



# Transparency

*the global coalition against corruption*

**TRANSPARENCY INTERNATIONAL - MALAYSIA**

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## Malaysia's CPI drops markedly

Malaysia showed a significant drop in the Corruption Perception Index (CPI) 2009, not only compared to previous years but also compared to other countries. Its score fell by 0.6 to 4.5, from 5.1 in 2008, which is alarming not only to the people of Malaysia but also the government of the day.

The annual CPI released by Transparency International focuses on corruption, the abuse of public power for private benefit, in the public sector. The surveys used in compiling the CPI ask about: bribery of public officials, kickbacks in public procurement, embezzlement of public funds, the strength and effectiveness of public sector anti-corruption efforts, institutions and political will, thereby covering both the administrative and political aspects of corruption.

"Malaysia's alarming fall in CPI 2009 may be attributed to the perception of little progress in combating corruption and lack of political will in implementing effective anti-corruption measures," said TI-Malaysia president Datuk Paul Low at the launch of the CPI on Nov 17, 2009.

There was a glaring contrast in CPI scores between Malaysia and some emerging Asian economies. From 1995



*Left to Right: Deputy President TI-M, Prof. Datuk Mohamad Ali Hasan, President TI-M, Datuk Paul Low and Secretary-General TI-M, Mr. Ngooi Chiu Ing briefing the press*

to 2009, China improved from 1.94 to 3.6; South Korea from 4.29 to 5.5; Thailand from 2.79 to 3.4; Indonesia from 1.94 to 2.8, whereas Malaysia dropped from 5.28 to 4.5 with the greatest drop in 2009.

Some of the cases that gave rise to grave concern are no action against parties implicated in tampering in appointment of judges (Royal Commission - the Lingam tapes), the Port Klang Free Zone (PKFZ) development, the cost of which rose from an estimated RM1.1 billion to RM4.7 billion, and may balloon further to RM12.5 billion, and political crossovers particularly in the State of Perak. Investigations by the Malaysian Anti-Corruption Commission

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## President's Message

The year 2009 has been a very eventful one as far as the subjects of integrity and corruption are concerned. Unfortunately, we have more negative events rather than positive ones that continued to bring the country's CPI (Corruption Perception Index) issued by Transparency International, down from 5.1 in 2008 to 4.5 in 2009, the largest drop for the country.

While there may be some groups and leaders who may disregard the seriousness of this adverse change, the public including those in other countries take the CPI seriously, considering it as a reliable and an accurate benchmark reflecting the status of corruption in the country.

For example, rather than be in a state of denial, the Indonesian public had even demonstrated to express their

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## Political Financing

The first *National Conference on Political Financing in Malaysia: Challenges for Institutional and Legislative Reforms*, organised by TI-Malaysia, was held on 30 November 2009 in Kuala Lumpur with support from the Konrad-Adenauer-Stiftung. The conference featured nine prominent foreign and domestic speakers.

TI-M president Dato Paul Low gave the opening remarks, and the conference was moderated by Josie Fernandez and Ngooi Chiu Ing of TI-Malaysia and Prof Edmund Terence Gomez of Universiti Malaya.

Among the 120 guests and participants were the Ambassador of Belgium, representatives and officials from Embassies and High Commissions, representatives from the Election Commission, Malaysian Anti-Corruption

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concern over corruption to their leaders. Recognising a problem or weakness is the first step towards finding a solution. It is commendable that the Federal Government has taken the bold and perhaps, unpopular step - to those who are benefiting from the status quo - of using the CPI issued by TI as a National Key Result Area. It has set itself the ambitious target of improving the CPI to 4.9 for 2010. Towards this end, TI Malaysia is ever willing to lend a helping hand to the government.

It must be appreciated that a perception once formed may take some time to change as the public usually has a high level of scepticism and mistrust of the actions to be taken. Their perceptions will only change when they see the positive results in their daily lives. This is even more so if corruption is considered as the norm. Malaysians may well ask the question, "Is corruption a way of life in our country?"

While every person may have his or her opinion, corruption is generally considered a way of life when (1) the public feels a sense of hopelessness that anything can be done (2) there is no political will and seriousness among the leaders to solve it (3) the institutions that are the vanguards against corruption are incapable of ensuring compliance in a just and independent manner and (4) corruption exists both at the petty and high levels. This is when political leaders and elected representatives consider that it is alright to enrich themselves personally by abusing the powers that are entrusted to them.

The stakes for Malaysia are high. While we aspire to achieve developed nation status by 2020 and become a high-income economy, we must not fail to understand it is not just a matter of monetary measurement of GNP per capita but other essentials of well being as well. Inter-alia, these include human rights, social justice, rule of law, economic freedom and meritocracy. There must be a high degree of intolerance for corruption and abuse of power.

The countries that have a good CPI score are those that have excelled in these essentials while in the failed states corruption is tolerated and the institutions are weak. It is futile to talk about productivity gains when the effects of such gains are leaked out of the economy for personal enrichment and worse, these financial resources are laundered out of the country. It is ironic to talk about reducing fiscal deficits when there are blatant maladministration and corruption.

The task ahead for the country is challenging and even daunting as there are many attitudes and mindsets that need to be changed not only among the politicians and civil servants but also the private sector. There is hope because the public is more intolerant of abuses especially corruption and their expectations of a clean and transparent government have become important criteria for their vote. Leaders and elected representatives would have to take heed if they wish to remain in office.

For TI Malaysia, 2009 was a testing time for us particularly relating to the turmoil that came out of the launching of the Global Corruption Report (2009) which focused on corruption in the private sector. As an NGO whose core mission is to combat corruption, it is inevitable that what we report and advocate may at times offend certain interested parties.

The task ahead for us in 2010 is challenging as we prepare to advocate for reform in political funding and elimination of money politics, and campaign for freedom of information legislation. For the private sector, we will be forging a coalition of enterprises that will subscribe to anti-bribery principles in the conduct of their business.

Finally, we will continue to build a highly professional secretariat to support the programmes and projects that are in the pipeline.

**Datuk Paul Low**

*President, Transparency International - Malaysia*

(MACC) appeared to focus on "small fish" and opposition politicians. The Auditor-General's annual report highlighted extraordinary public procurement abuses, but no action appeared to have been taken.

However, there are positive signs. The PKFZ case is being actively and vigorously investigated; police reports have been made and suits have been brought against certain parties, and corrective measures have been taken. The United Nations Convention Against Corruption (UNCAC) was ratified in September 2008. Integrity is a Key Result Area for the Government with the CPI as a Key Productivity Index. The Prime Minister has formed a high-level task force to study and make recommendations for action to be taken on the Auditor-General's 2008 report.

