



Transparency International-Malaysia's Newsletter

The Global Coalition Against Corruption

Highlights



BIP Best Practice Forum

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Capacity Building Workshop on
Forest Watch Initiative in Sarawak

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TI-M's Malaysian Corruption
Barometer (MCB) Launch

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President's Message

Dear TI-Malaysia (TI-M) Members,

I trust everyone has made the best use of the official public holidays as well as the festival atmosphere of Aidilfitri throughout August. While it was a month of mutual forgiving among Muslims, others take the opportunity to visit their Muslim friends where they partake in special festival spread and rekindle friendships. Sadly though, the topic of discussion centred around the tragedies of MH17 and MH 370. On behalf of the Exco, I extend our heartfelt condolences to everyone who knows all those on board these ill-fated flights. May their souls rest in eternal peace.

As the saying goes, life must go on. And so, TI-M will not put our guard down in our quest to be in the forefront to combat corruption and encourage transparency across society so that integrity becomes our way of life.

The Malaysian Corruption Barometer (MCB) 2014 findings were released in May 2014. TI-M's initiative to conduct a domestic survey to zero-in on the Malaysian scenario was well received. It will be interesting to note how the findings of our self-examination compare with the Global Corruption Barometer. The results of both surveys have cross-credit effect, if you will.

Reflecting on the MCB 2014, incidents of bribery increased from the Global Corruption Barometer 2013 statistics. In response to this increase, various NGO's and support groups stepped up their glare to curb corrupt practices in the public and private sectors.

TI-M notes with concern that public confidence needs to be restored, judging by the decline in citizen's willingness to report incidences of corruption. The Whistleblower Protection Act 2010 was established to protect anyone who reports any form of corruption to the authorities. TI-Malaysia urges the public to take action by reporting any incidence of corruption, as the Whistleblower Protection Act 2010 will protect their rights.

TI-M will enhance our efforts to bring to the attention of the government, acts of corruption that we are aware of. However, educating the general public continuously is crucial for a well-informed society. This is a step towards TI-M's ultimate goal to make 'Integrity, A Way of Life'. Our education efforts will continue to spread this message not only on YouTube but also on mainstream media (print, broadcast and television) but we are currently lacking the funds. Other initiatives to encourage youth participation in our efforts include the Youth Integrity Promotion programme. Hence, active participation in combating corruption is vital to build a society that believes 'Integrity is our way of life'.

TI-M's business unit, TI BIP Malaysia Sdn Bhd, continues to offer a range services to help companies design, implement and maintain corporate integrity systems. However, we concede that there is room for improvement and we welcome any referrals from all TI-M members.

The way forward for TI-M remains challenging. However, the Executive Committee and TI-M staff will relentlessly play our role to enhance our efforts to advocate 'Integrity is our way of life' and seek appropriate funding with the support of active participation and continuous cooperation from the public and authorities.

Best wishes,
Dato' Akhbar Satar



'Integrity, A Way of Life'
Dato' Akhbar Satar

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BUSINESS INTEGRITY PROGRAMME BEST PRACTICE FORUM AT SIME DARBY AND PETRONAS



Transparency International – Malaysia’s (TI-M) Business Integrity Programme (BIP) Best Practice Forum series provides platforms for corporations to exchange ideas and views to further improve the level of integrity in the business community. The main objectives of this seminar are:

1. To observe the integrity culture of the hosting company
2. For attendees to share integrity best practices of their own organisations
3. To offer a platform for knowledge sharing through case studies and forum

SIME DARBY, 26 MARCH 2014

Sime Darby Bhd kindly hosted the 6th TI-M BIP Best Practice Forum on 26 March 2014 at the Sime Darby Learning Centre. The forum was well attended as usual, with a total of 80 participants from 17 organisations.

Sir John Arkosi, Group Head, Group Compliance and Group Corporate Assurance of Sime Darby gave the opening speech. Sir John’s remarks were followed by presentations on Sime Darby’s compliance system from the Group Strategy and Business Development Division and Group Procurement Division. Sime Darby established a Governance and Audit Committee with separate functions from a standard risk management committee. Several initiatives were implemented by Sime Darby, including:

- Adoption of a Code of Business Conduct for all employees
- Establishment of the Whistleblowing System
- Development of interactive governance risk and

BIP Managing Director, Dr. Mark Lovatt

compliance online portal

- Signing of the Corporate Integrity Pledge
- Implementation of e-Tendering
- Introduction of Vendors Letter of Declaration, a formal undertaking that they will act with integrity in conducting business dealings with the Sime Darby group of companies.

In order to build a culture of compliance, all Sime Darby vendors were made responsible to demonstrate their commitment to the cause. Sime Darby had also conducted integrity training for their vendors, as well as employees.

