



“Enforcement of Corruption in Forestry”

by

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1 FEBRUARY 2012

CORRUPTION IN FORESTRY

THE UGLY FACES...

(VIDEO CLIP - 3 MIN.)

THE WORLD BANK –

It examines corrupt and illegal activities in the commercial forestry sector and suggests strategies for the Bank to assess and address this problem.

But why should the World Bank be interested in combating illegal and corrupt acts in the forestry sector?

Because such actions can have a range of negative economic, ecological and social impacts and act as a direct impediment to achieving sustainable forest management.

Illegal forestry activities serve to directly undermine the Bank's objectives of poverty reduction and sustainable development through improved forest management and forest protection.

ASPIRATIONS AND KEY FOCUS AREAS

ASPIRATIONS

- Reduce corruption through enforcement and compliance
- Enhance transparency to improve our score in Corruption Perception Index (CPI)
- Improve public perception on the integrity of the government and civil service

REGULATORY AND ENFORCEMENT AGENCIES

- Expedite public complaints
- Increase transparency
- Strengthen the capacity of regulatory and enforcement agencies



GOVERNMENT PROCUREMENT

- Reduce leakage in the funds allocated for national development and investment
- Increase transparency
- Strengthen the capacity of government procurement agencies



GRAND CORRUPTION

- Prevent the abuse of power and public assets in the political arena
- Increase transparency
- Strengthen the capacity of grand corruption agencies



Eradications of corruption for the future

CORRUPTION AND MALPRACTICES IN THE FORESTRY INDUSTRY



Illegal Logging

- Logging timber species protected by national law**
- Buying logs from local entrepreneurs that have been harvested outside the concession.**
- Logging outside concession boundaries.**
- Contract with local forest owners to harvest in their land but then cutting trees from neighbouring public lands instead.**
- Logging in protected areas such as forest reserves.**

Illegal Logging (cont...)

- . Logging in prohibited areas such as steep slopes, river banks and catchment areas.**
- . Removing under/over-sized trees.**
- . Extracting more timber than authorized.**
- . Logging without authorization.**
- . Logging when in breach of contractual obligations (e.g. pre-logging environmental impact statement).**
- . Obtaining concessions illegally.**

Root causes and impact of CORRUPTION

**Corruption =
Power + Discretion –
Accountability - Transparency**

- Policies, procedures and service standards not clearly made known to public
- Poor disclosure and access to information of public interest, e.g. contract awards, justification of decisions, list of verdicts

- Authority to make decision resides with a single person, or body, e.g. approval of permit, issuance of summons, awarding of projects
- Manual procedures with no stipulated guidelines to govern process

LACK OF TRANSPARENCY

DISCRETION

POLITICAL INTERFERENCE

KEY CAUSES OF CORRUPTION IN MALAYSIA

OPPORTUNITY TO FORM RELATIONSHIP

RED TAPE & BUREAUCRACY

LACK OF ACCOUNTABILITY

- Abuse of power and influence for personal or political gain
- Bias or favouritism in decision making, e.g. unjustified procurement

- Personnel holding the same job/ position in high-risk areas for extended period
- High level of interaction and frequent contact with criminals or illegal activities, particularly in enforcement activities

- Poor monitoring of compliance - low chances of getting caught
- Lack of severe penalty or punishment for felony or misconduct

- Lengthy and complex approval process with excessive inter-agency dependencies
- Too many unnecessary regulations

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ILLEGAL LOGGING – largely fall into:

- 1. Movement of wood products, which may or may not have been harvested legally, without proper authorisation or in contravention of controls;**
- 2. Activities directly aimed at avoidance of payment of taxes or forestry charges.**

But both illegal logging and timber smuggling will also result in the loss of government revenue.

***EXAMPLES OF
CORRUPTION IN THE
FORESTRY SECTOR***

GRAND CORRUPTION

Companies bribing senior and other government officials, especially LEAs and providing support to political parties to:...

- obtain timber concession;**
- obtain extensions to existing concessions;**
- obtain approval for a timber processing venture;**
- avoid prosecution for transgressions;**
- avoid payment of fines or other fees; and**
- negotiate favourable concession/investment agreements, including tax holidays**

PETTY CORRUPTION

Companies bribing junior government officials, military personnel & local government officials to:

- falsify declarations of volume or species harvested;**
- avoid reporting harvesting of prohibited species or diameters;**
- falsify export documentation or ignore document irregularities;**
- avoid reporting and prosecution for non-compliance with forest management regulations established in the concession contract;**

PETTY CORRUPTION...cont.

Companies bribing junior government officials, military personnel & local government officials to:

- permit illegal movement of timber;**
- ignore logging in protected areas and outside concession boundaries;**
- allow timber processing without the necessary approvals; and**
- ignore infringements of timber processing regulations, including pollution**

Ops Log: Kesalahan

Menerima wang rasuah kerana:

- **tidak mengambil tindakan mengeluarkan kayu balak dari luar kawasan yang tidak dilesenkan (sama ada semasa menebang atau semasa mengeluarkan kayu ke kilang),**
- **mengurangkan tafsiran jumlah meter padu kayu yang dikeluarkan,**
- **mengurangkan cukai tafsiran kayu, serta**
- **kerja-kerja ukur sempadan yang dibuat.**

Ops Log: Pihak Terlibat

- **Perlakuan rasuah dalam kes ini dijalankan secara bersindiket (terorganisasi) melibatkan:**
 - **pelesen balak,**
 - **Kontraktor balak,**
 - **pemilik mesin pembalakan,**
 - **pembeli balak,**
 - **orang tengah, serta**
 - **Pegawai/penguatkuasa/renjer**



Thank You

**Let's Make a Difference,
Fight **CORRUPTION****

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