

## **Dr M denies giving RM500m contract without cabinet approval**

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**Kow Gah Chie**

Former Prime Minister Dr Mahathir Mohamad has denied he approved a RM507.77 million contract for Malaysian Maritime and Dredging Corporation Sdn Bhd (MMDC) without the cabinet's approval, as revealed by Auditor-General Report 2015 (Series 2).

"No, that's invention," Mahathir told reporters when met at Dataran Merdeka last night.

"They should show proof," he said curtly before leaving.

Mahathir was [attending a vigil](#) in solidarity with Bersih chairperson Maria Chin Abdullah who has been detained under the Special Offences (Security Measures) Act 2012.

According to the audit report which was tabled at Parliament yesterday, Mahathir, the then finance minister, decided that MMDC be granted the contract for dredging works at river mouths across the country, with a 15-year concession period.

This was despite 15 bids having been made for the contract to undertake dredging works at the ports in 2011.

MMDC was established in June 2002.

"Checks also revealed that on Aug 10, 2002 the finance ministry decided that all prior dredging tenders were to be cancelled and [awarded to MMDC](#).

"However, checks by the audit department did not find any documents pertaining to discussions, valuations or studies regarding the decision at the transport ministry level," reads the audit report.

The contract was signed between MMDC and the Transport Ministry secretary-general in October 2005. By that time, Mahathir had retired and Abdullah Ahmad Badawi was both finance minister and prime minister.

The reports note that dredging work undertaken by MMDC was generally satisfactory, although there was room for improvements.

Most criticisms were directed at how MMDC was awarded the contract, despite it being a new company with no experience in this field.

"Moreover, there was confusion between the EPU and Finance Ministry on whether the contract was for long-term work or outsourcing, which has implications on whether the cabinet's approval was needed.

"The decision was made without proper discussions, valuations or detailed study, which

can cause weaknesses in planning and in the identification of the project's objectives," reads the audit report.

The report added that the Finance Ministry should have also considered the bids by other firms before deciding on MMDC.

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