

***“BUILDING ON SUCCESSFUL
ANTI-CORRUPTION EFFORTS IN
MALAYSIA –
CASE STUDY IN FOREST INDUSTRY”***

***PREVENTING THE RISKS OF CORRUPTION IN
REDD+FINANCING***

***15th International Anti-Corruption Conference (IACC)
“Mobilising People: Connecting Agents of Change”***

Brasilia, Brazil 7-10 November 2012

Presented by :

***Datuk Haji Mustafar Haji Ali
Commissioner, Director of Investigation
Malaysian Anti-Corruption Commission
(MACC)***



**CRITICAL SUCCESS FACTOR
IN SETTING UP AND IN
CARRYING OUT THE DUTIES OF
AN EFFECTIVE
ANTI-CORRUPTION AGENCY**

- a. These agencies earned the **public confidence and support** in the fight against corruption;
- b. Members of the public believe these agencies are **effective and credible organisations** and they are prepared to come forward;
- c. Their officers are **easily accessible** to the members of the public who wish to give information about corruption;

- d. The agencies are **efficient in its investigation** against corruption;**
- e. The **Governments strongly support** the agencies by giving adequate autonomy, authority, finance and personnel in order to effectively accomplish their goals;**
- f. The agencies are also armed with **sound legal frameworks** for them to effectively perform their duties;**

- **Apply an integrated approach in combating corruption by using **multi-pronged attack**, namely **investigation, education and prevention**, which is certainly necessary to ensure the effectiveness of the agencies.**

In the event there is lack of any of the above factors, the effectiveness of the agency may be limited.

THE ESTABLISHMENT OF THE ANTI-CORRUPTION AGENCY (ACA)

