

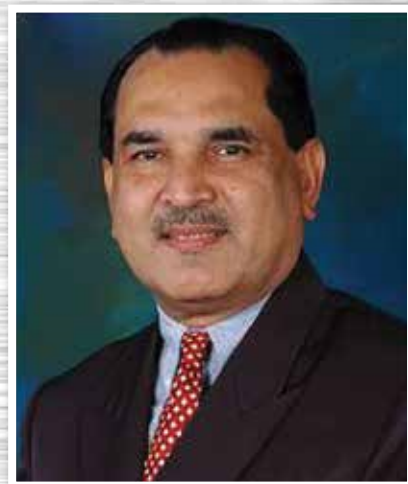


Transparency

The Global Coalition Against Corruption

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President's Message



Dear Members,

Welcome to 2014 and a Happy Chinese New Year.

I would like to convey Transparency International-Malaysia's (TI-M) deep appreciation to all our members who have supported and partaken in TI-M's work and initiatives throughout 2013.

The results of the 2013 Corruption Perceptions Index (CPI) revealed that Malaysia is still grappling with improving the country's mid-range average score. Malaysia's CPI score of 50/100 combined with the results of the 2013 Global Corruption Barometer (GCB) confirms the battle against corruption is still mounting and an ongoing struggle. Civic engagement is vital for our work and advocating for policy reform continues to be the change we need to effectively see. Public confidence in national anti-corruption initiatives needs to be restored. TI-M will continue to pursue and fight for structural change that ensures social justice, cleaner institutions and transparent handling of public funds.

Whilst 2013 was a testing time for the TI-M, I can assure all members that we are still a solid organization with ever strengthening integrity. Our work will never be complete, yet our determination will never subside.

The task ahead for us in 2014 is challenging, yet the Executive Committee and TI-M staff will continue to work hard to improve our efforts and continue to have an impact. TI-M continues to ask for your support and active engagement, and together we can monitor and act on the successes and shortfalls in our fight against corruption.

Thank You
Dato' Akhbar Satar

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Corruption Perceptions Index (CPI) 2013 Results



Dato' Akhbar Satar, TI-M's President presenting the CPI results

Transparency International (TI) released its Corruption Perceptions Index (CPI) 2013 results on 3rd December 2013. The 2013 CPI draws on data sources from independent institutions specialising in governance and business climate analysis. The sources of information used for the 2013 CPI are based on data gathered in the past 24 months.

The CPI includes only sources that provide a score for a set of countries/territories and that measure perceptions of corruption in the public sector.

The assessment was made for 177 countries based on the methodology which allow for more accurate year by year comparison. The CPI 2013 scores range from 0 to 100 (0 being most corruption and 100 be corruption free).

Malaysia has improved its standing in the 2013 Corruption Perception Index, from country ranking of 54th position in 2012 to 53rd out of 177 countries. Malaysia's CPI score is 50/100 compared to 2012 of 49/100.

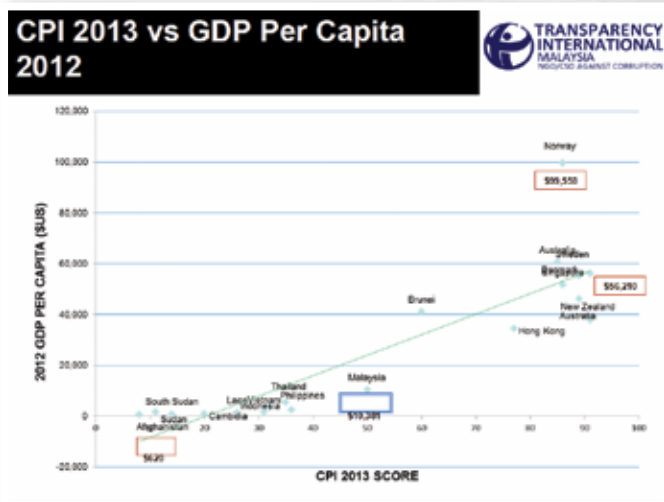
Malaysia's position continues to be in the mid-range average, indicating that while many steps have been implemented under the GTP/NKRA initiatives, the level of corruption experienced in Malaysia has not significantly decreased.

Stronger measures and practices need to be enforced and must be taken to eliminate entrenched interests and processes that support abuses. Transparency International-Malaysia (TI-M) calls for the Malaysian Government to take note of and implement the following recommendations immediately in order to eliminate corruption completely:-

1. Restore public confidence in the government's commitment to fighting corruption - pursue corruption cases of officials at the highest levels without fear or favour.
2. Improve transparency:
 - Repeal Section 203A of the Penal Code amendment
 - Repeal Official Secrets Act and replace with a federal Freedom of Information Act
 - Public disclosure of assets, income and liabilities
 - Review weaknesses in Whistleblowers Protection Act - requirement to report to



(L-R) Mr Ngooi Chiu Ing (CPI Resource Person), Dato' Akhbar Satar (TI-M President), Dr. KM Loi (TI-M Secretary-General)



an enforcement agency - being subject to confidentiality in other legislation.

3. Malaysian Anti-Corruption Commission (MACC):
 - Grant more autonomy and independence without undue pressure or interference.
 - Provide the necessary resources for enhanced productivity and professionalism.
 - As a law enforcement agency, MACC should improve and increase enforcement, intelligence and evidence-gathering in order to boost public support and deter potential corruption.
4. Amend Malaysian Anti-Corruption Commission (MACC) Act 2009 to close loopholes:
 - Section 23 - an administration member can award contracts, tenders and procurement to a relative or associate merely with a declaration of interest.
 - Section 36 - no power to require a declaration of assets without initiating a corruption investigation.
 - Include power to require explanation of "unusual wealth" that is not commensurate with income.
5. Corporate Liability: Companies should also be punished together with their employees for corruption offences committed by their employees for the benefit of the companies.

