

Defence Ministry suit: Witnesses not required
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The possibility of startling revelations over inside deals in the Defence Ministry in awarding contracts fizzled out when the Kuala Lumpur High Court today ruled that there was no need for witnesses to testify.

The plaintiff, Langkawi R&D Academy Sdn Bhd, and the three defendants agreed to present their case through submissions as there were non-triable issues.

Former secretary-general of the Defence Ministry, Hashim Meon, was scheduled to testify as the plaintiff's first witness.

He was in the unusual position of also being named as a defendant in the RM500 billion suit.

NONThe other defendants are the then defence minister Najib Abdul Razak (right), and the government.

It is learnt that the government could have shied away from having the matter exposed in open court today, as such revelations could be detrimental for the ministry, and Najib who is now the prime minister.

When the matter came up today, the presiding judge Abdul Wahab Patail asked lawyer M Manogaran and the senior federal counsels representing the defendants, to look at the statement of claim and defence statement today.

Going through paragraph by paragraph, the judge and the representatives from both sides had to decide whether an issue was triable, or should be submitted on points of law or was a finding of fact.

After going through the statement of claim, and the defence statement both parties found there were non-triable issues as most of it were listed for submissions.

The parties are to submit a written and oral submissions next week with May 14 set for decision.

Throughout today's proceedings, all the witnesses including Hashim, former Brigadier General (Rtd) Amirul Ghani Abdul Ghani, and the co-founder of Langkawi R&D Academy Sdn, Bhd Mohamad Abdullah, were present.

Yesterday, Malaysiakini reported the case could have given an interesting insight into the inner workings of the Defence Ministry when they awarded valuable contracts to private companies.

It could have provided a glimpse into what went wrong with the maintenance contract for the RMAF's F5/E fighter jets to result in the current lawsuit.

The company claimed a backdoor deal between the defendants and a sub-contractor had led to its contract's early termination and a violation of its 10-year concession inked in 2001.

It is seeking RM48 million as general damages and another RM432 million in future losses,

exemplary damages, costs and other reliefs deemed fit by the court.

Mahathir and Najib briefed

The suit was filed in September 2005. In its statement of claim, the company stated they had briefed then prime minister Dr Mahathir Mohamad and Najib, then defence minister, about the Northrop F5/E and F5/F programme which was directed in upgrading the F5/E fleet which was grounded.

The two even witnessed to the signing of the contract in question.

f5e fighter plane 020905The company added it was contracted to undertake avionics upgrading and refurbishment works involving the first of 10 RMAF Northrop F5/E and F5/F fighter jets that were grounded on Oct 11, 2001.

However, the company adds the defendants suddenly terminated the contract on Sept 6, 2002 without reasonable ground.

The defendants, in reply to the suit, claimed that Langkawi R&D Academy had failed to provide a performance bond within 14 days of sealing the deal and had also failed to deliver one unit of a 'flyable technology demonstrator' before Nov 15, 2001, as contracted.

However, the company countered that the defendants had not handed a notice of a 30-day termination period and never raised the issue of a performance bond.

Langkawi R&D says it was shocked to learn that the defendants had had 'secret dealings' directly with Caledonian Airbone Systems Ltd (CAS Ltd) to continue upgrading works on the F5/E aircraft without its knowledge.

The person behind that deal was the then ministry's deputy secretary-general, Subhan Jasmon.

Langkawi R&D Academy said it had earlier terminated its sub-contract with CAS Ltd due to its unsatisfactory performance and had intended to engage Taiwan-based Aerospace Industrial Development Corporation (AIDC) on standby as its replacement.

Later CAS Ltd teamed up with Airod Sdn Bhd along with Northrop Gruman Corporation and Recon Optical Incorporated.

The company claimed that when they met Najib, he did not give any satisfactory reason terminating its contract, but had made known his stand that he supported CAS Ltd to continue the work.

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