recorded by an investigator with Global Witness, a London-based NGO that investigates and campaigns against environmental and human rights abuses.

The undercover investigator was sent to Sarawak last year posing as a "foreign investor" looking to buy land to set up oil palm plantations.

The investigator approached the Regional Corridor Development Authority (Recoda), the state government body charged with handling foreign investments, and was immediately directed to certain members of Taib's family who were selling companies licensed to log and clear land for plantations in Sarawak.

These licences were issued by Sarawak's Ministry of Resource Planning and Environment, which is headed by Taib.

Caught on video

The investor was offered four land leases during the investigation.

Meetings with these family members and other agents of the companies were covertly recorded by Global Witness and produced into a 16-minute film posted on its website.

The largest lease was a 60-year licence issued to a company named Billion Venture Sdn Bhd for oil palm and commercial tree plantations covering an area of 32,000 hectares of natural forest in Limbang district, bordering the Gunung Mulu National Park, Malaysia's first World Heritage Area.

Billion Venture has also been issued with two more prized licences to log the rare and extremely valuable Belian tree species in the area.

The investigator met with Huang Lung Ong of Huang & Company Advocates, a representative of Billion Venture, who stated that the owner of the company is his uncle, prominent Sarawak timber tycoon Hii Yii Peng, and that Hii is very close to Taib.

Huang divulges that Hii would be expected to pay Taib a kickback of approximately 10 percent of the licence value in return for the directive from Taib's ministry to issue the logging licence.

"It's like, 'I [Taib] award you this licence. In return you grateful to me.' Maybe he say I give you a percentage..."

"The existing owner [Hii] will pay him [Taib] up... probably 10 percent," Huang tells the investigator, as shown in the video believed to be filmed in a hotel room.

A RM22 million kickback

Huang stated that Hii is looking to sell Billion Venture for US\$76 million (about RM230 million), which implies that Taib's kickback would be more than US\$7 million (about RM22 million).

Asked about the allegation after the covert investigation was completed, Huang told Global Witness that "I have no knowledge how Hii Yii Peng obtained the asset or that there is a kickback, as alleged..."

"Your allegations are untrue and not within my knowledge to answer... I am only aware of this asset through brokers middle of last year and these brokers asked me to act as solicitor to safeguard their commission... I have never been appointed by Hii Yii Peng as his solicitor."

Global Witness claims that the mechanism is consistent with allegations made by senior government officers and a timber industry executive in Sarawak that it interviewed.

However, Taib's solicitors in London told Global Witness, "Our client never demands or accepts bribes for the grant of licences and leases - whether for 10 percent of the value of those licences or leases or through structures designed to conceal his identity."

Documents from the Companies Commission of Malaysia confirm Billion Venture to be owned by the Hii family, who have extensive and enduring commercial interests with Taib and his immediate family in sectors including joint-ventures and common shareholdings in the palm oil, timber and hospitality industries.

Global Witness also found that the land under the licence issued to Billion Venture encroached into the ancestral land of Long Napir, a settlement of Penan and Kelabit indigenous people who told the NGO that they were never consulted by the government or company on plans to clear their land for plantations.

Global Witness claims that maps produced by the Sarawak Land and Survey Department show the Long Napir community have been living and farming the area before 1956 and therefore have robust claims to the area as Native Customary Rights land.

Land worth half a billion US dollars

Three other land leases offered to the Global Witness investigator, covering a total area of 23,438 hectares, were held by proxies or shell companies on behalf of family members of Taib.

Using a RM4,000 per acre sale price as discussed in the meetings with the sellers, the total sale value of the three leases would be US\$77 million (about RM232 million).

This represents an investment return of about 3,600 percent for Taib's family, considering the total recorded premium paid to the state government for all three leases was just US\$2.1 million (about RM6.4 million), according to data leaked from the Sarawak Land and Survey Department.

However, these three land leases represent just a fraction of the total land bank accumulated by Taib's family members.

An earlier analysis of leaked database from the state Land and Survey Department by Swiss-based NGO Bruno Manser Fund indicated that the total area held by companies linked to Taib's family members is nearly 200,000 hectares, representing assets worth more than half a billion US dollars.

In response to the questions Global Witness put to Taib, his solicitors told the NGO: "Our client's wider family consists of hundreds of individuals. Our client has no responsibility for or contact with the vast majority of these people..."

"The government of Sarawak issues licences for land in very controlled circumstances, as part of a general policy for limited agricultural and industrial development. This is an administrative exercise, not political patronage.

"Individuals can apply for land under certain circumstances. Your statement suggests that the system is directed towards relatives of the chief minister. This is not the case."

Taib's first cousins

One of the shell companies that offered to sell its licence to the undercover "investor" was Ample Agro Sdn Bhd, whose six shareholders are Taib's first cousins and all daughters of former Sarawak chief minister Abdul Rahman Ya'akub.

The six sisters controlled the RM2 company through a holding company called Sateras Holdings Sdn Bhd.

The deal was proposed to Global Witness by Norlia Abdul Rahman (right in photo) and Fatimah Abdul Rahman (left in photo), both directors of Ample Agro.

Meetings with Norlia and Fatimah are recorded on the video.

They proposed the selling price of US\$16.6 million (RM52 million) for their 5,000 hectares of land lease or RM4,000 per acre (RM9,884 per hectare).

Records show that the land lease was given by the state government in 2011 with a nominal premium of only US\$300,000, which means a hefty profit of US\$16.3 million or an investment return of over 5,400 percent for the sisters in the period of just one year.

"The Land and Survey Department, they are the ones that issues this licence. Of course it is from the CM's [Chief Minister] directive but I can speak to the CM very easily." Fatimah says in the video.

"Yeah, he was the one who gave us the land. He is my cousin, so... (laughing). His mother and my father are sisters and brothers, siblings. So he is my first cousin so it is quite easy."

In the footage, Norlia says: "I bought that company as a shell company for this land."

Two other Rahman sisters who would have pocketed millions of dollars from any such sale are Tanjung Manis MP Norah (right), who is a company shareholder, and Khadijah, a company director and shareholder.

Khadijah is also the sister-in-law of Prime Minister Najib Abdul Razak.

None of the six sisters from Ample Agro responded to the claims made by Global Witness.

Taib's lawyer: Allegations entirely untrue

The NGO also visited the area licensed to Ample Agro and was informed that there are 12 longhouse communities whose native customary rights would be encroached by the licence.

One community told Global Witness that they had lived on the land for more than 100 years. Aerial photos from 1947 taken by Britain's Royal Air Force shows the area being used for shifting cultivation at that time, providing backing to their claim.

The extensive aerial mapping carried out at that time is routinely used by Malaysian courts in deciding land rights claims.

Asked for response to the allegations, the law firm representing Taib, Mishcon de Reya, told Global Witness that the NGO's allegations "are entirely untrue", and they "call into question our client's personal and professional integrity and seek to say that he is unfit for the role he holds within Sarawak".

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Source: <http://www.malysiakini.com/news/224248>

