

Re-open Taib kin timber graft probe, Japan urged
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Whistleblower website *Sarawak Report* has urged Japanese tax authorities to re-open an investigation into alleged bribery involving a Japanese shipping cartel and a company linked to Sarawak Chief Minister Abdul Taib Mahmud's family.

An investigation by Tokyo tax authorities in 2007 found that Japanese shipping companies had paid RM32 million in "kickbacks" to Hong Kong-based Regent Star, which owned by outgoing CM Taib's brother, Onn Mahmud.

The payments were allegedly made in return for permits to ship timber from Sarawak to Japan.

The shipping cartel, in the bid to avoid paying taxes, had claimed that millions paid to Regent Star was for "brokerage services". But the Japan tax authorities found that these were instead "entertainment expenses", an euphemism for bribes.

However, an appeal tribunal reversed this finding soon after, and ruled that the monies paid to Regent Star were legitimate and could therefore be written off as tax rebates.

However, *Sarawak Report* says it now has new evidence and it called on the Japanese authorities to follow up on a police report it would soon lodge in Japan on the timber scandal.

"We urge the authorities in Tokyo to take notice of a police report that will shortly be lodged, requesting the re-opening of the Regent Star case in relation to the potential bribery and corruption of a public official," *Sarawak Report* says in its latest posting.

"We also urge Japan's tax inspectors to take another look at Sarawak's current timber exportation business and look at what arrangements there might be in place at the moment to 'smooth and facilitate' the permits needed from the private company that now controls them," it says.

Taib had personally denied any knowledge about the timber deal in a speech to the Sarawak state assembly in 2007.

The money trail

However, *Sarawak Report* questioned how the timber deal, which extensively involves Taib's family members, could have been done without Taib's own knowledge.

"Facts establish that, despite Taib's denials that he had ever heard of Regent Star, this company was not only owned and controlled by his brother Onn Mahmud, but it was part of a network of Hong Kong companies that was extensively tied up with Taib's own family members," the report

says.

Last week, Switzerland-based NGO Bruno Manser Fund (BMF) lodged a police report in Canada alleging "timber kickbacks" between Hong Kong-based Richfold Investment, a sister company of Regent Star, and Canada-based Sakto Corporation.

Richfold belongs to Onn Mahmud, while Sakto belongs to Taib's eldest daughter Jamilah Taib Murray.

BMF said the transfer of C\$20 million (RM59 million) was evidence that the timber kickbacks, allegedly paid by Japanese timber companies to Regent Star was being "laundered" via Canada.

Taib had sued *Malaysiakini* in 2007 after the news portal carried a news report of the initial decision by Tokyo Regional Taxation Bureau that kickbacks were allegedly paid by the shipping companies to Regent Star.

Following the reversal by Japan tax authorities, Taib withdrew the suit in 2012 after an out-of-court settlement which included an apology from *Malaysiakini*.

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