"TI-Malaysia urges the government to show the political

NEIGHBOURHOOD OF MALAYSIA'S RANKING		
Country Rank	Country	2008 CPI Score out of 180 countries
46,47,48	Bahrain, Cape Verde, Hungary	5.1
49,50,51	Bhutan, Jordan, Poland	5.0
52,53	Czech Republic, Lithuania	4.9
54	Seychelles	4.8
55	South Africa	4.7
56,57,58,59,60	Malaysia, Latvia, Namibia, Samoa, Slovakia	4.5
61,62	Cuba, Turkey	4.4
63,64	Italy, Saudi Arabia	4.3
65	Tunisia	4.2
66,67,68	Croatia, Georgia, Kuwait	4.1

TI Malaysia

will to fight corruption. The government can ensure the independence of institutions and enforcement agencies that safeguard integrity, vigorously implement UNCAC, ensure transparency in public procurement, enact Freedom of Information and Whistleblower Protection legislation, and ensure elimination of money politics and transparency in political funding," said Low.

# Extraordinary General Meeting

An Extraordinary General Meeting of TI-Malaysia was called on 7 November, 2009 to resolve the issues arising from the release of the Global Corruption Report 2009, which led to a spate of articles appearing in the newspapers and online portals. The EGM, held at Hotel Armada, Petaling Jaya, was attended by 50 Ordinary and Corporate members.

The following Resolutions were adopted:

1. That the Society endorses and supports the Global Corruption Report 2009 (GCR 2009).
  2. That the Society endorses and supports the words and actions of the then President Datuk Paul Low relating thereto, and accordingly the Society pledges full financial and other support of the Society in claims, suits and proceedings arising from or relating to the GCR 2009 and the words and actions of the then President relating to the GCR 2009.
- (c) That the Society authorizes the establishment of a legal defence fund to be raised, inter alia, from donations from the public.

The EXCO unanimously agreed to step down to enable fresh elections to take place.

The following Office Bearers were elected by a show of hands for 2009-2010:

**President:** Datuk Paul Low Seng Kuan

**Deputy President:** Prof. Datuk Mohamad Ali Hasan

**Secretary-General:** Ngooi Chiu Ing

**Treasurer:** Richard Wong Chin Mun

**Members:** Dato' Murad Hashim, Dr. Chin Yoong Kheong, Mohamed Raslan Abdul Rahman, Fahri Azzat, Lee Swee Seng, Amu Tharmarajah

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*continued from page 2: Malaysia's CPI drops markedly*

As the world economy begins to register a tentative recovery and some nations continue to wrestle with ongoing conflict and insecurity, it is clear that no region of the world is immune to the perils of corruption, according to CPI.

"At a time when massive stimulus packages, fast-track disbursements of public funds and attempts to secure peace are being implemented around the world, it is essential to identify where corruption blocks good governance and accountability, in order to break its corrosive cycle," said Huguette Labelle, TI Chair.

The vast majority of the 180 countries included in the 2009 index score below five on a scale from 0 (perceived as highly corrupt) to 10 (perceived to have low levels of corruption). The CPI measures the perceived levels of pub-

lic sector corruption in a given country and is a composite index, drawing on 13 different expert and business surveys. The 2009 CPI covered 180 countries, as did the 2008 CPI. Scoring 9.0 and higher were New Zealand, Denmark, Singapore, Sweden and Switzerland. These scores reflect political stability, long established conflict of interest regulations with effective enforcement and solid, functioning public institutions. At the bottom scoring 1.5 and below were Iraq, Sudan, Myanmar, Afghanistan and Somalia.

Malaysia has scored within a narrow band of 4.9 and 5.1 since 2002 with little improvement. 2009 shows a significant drop in CPI for Malaysia not only compared to previous years but also compared to other countries. A fall of 0.6 from 5.1 in 2008 to 4.5 in 2009 is alarming not only to the people of Malaysia but also the government of the day. ■



continued from page 1: Political Financing

Commission, government agencies, political parties, NGOs, academicians, political analysts and media.

The conference speakers raised a number of important issues in pursuing a level playing field in political financing in Malaysia. Anti-corruption consultant Professor Jon Quah of Singapore, said that the responsibility for eradicating corruption must not be left with the Police. Dr. Mavis Puthuchery, a former academic and political analyst, said that the political parties should depend more on individual contributions rather than corporate contributions.

Associate Prof. Dr. Bridget Welsh of the Singapore Management University and Tan Sri Megat Najmuddin of the Malaysian Institute of Corporate Governance and TI-Malaysia, concurred that it is essential to build up the capacity of the civil service. Philip Koh, a senior lawyer and TI-Malaysia member, stressed that even with the perfect legislation and institutions in place, the problem could still exist if the interpretation of the law is done with partiality. The deputy chair of the Election Commission Datuk Wira Haji Wan Ahmad and Director of Excellence and Professionalism of the Malaysian Anti-Corruption Commission Tuan Abdul Wahab bin Abdul Aziz lamented at the limitations of their respective institutions due to inadequate laws in curbing political corruption. The Election Act, Election Offences Act and Malaysian Anti-Corruption Commission Act are silent on matters pertaining to political financing. In response to that, Prof. Terence Gomez proposed that a Political Party Act to be enacted



Tuan Abdul Wahab, from MACC answering questions from the floor



Panel discussion. Left to Right: Dr. Mavis Puthuchery, Datuk Wira Haji Wan Ahmad bin Nor Omar, Ms. Josie Fernandez (moderator), Dr. Bridget Welsh and Mr. Ngooi Chiu Ing (moderator)



Prof. Dr. Edmund Terence Gomez moderating a panel discussion

to monitor the political financing of political parties.

Among the topics that participants hoped would be discussed at future conferences are in-depth comparative studies on political financing, value-based education and the implementation of anti-bribery initiatives in the corporate and private sector. One suggestion was to invite former prime ministers as speakers.

The conference was well attended by the media, and reports on the proceedings are both in print and posted on the websites of the Star, theSun, Utusan Malaysia, Sin Chew Daily, Oriental Daily, MalaysiaKini, The Nut Graph, TV Selangor and The Edge Financial Daily. ■

## Mission: To stop the political money machine

R B Bhattacharjee

He who holds the aces seldom asks for a change of hand, a wit once said. This surely applies to the actors whose well-being depends on the political status quo remaining as it is.

One example can be seen in the yawning gap between the thinking of reform-minded opinion leaders and rep-

resentatives of the old order on the question of fixing the Malaysian political system.

The evidence was on display when two public officials spoke at a recent conference on political financing, reflecting how much they were at odds with the rest of the speakers, who all pointed to the need for a radical change

in the way political affairs are conducted in the country.

The two senior officials, from the Election Commission (EC) and the Malaysian Anti-Corruption Commission (MACC), quite inadvertently hewed to the same line: that their authority was restricted by the electoral laws, which left them powerless to prevent the abuse of campaign financing.