6. Stiffer penalties for corruption convictions.
7. Implement TI-M's recommendations for reforms of political financing for political parties to be more transparent and accountable in how they receive and spend political donations.
8. Procurement:
 - No privatisation and mega projects/ contracts without open tenders and competitive bidding.
 - Ensure full implementation of TI's Integrity Pacts in all public procurement exercises (including defence procurement), and ensure transparency by publishing all details of privatisation projects and procurement contracts online (including directly negotiated contract that must be only awarded in truly exceptional cases).
9. Electoral reform and reform of the Election Commission for better oversight and accountability and to ensure more autonomy, impartiality and integrity at federal and state elections.
10. Adoption of 'Open Government Partnership' to ensure better representation, better laws, better governance and better results.enforcement agency - being subject to confidentiality in other legislation.



Anti-Corruption and Forest Governance Walk 2013



YB Senator Datuk Paul Low Seng Kuan (Minister in the Prime Minister's Department) and Dato' Akhbar Satar (TI-M President) signed the anti-corruption walk signature board.

Corruption is like cancer.

It is expensive to treat, and if it is allowed to spread, corruption will cause a country to go bankrupt.

As someone rightly pointed out, if the country went bankrupt, subsidies are just part of the problem. The major reason is still the amount of corruption at all levels of society. For example, the amount of leakages reported by the Auditor-General's Office every year is enough to make one's blood boil. That's only the public sector, but what about the private sector? What about the amount of money exchanging hands involving the private sector and the authorities while the forest lands fast disappearing?

Realising that there is just so much that one person can do, Transparency International-Malaysia (TI-M) organised this year's Anti-Corruption and Forest Governance Walk 2013 on December 7 at the Taman Rekreasi Bukit Jalil in collaboration with the National Key Result Areas (NKRA) Against Corruption. Approximately 350 participants attended this year's Walk.

According to its president, Dato' Akhbar Satar, this is the second year TI-M has organised an Anti-Corruption Walk in conjunction with the United Nations International Anti-Corruption day. Minister in the Prime Minister's department, Datuk Paul Low gave an opening speech at the event and flagged off the Walk.

Dato' Akhbar said the responsibility of fighting corruption rests on everyone's shoulders. "We must all stand as one and pledge against zero tolerance to corruption and work together to improve the integrity of our nation, good governance, accountability and transparency. This includes zero tolerance to accepting bribes, and zero tolerance to giving bribes!" he said. "If everyone puts in his or her own efforts, the anti-corruption campaign will transform this country into a more competitive nation."

Besides fighting overall corruption, this year's Walk stressed the need for good forest governance, with the aim of increasing public awareness and knowledge of systematic corruption in the forest sector and what can be done to improve governance irregularities. Led by the Forest Governance Integrity Project's Manager, Victor Soosai, and TI-M's Exco member, Dr Pola Singh, the team set up a booth on the day to recruit volunteers for Forest Watch Project.

The Forest Watch project acts as a tool for the public to report and monitor forest related activities. These volunteers will serve as guardians of the forests and watch out for suspicious activities that could potentially threaten Malaysia's forests. The ultimate goal is to work towards a society where corruption-free forest governance and sustainable management enables increased economic development, poverty reduction and environmental protection.

Dr Pola said that the project tackles corruption as a primary driver of illegal logging and poor forest management. "Cognizant of the need to enhance



The official slogan for the Anti-Corruption and Forest Governance Walk 2013



YB Senator Datuk Paul Low Seng Kuan (Minister in the Prime Minister's Department) and Dato' Hjh Sutinah Sutan (Deputy Chief Commissioner of Malaysia Anti-Corruption Commission) "flag off" the walk together with Dato' Akhbar Satar (TI-M President)

distribute merchandise and materials on their anti-corruption initiatives. TI-M also set up a signature board to allow the participants to sign along with the VIPs in their pledge to fight corruption. The event was organised as part of the United Nations' designated International Anti-Corruption Day to help raise public awareness of corruption, and to bring political leaders, governments, legal bodies and lobby groups to work together against corruption.



Public attended the walk to show their support and make a pledge against corruption.

transparency, integrity and accountability in the country's forest governance systems, TI-M had embarked on a Forest Governance Integrity (FGI) Project for the past four years," he added.

Both the Malaysian Anti-Corruption Commission and the NKRA Against Corruption also set up booths to

Transparency International-Malaysia calls all of you and all concerned Malaysians to act and engage against corruption by:

- ◆ Organizing events to raise public awareness on the costs of corruption.
- ◆ Demand that parliament and state assembly representatives sign TI-M's election integrity pledge.
- ◆ Educate the youth and each other about ethics, integrity and ways to fight corruption.
- ◆ Report all incidents of corruption to the Malaysian Anti-Corruption Commission.
- ◆ Refuse to participate in any illegal and non-transparent activities.
- ◆ Refuse to pay or accept bribes or facilitation fees.
- ◆ Enforce zero-tolerance practices towards corruption.

