

DAP says MCA minister dismantling steps to uncover PKFZ scandal
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By Shannon Teoh

KUALA LUMPUR, April 16 — The DAP today accused Transport Minister Datuk Seri Kong Cho Ha of conspiring to reverse previous efforts to reclaim losses from the RM12.5 billion Port Klang Free Zone (PKFZ) scandal.

Publicity chief Tony Pua claimed the Port Klang Authority (PKA), which comes under the Transport Ministry, has decided to withdraw all legal action against turnkey developer Kuala Dimensi Sdn Bhd (KDSB) for failing to carry out RM1.6 billion in work.

He said the MCA secretary-general "is doing everything in his means to dismantle and reverse all painstakingly agreed steps to get to the bottom of the scandal and cover up for all guilty parties."

The Petaling Jaya Utara MP said in a statement the suits related to "double and fictitious billings for works never carried out and excessive charges to PKA."

Pua (picture) claimed that PKA has agreed to proceed to arbitration instead despite the "obvious criminality of the alleged offences" by KDSB, whose then chief executive was Bintulu MP Datuk Seri Tiong King Sing, the current Barisan Nasional (BN) backbenchers' chief.

"Kong and new PKA chairman Datuk Teh Kim Poh have conspired to reverse the decision as well as many other decisions which were taken previously by PKA," he said.

He added that this decision came despite the courts already ruling last year in favour of PKA against KDSB's appeal that the matter be resolved through arbitration.

A three-man Federal Court Bench chaired by then Chief Judge of Malaya Tan Sri Arifin Zakaria had decided last June that the suits be tried in the Shah Alam High Court.

He said the Lumut MP has also directed that all payments which are due to KDSB be paid to the latter's bondholders despite the decision to withhold payment by the previous PKA board.

"By proceeding to pay KDSB, PKA is basically jeopardising its own interest by making such payments before the court has decided as to whether such payments are due. The payment amounts to nearly RM700 million annually and has since been paid promptly by the current PKA," Pua said.

The project, initially tagged estimated at RM1.1 billion after it was mooted by then Transport Minister Tun Dr Ling Liong Sik in 1997, more than quadrupled to RM4.6 billion by 2007.

A position review by top accounting firm PricewaterhouseCoopers (PwC) revealed in 2009

that the total cost including interests from debt repayments could reach RM12.5 billion.

Since December 2009, six individuals have been charged in court including Dr Ling, an ex-MCA president, and his successor as transport minister, former MCA deputy chief Tan Sri Chan Kong Choy, who are accused of lying to the Cabinet.

The Sun also reported today PKA has withdrawn its complaint to the Bar Council against Rashid Asari & Co in a conflict-of-interest case when preparing the sale and purchase agreements on behalf of PKA for the PKFZ project.

The complaint and suits against KDSB were filed by Datuk Lee Hwa Beng who was PKA chief from March 2008 to March 2011.

The former Subang Jaya assemblyman for the MCA will release his book, "PKFZ: A Nation's Trust Betrayed", tomorrow and has said details revealed so far are "only the tip of the iceberg."

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