In contrast, other speakers at the first-ever National Conference on Challenges for Institutional and Legislative Reforms in Political Financing in Malaysia, organised at end-November by Transparency International - Malaysia (TI-M), pressed for a complete overhaul of the system in order to cut out corruption at its roots.

There are two basic problems with political financing in the country, as Dr Mavis Puthuchery, a former academic and political analyst told the conference. One is that the law limits the spending by the candidate and not of his/her party. Two is that there is no authority assigned with the responsibility for monitoring and enforcing the electoral expenses of candidates. In addition to these and other legislative weaknesses, Dr Edmund Terence Gomez, professor of political economy at Universiti Malaya identified several dangerous trends in the political environment.

First is the growing monetisation of politics, where large sums of private funding is seeping into the political arena. Second is the issue of unequal access, which allows those with greater capacity to obtain funds to ascend the political hierarchy and win seats in the elections.

Third is the worrying allegations of covert funding of parties and politicians and fourth, the emergence of money-based factionalism which is threatening the existence of parties and undermining public confidence in politicians.

Compounding the problem is the involvement of political parties in business, and their ownership of media organisations, Gomez said.

Such weighty issues surely require a major review of institutions and laws. This, in turn, can come about only when the larger society becomes sufficiently motivated to press for a change in the country's governance.

In contrast to these stark analyses, Deputy EC Chairman Datuk Haji Wan Ahmad Wan Omar emphasised the limitations placed on the authority by the Elections Commission Act. Among other things, he held that it is not the EC's responsibility to verify the accounts of previous campaign expenditures submitted by a candidate, but for his opponents to do so. The MACC director of excellence and professionalism, Abdul Wahab Abdul Aziz, expressed similar reservations. Although he won praises for sacrificing his leave to return from an outstation trip in order to speak at the conference, his stand, however, was truly revealing of the lack of political will to act against the unethical use of money in election campaigning.

Both of them are correct only in the letter of the law, but miserably off the mark in addressing the violation of the basic principles of ethical conduct and good governance and in ensuring that the public interest is protected under their watch.

Certainly, there is little chance of change if a piecemeal approach is adopted to the problem. Only a holistic response, encompassing institutional and legislative reforms, and the promotion of fundamental liberties, including free access to information, can lead to real progress.

In this light, Transparency International's project on political financing is aptly named Crinis, which is Latin for 'ray of light', because only with transparency can the shady goings-on in political funding be kept in check and does not destroy the country's institutional checks and balances. ■

*Source: The Edge Financial Daily, 4 Jan 2010*

## President Sued for Defamation

TI-M President, Datuk Paul Low, has been sued by Datuk Seri Tiong King Sing and Kuala Dimensi Sdn Bhd for defamation over the Malaysia report in Transparency International's Global Corruption Report (GCR) 2009 (launched on 23 September 2009) and media remarks. The suit claims for damages, including aggravated and exemplary damages, an injunction not to publish or cause or authorise to be published similar defamatory statements and costs. A letter of demand dated 14 October 2009 had previously been issued by the plaintiffs' solicitors for Datuk Paul Low to make an unqualified withdrawal of the alleged defamatory allegations and an apology, undertake not to repeat the allegations, and to pay damages

and costs. TI-M's members overwhelmingly resolved in the Emergency General Meeting on 7 November 2009 to stand behind the GCR 2009 and Datuk Paul Low, and to establish a legal defence fund. TI-M hopes that the public will support the legal defence fund, so that TI-M will not be hampered or deterred in its work that is crucial. The legal defence fund will be managed by a panel of Trustees comprising C.I. Ngooi (Secretary-General), Richard Wong (Treasurer), Dato' Murad Hashim, Mohamed Raslan Abdul Rahman and Lee Swee Seng (Executive Committee members). The fund is expected to be launched in early 2010, after reviewing compliance with legal and other requirements, and preparation of the documentation.

TI-M is very grateful that Mah-Kamaryah & Philip Koh have volunteered to act as pro bono defence counsel, following an appeal to members. They filed the Defence on 14 December 2009. ■



# Regional Conference on Freedom of Information

The urgent need for Malaysia to adopt a Freedom of Information Act was highlighted at the regional conference on Freedom of Information (FOI) organized by TI-Malaysia and the Centre for Independent Journalism (CIJ) on 3 and 4 November 2009 in Kuala Lumpur.

Officials from embassies, elected representatives, the media, private sector, academia, NGOs and students were among the 70 participants who attended the conference. In her opening speech on behalf of TI-Malaysia, Josie Fernandez emphasised that citizens' right to know is linked inextricably to accountability, the central goal of any democratic government. Access to information is critical to make informed judgments on government policies and decision making processes. Freedom of Information is also a crucial tool in the struggle against corruption, and transparency in government is possible only if there is freedom of information, she said.

The keynote speaker, Datuk Hafarizam Harun, Legal Advisor of UMNO, stated that FOI benefits the public and UMNO fully supports the implementation of an FOI legislation. He emphasized the need for a review of the Official Secrets Act (OSA). Y.B. Elizabeth Wong Keat Ping, the Selangor Executive Councillor for Tourism, Environment and Consumer Affairs, said that the Selangor FOI enactment is currently being redrafted and it is expected to be tabled in early 2010.

The international and Malaysian speakers shared their experiences of exercising the right to information in their respective countries. Joseph Paul from Amnesty International-Malaysia stated that FOI is an extension of the Freedom of Expression. FOI is very important in order to carry out human rights work effectively. He also stressed the importance of holding the government



*Mr Anung Karyadi speaking on Freedom of Information Act in Indonesia*

accountable for the irregularities noted in the 2009 Auditor-General's Report, in order to inculcate transparency and accountability. Citing an example of failure of FOI in the Malaysian experience, he referred to the collapse of the extension bridge in Perak, killing three children. Information on who built the bridge was not forthcoming. The police claimed they did not know and the media did not report on it, he said.

Anung Karyadi, a FOI Advocate from TI-Indonesia shared the experience of his country in fighting for a FOI act. He said that there must be political will in changing old mindsets and civil society must play a role in educating the people about the importance and benefits of FOI.

Human Rights Commissioner Dr Denison Jayasooria from SUHAKAM believes that many issues are overly politicised and "racialised". He said that there should be tolerance for alternative views and there must be space for change to take place. However, some are opposing the change. Without a restraining force to keep public officials in check, social order can be destroyed, as all of us are only human and we need legislation and institutions to govern us. This is an issue of governance and not a question of race, he said.



*The panel had an interesting session with the participants.*

*Left to right: Y.B. Lau Weng San, Dr Denison Jayasooria, Ms Josie Fernandez, Ms V.Gayathry and Mr Ngooi Chiu Ing*

R. Nadeswaran, Editor of Special and Investigating Reporting in theSun daily believes that the FOI principles should be followed at the local council level, citizens must be made aware of their right to access to information and that they should communicate the need for FOI to their local councillors.