Our Government's role is to support and engage with the Rakyat on this. Transparency International-Malaysia calls for the Malaysian Government to take note of and implement the following recommendations immediately in order to eliminate corruption completely:

- ◆ Pursue corruption cases of officials at the highest levels to restore public confidence in the government's commitment in fighting corruption.
- ◆ Review the Official Secrets Act and introduce a federal Freedom of Information Act to enhance transparency in public administration.
- ◆ Grant more autonomy and independence to the Malaysian Anti-Corruption Commission and provide the necessary resources to enhance the professionalism of the anti-graft agency.
- ◆ Review the Whistleblowers Protection Act to provide appropriate protection to genuine whistleblowers and increase public confidence in its protective framework.
- ◆ Review and apply stiffer penalties for corruption convictions.
- ◆ Implement reforms for political financing as proposed by TI-M in its memorandum to the government.
- ◆ Ensure full implementation of integrity pact system in all government procurement exercises
- ◆ Abolish the use of direct negotiations and closed tenders in all Government procurement.



TRAC Report 2013 Transparency in Corporate Reporting: Assessing Emerging Market Multinationals

On the 6th of December, Transparency International-Malaysia, in cooperation with GIZ (German Society for International Cooperation), organised a seminar on Transparency in Corporate Reporting: Assessing Emerging Market Multinationals (TRAC), in conjunction with the release of Transparency International's (TI) TRAC report 2013.

The event was well attended, with representatives from embassies, legislators, members of parliament, government offices and companies.

The seminar started with a welcoming address by Dato Akhbar Satar, President of Transparency International-Malaysia. This was followed by Mr Philipp Kruschel, GIZ Senior Advisor, who gave an introduction on GIZ and its focus on sustainable development in emerging markets.

Dr Mark Lovatt, TI-M's Business Integrity Programme Manager, presented the TRAC report findings for 2013. In the TRAC report, Transparency International sampled the 100 companies that were featured in the Boston Consulting Group's 100 global challengers for 2012, which included private, public and state owned companies. The corporate reporting for the featured companies was evaluated in the following 3 areas:

- ◆ Reporting on Anti-Corruption
- ◆ Organisational Transparency
- ◆ Country by Country Reporting



(L to R): Mr Philipp Kruschel (GIZ Senior Advisor), Dr Mohammad Mohan (TI-M Exco Member), Dr Mark Lovatt (BIP Programme Manager), Dr Akhbar Satar (TI-M President)



Dr Mark Lovatt presenting the TRAC report findings for 2013



Dato' Samsiah Abu Bakar (Petronas Chief Integrity Officer) giving an overview of the Petronas journey in improving its integrity and transparency frameworks

Malaysia's national oil company, Petronas, scored a high 88% for Reporting on Anti-Corruption, and 100% for Organisational Transparency. Overall, Petronas ranked 5th of out the 100 companies.

Datuk Samsiah, Petronas's Chief Integrity Officer, and Pn Faridah, Head of Legal, Corporate Governance & Finance gave an overview of Petronas's journey in improving its integrity frameworks, and a response to Petronas' ranking in the TRAC report 2013.

This was followed by a workshop facilitated by Dr Mark Lovatt, where participants discussed "How can we increase transparency in corporate reporting in Malaysia?" and was invited to give their comments on the recommendations as put forward in the TI TRAC report.

Transparency International-Malaysia is looking to expand its promotion of corporate transparency in Malaysia, by devising a TRAC report specifically for Malaysia.

Transparency International's recommendations:

To emerging market companies:

Emerging market companies should:

- ◆ Recognise their transparency obligations to stakeholders
- ◆ Raise their level of anti-corruption practice
- ◆ Make their anti-corruption programmes publicly available
- ◆ Publish exhaustive lists of their company holdings, joint ventures and other related entities
- ◆ Publish individual financial accounts for each country of operations
- ◆ Disclose their organisational structure in a reasonably accessible manner

To emerging market governments and regulatory bodies:

National governments in emerging markets should:

- ◆ Consider adopting rules for mandatory company reporting on anti-corruption measures
- ◆ Require companies under their jurisdiction to disclose all subsidiaries, affiliates, joint ventures and other related entities.
- ◆ Require companies under their jurisdiction to report on a country-by-country basis
- ◆ Accounting standards relating to financial accounting as well as to corporate social responsibility reporting should include corruption-relevant disclosures

To emerging market investors, international financial institutions and civil society organisations:

TO INVESTORS:

- ◆ Demand reporting on anti-corruption programmes, organisational transparency and country-by-country reporting and factor this information into their investment decisions
- ◆ Risk rating agencies should include transparency measures as an integral part of their evaluation process

TO INTERNATIONAL FINANCIAL INSTITUTIONS:

- ◆ Consider the adoption of robust anti-corruption programme requirements for borrowers

TO CIVIL SOCIETY ORGANISATIONS:

- ◆ Get involved in the monitoring of multinational businesses located or operating in their countries to promote greater transparency
- ◆ Focus advocacy efforts on businesses located or operating in their countries to improve their level of anti-corruption reporting.

BIP's Best Practice Session at Siemens Malaysia Sdn Bhd



(L to R): Ms Vasanth Narayanasamy (Siemens Malaysia Vice President & Head of Communications), Dr Muhammad Mohan (TI-M Exco Member), Dr Mark Lovatt (BIP Programme Manager), Mr Prakash Chandran (Siemens Malaysia President & CEO)



As part of TI-M's Corporate Integrity System Best Practice Seminar series, participating corporations are provided with a platform to exchange ideas on further improving integrity in the business community.

On the 29th of October, Transparency International – Malaysia (TI-M) and Siemens Malaysia Sdn Bhd jointly organised a seminar to share best practices in establishing and managing compliance and integrity systems. A total of 36 participants from 14 organisations attended the seminar. The seminar was part of the TI-M's Corporate Integrity System Best Practice Seminar series and provided a platform for corporations in this area to exchange ideas and views to further improve the level of integrity in the business community.