1959

Special Crime
Unit in the
Police
Department

Anti-Corruption
Unit in the Prime
Minister's
Department

Attorney
General's
Department

ACA

NBI

ACA

MACC

1 Oct. 1967

29 August 1973

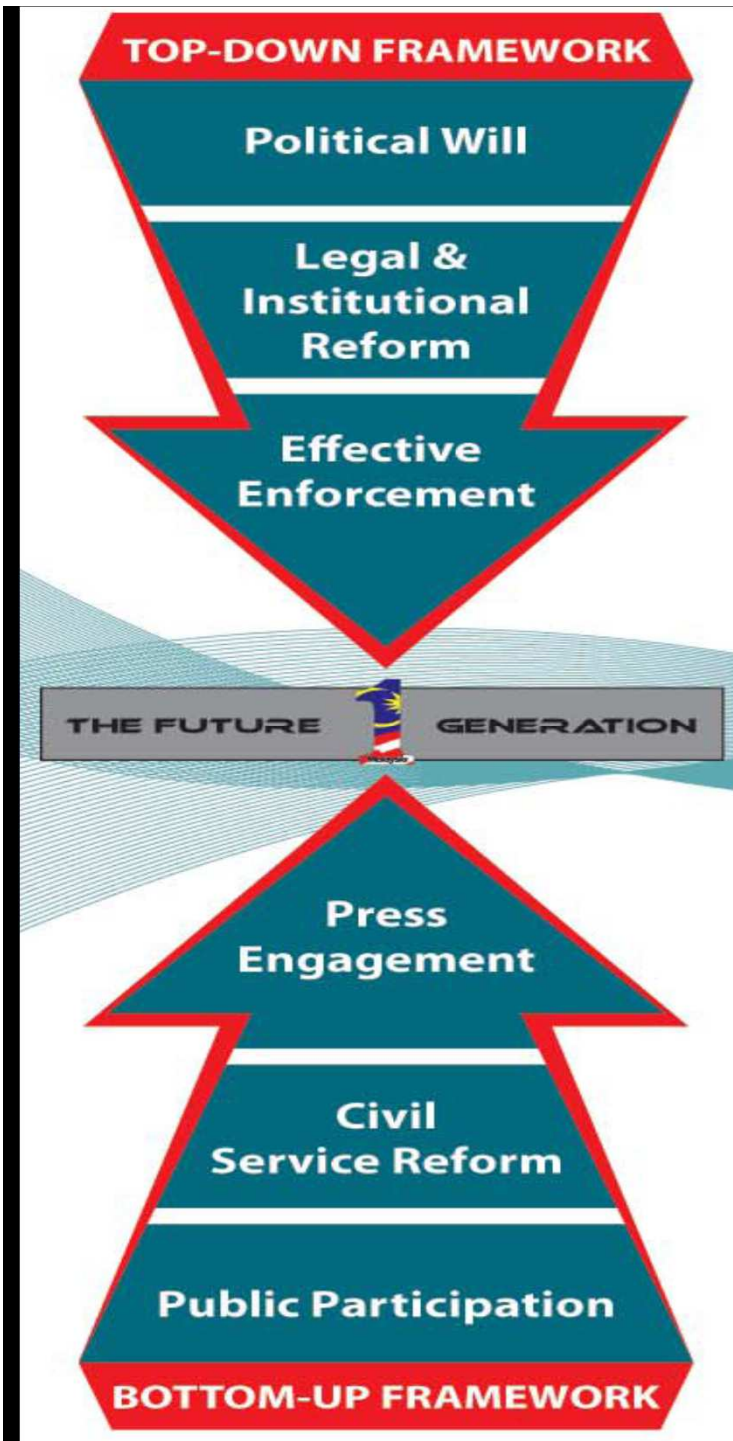
13 May 1982

1 January 2009

Independency of MACC - Five Oversight Committees

- 1. The Anti-Corruption Advisory Board;**
- 2. The Special Committee on Corruption;**
- 3. The Complaints Committee;**
- 4. The Operation Review Panel; and**
- 5. The Consultation and Corruption Prevention Panel.**

**ANTI-CORRUPTION
APPROACH AND
INITIATIVES IN MALAYSIA**



NATIONAL KEY RESULT AREA (NKRA) ON ANTI-CORRUPTION FRAMEWORK

A two-tiered, top-down and bottom-up approach is adopted by the Government in its anti-corruption efforts

ASPIRATIONS

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

**CORRUPTION = MONOPOLY POWER + DISCRETION –
ACCOUNTABILITY – TRANSPARENCY IN DECISION MAKING**

GRAND CORRUPTION

- Ensure public resources are not used to fund for political parties
- Reduce misuse of allocation of resources by MPs and ADUNS

GOVERNMENT PROCUREMENT & PRIVATISATION

- Reduce leakage in the funds allocated for national development and operations
- Ensure fairness in the award of contracts

REGULATORY AND ENFORCEMENT AGENCIES

- Regain public confidence in our enforcement agencies
- Enhance competitiveness of Malaysia as a place to do business

Civil service integrity

Legal and regulatory framework

Detection, prosecution and punishment

A radical approach towards addressing the needs of the people

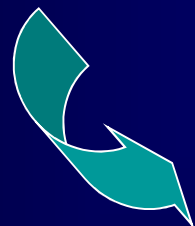
Anti-Corruption Lab

To establish in detail what needs to be done



Open Day

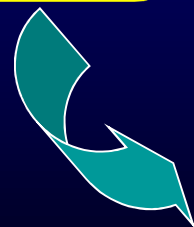
Share Lab output with the people and seek their feedback



Open Day

Tell the people what we are going to do

4 Months



Tell the people what we have delivered

Monthly & Annual Monitoring

Four Pronged Anti-Corruption Strategies

1. Enforcement

2. Prevention

3. Education

4. Monitoring

STAKEHOLDERS PARTNERSHIPS IN:

- **DETECTION**
- **INVESTIGATION**
- **PREVENTION**
- **AND CONSULTATION**

Detecting Fraud & Corruption Offences

- **Intelligence-based investigation;**
- **Covert investigation based on anonymous reports received from members of the public;**
- **Effective Investigation Management.**
- **Inspection of administrative practices, systems and procedures which are prone to corrupt practices and fraud; and**