HR Dipendra of the Malaysian Bar said that FOI is a basic right, as access to information affects our daily lives. He added that the public should lobby their MPs for a FOI Act for Malaysia. V. Gayathry from CIJ stressed on the misconception of the public that when an FOI

Act is introduced, they lose their privacy. The FOI Act ensures the right to privacy by defining what public and private information is.

Y.B. Lau Weng San, the state assembly member for Kampung Tunku, said that to improve FOI, there should be an improvement in procurement practices, such as through e-submission, as implemented in one council. Local council documents should be declassified and tender and quotation boxes should not be solely handled by civil servants. ■

## Freedom of Information Roundtable

A Freedom of Information (FOI) Roundtable was organized by TI-Malaysia on 9 December, 2009 as a follow-up to the FOI "Access to Information" Workshop, "Train the Trainer" Workshop and a series of FOI Awareness Workshops. The Roundtable, held at Shah's Village Hotel, Petaling Jaya with the support of Konrad Adenauer Stiftung (KAS), sought to gather ideas on action plans, strategies and coalition building toward achieving an FOI Act.



*An interesting roundtable discussion*

The Dialogue, which brought together 12 citizens groups representing a range of advocacy and residents organisations, aimed to:

- Build a Coalition to advocate for FOI
- Set up a Coalition taskforce
- Explore strategies
- Embark on a FOI Campaign
- Discuss implementation, monitoring and evaluation of the Coalition's aims, and
- Identify sources of funding for the Coalition's work

The outcomes of the Dialogue were:

- A Coalition for the FOI campaign 2010, consisting of the Dialogue participants, was established
- A task force was set up to develop the action plan for the Coalition
- The Coalition is to be led by TI-M, which will host the Coalition secretariat and secure funding for its activities.

The organizations that formed the task force, Amnesty International (AI), Bar Council (BC), Medan Damansara Residents Association, Centre For Public Policy Studies (CPPS), KOMAS, Malaysian Nature Society, National Union of Journalists (NUJ), Perak Environmental Society, Perak Consumers Association, SEDAR and Tenaganita, agreed to support TI-Malaysia's efforts to promote freedom of information. ■



*Participants at the Freedom of Information Roundtable*



# Forest Governance Integrity

The Forest Governance Integrity ( FGI) Project is designed to create good governance in the forestry industry. The project looks into areas of intervention with a view to have good control of the forestry industry management and the use of its resources.

There are nine areas of intervention which the Project looks into and tools need to be developed to collect data and develop strategies that can be used to achieve these objectives. The first stage of development of these tools was a workshop held in Kuala Lumpur on 5 and 6 Oct, 2009. The workshop was conducted to review the anti-corruption tools developed by Natural Capital Advisors, LLC, one of the consultants for the FGI project. The 15 participants were from the TI Secretariat in Berlin, Indonesia, Solomon Islands, Papua New Guinea and Malaysia.

The anti-corruption tools that were developed were intensely debated as they had to be tailored for each participating country in the FGI programme.

An example of the tool development process is the assessment of the impact of forestry activities. To identify the impacts on society, the methodology includes an inquiry into how each practice would impact the major constituencies involved in forestry. The questions include who will benefit and who will lose from an activity.

In terms of the impact on communities, this would range from the effect on local livelihoods (including, access to land and forests); environmental services (water, flooding, soil fertility, landslides, etc.); social grievances (e.g. distrust of co-opted elites); and tax revenue.

Other aspects of the inquiry would focus on sustainable forest management (SFM); the enforcement of law and regulations (including the role of the judiciary); access to information, and oversight by civil society; economics (including the profitability of legitimate operators); investment (including foreign direct investment); and healthy competition, which is undermined by markets for illegally sourced wood.



*Participants listening attentively during the briefing session*

Further, questions need to be asked about political power, such as the ability of the State to deliver services, and the legitimacy of state institutions; whether capture of power by the elite occurs.

Also, the impact on good governance for these constituencies would be examined, including transparency, integrity/accountability, the rule of law and participation. Another dimension is the protection of equity among the stakeholders.

Expert consultation helps to tailor the tools to identify clearly how the most important corrupt practices occur. For example, from the risk assessment analysis, the experts can help assess data availability and data quality; who is responsible for the corrupt practices, and for the anti-corruption measures, and whether a lack of political will makes the measures ineffectual.

A better understanding of the manner in which corruption occurs for the highest risk practices will help identify the appropriate monitoring scheme that is being developed.

The next step will be to test the tools with the stakeholders and obtain the necessary feedback. The evaluation of the tools is scheduled for February 2010 when the next regional meeting will be held.

## **Dialogue with Minister of Plantation Industries and Commodities**

This Dialogue Session was held on 15 October, 2009 in Kuala Lumpur with NGOs to gain input on the implementation of the Forest Law Enforcement Governance and the Trade Voluntary Partnership Agreement (FLEGT VPA).

This partnership agreement is currently undergoing several challenges in its implementation as there are many grey areas that need to be looked into. The ministry in charge has been working closely with the European Union so that a win-win situation can be achieved for partnership.

Under the FLEGT VPA between the EU and Malaysia, assurance of legal timber exported to the EU is provided using licences issued by Malaysia. These licences will be underpinned by Timber Legality Assurance System (TLAS) agreed upon under the VPA.

There were a lot of issues raised during the sessions especially with regards to Native Customary Land Rights. Further dialogues are expected to be held for FLEGT VPA before it is fully adopted by Malaysia.

## **Enhancing Forest Ecosystems Connectivity And Corridors Within The Heart Of Borneo In Sabah**

This forum involving about 300 local and international



participants was held in Kota Kinabalu, Sabah on 26 - 27 October 2009. The event provided the leverage for Sabah to further enhance its Forest Governance and improve as well as increase its yield from the industry's resources.

The forum focused on the steps taken to implement sustainable development principles in the forestry industry and identify the practices being undertaken to ensure the survival of flora and fauna.

Many of the papers presented focused on sustainable development and conservation, underlining the rich flora and fauna in Sabah that will depend on the measures taken to ensure the survival of its forest.

The need for permanent reserves to protect the flora and fauna requires serious commitment by the state Government to make this happen were among the main points highlighted. ■



*The Participants for the FGI Regional Workshop on 5th & 6th October 2009*

## Transparency International Annual Membership Meeting and Conference

The TI Annual Membership Meeting (AMM) held from 17 to 18 October, 2009 in Berlin, Germany was attended by TI Official Chapter Representatives from the 80 National Chapters and some 20 Individual Members.

Three resolutions were adopted, dealing with the UN Convention against Corruption (UNCAC), calling upon Germany's newly elected parliamentarians to ratify the UNCAC and protecting whistleblowers.

