

**New Revelations in Malaysia Sub Scandal**  
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**By John Berthelsen**

French defense giant said substantial amounts of money had to be channeled to UMNO

French prosecutors plowing through 153 documents seized from the French defense contractor DCNS have discovered a confidential report stating that in dealing with major defense contracts between Malaysia and France, substantial transfers of money had to be channeled to individuals and political organizations such as the United Malays National Organization.

Two of the individuals named were Abdul Razak Baginda, a close associate of Prime Minister Najib Tun Razak, and Mohd Ibrahim Mohd Noor, who was said to be close to Daim Zainuddin, the country's finance minister at the time of the purchase of two Scorpene-class submarines by Malaysia from a DCNS subsidiary.

Details of the documents were made public at a Bangkok press conference by Cynthia Gabriel, the director of the Malaysian human rights NGO Suaram. The French prosecuting judges looking into the case allowed the lawyers to see and copy from the documents but they were not allowed to take physical possession of them. Also at the press conference, at the Foreign Correspondents Club Thailand, was Joseph Breham, one of the two lawyers who have pursued the case for Suaram in France. Malaysian embassy officials were also in the crowd.

Suaram has been seeking to crack open the mystery surrounding the purchase of the submarines for more than two years, hiring French human rights lawyers William Bourdon and Breham, who have been investigating the case. A string of spectacular allegations has surfaced over recent months after Suaram's lawyers were given access to the documents held by DCNS and its subsidiaries.

However, it is questionable how much traction the allegations are gaining in Malaysia, whose national ruling coalition is preparing for national elections, now thought to be delayed until September or October. A survey of disparate sources in Kuala Lumpur indicates that generally the public has turned away from the story, which began in 2006 with the murder for hire of Altantuya Shaariibuu, Abdul Razak's jilted girlfriend, by two of Najib's bodyguards.

"There is hardly any news in the mainstream press and the only traction it gets is with urban classes who are already anti-establishment," said a businessman source. "Many of the urbanites have already factored it in and are not surprised anymore." Another source said the allegations are perceived as stemming from the opposition and thus have mostly been discarded by ethnic Malays who will probably stick with UMNO because of the country's racial situation.

Gabriel said the notes dealt with two companies owned by Abdul Razak Baginda and his father, Abdul Malim Baginda. The companies are Perimekar Sdn Bhd and Terasasi Sdn Bhd. Included was a note "retracing the background of negotiations," Gabriel said.

Document 87 was a fax written by an F. Dupont of the DCNS subsidiary Thales dated 1 June 2001 and addressed to D. Arnaud, and copied to two company officers with "Malaysia /Submarine Project" as the subject, detailing the chronology of visits and actions. Dupont indicated a meeting with Najib in France on 14 July 2001 with the condition that DCNI offer a maximum sum of US\$1 billion for Perimekar's stay in France.

Perimekar and Terasasi are at the center of charges that millions of ringgit were funneled through the two companies to top UMNO figures including Najib when he was defense minister. Perimekar was acknowledged earlier on the floor of Malaysia's parliament as having received €114 million as a "commission" on the purchase of the two boats from Thales, a DCNS subsidiary, by the Malaysian ministry of defense.

Other documents made public earlier show that at least €36 million flowed from the DCNS subsidiary to Terasasi Hong Kong Ltd., whose principal officers are listed as Razak Baginda and his father. Najib was defense minister from 1991 through the time when the submarines were delivered in 2002. Terasasi only exists as the name on a wall of a Wanchai district accounting firm in Hong Kong.

Gabriel said French police had seized documents including a note for the French defense minister dated July 2, 1999, relating to an interview with then Malaysian defense minister, Malaysia's current Prime Minister, Najib, and dealing with French-Malaysian diplomacy on defense matters.

"The note mentions one Mohd Ibrahim Mohd Noor and Abdul Razak Baginda as points of reference for political network," Gabriel said. "It further states that both have strong political connections as Mohd Ibrahim is close to Daim, and Abdul Razak to Najib."

She said the note explains that by early 2001, Mohd Ibrahim's influence had begun to decline in tandem with Daim's waning power after a falling out with former Prime Minister Mahathir Mohamad.

Mohd Ibrahim's name then 'disappeared' both as shareholder and director from Perimekar Sdn Bhd, to be replaced later by those in Abdul Razak's network, Gabriel said.

Gabriel said consultants are used as "political network" agents to facilitate monetary transfers and to receive commissions from the principals. Abdul Razak eventually became the main point of reference for political network to facilitate the money transfer.

"The note stated that ... Abdul Razak maintained excellent ties with the defense minister and the prime minister. Furthermore, his wife is a close friend of the defense minister's wife. Therefore, Abdul Razak became the center of the network."

*(With reporting from Susan Loone, Malaysiakini)*

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