The main objectives of this seminar were:

- To observe the integrity culture of Siemens,
- For attendees to share integrity best practices from their own organisations,
- To create a platform for knowledge sharing through case studies and forum.

Prakash Chandran, the President and CEO of Siemens Malaysia gave the welcoming remarks. He wished the participants to have a fruitful seminar and was looking forward to the forum discussion to exchange his ideas and views with the participants. Dr Mark Lovatt, TI-M BIP's Programme Manager also gave introductory remarks to welcome the participants and gave a brief background of the seminar series. His remarks were followed by a presentation by Mariam Milatu, Siemens's Regional Compliance Officer, who presented Siemens's Compliance System. The System was developed using a four-pronged approach, namely, "Prevent – Detect – Respond – Continuous Improvement". The participants were very impressed with the progress Siemens had



(L to R): Ms Mariam Milatu (Siemens Malaysia Regional Compliance Officer), Dr Mark Lovatt and Dr Mohammad Mohan during the Q&A session

made since 2006, especially with how the system had grown from strength to strength.

During the Q&A session, Siemens shared its process of receiving whistleblowing reports and how internal investigations are conducted by investigators attached with the headquarters. There was also sharing about how Siemens promotes peer assessment which is conducted as a regular risk assessment for its employees.

The presentation was followed by a scenario training and forum discussion moderated by Dr Mark. The forum centered around common ethical problems faced by the companies and the participants used the forum to discuss possible solutions to these ethical dilemmas.

FGI's Conference on "Harmonising States' Land Use Policies"

The Forest Governance and Integrity project Conference on Harmonising States' Land Use Policies was organised by Transparency International Malaysia (TI-M) under its Forest Governance and Integrity (FGI) project and sponsored by the Royal Norwegian Embassy Kuala Lumpur.

It was attended by about 70 participants from various government and non-government organisations, as well as members of the media.

Participants were distinguished individuals and representatives of bodies including the Forestry Department Headquarters and State Forestry Departments, Forest Research Institute, Malaysia (FRIM), Department of Agriculture, Malaysian Timber Industry Board (MTIB), Malaysian Timber Certification Council (MTCC), Malaysian Timber Council, and universities and institutions: UPM (led by Dean, Forestry Faculty), UKM (Lestari), Nottingham University Malaysia and ISIS.

Participating NGOs were spearheaded by IRIM (Institute Rimbawan Malaysia), with the support of TI-M's other coalition partners including, Khazanah Alam Malaysia (PEKA), Malaysians for Free and Fair Elections (MAFREL), Malaysian Nature Society (MNS), Pertubuhan Pelindung and Shah Alam Trees for Life, South East Asian Council for Food Security and Fair Trade (SEACON), and WWF-Malaysia.

Guest-of-honour, **Yang Berhormat Dato' Sri Dr. James Dawos Mamit, the Deputy Minister of Natural Resources and Environment**, officiated the conference. The Conference was also honoured with the presence of **His Excellency Hans Ola Urstad, the Ambassador of Norway**.

The TI-M President, Dato' Akhbar Satar gave the welcome speech and also expressed the pleasure of having the **Director-General of Forestry Department, Peninsular Malaysia, Professor Dato' Dr Hj Abdul Rahman bin Hj Abdul Rahim** to deliver the Keynote address.

In his speech, the Deputy Minister said Malaysia stands at 11th place in world ranking of wealth in biodiversity, which clearly shows that Malaysia must place a lot more emphasis on forest conservation and studying the content to move up the rank.

"In Malaysia, we produce 196 metric tonnes of greenhouse gases per annum. Trees are important in reducing the adverse effects caused by the excessive release of these greenhouse gases," he said, elaborating further on the impact of global warming to many countries around the world.

Earlier in his welcome address, Datuk Akhbar Satar said that while land development, with sustained socio-political equilibrium, has been the key to a nation's speedy growth, the concern today is that Malaysia's remarkable economic progress has also led to the loss of forest areas due to competing claims for land.



(From left) Dato' Prof Dr. Hj Abd. Rahman Bin Hj. Abd. Rahim, Director General of Forestry Department Peninsular Malaysia, Dato' Akhbar Satar, President of TI-M, YAB Dato' Sri James Dawos Mamit, Deputy Minister of Natural Resources and Environment, His Excellency. Hans Ola Urstad, The Norwegian Ambassador and Dr. Pola Singh, Exco member of TI-M



The conference participants

Professor Dato' Dr Hj Abdul Rahman bin Hj Abdul Rahim, in his Keynote address, said more forest plantations have to be established. Currently, only 365,000 hectares have been planted over a period of 14 years from 2006 to 2020.

He called for more "inter-sectoral coordination between state and federal levels" to assure success in implementing policies on sustainable forest management.

Currently, Malaysia's forest cover totals 21.02 million hectares or 63.2% of the country. Most of this is still in Sarawak, with 8.64 million hectares (86.4% of Sarawak land area). By comparison, Peninsular Malaysia only has 5.79 million hectares (44.0%) and Sabah has 4.44 million hectares (59.2%).

To be addressed are the following salient issues:

Generation of income derivable from the economic values of Permanent Reserve Forest or PRF. This opportunity has not been fully recognized. Similarly, the full potential from eco-tourism has yet to be realised.

