

# ELECTIONS '08 DAILY POLICY FACTSHEET :

## CORRUPTION

**CPPS** is pleased to bring to you its “CPPS Policy Fact Sheet” as a build-up to the Malaysian General Elections 2008. In this daily series between nominations and polling day, we will explore **key policy issues** that we feel are important in informing your voting decision. Policy decisions made by leaders have a direct effect on your life as a citizen, and the elections is this one crucial time you decide on your leaders. We hope these fact sheets will be useful policy briefs as you decide whom to vote for. Here's to an **educated and informed voting public** in Malaysia!

### BACKGROUND

Corruption contradicts basic ethics and value systems. It leads to wastage, inefficient allocation of national funds, and is a direct cost to society. **Often the least privileged will bear the highest cost of corruption.** Prime Minister Abdullah Ahmad Badawi was sworn into office largely based on his pre-2004 Electoral promise, to wipe out corruption. Four years later, public perception on Government's efforts at tackling corruption has plummeted, as some statistics show below. **CPPS' online poll revealed that “corruption” was the single MOST important factor influencing the public when voting in the upcoming Elections, accounting for more than 50% of responses.** The Anti-Corruption Agency (ACA), has, however, responded more quickly in recent months, for example immediately recommending that public servants involved in the Auditor-General Report 2006 scandal in November 2007 should be prosecuted. However, because the ACA itself does not have prosecuting powers, the decision to prosecute lies with the Attorney-General's office. As corruption becomes an increasingly sophisticated affair, tools to address them must comply likewise. Unaddressed, corruption will eat away at the nation's economic and social prosperity.



## Recent Cases

- **Government bailouts** between 1970 and 2007 totalled more than RM100 billion, the most recent being the RM4.6 billion Port Klang Free Trade Zone.
- **Selangor municipal councilor Datuk Zakaria** building enormous mansions without a permit.
- **Deputy Internal Security Minister Mohd Johari Baharum** was accused of accepting bribes in 2007



- **Judicial corruption** was revealed in the recent Lingam video, exposing case-fixing at the highest levels.
- **ACA Director-General Zulkipli Mat Noor** was investigated of corruption in 2007
- The **Public Accounts Committee's** report on 2006 Auditor-General's report revealed that items were paid for disproportionately more than actual cost. (payment of RM224 for a RM32 set of screwdrivers, amongst others)

### BASIC STATISTICS and FACTS

- Malaysia ranks **43<sup>rd</sup>** in Transparency International's Corruption Perception Index (CPI) 2007, **down from 33<sup>rd</sup> place in 2002.**
- Transparency International's Global Corruption Barometer 2007 (GCB) shows 6% of Malaysian respondents having paid a bribe, with 13% as the total sample average
- The police, political parties and business sector were perceived to be the **most** corrupted sectors in Malaysia in the GCB 2007.
- **63% of Malaysian respondents** felt that corruption would increase in the next three years, GCB 2007.
- **53% of Malaysian respondents** felt that Government's efforts to fight corruption are effective, 37% ineffective, GCB 2007.

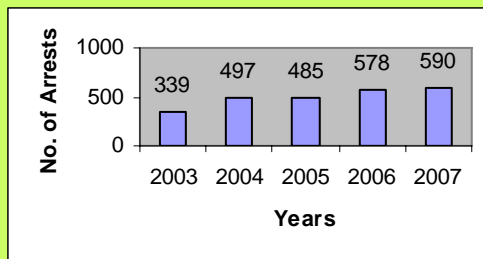


# VISUALS

CASES ON CORRUPTION, 2000-2005

| Year         | Investigations | Arrests      | Charged      |
|--------------|----------------|--------------|--------------|
| 2000         | 699            | 430          | 160          |
| 2001         | 663            | 318          | 115          |
| 2002         | 1,063          | 290          | 200          |
| 2003         | 1,058          | 339          | 175          |
| 2004         | 977            | 497          | 178          |
| 2005         | 1,441          | 485          | 205          |
| <b>Total</b> | <b>5,901</b>   | <b>2,359</b> | <b>1,033</b> |

Source: Anti Corruption Agency



The graph above shows the number of arrests made by the Anti Corruption Agency over the past five years. Number of arrests have increased