Jeremy Carver (UK) and Sergej Muravjov (Lithuania) were elected to the TI Board of Directors and paid tribute to outgoing members Nancy Boswell (USA) and Devendra Raj Panday (Nepal) for their contribution and dedication.

A highlight of the AMM 2009 is the TI Strategy 2015. Co-bus de Swardt, TI Managing Director, proposed four broad strategic directions for TI:

- Offer services to the victims/witnesses of corruption in all countries in which it operates.
- Mainstream anti-corruption into other organizations' agendas through partnerships.
- Seek and coordinate broad public mobilization against corruption at global and local levels.
- Lead and set international standards of transparency, accountability and integrity.

The first consultation meeting was held on 19 October 2009 and during this brain storming session, 54 additional strategic directions were proposed. For the next 12 months, TI-S Berlin will be involved in the stocktaking,

scenario planning and drafting and will be calling upon National Chapters and Individual Members to participate in the process for developing TI Strategy 2015.

A Pre-Meeting Conference was held to reflect on the global financial crisis, its roots and how TI can contribute concrete solutions. The theme for the conference was, "Beyond the Global Crisis: The Transparency Imperative" and it was held at the state parliament house (Abgeordnetenhaus von Berlin) and attended by 250 participants.

Speaking at the conference, TI-Malaysia President Datuk Paul Low shared his experiences as the Chairperson for the Port Klang Authority (PKA)'s Ad hoc Committee on Governance. ■



*Datuk Paul Low ... lessons from the Port Klang Free Zone experience.*

# GLOBAL CORRUPTION REPORT 2009

## MALAYSIA

### Legal and institutional changes

- The twelfth general election in Malaysia, held on 8 March 2008, sent shock waves throughout the country. For the first time since 1969 the ruling party, the Barisan Nasional (National Front) coalition, lost its two-thirds parliamentary majority. In addition, it lost four more states to the opposition compared to the 2004 election, to make it five in total. In 2004, the administration headed by Abdullah Ahmad Badawi had been voted in with the strongest ever mandate for an incumbent, specifically to clean up the decaying state of Malaysian institutions. It has failed in many areas, however, especially in addressing corruption. The 2008 election results sent a very clear signal to the ruling party about the level of popular dissatisfaction with, among other things, the unbearable effects of corruption. The main opposition parties (which have subsequently restyled themselves as the Citizens' Coalition – Pakatan Rakyat) ran on the platform of transparency, accountability and good governance and were able to capitalize on the discontent of the people.
- The Malaysian Anti-Corruption Academy (MACA) was launched by the prime minister on 12 April 2007. The MACA is intended to be the regional hub for anti-corruption capacity and capability building to fight corruption, by promoting best practices in investigation, monitoring and enforcement and by venturing into new areas such as forensic accounting and forensic engineering.
- In a speech given at the ASEAN (Association of South East Asian Nations) Integrity Dialogue on 21 April 2008, Badawi proposed the following measures to address public concerns. First, the Anti-Corruption Agency



Datuk Paul Low responding to the press on the Global Corruption Report 2009

(ACA) would be restructured to become a fully fledged Malaysian Commission on Anti-Corruption (MCAC). The MCAC would report to a newly set up independent Corruption Prevention Advisory Board, to be appointed by the Supreme Ruler (head of state) on the advice of the prime minister. The board would advise the MCAC on administrative and operational matters. Second, the prime minister proposed setting up a Parliamentary Committee on the Prevention of Corruption. Finally, he introduced a proposal to protect whistleblowers and witnesses. All these reforms have yet to be implemented, however.

- The Malaysian Institute of Integrity (MII – Institut Integriti Malaysia) also stepped up its efforts when it launched two major publications, *National Integrity System: A Guiding Framework* and *Corporate Social Responsibility: Our First Look*. This was part of its ongoing collaborative effort with UNDP Malaysia to develop the necessary human capital and knowledge resources within the institute.
- Penang state has introduced several measures to improve the regulatory environment with regard to government procurement, in what is referred to as a CAT – a Competent, Accountable and Transparent – government. It is the first state government to implement the open tender system for government procurement and contracts. As an example, in civil works, contractors are able to bid in an open tender process and to review the successful contractors and object if they are not satisfied. Furthermore, the Penang government has issued a directive whereby all administrators and state executive councilors are not allowed to make any new land applications. It has also invited professionals to serve on various boards, such as the Penang State Appeals Board, and has established a Working Professional Committee comprising individuals from five different professional bodies to improve land procedures.
- The implementation of the watered-down Independent Police Complaints and Misconduct Commission (IPCMC) to a Special Complaints Commission (SCC) indicates the inability of the government to regulate gatekeepers. The IPCMC, which was the recommendation of the 2005 Royal Commission, was diluted after open revolt from the top brass of the Royal Malaysian Police. The bill that was subsequently produced prompted concerns that the recommendations of the Royal Commission were not adequately reflected, particularly with regard to the proposed SCC's independence and inves-

tigative powers. Not only did the bill grant the prime minister broad powers to appoint and dismiss commissioners, it also included the Inspector-General of Police as a permanent SCC member. In addition, the SCC did not have the power to oversee police investigation of complaints. The bill has yet to be debated, however, as it was deferred at the end of 2007 to the new parliamentary sitting.

### **Looks like me, talks like me, sounds like me**

PEMUDAH, the government's special task force to facilitate business, citing a World Bank study, estimates that corruption could cost Malaysia as much as RM10 billion a year – an amount equivalent to 1 or 2 per cent of GDP. PEMUDAH also notes that the ACA investigated only 10.1 per cent, or just 7,223 cases, of the total 71,558 reported between 2000 and 2006. The number of people successfully convicted was only 0.7 per cent, or 524, of those suspected of corruption. PEMUDAH also notes that, per capita, Malaysia spends only RM5 (approximately US\$1.50) on anti-corruption efforts. This illustration of the Malaysian government's inaction in the light of the serious corruption allegations, along with its seeming inability to catch the 'big fish', instead focusing on the 'small fry', suggests that what anti-corruption efforts exist are mere tokens.

Weaknesses in the system for fighting corruption in all sectors were exemplified in 2007. The ACA came under fire when the director of Sabah ACA made a police report against the national director for corruption. It was the first time in the ACA's forty-year history that the head of the agency itself had come under investigation. The prime minister refused to take any action until public pressure was put on him, but the national director was subsequently investigated and cleared by a team from the ACA itself.

The ACA rallied after the general election in early 2008, however, finally showing some effectiveness by smashing a long-standing corruption racket operated by staff of the privatized government agency tasked with ensuring the roadworthiness of vehicles. More than thirty members of staff of Puspakom were arrested for accepting bribes in order to certify unworthy vehicles. It was a systematic operation in which junior and senior officers alike were involved, and it had a nationwide reach.