The presentations were followed by a scenario training moderated by Dr Mark Lovatt, TI-M BIP Manager. The training focused around common ethical problems faced by the companies such as giving and receiving of gifts and hospitality and practical solutions to overcome these



dilemmas.

PETRONAS, 26 MAY 2014

The 7th Corporate Integrity System Best Practice Seminar was held on 26 May 2014. This time, TI-M had the opportunity to collaborate with Petroliaam Nasional Berhad (PETRONAS) to jointly organise the session. A total of 29 participants from 18 organisations attended the session, which was held at the KLCC Convention Centre.

The session started with introductory remarks from Dr Mark Lovatt, who welcomed the participants, and gave a brief background of the seminar series. This was followed by an overview of the PETRONAS Integrity Agenda, as shared by Pn Nurirdzuana Ismail, Head of External Affairs of the PETRONAS Chief Integrity Officer's Office. She shared PETRONAS' strategy in their journey to be a company that will strive to attain the highest reputation in fairness, transparency and zero tolerance to corruption by 2020.



After Pn Nuri's talk, En Ahmad Nabil Azizan, Head (Legal) of Corporate Governance and International Compliance Unit shared with the participants an overview of PETRONAS' Integrity Compliance Framework and its ongoing programmes which have the aim of communicating PETRONAS' integrity initiatives to its stakeholders.

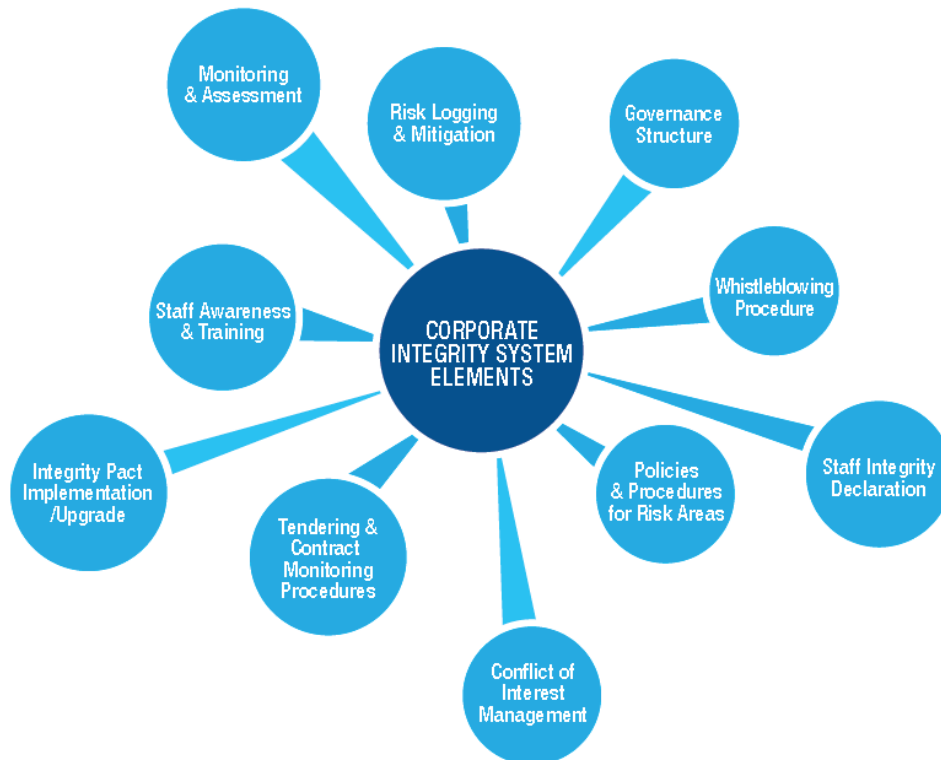
During the Q&A session, there were many enquiries into PETRONAS' implementation of its "No Gifts Policy" and it's "Vendor Integrity Programme", which are both essential to PETRONAS' integrity plan. The session also led into a lively sharing of various challenges in the area of whistleblowing, from handling anonymous letters, to ensuring no-retaliation on whistleblowers, to outsourcing the whistleblowing function, etc.

The best practice session ended with a scenario training and forum discussion moderated by Dr Mark Lovatt.

The Best Practice Sessions are open to all TI-M Corporate Members, and, by invitation, organisations which are actively engaged in implementing corporate integrity programmes of their own.



TRANSPARENCY INTERNATIONAL – MALAYSIA AND CORPORATE INTEGRITY SYSTEM MALAYSIA (CISM)



*The services are provided via TI-M's wholly-owned social enterprise,
TI BIP Malaysia Sdn Bhd.*

TI-M started the Business Integrity Programme (BIP) in 2011 and has gained much traction since its inception. Apart from engaging with the business sector directly, TI-Malaysia also participated in a government initiative, Corporate Integrity System Malaysia (CISM). CISM is a conceptual framework initiated by the Malaysian Institute of Integrity (IIM) and supported by various institutions as listed below. The main objective of the CISM initiative is to create a business environment that is transparent, fair and corruption-free through the enhancement of corporate governance and business ethics.