- ◆ Frequent and uncontrolled de-gazetting of PRF areas for non-forest uses may undermine the national commitment to maintain a minimum of 50% national forest cover.
- ◆ A weak institutional framework exists for effective integrated forest landscape management.
- ◆ Forests areas are frequently subjected to continuous conflicts with agriculture and other forms of land use.
- ◆ Forest conversion for large scale National Timber Industry Policy (NATIP) forest plantation development programme need to be re-examined.
- ◆ Facilitating the Implementation of Central Forest



Panel Discussion: "Harmonising States' Land Use Policies: Where do we go from here?" (From Left): Prof Dr. Maketab Mohamed, President of Malaysian Nature Society, Dato' Baharuddin Haji Ghazali, Fellow of Institute of Rimbawan Malaysia (IRIM), with the Chairman of the panel discussion, YBhg Tan Sri Dr Salleh Mohd Nor, Pro-chancellor of Universiti Teknologi Malaysia and Mr. Victor Soosai, the Project Manager of TI-M Forest Governance Integrity (FGI) Project.

Spine (CFS) Project under the National Physical Plan (NPP)

- ◆ Observance of good governance principles in land use and forest management practices.

The Way Forward

To move forward, Director-General of Forestry Department Malaysia, Professor Datuk Dr Hj Abdul Rahman bin Hj Abdul Rahim has provided in his paper a good framework for all parties to work on. The following are some of the relevant issues:

- ◆ Inter-sectoral coordination on forestry matters between federal and state governments.
- ◆ Review and strengthening the existing forestry legislation and policy.
- ◆ Strengthening the forest based research and development (R&D) work programme by local forestry research institutions and forestry related institutions of higher learning.
- ◆ Embarking on more effective and robust forestry capacity building programme at the national level.
- ◆ Implementing effective environmental public awareness programme at all levels.

Datuk Dr Abdul Rahman's own recommendations in detail (see paper) will be taken as primary points for the Expert Group's set of recommendations to the government.



President of TI-M, Dato' Akhbar Satar, with The Norwegian Ambassador, His Excellency Hans Ola Urstad.



Transparency International Malaysia - Forest Governance Integrity Project (TI-M-FGI) Workshop with Indigenous communities

The meeting with the indigenous communities from Peninsular Malaysia was held at TI-M's office in Petaling Jaya on 23 January 2014. The response from the indigenous community represents under JKOSAM (Orang Asli Network for Peninsular Malaysia) was encouraging bringing 27 people from the various states. Dr Pola Singh, TI-M Exco Member in-charge of the Forest Governance Integrity Programme, officiated the Meeting. Also present for the opening were Dr Loi Kheng Min, the Secretary General of TI-M. Mr Yogeswaran Subramaniam, lawyer for the JKOASM, Mr Elantiraian Perumal and Mr Stuart Renny Michael - Journalists from The Star newspaper. A total number of 35 participants including TI-M Exco and FGI staff participated in the workshop.

One of the main objectives of the discussion was the formation of Monitoring Units in each state. This is an effort to get more involvement of indigenous people to be involved in forest monitoring and assist the forestry authorities. The main concerns of the orang asli communities in some areas are as follows:

- Logging
- Deforestation
- Opening of forests for agriculture
- Mining of Natural Resources

Recognising that, the conduct of the activities above is essential for development. However, it is a growing concern that development comes with the price of unsustainability with regards to forestry. As JKOASM has claimed, the conduct of development by the federal and state government comes with negative consequences. As pointed out by Khatijah Yok Chopil, coordinator of JKOASM, the cutting down of trees and mining activities are causing problems to the indigenous communities and their livelihood.

JKOASM pointed out several points of interest:

- Endangered sites such as Tasik Chini and Gua Musang are still threatened with the constant mining of natural resources and deforestation to make way for plantation and other development
- Indigenous community forest reserves are being invaded by contractors
- Mining of sand and tin ore are causing problems for indigenous communities

JKOASM also pointed out the legal discrepancies of



Dr. Pola Singh, Dato' Baharuddin Haji Ghazali and Dr. Razali Abdul Kader, Representatives from Jaringan Kampung Orang Asli Semenanjung Malaysia (JKOASM)

the current Written Law on forestry and the special rights given to orang asli under the Common Law. Mr Yogeswary Subramaniam, lawyer for JKOASM, pointed out that the implementation of the current Forestry Act goes against what the Common Law privileges that orang asli should be enjoying because of their status as the indigenous people of peninsular Malaysia.

Several cases where JKOASM feel their rights are violated are as follows:

- The invasion of loggers that cuts trees in Orang Asli Forest Reserves
- The arrests of several orang asli who harvest resources from Forest Reserves
- The confusion between Orang Asli Forest Reserves and Tanah Rizab Melayu
- Loggers attitude of "Cut First, Explain Later"

The fine line of understanding between right and wrong also left orang asli frustrated because they feel that they are not free to do anything with the new law. This means that their sustenance and livelihood are being threatened, as they do not seem to be able to go into the forest and gather resources for their families.

Two investigative journalists from The Star Newspaper, Elantirian Perumal and Stuart Renny Michael also joined this discussion. During the proceedings they pointed out that all of the reports from JKOASM would be looked into by them in order to get a clearer picture of the situation. They will try their best to get the word on possible suspicious / illegal activities.



The Coordinator of JKOASM, Cik Khatijah Yok Chopil, giving opening remarks during the workshop

Transparency International-Malaysia focused on emphasizing that TI-M will do their advocacy work as best as they can. TI-M is providing a platform that JKOASM, NGOs and groups to come and work together. The objective of TI-M Forest Governance Integrity is to be the people's voice in order for government and other bodies of enforcement to be more sensitive and be aware of the actual situation that is happening in the forest.

At the end of the discussion, JKOASM agreed that it is not a loss for them to start this Monitoring Unit as suggested by Transparency International-Malaysia. Khatijah Yok Chopil, Coordinator of JKOASM, emphasized that it is better to do something than to do

The workshop participants from JKOASM with team members of the Forest Governance Integrity Project and TI-M staffs.