Other failings in the system of gatekeeping were exposed by a Royal Commission that had been set up at the end of 2007 to investigate alleged tampering in the appointment of judges. The V. K. Lingam case showed the extent of corruption, in which prominent businesspeople and their agents linked to political parties colluded to fix judicial appointments. More startling, however, was the initial noncommittal response from the government, even with audio-visual evidence.

Only after an extreme public outcry, as well as pressure from the opposition and the Malaysian Bar, did the government form the Royal Commission – and only then to verify the authenticity of the video. During the investigation by the commission, V. K. Lingam was quoted as saying of the character in the video that he '[l]ooks like me, talks like me, sounds like me, but it's not me'. The Royal Commission concluded that the video was authentic, however, and also recommended that appropriate action be taken. Following this, the Malaysian Cabinet ordered the Attorney General to investigate six of the prominent people in the case, including V. K. Lingam, two retired chief justices, Tun Mohd Eusoff Chin and Tun Ahmad Fairuz Sheikh Abdul Halim, and the former prime minister Tun Dr Mahathir Mohamad. Importantly, however, as of November 2008\* no formal criminal charges have been made.

While this case exposes severe flaws in the judicial system, including the inappropriate involvement of both politics and business in the judiciary, it also indicates the reluctance of the government to go after the 'top brass' when faced with corruption. It was only after being confronted with public pressure, and following disappointing results in the recent election, that there was any movement; and even then, with no convictions, it is difficult to see how justice will be served.

### **Revolving doors: the interrelationship between the government, the civil service and the private sector**

A common thread running through politics, the civil service and the private sector is the revolving door, through which individuals move from government to business, or business to politics, and back again. In this way, significant government participation in the private sector and considerable business participation in politics means that the movement of gatekeepers to players and players to gatekeepers has a negative influence on the concept of checks and balances.

One of the biggest scandals of the year was the fiasco involving the Port Klang Free Zone (PKFZ). This was a case involving politicians, government officials and businesspeople, and it resulted in a loss to taxpayers of RM4.6 billion. The project was to have the following features: a 405-hectare facility comprising 512 warehouses, 2,000 covered parking bays, four office buildings, an exhibition centre and a four-star hotel.

The project is owned by a government agency, the Port Klang Authority (PKA), and headed by O. C. Phang. The land was bought by the PKA in 2002 for RM1.8 billion from Kuala Dimensi, which had bought the land in 1999 for RM95 million from Pulau Lumut Development Cooperative Bhd (PLDCB), a local cooperative of fishermen. The land price 'appreciated' more than nineteen times in three years. Kuala Dimensi was also the private company that was subsequently given the contract to develop the PKFZ.



In 2006, enormous cost overruns were reported: the costs had risen from an estimated RM1.1 billion (US\$315 million) to RM4.7 billion. The extraordinary jump in the costs of the project was reported in a Cabinet meeting in July 2007, and it was found that the increased costs did not have the correct approval from government agencies. The case involved 'serious regulatory and procedural lapses' – for example, Ministry of Finance procedures were bypassed when the Transport Ministry provided backing for the funds to buy the land from Kuala Dimensi, which was considered to be 'against normal government practice'. There were also allegations that the political, government and business nexus was at fault. Jafza, the operator of the Jebel Ali Free Zone, pulled out of a fifteen-year contract to manage the zone after claiming to have been constantly misled by PKA management, but the PKA claimed that the split had been amicable.

Despite the debacle, the government decided to bail out the company to the tune of RM4.6 billion. Furthermore, there have been no criminal cases arising from this scandal, and no individual has been held accountable for the overrun in costs. There were calls for an investigation, and a report by PricewaterhouseCoopers (PwC) is being prepared on the case, but the results are yet to be published.\*\*

What is interesting is the complex network of individuals involved, including politicians from the United Malay National Organisation (UMNO), officials at the Transport Ministry, Port Klang Authority officials and Kuala Dimensi. Kuala Dimensi's chairperson is UMNO treasurer Azim Zabidi. The legal firm that drafted the development agreement between the PKA and Kuala Dimensi is headed by the local UMNO branch vice-chief, Abdul Rashid Asari. Another local UMNO youth chief, Faizal Abdullah, is

deputy CEO of the property development and investment firm behind the sale and development of the PKFZ. Faizal Abdullah's father-in-law, Onn Ismail, is the local UMNO branch permanent chairman as well as the former chairperson of the fishermen's cooperative that sold the land to Kuala Dimensi.

The complexity of the relationships between politics and the public and private sectors means that corruption may take place with impunity. Under the circumstances, therefore, the practice of revolving and rotating doors and active government participation in the economy creates an appearance of impropriety, and, with the weak oversight of public-private relationships, increases corruption risks. Until drastic action is taken to separate the cosy relationship between government, business and politics, the anti-corruption effort will remain no more than a token gesture. ■

*(Gregore Pio Lopez and TI Malaysia)*

\* In February 2009, the Prime Minister told Parliament in a written reply that three persons in the VK Lingam video case had been cleared of graft charges and their cases had been classified as 'No Further Action'. He did not name the three, or whose case remained open.

\*\* The PwC position review on the PKFZ project was completed in February 2009 and released without appendices in May 2009. Following this, the Public Accounts Committee of Parliament conducted a hearing into the case and recommended action against key persons in the case including a former transport minister. As at end December 2009, four persons have been charged with criminal breach of trust in connection with the PKFZ case. They are the former general manager of the PKA, O. C. Phang, the chief operating officer of Kuala Dimensi Steven Abok, an architect Bernard Tan of BT Architect and Low Jenn Dong, an engineer with Kuala Dimensi.

## OVERVIEW OF GLOBAL CORRUPTION REPORT 2009

### Why a GCR on private sector?

The private sector plays a pivotal role in fighting corruption worldwide. Transparency International's Global Corruption Report 2009 documents in unique detail the many corruption risks for businesses, ranging from small entrepreneurs in Sub-Saharan Africa to multinationals from Europe and North America. More than 75 experts examine the scale, scope and devastating consequences of a wide range of corruption issues, including bribery and policy capture, corporate fraud, cartels, corruption in supply chains and transnational transactions, emerging challenges for carbon trading markets, sovereign wealth funds and growing economic centres, such as Brazil, China and India.

