

PKR builds anti-Khalid case on Bank Islam, water deal
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Embattled Selangor Menteri Besar Abdul Khalid Ibrahim's court dispute over his debt with Bank Islam is the central issue for PKR as it tries to convince its Pakatan Rakyat partners that Khalid is no longer fit for the job.

In the much anticipated the 91-page document, including appendices, handed over to PAS secretary general Mustafa Ali today, PKR also argued "reasonable doubt" over the "rushed" water industry restructuring deal.

PKR argued that Khalid had "sped up" an out-of-court settlement with Bank Islam within weeks of the Kajang Move to oust him in January.

In chronological fashion, the document, sighted by Malaysiakini, also details out what it argues is conflict of interest on Khalid's part, in settling his personal RM59.5 million debt with Bank Islam (without interest as at Nov 2013).

It alleges that the person who brokered the out-of-court settlement had benefitted from the state through a project awarded soon after the Bank Islam settlement was hammered out.

Malaysiakini is withholding the name of the individual and the company he is linked to pending his response.

"On Feb 13, two weeks after the Kajang Move was announced, Bank Islam's appeal on Khalid's debt at the Federal Court did not proceed and the court was told there was an out of court settlement being negotiated...

"On Mar 19, Tropicana Corporation Bhd announced that it will sell 308.72 acres of land it purchased from the Selangor government (in April 2013) to (the company).

"This means that 308.72 acres of land owned by Selangor is owned by a company controlled by (the individual).

A friend from Saudi Arabia

"On Mar 25, Khalid signed a memorandum of understanding with (the company) awarding them a project to build 2,400 affordable homes under the Selangor government worth RM591 million.

"On Mar 31, Bank Islam and Khalid told the court both parties have agreed to drop the case as a settlement has been reached," the document reads.

Bank Islam then announced to Bursa Malaysia that it had decided not to pursue the debts with Khalid, although "Bank Islam lawyers believe that Bank Islam has a strong case against the opponent".

Pursued by media earlier, Khalid brushed the matter as "personal", but his explanation to the party leadership raises eyebrows, the document says.

Minutes of the party meeting shows that Khalid said a "friend from the Saudi Arabia bank Al-Rajhi is willing to help but the details cannot be disclosed to avoid a leak".

Khalid had allegedly said that Bank Islam decided to drop the case against him as Khalid promised to use money he expects to get from suing Permodalan Nasional Bhd (PNB) to pay back Bank Islam.

"This explanation does not make sense and cannot be accepted by PKR leaders, raising reasonable doubts...

"No bank in the world will drop a claim in court, especially a strong case like Bank Islam's against Khalid, to wait for another court to award the debtor as claimed by Khalid," it reads.

It adds that five months after the meeting, Khalid has yet to take any legal action against PNB.

In response to charges of poor integrity, Khalid yesterday challenged PKR to lodge a complaint to the Malaysian Anti-Corruption Commission (MACC).

RPK connection

Another hefty part of PKR's argument against Khalid is the water restructuring deal, which it also claimed was rushed after Kajang Move was announced.

Among others it argues that the final offer made by Selangor raises compensation for Rozali Ismail, who holds majority shares of concessions Syarikat Bekalan Air Selangor (Syabas) and Puncak Niaga, by RM568 million.

However, valuation for another concessionaire Splash was reduced by about RM2 billion, raising "suspicions".

It also argued that while the restructuring deal has yet to be sealed, the federal government already has got approval for the multi-billion ringgit Langat 2 water treatment plant in its pocket.

In the midst of it, the document states, PKR de facto leader Anwar Ibrahim and director of strategy Rafizi Ramli (right) are accused in Raja Petra Kamaruddin's blog of pocketing kickbacks from Splash.

"Raja Petra Kamaruddin is the elder brother of Raja Idris Kamaruddin, Khalid's right hand man in Selangor. Khalid appointed Raja Idris as CEO of Kumpulan Darul Ehsan Bhd, Selangor's main investment arm.

"Many reports which try to smear PKR originate from Raja Petra's blog. Confidential information only known by Khalid, and possibly shared with closest officers like (former political secretary) Faekah Husin, is published on the blog within hours of Khalid learning them."

Other issues raised include:

Khalid's agreement in principle to the Kidex highway goes against Pakatan's policy of reducing tolled roads;

Poor infrastructure and services in Selangor, despite Khalid's success in cutting middlemen;

Resistance to spend federal grants to fix roads; and

Decision to raise business licence fees.

Some of the points raised in the document was also made by Rafizi at an information session to explain why PKR wants to replace Khalid with party president Dr Wan Azizah Wan Ismail.

The event in Klang was the first of many public events to explain the MB crisis.

The same points were also raised at a forum to discuss the crisis tonight.

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