Appointments – New Starters

Jessica Sercombe **Office Manager**

Born in Sarawak and raised in Brunei, Jessica has been active in development work in Southeast Asia since 2005. She completed a BA (Hons) in International Development and Peace Studies at the University of Bradford in 2008, and in 2010 she undertook a Masters in the Anthropology of Development at the School of Oriental and African Studies (SOAS), University of London. Jessica has worked on different development projects concerning natural resource management, community development and land conflict in Southeast Asia before joining Transparency International in January 2013, initially at the TI-Secretariat's Asia Pacific Department. She joined TI-Cambodia from July – September 2013, before joining TI-Malaysia in October 2013.



Amanda Rabai Nasip **FGI Project Coordinator for Sarawak**

Krystle Amanda Rabai Nasip was born on 26th December 1987 at Simunjan, Sarawak. She received her primary education at Sekolah Kebangsaan Chu Hua Lundu, Sarawak. After she completed her secondary school education at Sekolah Menengah Kebangsaan Batu Lintang Kuching, Sarawak, Krystle entered matriculation of Labuan for pre-degree education. Later, she pursued her undergraduate programme at Universiti Putra Malaysia from 2006 to 2010 where she was awarded Bachelor of Science in Bioindustry. In the same year, Krystle enrolled as a full time Masters student at Universiti Putra Malaysia. She has produced two papers from her research work.



Marathamuthu Suppanainar **FGI Project Coordinator for Sabah**

Marathamuthu has been an active member of the Sabah Environmental Protection Association (SEPA) since 1989, where he later served as an Exco member, Vice-President and Secretary-General, before becoming an advisor to the association. He is also a member of the Malaysian Nature Society (MNS) since 2008, and became the Exco member of MNS-Sabah from 2008-11. Since 2010, he was picked as a National Council Member of MNS.



Dr. Razali bin Abdul Bader **FGI Consultant**

Dr Razali bin Abdul Kader, who was formerly the Chairman/Senior Consultant of K-Spatial Sdn Bhd, a geospatial technology service provider company, has joined TI-M FGI team as a consultant on 1st November. He has authored/co-authored over 80 articles for journals and conferences, and travelled widely in the course of conducting wood-based business, attending conferences and trade exhibitions.



PRESS RELEASE

TI-M URGES GOVERNMENT NOT TO SIGN TPPA UNLESS ANTI-CORRUPTION TOOLS ARE PUT IN PLACE.

Transparency International-Malaysia (Ti-M) urges our Malaysian Government, especially the Ministry of International Trade and Industry (MITI), not to proceed with the signing of Trans-Pacific Partnership Agreement (TPPA) until a consensus has been achieved with all stakeholders, especially the agreement is likely to affect the live hood of all Malaysians. The era in which the government imposed excessive controls and adopted the attitude of 'government knows best' is over. Even though, the MITI Minister has insisted that his ministry would ensure the country's best interests are protected in the negotiations.

The next round of TPPA negotiations will be held in Singapore from February 22 to 25, 2014 and nobody seems to know the agenda. Ti-M strongly urges MITI to include good integrity programmes, strong anti-corruption and legal and transparency regulatory requirements in the TPPA negotiations. Most of the 12 participating countries are party to the United Nations Convention against Corruption (UNCAC) and thus are also familiar with these kinds of provisions.

The UNCAC is a legally binding international anti-corruption instrument, and touted to be the most promising initiative and the first global framework to harmonise anti-corruption efforts worldwide. The objectives of the Convention are to promote and strengthen measures to prevent and combat corruption more efficiently and effectively; to promote, facilitate and support international cooperation and technical assistance in the prevention of and fight against corruption, including in asset recovery; and to promote integrity, accountability, and proper management of public affairs and property.

Malaysia has signed UNCAC on 9 December, 2003, and subsequently issued a confirmation on September 24, 2008. The Convention came into force on October 4, 2008. On February 10, 2014 the 502-page full Country Review Report covering Articles 15 – 42 of Chapter III : "Criminalization and Law Enforcement" and Articles 44 – 50 of Chapter IV : "International Cooperation" of the UNCAC was released and presented by TI-Malaysia promotes good governance, integrity and transparency in Malaysia through advocacy, education, information and research.

United Nations Office on Drugs and Crime (UNODC) to Malaysian Anti-Corruption Commission (MACC) in Kuala Lumpur. With this ratification of UNCAC, it is an obligation of Malaysia to support the inclusion of anti-corruption and transparency provisions in the TPPA in the settlement of any disputes for the benefits to our country, Malaysian businesses and consumers.

Corruption must be stopped for investment and trade to flourish, and transparency is essential for the benefits of trade agreements to be fully realized. It is up most important for Malaysia to include strong, enforceable provisions in the TPP Agreement which will help to protect legitimate business and promote governance accountability. The inclusion of these integrity programmes and anti-corruption provisions would also make a strong mandate and statement that Malaysia is committed to addressing proper governance and transparent in business activities not only in our own country but also aboard for the economic and social welfare of all citizens. Ti-M calls upon our Malaysian government to use the TPPA negotiations so as to achieve the highest level of commitment to combat corruption and look forward to working with the MITI and MACC as the negotiations proceed.

END.

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PRESS RELEASE

GIVE MACC PROSECUTION POWER

Transparency International-Malaysia (Ti-M) is of the view that MACC has always maintained an independent posture in fighting corruption but nevertheless there is always room for value added initiatives especially in matters pertaining to powers on prosecution against corruption cases.