At present, CISM has 8 Roundtable Members:

1. Malaysian Anti-Corruption Commission (MACC)
2. Performance Management and Delivery Unit (PEMANDU) of the Prime Minister's Department
3. National Key Result Areas (NKRA) against Corruption
4. Companies Commission of Malaysia (SSM)
5. Securities Commission Malaysia (SC)
6. Bursa Malaysia Berhad
7. Malaysian Institute of Integrity (IIM)
8. TI-Malaysia

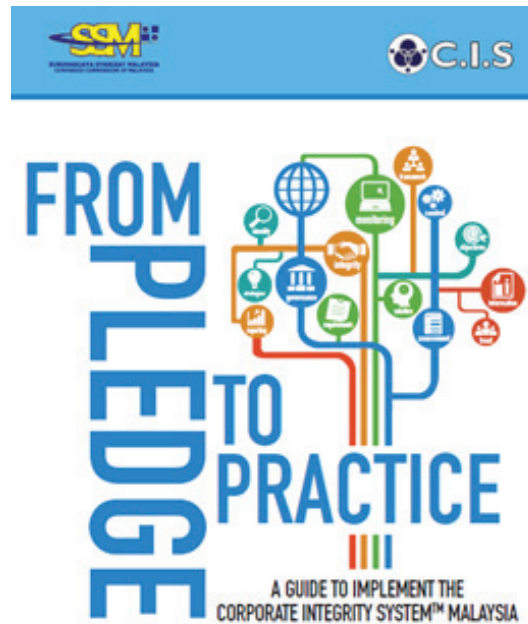
Of the eight Members, TI-Malaysia is one of the two

Implementation Partners, the other being IIM. TI-M's role is to help companies which have signed the Corporate Integrity Pledge (CIP) set up and manage effective integrity tools such as rules for gifts & hospitality, Integrity Pacts with suppliers, secure lines for staff to report incidents (whistleblowing), and robust procurement procedures. These are elements of the Corporate Integrity System.

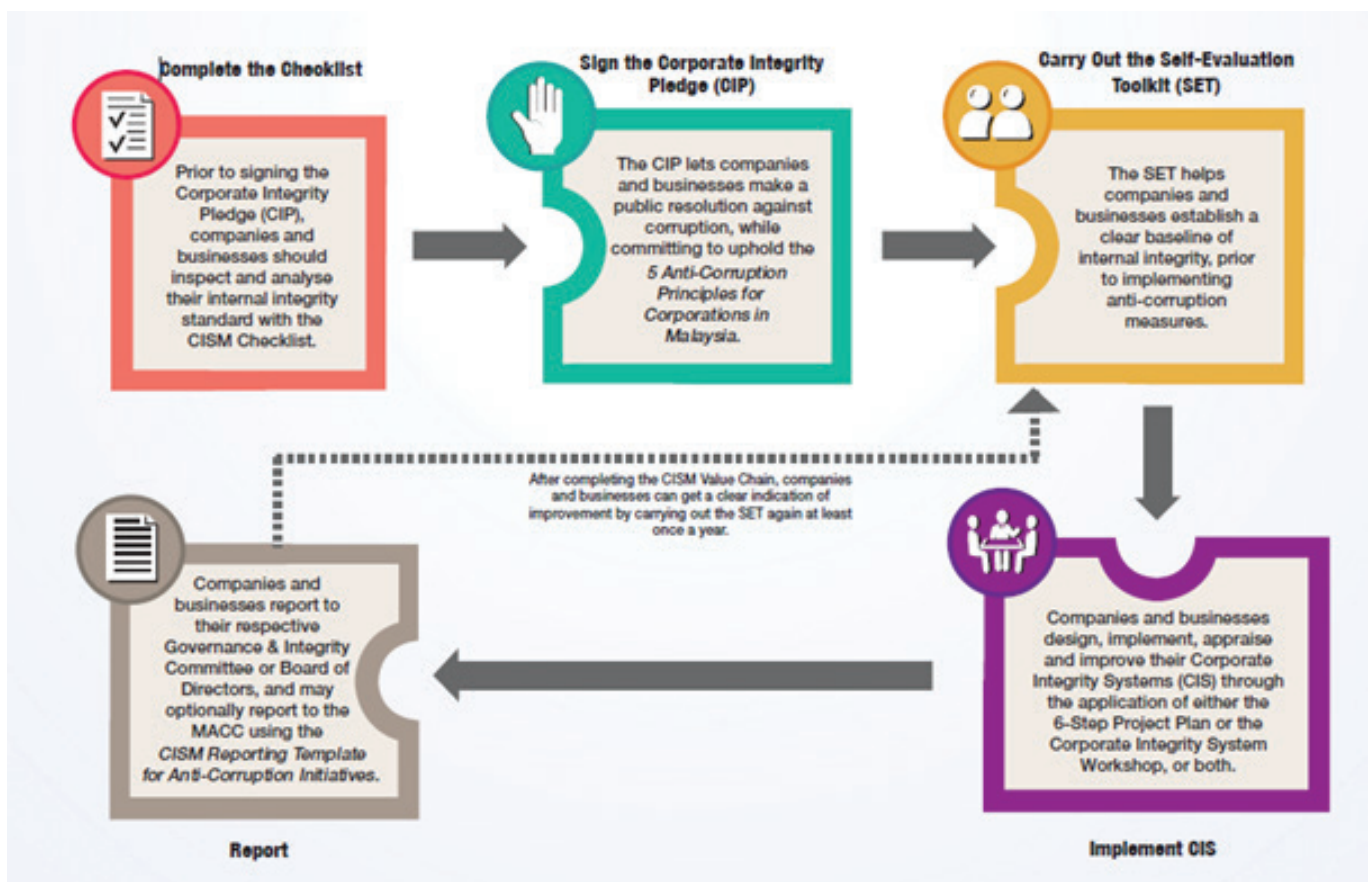
CISM Toolkit: "From Pledge to Practice: A Guide to Implement the Corporate Integrity System Malaysia"

