

# Audit: Former PM involved in land swap deal

## Ex-defence minister also linked to army camp development, says report

By MAZWIN NIK ANIS  
mazwin@thestar.com.my

**PUTRAJAYA:** A former prime minister and an ex-defence minister were clearly involved in the land swap deal for the development of the Muara Tuang and Penrissen camps in Sarawak, an audit on the Defence Ministry (Mindef) has found.

The Governance, Procurement and Finance Investigating Committee (GPFIC), which conducted the audit, said the involvement by the administrators posed a risk to the government, whereby comprehensive due diligence could not be carried out before submitting a proposal to the Cabinet for approval.

"In fact, the company that the minister proposed without any strong reasons could also be seen as involvement.

"This should be avoided to ensure governance and transparency in the appointment of contractors," said the report.

The report did not name the former prime minister and the ex-defence minister.

The GPFIC had conducted an audit on Mindef and had found 16 questionable land swap deals, which also included these two projects in Sarawak.

On June 6, 2011, a company proposed to the defence minister a project for Penrissen camp via a land swap scheme.

The minister had minuted the proposal stating "*YAB Perdana Menteri, mohon dapat beri pertimbangan untuk land swap dan diba-*

*yar dalam in kind kepada Tentera Darat untuk kemudahan rumah kelamin"* (Prime Minister, request for consideration for land swap and payment in kind for the Army for the family quarters facility).

On July 8, 2011, the prime minister had minuted a letter to the director-general of the public-private partnership unit (UKAS) stating "*...sila proses cadangan ini dengan segera*" (...please process this proposal immediately).

In return for developing the Muara Tuang and Penrissen camps, the company would be given close to 30 acres (12.14ha) of land around Kuching belonging to Mindef.

The company also agreed to allocate 20% of its profit from commercial development to build army personnel family quarters.

The committee viewed the project as an unsolicited proposal that came from the private sector and noted that the project scope contained in the agreement was not the same as what was presented and approved in principle by the Cabinet on Aug 21, 2013.

It also questioned the credibility of the company, which according to a Cabinet memorandum, had a capital of RM1.5mil, which was only 2.56% of the total development cost of the project of RM56mil.

The committee concluded that this project showed weaknesses in governance, planning and procurement.

As such, the main objective of the project, which was to increase the preparedness of the armed forces, was not achieved.