Ti-M maintains that MACC should be independent and have its own prosecutorial powers. In fact, the Parliamentary Select Committee (PSC) on Corruption have forwarded the proposal of giving the Malaysian Anti-Corruption Commission (MACC) the power to prosecute to enable it to combat corruption more effectively. They have made the proposal twice but it was rejected.

MACC's counterpart in Indonesia (Corruption Eradication Commission or KPK) was given prosecutorial powers upon being established in 2003. Ti-M trusts MACC if given the opportunity, can perform the function efficiently devoid of any element of abuse of power. The prosecutorial powers should only be invoked if there is sufficient reason to convince the MACC advisory board, which acted as check and balance mechanism, that there is pressure or interference in MACC's work. The important factor is however MACC's ability to sustain the given power in times of external pressure. Recently there are reports in Indonesia of controversial attempt by certain quarters to scrap the anti-graft body's prosecutorial authority. According to activists claim, the move is part of efforts "to limit the KPK's power."

Recent cases of a former Immigration Director-General (DG) being sentenced to six years prison and fined RM300,000 by the Sessions Court in Kuala Lumpur and the prosecution of a former CEO of an Iskandar Investment Berhad's (IIB) subsidiary company accepting a RM400,000 bribery in return for approving the Kampung Sungai Pendas Laut road development project have been some successful stories to tell. However, Ti-M is taken aback when MACC had announced in a statement on January 27 that a former political secretary with the title of Datuk and a Director of one of the foundations headed by the former, would be charged in the Kuala Lumpur Sessions Court under the Penal Code on alleged criminal breach of trust

involving more the RM1.1 million and another charge of alleged cheating involving RM1 million. Until now the Attorney-General (AG) has yet to charge the two in court.

Ti-M lauds MACC's consultation and corruption prevention advisory panel chairman, Datuk Johan Jaffar for wanting the Attorney-General's Chambers (AGC) to explain why these two officers have not been brought to court as announced earlier in the press by MACC. Ti-M, here again, urges the MACC to up its ante and meet public expectations. While it is understandable that it is not easy to prove bribery as it happens, the MACC keeps its efforts investigating high profile corruption cases. "Power corrupts" still holds true in any country. Therefore, in order to have a more independent MACC that is 'feared' by all, Article 145 of the Federal Constitution should be amended to include the MACC as one of the two parties besides the AG to have the discretionary power to prosecute. At the moment, the Chief Commissioner and his officers have limited power only given to investigate under Section 7 of the MACC Act 2009. Based on Article 145 of the Federal Constitution, the power to prosecute in corruption cases remains with the Attorney-General. Ti-M fully agrees with MACC that we should work together as the national coalition against corruption. Our goals and objectives are the same – stop corruption!

END.

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PRESS RELEASE

KUDOS TO MACC - 2012 MACC ANNUAL REPORT

Transparency International – Malaysia (TI-M) congratulates MACC Chief Commissioner, Tan Sri Abu Kassim Mohammed on the MACC's 85 percent prosecution and conviction rate, which he claims surpasses other countries such as Hong Kong, Singapore and Indonesia. Compared to the MACC's conviction rate of only 45 percent in 2009, the 2012 rate of 85 percent is a drastic improvement, and even went beyond the international standards of 80 percent.

The 2012 MACC Report states that out of the 5,496 corruption cases almost 75 percent were resolved, including 701 arrests and 313 people prosecuted. Of those prosecuted 33.5 percent were civil servants, 53 percent civilians, 13 percent private sector workers and 0.5 percent politicians. This includes the high-profile cases of former Sabak Bernam MP and former UiTM Dean. TI-M commends the MACC for exemplifying that high-profile cases are not exempt from prosecution. With the former MP receiving a six year jail sentence and RM400,000 ringgit fine and former Dean obtaining a one-year jail sentence, a clear message of justice and no impunity needs to be upheld. With the MACC cracking down on major operations such as diesel smuggling, the dealings of offering Bazaar lots for sale and the Iskandar project discrepancy, the extent of corruption is undoubtedly prevalent in all sectors, and prosecution and conviction rates need to continue increasing.

In principle, we should be proud; however, TI-M is of the opinion that, despite the MACC's conviction rate of 88 percent as at June 2013, the MACC still has a lot of work to do to fight corruption. Hong Kong's ICAC has hit 90 percent in the same period, and in order to match the performance of the ICAC, the MACC should rake in all, whether it is a high profile or ordinary cases. After all, our TI Corruption Perceptions Index (CPI) surveys take into the account of not only about comparing bribes being reported, the number of prosecutions or corruption court cases but also how effective prosecutions and the courts are and the media in investigating and exposing corruption.

The MACC should also send its officers into key government departments, not only as part of Integrity Management Unit and also as undercover operatives. Unless the MACC is able to clamp down on the

perpetrators of everyday petty corruption and grand corruption to exemplify their long term effectiveness, the public will only be immune to the display of high success rates.

However, TI-M maintains the MACC should be independent and have its own prosecutorial powers. In fact, their counterpart in Indonesia has already been given the prosecutorial powers. Without giving the MACC the powers is akin to having a roaring tiger without its teeth in a jungle where corruption and abuse of power has become the rule of life in Malaysia.

There is no reason to believe that there would be elements of abuse if the MACC is given the prosecutorial powers. Abuse of power should be the Government's last fear, as the current system also may allow the Attorney General's Chambers (AGC) to abuse its power whenever it chooses not to proceed with the prosecution.

The prosecutorial powers should only be invoked by the MACC if there is sufficient reason to convince the advisory board that there is pressure from the top or because the case involves some cronies. In order to have a more independent MACC that is 'feared' by all, Article 145 of the Federal Constitution should be amended to include the MACC as one of the two parties besides the AGC to have the discretionary power to prosecute. At the moment, the Chief Commissioner and his officers are only given the power to investigate under Section 7 of the MACC Act 2009.

