

The NFC saga: What next?
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PETALING JAYA: The National Feedlot Corporation (NFCorp) is in a quagmire.

On the one hand, it has to deal with the failure to reach its operational target of beef supply in the country.

On the other, it is being investigated for a possible criminal breach of trust over long-term investments in two luxury condominiums.

Numerous other allegations have also surfaced, including that of an attempt by 46-year-old businessman Datuk Shamsubahrin Ismail to bribe police officers investigating the matter.

NFCorp is run by former Technology Park head Datuk Dr Mohamad Salleh Ismail, husband to Women, Family and Community Development Minister Datuk Seri Shahrizat Abdul Jalil, and their three children — Izmir, 31, Izran, 27, and Izzana, 25.

The National Feedlot Centre (NFC) project was established as a High-Impact Project under the Ninth Malaysia Plan, to be at the forefront of the nation's cattle production and halal beef products.

NFCorp was mandated as an integrator for the centre built on a 809ha site in Gemas, Negri Sembilan.

A start-up grant of RM13 million was approved to it in September 2007 and an agreement for a RM250 million soft loan at two per cent interest was signed between the corporation and the government in December 2007.

The target was for the nation to reach a 40 per cent self-sufficiency rate in beef production by 2010. The 2010 Auditor-General's (AG) Report released in October, however, highlighted weaknesses in the project's implementation.

It highlighted NFC's inability to meet its target of producing 8,000 head of cattle last year, yielding only 41.1 per cent or 3,289 head of cattle in 2010.

THE ALLEGATIONS

A month after the findings of the Auditor-General's Report were made public, Parti Keadilan Rakyat (PKR) members, especially strategic director Rafi zi Ramli, alleged that public funds were used by NFCorp for expenditure unrelated to cattle rearing.

They included the purchase of two luxury condominiums for RM13.8 million at One Menerung in Bangsar, apart from footing the bill for its directors' international trips, at a cost of RM827,579.

Mohamad Salleh, as its executive chairman, defended the luxury condominiums purchase as the corporation's long-term investment strategy.

He said the units were rented out for RM18,000 to two oil and gas companies for their expatriate staff. He also said the developer offered NFCorp a cash rebate of 10 per cent for two years, which put the total amount of returns at RM57,000 a month per unit.

Mohamad Salleh said the corporation earned a 12.9 per cent return on the investment compared to a 2.5 to 3.25 per cent interest if funds were kept in the bank.

Rafizi later revealed NFCorp also transferred RM3,363,507 to its sister company, National Meat and Livestock Corporation, to purchase two plots of land in Putrajaya in December 2009; a Mercedes Benz CLS 350 CGI at RM534,622 with a monthly RM20,000 maintenance cost directly paid from NFCorp's account; and property in Singapore.

A Parliamentary Public Accounts Committee's (PAC) probe revealed NFCorp channelled capital from the RM250 million soft loan into a special account in 2009, even though the agreement was only signed about a year later.

Funds disbursement for the project's operations required ministerial approval, bringing into question the authority which consented to the withdrawal of capital without a contract in place.

Senator Saiful Izham Ramli subsequently called for the three ministers in charge of the Agriculture and Agrobased Industry Ministry since 2006 to be investigated.

The feedlot project was awarded to the NFCorp in 2007, when Deputy Prime Minister Tan Sri Muhyiddin Yassin was in charge of the then Agriculture Ministry under former prime minister Tun Abdullah Ahmad Badawi.

He was followed by International Trade and Industry Minister Datuk Seri Mustapa Mohamed and current minister Datuk Seri Noh Omar. To compound matters, Shamsubahrin had lodged a police report on Jan 27, claiming he was "pressured" by an NFC official to bribe police officers investigating the scandal.

CLARIFICATIONS AND EXPLANATIONS

Last November, Mohammed Salleh clarified NFCorp was on track of reaching its target of producing 60,000 head of cattle by 2015.

The executive chairman had said delays with necessary approvals for the centre to operate had affected it.

He also revealed last month there was a difference between NFC and NFCorp, saying the latter was not the entity highlighted in the A-G's report.

NFCorp also claimed the RM250 million soft loan agreement was signed on Dec 6, 2007, before a separate implementation agreement was signed on March 8, 2010, contradicting PAC chairman Azmi Khalid's statement last November that funds were channelled to the company before a contract was signed.

Noh, the current agriculture and agro-based industry minister, and several Barisan Nasional (BN) members, including Umno Youth chief Khairy Jamaluddin, defended the cattle-rearing project, saying it had reached its target.

Perkasa chief Datuk Ibrahim Ali, while stressing he was not biased towards any party, said last month he was "satisfied" with Mohammed Salleh's explanation at a briefing and the Auditor-General's Department may have made a mistake when preparing the national audit report because of "poorly trained staff".

Following this, in *The Malay Mail's* front-paged article on Feb 1, Auditor-General Tan Sri Ambrin Buang said he had never used the terms "mess", "chaos" and "misappropriation"

when describing the NFC project or the NFCorp in the 2010 report.

He was compelled to make the clarification, four months after the issue broke, as the credibility of his staff was questioned.

INVESTIGATIONS AND LEGAL ACTIONS

In December, it was reported police were investigating NFCorp for criminal breach of trust over the purchase of the two Bangsar condominiums. They were reportedly wrapping up investigations into the matter.

The Malaysian Anti-Corruption Commission (MACC), which earlier denied it would investigate the matter, had now embarked on a probe.

To compound matters, Shamsubahrin was alleged to have attempted bribing police officers investigating the scandal with about RM1.7 million.

The businessman lodged a police report, saying he was made a scapegoat and a certain "NFCorp official" had pressured him to offer the bribe.

He was charged under Section 420 of the Penal Code on two accounts of cheating — the first for promising Mohamad Salleh a false consultation service with the intention to deceive him, and the second with deceiving Mohamad Salleh into handing over RM1.755 million in cheques to him at Mont Kiara between Nov 25 and Dec 6.

The charges carry a jail term of up to 10 years, whipping or fine for each charge upon conviction. The trial has been set for April 4.

Meanwhile, Shahrizat filed a lawsuit against PKR's Rafizi and the opposition party's Wanita chief, Zuraida Kamaruddin, for defamation.

CALLS FOR RESIGNATION

Despite clarifications and support, Shahrizat has been facing mounting pressure from both Umno and the PR to resign.

Umno's outspoken Kinabatangan MP, Datuk Bung Mokhtar Radin, had called on her to resign over the controversy while former prime minister Tun Dr Mahathir Mohamad had insinuated she should do so.

In an interview with The Malay Mail on Friday, former Wanita Umno chief and Shahrizat's predecessor, Tan Sri Rafidah Aziz, vehemently alluded for Shahrizat to quit her party and government posts, likening tainted leaders to a "gangrenous toe".

Shahrizat yesterday said she will not quit as it has nothing to do with her ministry. Although her Wanita No 2 has called for her resignation, many powerful supporters have asked her to stay.