

Why no probe on Tajudin, PKR asks
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PETALING JAYA, Feb 23 — PKR today demanded authorities explain why Tan Sri Tajudin Ramli has not been investigated for alleged criminal breach of “fiduciary and statutory” duties when he was Malaysian Airlines (MAS) chairman, saying the inaction indicated Putrajaya’s lack of seriousness in the matter.

“While Keadilan acknowledges the legal right of Danaharta and Tan Sri Tajudin Ramli to settle out-of-court legal suits concerning a RM589 million debt incurred by the latter for his purchase of MAS shares, the authorities cannot ignore there have been a series of police and Malaysian Anti-Corruption Commission (MACC) reports made against the former corporate figure,” PKR treasurer William Leong told reporters today.

Leong said that Tajudin has been “accused of masterminding various fraudulent transactions” that have partly affected MAS’s financial performance when he was chairman, and that two police reports dated January 4, 2002 and May 4, 2005 had been lodged by MAS to press for a probe into the matter.

“The authorities including the police and the MACC must explain to the public... Worse, Datuk Seri Najib Razak’s continued silence on this issue dilutes further any notion that he is serious about combating graft in the country,” added Leong, who is Selayang MP.

Tajudin’s settlement with Pengurusan Danaharta Bhd (Danaharta) on February 14 came after a lengthy legal dispute following a High Court decision in December 2009 ordering the ex-MAS chief to pay the state asset management manager RM589.14 million plus two per cent interest per year, backdated to January 1, 2006.

Tajuddin, who was MAS chairman until 2001, was a poster boy of former Finance Minister Tun Daim Zainuddin’s now-discredited policy of nurturing a class of Malay corporate captains on government largesse during the Mahathir administration.

The case between Danaharta and Tajudin arose after he executed a facility agreement on July 13, 1994 to borrow RM1.79 billion from a group of syndicated lenders to finance his purchase of a 32 per cent stake in MAS.

However, from 1994 to 1998, he failed to service the original loan, causing it to become a non-performing loan (NPL).

In 1998, Danaharta acquired the NPL from the lenders but Tajuddin also failed to settle his debt to Danaharta until it was in default of RM1.41 billion as at October 8, 2001.

As part of a settlement agreement, Tajudin was to pay RM942 million in four instalments over three years and that he was permitted to redeem his charged shares at a minimum price per share.

Tajudin, however, defaulted in the payment of the quarterly interest payable under the settlement agreement and on April 27, 2002, the plaintiffs terminated the settlement

agreement and demanded RM1.61 billion from him.

On April 29, 2002, Danaharta, together with its units Danaharta Urus Sdn Bhd and Danaharta Managers Sdn Bhd sold part of the charged shares consisting entirely of Technology Resources Industries (TRI) shares at RM2.75 per share, resulting in total proceeds of RM717.39 million.

As at December 31, 2005, the amount outstanding was RM589.14 million and on May 11, 2006, Danaharta and the subsidiaries commenced action to recover the money.

Tajudin had alleged in his affidavit that it was former prime minister Tun Dr Mahathir Mohamed and Daim who directed him in 1994 to buy a controlling stake in MAS to bail out the government.

Tajudin claimed that his purchase was a forced "national service", disguised as an arm's length commercial deal, because the government wanted to appease the investment community and the public.

Dr Mahathir, however, denied in his autobiography published last March that he and Daim had coerced Tajudin into bailing out MAS in 1994 for RM1.8 billion, claiming instead that Tajudin was "elated" over his purchase.

"Tan Sri Tajudin Ramli's claim that he was a proxy in the acquisition of MAS and acted under the instruction of the then PM Tun Dr Mahathir Mohamed warrants and investigation of the highest currency.

"The fact that agencies controlled by the government chose to back down and reached an out-of-court settlement shrouded in secrecy will inevitably strengthen Tajudin's claim that he was indeed a proxy," said Leong, who asked "who then should be accountable" for disrupting the lives and economic future of MAS employees affected by the deal.

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