

**The mystery around Perkim, a RM270m job and three trustees**  
**The Malaysian Insider**  
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**By Melissa Chi**

KUALA LUMPUR, Jan 4 — What does a Muslim welfare organisation have to do with building a RM270 million road and why were three of its members charged with criminal breach of trust (CBT) seven years later? No one seems to know.

The facts are simple in this mystery. Perkim vice-president II Prof Emeritus Datuk Ariffin Suhaimi, 74, Datuk Baharin Baba, 58, and Abas Adam, 60, both Perkim members, were charged with CBT on December 27, 2011, involving RM3.7 million entrusted to them as cash consideration for upgrading the stretch of road from Subang Airport to Sungai Buloh Hospital between April 2002 and April 2004.

The Malaysian Anti-Corruption Commission (MACC) has not explained the details of the case except to say it is prosecuting the three in the Shah Alam Sessions Court.

Umno's Johor Baru MP Datuk Seri Shahrir Abdul Samad told The Malaysian Insider it was unusual that a welfare organisation is directly involved in a commercial project.

"Maybe individual members of the organisation can do so and set up a company, but it is strange that Perkim is participating directly.

"Generally contributions to welfare organisations like Perkim would be recognised in ways such as tax rebates so the welfare and the business side are separated," he said, also mentioning that companies can help through corporate social responsibility (CSR) projects.

Perkim is a welfare organisation for Muslim converts founded by the country's founding prime minister, Tunku Abdul Rahman, in 1960. It is now led by Tun Dr Mahathir Mohamad, who is the longest-serving Malaysian prime minister.

Dr Mahathir now heads Perkim.  
The RM270 million road upgrading project

The first phase of the project was awarded to Perkim (Damansara Utama)-Rira Bina Sdn Bhd JV in August 11, 2003, by the Public Works Department (JKR) and valued at RM130 million, according to the government's Construction Industry Development Board (CIDB) web site.

The second phase was then awarded in August 2, 2006 for RM139.5 million. The length of the road involved is 13.5km.

At the time, Datuk Seri S. Samy Vellu was the works minister. He held the position from 1995 to 2008. The former MIC president declined to comment for this article.

Details of the project were found in an unlikely document: A 2008 report by a former Universti Teknologi Malaysia (UTM) civil engineering student made available online.

She reported that the project on Laluan B9/FT015 was part of the government's plan to

upgrade existing federal routes FT015 and B9 from Terminal 3 of Subang Airport to the Sungai Buloh Hospital.

Among the work components include building a new Sungai Buloh interchange, widening Jalan Hospital from a two-lane single carriageway to a four-lane dual carriageway, relocation of water mains and building pedestrian bridges.

The Public Works Department has yet to respond to The Malaysian Insider on the details and the status of the project. It was supposed to be completed by October 9, 2008, about three months from its original completion date.

Perkim

Perkim itself is an unusual player in the construction industry as it is essentially a welfare organisation.

According to its website, the five main elements of Perkim's direction are: preaching to Muslims and non-Muslims, Islamic education, welfare, working with other Islamic bodies, and other activities in the interests and the development of Islam.

The Perkim branch at the centre of the mystery has three houses with 15 students, mostly new converts, living next to the Damansara Utama office. According to the caretaker, who declined to be named, Perkim did not reach out to her nor the branch since news broke that chairman Ariffin was being charged. She said she had read the news in the papers.

She declined to comment further, saying only that she hoped the scandal will not affect the children under her care.

Countless calls to Perkim members and officials showed that they were in the dark over the mega project or the joint venture, although most knew that the three were charged from the media.

Perkim vice-president I Datuk Seri Dr Shahidan Kassim (right), who is also in charge of finance, told The Malaysian Insider he was not aware that a district branch was awarded such a sizeable government project.

The former Perlis menteri besar said the divisions are allowed to raise funds, but they are not encouraged to be involved with major businesses.

"They can own properties. A lot of times, state governments will give them properties and normally they would convert it to a service centre.

"Of course, when you can own land, you can do other things to raise funds as well.

"The federal Perkim had done business in the sense that it was not run by Perkim but other parties. Perkim is not involved actively to avoid misuse of any kind," he said over the phone on December 29.

He said he has just returned from abroad and will be meeting Ariffin to get an explanation, as well as Dr Mahathir regarding the case.

But Perkim chairman Datuk Dr Abu Bakar Shaari said its district branches can have joint ventures such as Perkim Damansara Utama's — as long as they are "registered to the

government”.

Perkim Selangor chairman Datuk Mohd Yasin Taib said that its district branches are allowed to do “whatever activities” to raise funds, as long as it is legal. Yet it remains that the scale of the RM270 million road project far surpasses the usual charity fundraising car wash or book sale.

He said he does not know a lot about the Damansara Utama branch and stressed that there are “many” district branches under Selangor.

“We allow them to do whatever activity to help them get funds but I am not aware of the joint venture.

“They are allowed to take on big projects provided they follow the rules and regulation and procedures according to the (Perkim state) constitution,” he said.

Rira Bina Sdn Bhd

The question of how Rira Bina Sdn Bhd became involved and the link it has with Perkim Damansara Utama remains unanswered.

Calls to multiple phone numbers linked to the company went unheeded; some lines have also been disconnected. A call to the Penang branch was answered and the person said someone will get in touch with The Malaysian Insider. They have yet to do so.

According to the CIDB web site, the company specialises in road and pavement construction as well as general civil engineering works.

However, Umno Youth information chief Datuk Seri Rizal Merican emphasised that it is lawful for companies to team up with NGOs to undertake government projects, but said it is important to ensure the quality of the work as well as the delivery.

He also said that if there is a conflict of interest, such partnerships should not be encouraged.

Khalid said such deals put alms at risk.

“It might affect the perception (of Perkim) but it does not mean more people in the organisation are tainted (just because of the three),” he said when asked if the scandal may affect the credibility of Perkim.

PAS Shah Alam MP Khalid Samad also said it is not unusual for Perkim to branch out in projects to increase its financial strength.

He said but when it is a high risk project, it also opens up to the possibility of misuse, as well as losses.

“I’m sure they were given the project on the pretext of a welfare organisation.

“But now you have not only have a breach of trust case on the company but also the people they are supposed to be helping,” he said of the three accused.

Khalid said he understands that Perkim might want its own source of funds instead of depending on handouts but noted there are other, less risky ways such as property

ownership.

“It is less vulnerable to abuses and the income can easily be projected. If the main objective is to find funds for Perkim, then they should look at other means in getting funds.

“It is better for Perkim to be a recipient of commissions from various projects rather than the project implementer which is open to abuses,” he said.

Shahrir said Perkim top officials have to make sure that “this does not happen again”.

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