END

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PRESS RELEASES 2011-2013

Month	Date	Title
July	9 22	Global Corruption Barometer 2013 survey findings for Malaysia Re: Outcome of the Executive Committee Extraordinary General Meeting (EGM)
August	5 15 17 21 22 25	TI-M Executive Committee moving forward with endorsement by EGM Re: TI-M commends Kedah Menteri Besar, Datuk Mukhriz Tun Mahathir for his leadership policy Re: In response to Ms. Josie Fernandez's letter to the Editor published in New Straits time on 14th August TI-M calls on PM to instruct both MACC and PAC to look into outstanding public sector projects involving escalated costs TI-M urges Government to consider declassifying procurement documents TI-M wants MACC to be independent and have prosecutorial powers
September	6 6 7 9 18 24 27	TI-M decides to terminate Josie Fernandez's membership with TI-M Yunos suggests 3-5 days compulsory leave for senior staff TI-M responds to MACC's Chief "Outclass Many of Our Peers" statement; urges Najib to meet the UNCAC review TI-M backs the call for greater transparency and to fight corruption TI-M calls on greater transparency in procurement of defense equipment UMNO elections must stay away from money politics ROS has confirmed Dr KM Loi as the Secretary-General of TI-M
October	1 2 9 12 16 18 23 23 23 24 31	The education of our children cannot succeed when corruption taints our schools and universities Auditor-General report 2013 shows more serious failure in the systems due to non-compliance and poor attitude Corruption threatens peacekeeping success TI-M urges a strong stand against money politics TI-M wants Government and TNB to renegotiate power purchase agreements TI-M waiting to see if MACC is serious about corruption and money politics in UMNO TI-M lauds Petronas for its organizational transparency/ TI-M wants the Government to be more transparent when it deals with food security TI-M urges the Government to scrap Amendments to Penal Code Section 203A TI-M lauds MACC for latest case of bribery involving Iskandar Investment Berhad's subsidiary Kudos to MACC for successful prosecution, and warns others against corruption
November	7 12 13 27	TI-M: Kudos to MACC – 2012 MACC Annual Report Walk the Talk: TI-M will be organising its 'Anti-Corruption and Forest Governance Walk' TI-M's Forestry Governance and Integrity Programme Spreading its wings to East Malaysia Strengthening the United Nations Convention Against Corruption (UNCAC)
December	3 17 31	TI's 2013 Corruption Perceptions Index (CPI) Results TI-M to host special conference on Forest Governance Integrity TI BIP Malaysia Sdn Bhd signs Corporate Integrity Pledge
January	21	TI-M and Sinar launch website, "Aduanku" to report and monitor local council issues



TI-M and Sinar Project Launch Website “Aduanku” to Report and Monitor Local Council Issues



Dato' Akhbar Satar (TI-M President) launching FixMyStreet / Aduanku.my

On 21st January 2014, Transparency International Malaysia (TI-M) in collaboration with Sinar Project and SJ Echo launched a new free website service to empower Subang Jaya citizens to transparently report and monitor local council issues. Citizens can report issues such as potholes, uncollected garbage, illegal dumping, faulty street lights, broken drains, double parking, and 'kaput' traffic lights and upload photo evidence and location markers.

Citizens can monitor their local council's response and comment if remedial action was satisfactorily taken. They can also discuss online to organize collective solutions with all stakeholders in an open and transparent manner if the problem persists. Dato' Akhbar Satar, President of TI-M said, "With the aim of increasing citizen engagement with local authorities, Aduanku intends to empower the Rakyat in voicing concerns that affect them and their community on a daily basis, which in turn will help to strengthen local government integrity".

The web service is accessible at Aduanku.my and has both desktop and mobile web interface that simplifies the steps needed to accurately report a problem. Reports received are forwarded to local councils by the residents themselves, or by website reviewers and community partners. Once submitted, anybody can view and update on the reports. This will reduce duplicates and provides a transparent and accountable of all the local issues and concerns related to infrastructures and facilities.

The initial support area is Subang Jaya, however it is planned to support Petaling Jaya and Penang in coming months. Interested local councils, residents associations and neighbourhood watch are invited to contact Aduanku to work together to add support in their areas.

About Aduanku

Aduanku is a website to facilitate citizens to report local council issues simply by locating the issue on a map or entering a street name. Its overall aim is to empower citizens to monitor their local authority performance and response in attending to their complaints in a transparent manner. It implements United Kingdom's award winning open government FixMyStreet website for Malaysians. It is accessible at <http://aduanKu.my>

Sinar Project

The Sinar Project is an initiative using open technology and applications to systematically make important information public and more accessible to the Malaysian people. The Project aims to improve governance and encourage greater citizen involvement in the public affairs of the nation by making the Malaysian Government more open, transparent and accountable.

SJ Echo

The publisher of Subang Jaya's community paper which now produces 30,000 copies of newspaper monthly distributed in strategic areas in Subang Jaya, USJ, Putra Heights, Bandar Sunway and Puchong areas which are your prime focus for this part of the Klang Valley. SJ Echo will published the Aduanku monthly hits.



(L-R) Dr. KM Loi (TI-M Secretary-General), Duncan Willis (Peter Willis's son), Peter Willis (previous Executive Director of TI-Australia), Dato' Akhbar Satar (President TI-M), Dr. Mohammad Mohan (TI-M Exco Member)



HAPPY 2014

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HAPPY CHINESE NEW YEAR

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