

MACC raids Petronas over alleged graft among key employees
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By Jahabar Sadiq

KUALA LUMPUR, Nov 11 — Anti-graft officials raided national oil giant Petronas in the past weeks after receiving tip-offs of alleged corruption by project consultants working on exploration and production efforts in Malaysian waters, sources said.

The Malaysian Insider understands that files have been carted away and Malaysian Anti-Corruption Commission (MACC) officials briefed Datuk Seri Najib Razak before he left for the hajj last week. The prime minister returned to Malaysia yesterday.

“The MACC investigators have gone in as there have been many complaints of some seeking gifts in return for making recommendations for contracts,” a source told The Malaysian Insider on condition of anonymity.

Another source confirmed the investigation into the national oil company, saying the MACC has informed Najib and his deputy, Tan Sri Muhyiddin Yassin. The MACC does not confirm investigations for fear of jeopardising their work.

Industry sources said corruption has become rampant over the years as Petronas has been giving out a host of contracts for its various operations, including the new push for marginal oil fields. But they did not identify which section of Petronas was being investigated by the MACC.

“There’s a lot of money to be made in long-term contracts. It’s a bit less for spot contracts,” one source said, adding middle-men and subcontractors frequent the oil giant’s headquarters in the iconic Petronas Twin Towers to buy and deliver pricey gifts including brand-name items such as bags for Petronas officials.

“It’s not uncommon. Everyone knows the game,” he added.

Another source said the Petronas management has had various meetings to discuss allegations of graft among its employees, who are among the best paid in Malaysia with perks including attractive housing loans, medical benefits and other incentives.

“They used to be among the best and honest but there are so many contracts these days and taking a cut is easy and very tempting,” he said, adding some Petronas officials have been seen to be living way beyond their means.

“There is a lot of gossip and backbiting. Some contractors have complained they have to pay up to be considered for jobs. So it’s not surprising that the MACC is here,” said the source.

He pointed out the management has been working on stamping out corruption, which has been identified as National Key Result Area (NKRA) by the Najib administration. The MACC recorded the most arrests related to graft last year, nabbing 944 people, of which more than 400 were bribe givers.

Petronas was incorporated in August 1974 and is ranked among Fortune Global’s 500

largest corporations, coming in 107th last year after being in the top 100 for 2008 and 2009. The company has more than 40,000 permanent employees in Malaysia and across the 35 nations where it has operations.

It also plans to invest around RM50 billion in an integrated downstream oil and gas complex in Pengerang, Johor, dubbed Refinery and Petrochemical Integrated Development or Rapid.

The integrated development will not only include oil refining and petrochemical activities, but also a gas power plant and other "supportive industries" and is expected to have 50,000 workers at its peak of construction.

The oil company owns the 88-storey Petronas Twin Towers where a third tower was built recently and also Putrajaya, the country's administrative capital that is leased to the government.

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