

Iskandar's directors claim credit for MACC sting on company's ex-exec
The Malaysian Insider
January 05, 2012
By Debra Chong

KUALA LUMPUR, Jan 5 — Iskandar Investment Bhd's (IIB) board of directors and current senior management divulged today they were behind the Malaysian Anti-Corruption Commission's (MACC) recent success to nab and charge several prominent personalities involved in Johor's biggest development project.

"The actions and charges undertaken by the MACC were consequent to a report made by the Board of IIB to the Malaysian police on 4th April 2011.

"The police report comprised a full disclosure of the findings of the IIB Board and Ernst & Young with regards to serious irregularities involving a number of former members of the senior management of IIB and related parties," it said in a statement.

The MACC has taken on the job of prosecuting two men — who hold both direct and indirect links to a national project to develop the country's southernmost region — for corruption.

IIB is 60 per cent owned by national investment company Khazanah National Bhd, while the remaining shares are held the Employees Provident Fund (EPF) and Kumpulan Prasarana Rakyat Johor.

A former senior vice-president in an IIB subsidiary pleaded guilty last week to soliciting for bribes over the development project. The ex-official, whose name has been withheld, has paid a RM20,000 fine and is now helping the MACC with its other IIB cases.

Mohd Amin Suhaimi, husband to former IIB chief executive Arlida Ariff, is the other person charged with three counts of soliciting and taking bribes from a construction company to secure a tender worth RM40.8 million to build a boarding school in Pulau.

Arlida, who was headhunted by Khazanah, was removed from her position in 2010 amid speculation of alleged irregularities in the award of infrastructure contracts.

The Johor property developer said it was responding to various news reports and public view since the case hit headlines last year.

Today, IIB said it had hired accounting firm Ernst & Young in June 2010 to carry out audit checks, as part of its fiduciary oversight function.

In the process, the board discovered "serious irregularities and non-compliance in key processes... especially in procurement tendering which raised concerns as to the standards of overall governance."

The IIB board said it continued to conduct detailed internal investigations between October 2010 and April 2011 to gather more concrete evidence and bolster its case, and later handed it over to the police with the full approval of its three main shareholders.

It said it is committed to strengthening the organisation's internal control processes which, it stressed, are "anchored on integrity and good governance" despite reports of alleged

kickbacks, inflated costs and alleged questionable procurement procedures.

“It is in this context that the IIB board took an uncompromising stand on matters of integrity and initiated the internal review and subsequently reported its outcome to the authorities in full,” it said.

IIB was founded in November 2006 as the South Johor Investment Corporation and has since brought in multibillion-ringgit worth of investments, including the RM750 million Lego Land theme park.

The Malaysian Insider reported on October 8 last year, however, that it was unclear at the time if Arlida was implicated in the audit report.

According to StarBiz on April 11 last year, Arlida had pledged her full co-operation with the authorities in their investigation into alleged fraudulent activities by IIB’s former senior management.

She had also pointed out that during her tenure in IIB, she had performed “to the best of her ability” and was a part of the team that converted the blueprint and vision of the South Johor Economic Region (SJER).

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