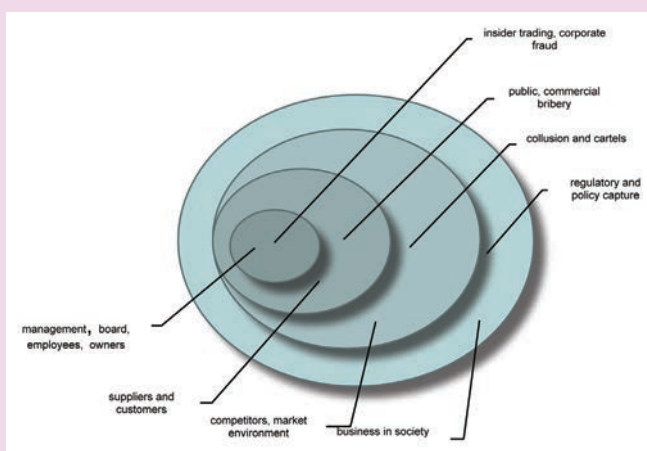
The Global Corruption Report 2009 also discusses the most promising tools to tackle corruption in business, identifies pressing areas for reform and outlines how companies, governments, investors, consumers and other stakeholders can contribute to raising corporate integrity and meeting the challenges that corruption poses to sustainable economic growth and development.

- Stronger focus on supply side of corruption
- Stocktaking of first generation of tools: what works, what does not.
- New economic centers (China, India), new markets (carbon trading), new players (sovereign wealth funds)

## Scope

- From informal economy or SMEs to multinationals
- Country reports from 46 countries

## Corruption risks in business



## Corruption in business: interlinked, dynamic, devastating and growing

- Classic bribery challenge is a continuing concern. Indications are that the situation is getting worse, rather than better, despite stronger efforts
- Interlinked and mutually reinforcing nature of these corruption challenges
  - Exploit the same governance shortcomings and establish similar covert practices and structures
  - Foster disrespect of law and reckless opportunism that make other corrupt acts more feasible and acceptable
- New challenges:
  - New economic centers: some promising efforts, but much remains to be done
  - Carbon markets – a particularly demanding challenge for integrity
  - Sovereign Wealth Funds – public importance not matched by public accountability
  - Astro-turf: new risks for policy capture

## Summarizing the situation

- a focus on narrow corruption risks is not enough: cannot fight a forest fire by focusing on a couple of trees
- anti-corruption commitment and compliance are essential components of corporate citizenship and corporate social responsibility: but so far not integrated
- a first generation of CSR and AC initiatives has come to fruition: more of the same will not do: a step change is required

- corporate integrity is a systemic achievement that involves many stakeholders from executives, workers and owners to regulators, investors, consumers, media

## What to do? Elements of a comprehensive corporate integrity system

### Norms and culture

Ethical leadership, codes of conduct, corporate citizenship

### Governance

Compliance systems, whistle-blowing, corporate governance, accountants, auditors

### Public rules and regulations

Regulatory oversight, civil and criminal liabilities, law enforcement

### Broader checks and balances

Investors, public reporting, civil society watchdogs, investigative journalism, consumer campaigns

## Policy suggestions

### For business:

- From partial disclosure to encompassing transparency
- From promise to binding commitment and independent verification
- From go it alone to collective engagement

### For governments:

- From simply wielding a stick to a new generation of smart tools
- From setting rules to enforcing them: focus on regulatory resources and outcomes (transparency and accountability)
- From national focus to substantive international collaboration

### For civil society:

- Corporate corruption a contributing factor for many public policy challenges
- From single issue to forging broader coalitions for encompassing corporate integrity
- Mainstream anti-corruption issues into monitoring, reporting, assessment instruments

### Great opportunity and urgency to act:

- Financial crisis and ongoing reforms of the global economic architecture
- High-profile, global prosecutions: Siemens, Samsung
- Growing number of enabling structures, templates and frameworks: anti-corruption agencies, anti-money laundering policies, reporting templates, standards. ■

## Briefing for Petronas

On invitation by PETRONAS, TI-Malaysia Secretary-General Ngooi Chiu Ing, Executive Director Mark Chay and Executive Officer Ng Swee Ling, attended a session to brief the PETRONAS team on the Transparency International Global Corruption Report 2009 which was launched on 19 October 2009. Mark Chay gave a Powerpoint presentation which was followed by a lively question and answer session. The briefing was well attended by the staff of the PETRONAS Group Corporate Affairs, Stakeholders Management Department. ■



Secretary-General of TI-M, Mr Ngooi Chiu Ing briefing the Petronas team on GCR 2009

## Training on Tools against Corruption

A workshop on "Training on Tools Against Corruption" was held in Kuala Lumpur on 8 September, 2009. It incorporated two sessions: Integrity Pact (IP), and Basic Principles Countering Bribery (BPCB). The IP session was presented by TI-Malaysia Executive Director Mark Chay and BPCB was presented by the then Secretary-General Dr K.M. Loi. The workshop, which was attended by 12 participants from Malaysian Anti-Corruption Commission, Hi-Tech Instruments Sdn. Bhd., Petronas Management Train-



Participants at Training on Tools against Corruption

ing Sdn. Bhd., BASF Petronas, Mega-Wan Sdn Bhd., Pastry Pro Sdn. Bhd., Minconsult Sdn. Bhd., and Federation of Malaysian Manufacturers aimed to create awareness and share experiences of strategic approaches in combating corruption in both the public and private sectors.

Siemens, in the light of its involvement in a bribery case some three years ago and which has since revamped the organisation worldwide, incorporating Transparency International's IP in its tendering procedures, shared its experiences in the workshop. Pravind Menon, the Regional Compliance Officer of Siemens Malaysia Sdn Bhd, enlightened the participants on the company's history of past corrupt practices, the costly consequences and the eventual introduction of IP in Siemens which helped the organisation to successfully combat corruption. The IP tool which helped Siemens to inculcate an anti-corruption culture in doing business in its organisation triggered much interest among participants at the workshop.

Practical recommendations were discussed and some participants asked for further training in the implementation of the IP. ■

## Quotable Quotes

*"Corruption thrives in those countries where the public perceives corruption to be a low-risk, high reward activity ... For the public to perceive corruption as a high-risk, low-reward activity, the government must publicize through the mass media the punishment of corrupt civil servants and politicians if they are found guilty ... Those found guilty*

*must be punished, regardless of their status or position. If the 'big fish' are protected ... and only the 'small fish' are prosecuted, the government's anti-corruption strategy will be undermined."*

Professor Jon S.T. Quah in 'Best Practices for Curbing Corruption in Asian Countries'



# A Model of Political Will

Josie M Fernandez,  
Member, Transparency International Malaysia

Gamawan Fauzi, an award winning anti-corruption politician is Indonesia's Home Minister in Susilo Bambang Yudhoyono's new cabinet. The appointment announced on 21 October 2009 has been acclaimed by the anti-corruption movement in Indonesia and elsewhere.

Gamawan Fauzi, was the Governor of West Sumatra, busy with reconstruction of recently devastated region when the announcement came. Since 1995, Gamawan has made good governance, transparency and accountability a priority in various districts he has served in Sumatra. Among his most effective measures has been the introduction of Transparency International's Integrity Pacts for all local government contracts in Solok, West Sumatra when he was the Regent or Baupati of the Solok Regency from 1995-2005.

