

## **DEIG won't be made into 1MDB-type monster**

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Yesterday, it was reported Abdul Rahman Dahlan claimed that Selangor's controversial new investment arm, Darul Ehsan Investment Group (DEIG), is more disturbing than the RM2.6 billion donation to Prime Minister Najib Razak's personal bank account.

He said there was "more at stake with the RM30 billion in assets" under Menteri Besar Incorporated (MBI), planned for a takeover by DEIG, than the RM2.6 billion donation.

I believe that Rahman Dahlan must have gone completely bonkers after multiple vain attempts to defend the prime minister's most immoral and unethical "donation".

Firstly, the minister can't even get his simple facts right. Upon consolidation of the state-owned assets under DEIG, it would not add up to RM30 billion - we wish it did - but to RM6.3 billion.

However, the point as admitted by the BN strategic communications director himself, Abdul Rahman Dahlan, is that these are "assets" of the state, as opposed to a mysterious RM2.6 billion foreign donation into the personal account of the prime minister for completely unknown expenditures.

As a matter of fact, how is this RM6.2 billion of "assets" even comparable to be deemed "more disturbing" than the federal government's 1Malaysia Development Bhd (1MDB) which has accumulated RM42 billion of "debt" as at 2014?

### **DEIG just needs proper checks**

There is nothing inherently wrong with the state government's attempt to consolidate its assets under a single special purpose vehicle. In particular, any attempts to rationalise its companies with many overlapping and duplicating sectors and industries, as well as to reduce its many loss-making subsidiaries are very much welcome.

However, Malaysians do indeed need to be concerned about the set up of DEIG, but not because it is a bigger scandal than Najib Razak or 1MDB. Malaysians, and in particular Selangorians need to be concerned about DEIG to ensure that a proper governance structure is set up to avoid the fate of 1MDB, where Najib Razak sits as the chairman of its board of advisors.

As demonstrated by 1MDB, even with the appointment of seemingly competent CEOs who graduated from Stanford University, the prime minister as the chairman of the board of advisors and many directors picked from leading government-linked companies (GLCs), there was a complete breakdown of good corporate governance.

Decisions were influenced by outside parties like Low Taek Jho and all decisions were given written approvals by Najib himself, without the knowledge of the cabinet.

In setting up the DEIG, we need to start on the right footing to ensure that we do not ever repeat anything as disastrous and scandalous like 1MDB.

Proper and sufficient checks and balances must be put in place to ensure that powers are not abused by anyone involved in DEIG and state funds are never embezzled for private or political party purposes.

In addition, DEIG must not attempt to become another state-owned corporate behemoth which will usurp both the functions of the state government or unfairly crowd out the private sector investments.

For example, DEIG must not attempt to use the leverage of the state to again privatise, takeover and monopolise activities such as rubbish collection under the new entity. Such attempts will not only usurp the powers of the local councils but also the remove competition in the private sector.

### **Let not DEIG be '1MDB'ed**

In Selangor the state assemblypersons of the DAP, PKR and Harapan Baru have all raised their concerns with regards to the set up of DEIG. But they do so because they believe strongly in transparency and accountability.

We have raised our concerns to prevent a 1MDB from happening, in complete contrast to BN elected representatives who only speak to cover up the massive scandals after they happened.

Therefore, Abdul Rahman Dahlan should take a long, hard look at himself in the mirror and stop defending the indefensible with ridiculous comparisons with the newly set up DEIG.