

**Top 5 scandals leaked by informants**  
**Malaysian Insider**  
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**By Sheridan Mahavera**

As Putrajaya considers laws to plug information leaks, The Malaysian Insider recounts the top five financial scandals exposed by whistle-blowers.

These cases only came to light after information kept under wraps by the government and government-linked companies was leaked to opposition politicians, non-governmental organisations and the media.

The subsequent publicity these cases received sparked investigations into whether there was corruption, mismanagement and abuse of millions of public funds.

World anti-graft group Transparency International said these exposes proved that there should be adequate protection for whistle-blowers and that Putrajaya should consider them as the “eyes and ears” in the fight against corruption.

“Instead of working for more transparency and better efforts at fighting corruption, the government is going backwards,” said TI Malaysia president Datuk Akhbar Satar.

Malaysia, he said, risked falling further down the annual Corruption Perception Index if Putrajaya went ahead to tighten rules against those who leaked government information.

[Changes to the Official Secrets Act \(OSA\)](#) would result in fewer whistle-blowers and cripple the ability to go after grand cases of corruption, said Akhbar.

In 2015, Malaysia fell two ranks to 54 because of perceived political interference in the Malaysian Anti-Corruption Commission’s probe into the RM2.6 billion that flowed into Prime Minister Datuk Seri Najib Razak’s personal accounts.

If Putrajaya increases stiffer penalties for divulging information, this could bring it further down in the index, said Akhbar, as the CPI also measured how governments treated access to information and whistle-blowers.

“If you do things the right way, then there is no reason to hide. You only hide your information if you are doing something wrong and you know that what you are doing is wrong,” said Akhbar.

These then are the top five scandals:

**1Malaysia Development Berhad (1MDB)**

One of Malaysia’s largest financial scandals was first uncovered by The Edge Media Group and Pakatan Harapan lawmakers, such as Tony Pua and Rafizi Ramli.

1MDB even spawned an equally eye-popping scandal about how US\$681 million (RM2.6 billion) flowed into Najib’s bank accounts.

The scandal's vortex has also sucked in GLCs, such as the pilgrims' fund Tabung Haji and the government pension manager Retirement Fund Inc (KWAP).

Using internal emails between company officials and consultants, the exposes showed a spider web of questionable and opaque deals with a handful of suspicious overseas companies involving billions of ringgit starting from 2012.

Alarms were sounded about the enormous RM45 billion debt the company accumulated in six years. It is estimated that about RM20 billion of that debt had been guaranteed in some way by the government, stoking fears that if the company defaulted, taxpayers would be stuck with the bill.

Investigations into 1MDB were launched by almost every enforcement agency from the police to the auditor-general.

But in July, just as the probe neared its height, The Wall Street Journal (WSJ) and Sarawak Report, wrote about how US\$681 billion of allegedly 1MDB-related money flowed into Najib's bank accounts.

This information was also based on internal government documents on the probes themselves.

Probes by the Auditor-General's Department and Public Accounts Committee (PAC) into 1MDB have yet to be completed.

Meanwhile, [authorities in Switzerland](#), Singapore and the United States have launched their own probes into illicit funds transfers involving 1MDB.

Najib's supporters have claimed that The Edge and Pakatan politicians used emails which have been tampered and forged to look like wrong-doings existed. This has not been proven but The Edge was [suspended for three months](#) for allegedly publishing "false" reports.

Police attempted to investigate members of MACC, Bank Negara and the Attorney-General's Chambers, on suspicion of leaking information to the WSJ but backed down after a public outcry.

### **RM 2.6 billion in Najib's accounts**

WSJ exposed the case, relying on documents related to the 1MDB investigations. A month after the expose, MACC said the money deposited into Datuk Seri Najib Razak's accounts did not come from 1MDB or its related companies but a member of the Saudi Arabian royal family.

Members of Najib's administration said the donation was to help Malaysia fight Islamic State of Syria and Iraq (Isis) militants.

MACC and Home Minister Datuk Seri Ahmad Zahid Hamidi even met the donor to confirm that the funds came from him.

Attorney-General Tan Sri Apandi Ali said there was [insufficient evidence to charge Najib](#) with any wrongdoing over the donation. On February 6, Apandi said the funds were from a son of the late Saudi king.

### **Mara's property purchases in Australia**

The Australian media exposed in June how Majlis Amanah Rakyat (Mara) a government agency to help Bumiputeras bought four buildings in Australia at inflated prices. Mara, through a subsidiary, Mara Inc, [overpaid by RM66 million on all four properties](#) in Melbourne.

A subsequent investigation by the National Oversight and Whistle-blowers centre (NOW) showed that officials in Mara Inc allegedly earned RM15 million in kickbacks through the deals. The deals were made through a complicated layer of companies starting in Labuan and stretching to Singapore to Australia.

Two Mara officials lost their jobs in July but NOW director Rafizi Ramli asked why the agency's top bosses, such as Datuk Seri Idris Jusoh, was let off the hook. Idris was Mara chairman when the deals were done.

### **Yayasan Pembangunan Ekonomi Islam Malaysia (Yapeim)**

Yapiem is a charity foundation under the Prime Minister's Department, whose aim is to help Muslim students, orphans and the poor.

But revelations by NOW showed that it spent money on programmes, such as a wedding course in Paris, overseas trips for senior officials and ministers and a golf simulator.

These exposes were based on the Yapeim's internal documents.

For instance, the [RM290,000 for the 14-day marriage course in Paris](#) came from funds earmarked for orphans, said NOW director Akmal Nasir.

Earlier, Akmal revealed that the charity also paid for a US trip by the minister in charge of religious affairs, Datuk Seri Jamil Khir Baharom, which included golfing excursions and a trip to an upscale mall totalling RM410,000.

NOW also questioned if its funds were used in the Rompin by-election.

Yapeim has admitted to all these programmes and purchases but maintained it did nothing wrong. It denies its funds were used for the by-election. [Jamil has sued Yapeim](#) over these allegations.

Three of Yapiem's top officials have quit following an investigation by a special taskforce to improve its governance.

### **Tabung Haji**

The Pilgrims Fund Board or Tabung Haji manages billions of ringgit from nine million Muslims saving to perform the haj in Mecca.

But starting in May, opposition politicians and the media revealed that all was not right with Tabung Haji and that its controversial deals were jeopardising depositors' money.

In April, a blog called The Benchmark revealed that Tabung Haji bought 0.63ha of land from 1MDB's Tun Razak Exchange for RM188.5 million. The report was based on internal documents of the land sale, which critics alleged was a bailout.

In the latest controversy, a letter from Bank Negara governor Tan Sri Zeti Akhtar Aziz to the fund's board revealed that its reserves were in the negative and could affect its ability to pay out dividends for 2015.

The letter was seen by The Malaysian Insider and several other blogs.

Tabung Haji denied this, insisting that depositor's funds are safe. It declared a [5% dividend](#) for 2015. – February 10, 2016.

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