

CORRUPTION and **CRIME** **IN MALAYSIA** **PERCEPTION OR REALITY?**

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AKHBAR SATAP



The author is a criminologist, crime analyst and former graft-buster who highlights the evils of graft and crime, how to detect, deter and measure it, and offers solutions to curb and prevent it. Various criminological theories are discussed as we get introduced to, in an easy to understand and unbiased manner, the real situation of corruption and crime in Malaysia.

Corruption and Crime in Malaysia provides the glaring instances of corruption investigations and prosecutions amongst public servants and politicians involving famous cases such as 1MDB, SRC, FELDA scandals, Tabung Haji, Sabah Water scandal and the Panama Papers. Also discussed are the issues of money laundering, assets declaration, political donation, kleptocracy, polygraph testing and the general election.

The book provides insight into causes of crime, its criminals and victims such as delinquency, drug smuggling, addiction, human trafficking, terrorism and the various punishments for such crimes.

The apex of any fight against corruption and crime has to do with "tone at the top" and the political integrity amongst all political leaders and public servants. The need is for high-level principles of integrity and transparency in governance. People see corruption and crime at the highest levels taking place without anyone being prosecuted whilst the whistle-blowers are in fact punished.

Indeed this book is most welcomed at this pivotal time of our nation's life and informs the rakyat of the gravity of where we are now but more importantly it also tells how we can find hope in making it right – it is not too late if we act now.



JAB Tun Dr. Mahathir Mohamed

Dijarak Tulus Jakkas

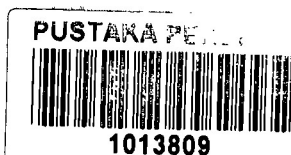
Corruption and Crime in Malaysia: Perception or Reality?



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To my late parents
Hj. Satar and Hjh. Jeriah
Hj. Ngadi and Hjh. Sitah

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PREFACE

This book is a compilation of statements, letters and articles published by the author in Focus Malaysia, The Edge Financial Daily, The Malaysian Reserve, Malaysiakini, Free Malaysia Today, Malaysian Digest, The Malaysian Insight, The Sun, The New Straits Times, The Star and The Malay Mail in relation to corruption, crime and criminology between 2013 to 2018.

Topics discussed include the causes and impact of crime, the prevention of corruption and crime and the upholding of integrity. Crucially, the author points that those sincerely seeking to fight crimes recognise that this endeavour is linked to the standard and quality of governance. On the other hand, successful anti-corruption strategies are inextricably linked to successful crime fighting strategies.

The issues chosen from the articles were based on current analysis and evaluation of corruption, crime and integrity in Malaysia. They are written in good faith, delivered without any bias and take into account all the significant views of specific topics extracted from reliable sources.

The topics in this book are categorised into three parts namely “Bribery & Corruption”, “Integrity & Transparency” and “Crime & Punishment”.

The first part of this book discusses the main theme of “Bribery and Corruption” based on topics such as: why are people corrupt, the corruption scandals in the country, the influence of

greed and the prevailing aura of corruption amongst public servants and politicians.

It also deals with causes and the impact and prevention of corruption in Malaysia, MACC's success stories and their powers and arrests, the issue of declaration of assets, the offence of living beyond means, the exposure of beneficial ownership, the notorious 1MDB scandal, what is the ISO 37001 standard on bribery & corruption and of course a reference to Transparency International's Corruption Perception Index (CPI) and Global Corruption Barometer (GCB). Various criminological theories and perspectives are also discussed.

The second part of this book discusses "Integrity & Transparency" which includes definitions and problems, with emphasis on the kinds of ethical dilemmas that confront the police, politicians and government servants.

There is also a discussion on money laundering, the infamous Panama Papers, polygraph assessment, "what is open government", the danger of kleptocracy, and the essential elements of transparency in the general election.

Lastly, part three entitled "Crime & Punishment" reviews some of the prevailing explanations concerning why people commit crimes such as delinquency, drug addiction and trafficking, terrorism, serious crime and police corruption, including the applicable penalties and punishment.

The author also discusses the various measures taken by the Royal Malaysian Police Force, PEMANDU and the Government to fight and reduce crime in Malaysia.

The apex of any fight against corruption has to do with the “tone at the top”, and integrity amongst our political leaders and public servants must be safeguarded and maintained at all times. It is disheartening if people see corruption taking place at the highest levels with impunity and without anyone being punished, whereas whistle-blowers are in fact punished or criminalised.

For many years, the author has raised the need for transparency in governance at all levels. Whilst the book will certainly delve into some theoretical, political, sociological and criminological aspects, it strives to be practical with an applied focus approach practiced throughout to the extent possible.

