

Probe Taib, Japanese NGOs urge PM
Malaysiakini.com
Apr 30, 2007
Tony Thien

A group of Japanese non-governmental organisations have urged Prime Minister Abdullah Ahmad Badawi to launch an investigation against Sarawak Chief Minister Abdul Taib Mahud.

In a letter faxed to the premier on Friday, the groups also expressed concern with Taib's threat to take legal action against malaysiakini and Parti Keadilan Rakyat (PKR)

Copies of the letter were also sent to the Anti-Corruption Agency (ACA) director-general as well as to 'friends in Japan and around the world'.

Taib had threatened to take legal action against malaysiakini for a series of articles alleging his involvement in a scandal concerning RM32 million kickbacks paid by Japanese shipping companies for timber from the resource-rich state.

The articles were follow ups to a Japan Times news report on March 29.

Among the signatories of the letter to Abdullah were Japan's Sarawak Campaign Committee (SCC), Friends of the Earth Japan (FOEJ), Japan Tropical Forest Action Network (Jatan), Japan Citizens' Coalition for the UN International Decade of the World's Indigenous Peoples (Indec), Japan Network on Human Rights in Malaysia, Pacific Asia Resource Center (PARC), Papua New Guinea and Solomon Islands Forest Protection Group in Japan and Global Environment Forum.

Media reports

"We understand that the corruption allegations raised against Taib originated from a report in the Japan Times on March 29 that nine Japanese shipping companies which transport lumber from Sarawak failed to report some 1.1 billion yen (approximately RM32 million) in income paid as remuneration to Regent Star, a Hong Kong-based agent with connections to Taib and his family, during a period of seven years through last March," read the letter.

According to the Japan Times report, the Tokyo Regional Taxation Bureau determined that these payments were rebates, not legitimate expenses, and is likely to impose well over 400 million in back taxes and penalties against the shipping companies.

The Yomiuri Shimbun newspaper also reported this in an article on March 28.

Furthermore, the letter stated that the Asahi Shimbun English edition reported on March 28 that the Tokyo Regional Taxation Bureau had ordered Kansai Line Co to pay 50 million yen in back taxes and penalties for falsely including so-called intermediation fees totalling 130 million yen paid to Regent Star over a seven year period until December 2005, in its cost of loading logs in ports in Sarawak, in an effort to hide the payments.

The Asahi Shimbun Japanese edition reported on March 27 that shipping companies affiliated with the Nanyozai Freight Agreement (NFA) cartel are suspected to have paid more than US \$25 million (approx. 2.5 billion yen) in intermediation fees to Regent Star in the 10 years up to 2005.

An anonymous industry source was quoted as admitting that "there was an understanding that these were payments to the chief minister's family" and in essence, kickbacks.

According to the article, the NFA admitted that it had in 1981 entered into an agreement with Dewaniaga Sarawak (DNS) on log exports to Japan, and had been instructed by DNS to pay intermediation fees to Regent Star in Hong Kong.

The payments, said to have continued for 26 years since 1981, started at a rate of approximately US\$1.50 per cubic meter of logs shipped, increasing over the years to the current rate of US\$3.28, while the log shipments declined from a peak of 3.8 million m3 in 1990 to about 410,000 m3 in 2005.

The report estimates that an average of one to four million dollars per year, totalling US \$25,250,000 was paid to Regent Star between 1996 and 2005 alone.

The article also mentions that an industry source alleged that DNS director Onn Mahmud, brother of the chief minister, sometimes participated in person in negotiations of the intermediation fees between Regent Star and NFA.

Explain, not intimidate

"From the above, it was crystal clear that the allegations lodged against Taib by malaysiakini and PKR Sarawak are not based on rumour or hearsay, but on information reported in a consistent manner by several leading Japanese newspapers," read the letter to Abdullah.

It added: "As organisations working in the Malaysian public's interest, malaysiakini and PKR have merely been exercising their freedom of expression and fulfilling their duty to raise concerns to the public and competent authorities regarding highly disturbing information meriting further investigation. In fact, it would have been dereliction of their public duty not to have done so.

"If whistleblowers immediately face threats of litigation for defamation, how can citizens play an active role in eliminating corruption? Should not the chief minister present a clear explanation rather than resort to such intimidation? And if he disagrees with the allegations in the reports, should he not question their sources in Japan and the Japanese tax authorities, rather than Malaysian citizens who are merely bringing them to public attention?"

The Japanese NGOs said Abdullah must instruct the ACA to investigate the matter.

"The Japanese civil society will do its most to urge Japanese tax authorities to cooperate with Malaysia in its investigatio so that the truth can be revealed and justice be served," they added

PKR Sarawak has already lodged two reports on the matter on April 13, one with the Kuching Central police station and another with the ACA in Kuching.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.

Source : <http://www.malaysiakini.com/news/66642>