In 2003, Gamawan attended Transparency International's (TI) anti-corruption conference in Seoul where he learnt of TI's Integrity Pact, an anti-corruption tool to prevent corruption in procurement. He took a keen interest in the IPs and approached Transparency International Indonesia (TII) to assist in the introduction of the IP in his regency, Solok in West Sumatra. To facilitate the introduction of IPs in Solok, Gamawan took some bold measures such as administrative reforms. These bureaucratic changes were necessary for greater transparency in contracts as well as citizen participation in the monitoring of IPs.

On November 10, 2003 all local government institutions and officials signed the Integrity Pact. This was a bold and brave step in a country that condoned corruption for too long. No contractors were allowed to visit him when he was the Regent.

In December, 2007, I was a member of the TI team that did an independent monitoring of the implementation of the IP in Solok. By then, Gamawan was Governor of West

Sumatra. His successor in Solok was proud and zealous in continuing with the IPs initiated by Gamawan. We were given access to all documents and those involved in the IP process from the head of the IP monitoring team to local officials, villagers and contractors. To enhance transparency in the IP implementation, the Solok regency held public hearings on projects and corruption and introduced *Citizen Report Cards*.

During the period I was in Solok and Padang, I was fortunate to hear Gamawan address government officials including the police on the need to combat corruption to bring Indonesia out of crippling poverty. He underscored the critical importance of political will in building institutions that practice good governance, integrity and transparency.

Gamawan's passion and commitment to fight corruption is rooted in the Islamic values imparted by his parents, both educators. In 2004, he won the Bung-Hatta Anti-Corruption Award. Everyone I spoke to in Solok and Padang, from the airport porter to government officials, villagers and contractors supported the anti-corruption efforts of Gamawan. Said the porter, "He can win the elections without an election fund because he is an honest politician."

Gamawan Fauzi, Indonesia's new Home Minister, has shown that with political will, it is possible to change norms and reform institutions that create opportunities for corruption to thrive.

Dato Seri Najib has some important lessons to learn on political will from Indonesia's new home minister as Malaysia battles corruption both in the public, private and political sectors. ■

*(This article appeared in print and on-line media in October 2009)*

## Forthcoming Events

### JANUARY

29/01/2010 Training of Trainers on Integrity Pacts

### FEBRUARY

8/02/2010 Brainstorming session on Political Financing reform with resource persons from South Korea and Taiwan

22 - 26/02/2010 Forestry Governance Integrity (FGI) workshop on monitoring and evaluation with stakeholders

27/02/2010 Freedom of Information (FOI) Taskforce meeting and caucus for coalition building

### MARCH

09 & 10/03/2010 TI-M and Port Klang Authority (PKA) Conference on Integrity, Governance and Accountability

27/03/2010 TI-M Annual General Meeting and launch of Book on Political Financing

# The engine of political fraud in Malaysia

OPINION

Fahri Azzat

Exco Member, Transparency International Malaysia

A lot of us expressed disbelief that two RMAF jet fighter engines worth RM50 million each were stolen along with other parts from the aircraft. The total cost is well over RM100 million in terms of loss. Our government has not explained to us the opportunity cost of those aircraft.

But our disbelief is not that there is crime in our country. It is not even that the theft is very likely an inside job. We know that most thefts in Malaysia on a grand national project scale are inside jobs. Our disbelief is that the present government is so completely corrupt and incompetent as to cause a breach of national security and endanger all of us.

How am I supposed to believe that we are secure as a nation when the security of our army, our camps, our military equipment are vulnerable to common theft? (The security of our military camps is not renowned: see PP vs Mohd Amin Mohd Ramli & Ors [2002] 5 CLJ 281.) If our army is porous, corrupt and incompetent, what about our other security agencies like the Royal Malaysian Police Force and the Malaysian Anti-Corruption Commission, which have had their fair share of completely deserving bad press? If the theft happened in 2007 but the news only broke in 2009, what does that say of our government's attitude of accountability and transparency? After all, Armed Forces chief Gen Tan Sri Azizan Ariffin was reported to have flippantly remarked: "The missing jet engine does not affect RMAF operations because we have more than 16 F-5E jets and only seven are used for tactical missions." If it was not important, why not report it earlier? And if only seven are used for tactical missions, what are the other nine for? Making the hangar look good?

So when our Prime Minister promised there will be no cover up, without any reasonable explanation why this was not reported to the public, I do not believe him. I even think his comments were shallow, bordering on stupid. In explaining his initiative, he was reported by Malaysiakini to have said: "In fact we went forward to the police. At that time I was the minister in charge. I decided we should report it to the police." What was there to decide? Reporting to the police should be a standard operating procedure and not subject to ministerial discretion. Then in explaining what measures could be taken against the perpetrators, he says quite lamely without a hint of outrage: "It depends on what the personnel had done wrong. It is up to the air force and armed forces council to decide on that." Of course it does. What did they do wrong again?

But if so, then why were a brigadier-general and 20 officers reportedly sacked over the loss instead of being summarily detained without trial under the Internal Security Act? If this was a case that demanded draconian measures this was it. How can the theft which amounts to a breach of national security be punished with a mere sacking?

Those jet fighter engines are symbolic of our dynamism, growth and discipline. It is therefore fitting that this Barisan National-led government watched over its theft, if not virtually participated in it as a result of its policies and morality. They weakened our national dynamism with their mind-numbing, fool-elevating constant flip-flopping of our educational and national policies. They drive out our best and brightest or make them suffer under the weight of fools. They killed our national growth with their wanton greed which the theft symbolises. Those in the power elite have taken what is not theirs. They have twisted policies to serve them and their insatiable greed. And we have no sense of governmental and national discipline, in terms of far-reaching policies for the betterment of our country and the good of our people. The government we have enthroned now is completely and utterly self-serving, more so when it claims it is serving our interests.

The void where those engines are supposed to be reflects the void of political will, courage and honesty in our nation. There is little almost to be untraceable.

There is still much work to be done from the current speculative reports. Though Tan Sri Musa Hassan, the Inspector-General of Police, is reported to have said that the engines were traced to Argentina, I am inclined to think we should not waste our efforts looking for them. Recovering the engines will not solve anything because the thieves are still at large. Those are the ones who must be caught. All their possessions, property and assets must be forfeited to pay for their crime. What was really stolen was not the engine but our security, our peace of mind and our pride. Our vitality.

It is good to see though that the IGP's encouraging and surprisingly accurate take on the likely culprits when he said: "We need to question all of them as it is not easy to just cart away the engines without authorisation and proper documents."

But oh Tan Sri, they have shown us all just how easy it is.

And we know how things are really done around here — without authorisation and proper documents. ■

(This commentary is reproduced from the writer's blog loyarburok.com)



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