The readers of this book will hopefully benefit from the author’s experience. He has more than 35 years of combined practitioner’s and academic experience, including holding several senior positions in the Malaysian Anti-Corruption Commission (MACC) such as State Director and Director of Training.

He was also an Executive Director in Hill & Associates and Director in the Institute of Crime & Criminology HELP University. The book therefore presents a genuine and real-world perspective, which is typically missing for readers - it will be of great benefit even for college and university students who

need to see these national issues and take up the challenge to build a better Malaysia.

Malaysia is at a critical and dangerous level of crime and corruption. It is threatening the very nation's life and the hope of our future generations.

The author gives us the facts and his analysis but the reader needs to decide whether corruption and crime in Malaysia is a perception or reality and act accordingly. In the final analysis, this is what the author brings to the table for all our serious consideration. Akhbar's motto is 'Beyond politics'.

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I would like to thank Chew Phye Keat and Kanakaraja, my colleagues serving in the Transparency International Malaysia Executive Committee who assisted me to edit the articles and my staff Iffat Noor and E-Hua Se Thoe for helping me in the process of compiling and formatting as well as Dharshini Ganeson for her assistance.

Finally, I wish to acknowledge the valuable contributions of various reviewers who have helped in the improvement of quality and coherence, provided support, offered comments and checked the content presentation of various parts of this book.

The future depends on what we do in the present.

~ Mahatma Gandhi

Dato' Akhbar Satar



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PART I

BRIBERY & CORRUPTION





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PART I: BRIBERY & CORRUPTION

Fight Public Enemy Number 1: Corruption

The latest strategy of the Malaysian Anti-Corruption Commission (MACC) is to declare corruption and power abuse as the country's "public enemy number 1". The time has come for all parties to be up in arms to make corruption as the enemy number 1 in Malaysia. The declaration from the Malaysian Anti-Corruption Commission Chief, Tan Sri Dzulkipli Ahmad clearly shows how serious the corruption problem is in Malaysia.

The costs of corruption for economic, political and social development are becoming increasingly evident. The World Bank estimates the cost of corruption equals more than 5% of global GDP (US\$ 2.6 trillion) with more than US\$ 1 trillion paid in bribes each year.

The International Monetary Fund found that corruption increases the cost of doing business by at least 10% whilst the Association of Certified Fraud Examiners (ACFE) Report to Nation 2016, it showed that on average, an organisation loses 5% of its revenues due to corruption. Fighting corruption and improving the internal control policies can reduce the losses to the minimal.

Corruption jeopardises economic development in terms of economic efficiency, distorts markets, stifles economic

growth and also creates income inequality. Furthermore, empirical evidence suggests that corruption lowers investment and retards economic growth, debases democracy to a significant extent and can destroy a nation. There are many glaring examples on the global scene.

Certainly, bribery and corruption have become a national issue and undermines the rule of law. So many untoward public incidents have been linked closely to power abuse and corruption. This is detrimental to the image of the nation.

Bribery is the act of offering, giving, receiving, or soliciting something of value for the purpose of influencing the action of an official in the discharge of his or her public or legal duties whilst corruption is the abuse of public or private office for personal gain.

The abuse of power involving contracts is rampant. Contracts are given to cronies and to those who are not reliable. Some parties which have been given contracts farm them out to others, or in a layman terms did an 'Alibaba' on their contracts. Their unethical actions caused and gave rise to poor quality in infrastructure and in other service or projects. In a proper government system, contracts should only be given to the most competent companies.

To ensure there is no corruption and misappropriation, the community-level committees known as oversight committee can be used to monitor enforcement. The committee should also monitor contracts given out to companies so that they

are not abused, especially involving government tenders. The committee members should be people of good standing and high integrity and their membership should be reviewed periodically, for example, every three years.

It is true that drug trafficking, human trafficking, leakages in government funds, gambling, financial fraud, prostitution and turf wars are growing due to corrupt practices and power abuse amongst enforcement agencies that are entrusted with the powers to uphold the law.

Bribery involving border officials is one reason why drugs, illegal weapons, illegal immigrants and criminals as well as terrorists can easily penetrate our country. There should be redeployment in this gateways and high risk posts with officials who have high integrity. The government should implement a three-five year job rotation system for those who are in high risk positions.

Corruption and abuse of power continue to thrive as enforcement agencies fail to execute the responsibilities given to them. In fact, Malaysia is facing integrity crisis. With the appointment and leadership of the new IGP, Tan Sri Fuzi Harun, Director General of Immigration Datuk Seri Mustafar Ali, Director General of Road Transport Department Dato' Sri Shahrudin Khalid, these issues need to be addressed. It is now time to build integrity walls that keep out corruption and cement integrity as a core element of these sectors. This is a good way to clean up corruption from within.

