

Malaysia's Cowgate Minister Quits
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By Our Correspondent

Women's minister departs after five-month scandal over misuse of public funds

After months of controversy that have crippled the United Malays National Organization, the country's biggest political party, Shahrizat Abdul Jalil, Malaysia's minister for women, family and community development, has been forced out of her position as a result of what has become known as the "cowgate" scandal.

It was the second major recent announcement of a top official stepping down in the middle of a scandal. Late last week, after months of controversy, Malaysia's Securities Commission said its embattled chairwoman, Zarinah Anwar, will step down on Mar. 31 in the wake of a blatant conflict of interest involving her husband's trading in shares.

Shahrizat's decision to quit, which takes effect on April 8, was followed with an announcement today that her husband, Mohamed Salleh Ismail, would be charged with criminal breach of trust and violating the Companies Act in relation to RM49 million in federal funds given to the National Feedlot Corporation, a scandal-plagued scheme to slaughter as many as 60,000 cattle per year by halal, or Islamic religious standards. He pleaded not guilty to the charge.

Shahrizat's departure "removes a thorn ahead of elections for the Barisan Nasional," an UMNO insider told Asia Sentinel. Najib's approval ratings have been driven back up from a low of 59 percent after the government cracked down harshly on civil rights demonstrators in the Bersih 2.0 march last July to 69 percent, according to the latest poll by Malaysia's Merdeka Center, primarily on a lavish budget that delivered up wage increases and other benefits to the rank and file. Elections are now targeted for either May or June. They must be held before April 2013 "if hopefully nothing else derails that plan," the source said.

Party reformers were agitating even before the UMNO general assembly in December to push Shahrizat out of the party, saying the depth of the scandal would have a crippling effect on both UMNO and the ruling Barisan Nasional, not least because a scandal over cattle was something their rural constituency could understand in a way they didn't understand major financial shenanigans.

The party, however, has waffled about pushing her out. In addition to being minister for women and family, Shahrizat is also chairwoman of UMNO Wanita, the women's wing of the party, which leads the Barisan Nasional, or national ruling coalition. There is considerable speculation that the minister has significant information on other misdoings in the party, and that if she is threatened she would use it.

The feedlot scandal, first uncovered last October in a report by Malaysia's Auditor General, has become a gift that has never stopped giving for the Pakatan Rakyat headed by opposition Leader Anwar Ibrahim. Opposition party leaders have been fed voluminous information by insiders about the affair, which began with allegations that Shahrizat's family was given the concession, through a company called Agrosience Industries Sdn

Bhd, and a RM250 million (US\$80 million) soft loan along with a RM13 million grant to operate the feedlot business although none of them had ever had any connection with livestock production or the management of a major business before.

The company never slaughtered 10 percent of the projected total and has since scaled back its target to 8,000 head but hasn't been able to meet that target either. Worse, the company has been losing millions of dollars of government funds every year – while pouring funds into premium land, condominium properties in the upscale district of Bangsar in Kuala Lumpur and in Singapore as well as restaurants and supermarkets, spending hundreds of thousands of ringgit for overseas travel and entertainment, and buying an expensive Mercedes-Benz sedan for Shahrizat.

The agreement to establish the National Feedlot Corporation was made when Abdullah Ahmad Badawi was prime minister but it also involves Muhyiddin Yassin, the deputy prime minister, who was the agriculture minister when the award was made to Shahrizat and her family. Muhyiddin, Abdullah Badawi and his son-in-law, Khairy Jamaluddin, the head of the UMNO Youth wing, have all defended her in the past. However, the steady drip of new allegations from the opposition has largely silenced her defenders.

On Sunday Prime Minister Najib Tun Razak commended Shahrizat for what he said was her sacrifice, adding that "Although there is no proof so far that she has committed any offense, because the NFC issue has drawn controversy and dispute, she was willing to withdraw from the government."

Lim Kit Siang, the head of the opposition Democratic Action Party, called Najib's response "inane." Shahrizat, Lim said on his website, didn't sacrifice herself. "She was forced out by an administration and political party that had run out of excuses and wayang kulit plays but yet did not have the guts to remove her."

Najib, he said, "did not remove her earlier because he did not want to upset Umno rank and file and he could not get her to go earlier because only those without skeletons in their closets can act with strength and clarity in difficult situations."

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