## Who are the players?

- The **Anti Corruption Agency** was formed in 1967 and has investigative, not prosecutive, powers. The ACA reports to the Prime Minister's Department.
- In 1997, the Government set up the **Cabinet Committee on Integrity** in Government Management
- The **Anti-Money Laundering Act** has been enforced since year 2001
- The **Mutual Assistance in Criminal Matters Act** for international cooperation to fight corruption has been enacted and enforced.
- The **Malaysian Anti Corruption Academy (MACA)**'s role is to enhance the competency and professionalism of ACA officers in the fight against corruption.
- The **Institut Integriti Malaysia (IIM)** was set up in 2004 to implement the National Integrity Plan launched by Prime Minister Abdullah Ahmad Badawi.
- The **National Integrity Plan** has 5 thrusts, the first of which reads "to combat and reduce the incidence of corruption, malpractices and abuse of power."
- **Parliamentary Select Committees** were set up on Integrity, and on a Code of Ethics for Members of Parliament, whose reports are submitted as recommendations to Parliament.

| Company Involved                | Year Recorded | Losses/Debts Incurred (RM) |
|---------------------------------|---------------|----------------------------|
| Bank Bumiputra                  | 1970          | 3.51 billion               |
| Indah Water Consortium          | Late 1990s    | 1 billion                  |
| Renong Group                    | 1998          | 28 billion                 |
| Employment Provision Fund (EPF) | 2002          | 10 billion                 |
| Perwaja Steel                   | 2003          | 10 billion                 |
| Astro All Asia Networks         | 2004          | 2.4 billion                |
| Tenaga Nasional Berhad (TNB)    | 2004          | 30 billion                 |

Losses experienced by Companies over the years, many of which were bailed out by Government (selected cases)

- The **Public Complaints Bureau** receives complaints from the public on bureaucratic misconduct.
- The **Public Accounts Committee (PAC)** scrutinizes Government's accounting and fund allocation approved by Parliament as having met state expenditure, accounting of national administrative bodies, national accounting statements, amongst others.
- Malaysia has signed but not yet ratified the **UNCAC** (United Nations Convention Against Corruption)
- Malaysia has endorsed the **Anti-corruption Initiative Action Plan for Asia-Pacific**, and has stated its commitment to implement mechanisms to raise accountability standards according to ADB/OECD standards.

## PARTY STANDS

**BN:** BN is determined to continue the endless fight against bribery, without fear or favour.

**Ninth Malaysia Plan:** The Government will intensify its efforts towards the elimination of opportunities for corruption, malpractices and abuse of power in the public and private sectors. In the public sector, focus (is) on enhancing transparency and accountability in areas prone to corruption and corrupt practices

**Vision 2020:** The fourth challenge: To form a community that has high morale ethics and religious strength.

**UMNO:** UMNO Secretary-General Sheikh Ahmad: "UMNO does not intend to report the cases to the ACA. We have our own mechanism".

**MCA:** Corruption and abuse of power are the tumours of a country and society. MCA will work together with the government in its anti-corruption efforts, and promote an anti-corruption awareness to instill a clean and honest political culture. (MCA's 9-Point Platform)

**DAP:** All tenders (should) be made competitive, open and transparent, to bring increasing cost savings over time. (DAP's Shadow Budget 2008)

**PKR:** Malaysia's tender system weighed in favour of affirmative action rather than meritocracy... opens the door for corruption. Corruption carries a heavy price. (PKR's New Economic Agenda)

**PAS:** Today, the nation stands staggering under the numerous debilitating and deleterious impact of corruption and abuse of power.

## POLICY RECOMMENDATIONS

- **Ratification of UNCAC** (United Nations Convention Against Corruption)
- **Public Declaration of Assets** by all public servants for public viewing
- **The Anti Corruption Agency (ACA)** to be made independent and answerable to Parliament
- **Legislate the Freedom of Information Act** that would ensure greater public accountability
- **Legislate the Whistle Blower Protection Act** that would ensure those who report corrupt cases are not harmed.
- Public Tenders in all contracts and Government Procurement at all levels, with **full public disclosure**.

## How Well Do You Know Your Candidate

### Questions to think about

- i. Has the incumbent/candidate/affiliated party been implicated in illegal/unlawful activities in the past?
- ii. What measures would you hold/expect the next minister to carry out in order to reduce the level of corruption?
- iii. What policy recommendations has the candidate provided in order to curb corruption?
- iv. Is the candidate of high integrity and is willing to incessantly speak out against corruption at all levels of government?