Preventive Efforts

- **Deployment of Ex-MACC Officers
GLCs e.g. TNB, MAS, Telekom etc**
- **Certified Integrity Officers (CeIO)**
- **Corporate Integrity Pledges by
Business Sector**
- **Integrity Pact Mechanism**
- **Whistle Blowers Protection**
- **Witness Protection**

- **CIP is a document that allows a company to make a commitment to uphold the Anti-Corruption Principles for Corporations in Malaysia.**
- **By signing the pledge, a company is making a unilateral declaration that it:**
 - **will not commit corrupt acts;**
 - **will work towards creating a business environment that is free from corruption; and**
 - **will uphold the Anti-Corruption Principles for Corporations in Malaysia in the conduct of its business and in its interactions with its business partners and the Government.**

CIP in Forest Industry in the pipe line...

Engagement and collaborations with various sectors:

- **Forest Department**
- **Ministry of Natural Resources and Environment**
- **Non Governmental Organisation**
 - **e.g. Transparency International Malaysian Chapter (TI-M)**

***CORRUPTION AND MALPRACTICES
IN THE FOREST INDUSTRY -
CASE STUDY IN ENFORCEMENT***



MACC to probe other logging activities

FROM PAGE 1

partment contract. Upon questioning, the suspects led the MACC officers to the director's house. However, he was not at home.

Later, four officers waited for the director at his office in Alor Star and arrested him when he tried to enter at about 2am.

MACC director of investigations Datuk Mohd Shukri Abdul confirmed the arrests but declined to elaborate as investigations were still underway.

The MACC is also investigating the possible involvement of several other forestry officers in other illegal logging activities worth millions of ringgit in the state.

The handcuffed director was produced in court yesterday.



MACC nabs dept director

Millionaire' head and three others held over bribery case

By LOURDES CHARLES
lourdes@thestar.com.my

KUALA LUMPUR: The Malaysian Anti-Corruption Commission (MACC) has arrested a director of a government department who is said to be a millionaire, an officer and two rangers for allegedly accepting a bribe of more than RM100,000.

A special team from the Putrajaya MACC headquarters was believed to have seized more than

RM300,000 from the director's house in Kulim Kedah, yesterday.

The officers are investigating where the money came from.

The two forest rangers and the officer were arrested in Sungai Petani on Monday.

It is believed that the four suspects had received the RM100,000 bribe in exchange for a logging

> TURN TO PAGE 1

Four senior foresters held in bribery probe

■ **By Hamidah Atan and Farrah Naz Karim**
news@nst.com.my

PUTRAJAYA: Four senior Kedah forestry officers have been arrested for allegedly receiving more than RM100,000 in bribes from a contractor to approve logging of an area in

Its investigations director, Datuk Shukri Abdull confirmed the arrests but declined to elaborate.

It was learnt that the MACC raided the home of one of the forestry officers on Monday night and found RM300,000 in one of the rooms.

That officer had served the

Office while the rest were attached to the state head office.

The source said the MACC monitored the four since last year after receiving a tip-off.

MACC believed that the men not only approved logging in Hulu Muda but a few other areas in the state.

Forestry Department

matter.

He said the department, like other government agencies, had its operation committee to oversee the running of the department.

He the arrest of the officers would not cripple operations in Kedah.

"As a government agency,



...In a recent case



**RM768,970.00 CASH MONEY AND CASH ASSET
AMOUNTING TO RM2,664,434.62 IN ABOUT 11 FIXED
DEPOSIT ACCOUNTS OF THE SUSPECT AND FAMILY
MEMBERS FROM THE MACC RAID**

CONCLUSION

***“Most people know
corruption when they
see it. The problem is that
different people see it
differently”***

**Corruption in International Business
Harvard Business School
March 29, 2001**



Thank You

**You Can Make A Difference,
FIGHT Corruption**

<http://www.sprm.gov.my>

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