One of the main developments of 2014 so far has been the launch in April of the CISM Business Integrity Toolkit, From Pledge to Practice, published by SSM. The Toolkit is a significant milestone for the CISM Roundtable as it was developed through a joint collaboration among the Members. The Toolkit is a useful resource for organisations implementing integrity systems and provides step-by-step guide to assist organisations in completing the CISM Value Chain.

From August onwards, TI Malaysia, in conjunction with SSM and IIM, will be providing a free one-day course for signatories of the CISM pledge, using the From Pledge to Practice, to help companies take their integrity agenda forward.



CISM Value Change Process



Source: From Pledge to Practice: A Guide to Implement the Corporate Integrity System Malaysia, pg 14.
CISM Toolkit can be downloaded from: http://www.ssm.com.my/sites/default/files/basic_pages/SSM%20Toolkit_Eng_Hi%20Res%20FINAL.pdf

For more information on the CISM Toolkit, or the ways which TI Malaysia helps companies develop their integrity programmes, please contact Dr Mark Lovatt, Business Integrity Programme Manager, at 03-7960-6630, or email mark.lovatt@transparency.org.my.

CAPACITY BUILDING WORKSHOP ON FOREST WATCH INITIATIVE IN SARAWAK

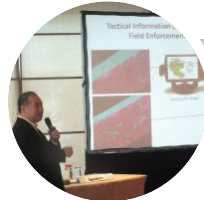


Shafie Dris, one of the members of JKOASM

The Forest Governance Integrity project (FGIP) on Capacity Building Workshop on Forest Watch Initiative in Sarawak organised by TI-Malaysia was held on 1 April 2014, in Kuching, Sarawak. Although TI-M had planned for 40 participants, it was attended by 65 participants from various government and non-government organisations, as well as members of the media. Participants included Forest Department Sarawak, Malaysian Anti-Corruption Commission (Sarawak), Sarawak Forestry Corporation Sdn. Bhd., Sarawak Timber Association, Borneo Resource Institute, Sarawak Dayak Iban Association, Jawatankuasa Kemajuan & Keselamatan Kampung (JKKK) Pusat Jagoi Bau, Institute for Development of Alternative Living, Jaringan Orang Asal SeMalaysia, Rumun Kelabit Sarawak, Dayak Bidayuh National Association, Malaysia for Free and Fair Elections, eSFM Tropics, Orang Ulu Community, Institute of East Asian Studies (UNIMAS), Tanah Hak Adat Bangsa Asal Sarawak and The Borneo Post

The Workshop's objective was to provide an avenue for forest-related stakeholders in Sarawak to gather to showcase their efforts in forest and forest related activities, in addition to fostering and strengthening stakeholder networking including enhancing public participation in sustainable governance of forest. The Workshop also aimed to enhance public awareness on issues related to reporting and monitoring forest activities in Sarawak.

SOME OF THE SPEAKERS AT THE WORKSHOP



Dr Affendi bin Suhaili



Zulhairi Bin Zadel



Victor Soosai



Mark Bujang



Nicholas Mujah



Wong Meng Chuo



Datu Ik Pahon

The Workshop was aimed at increasing awareness and seek involvement among the public in good forest governance. The Forest Department Sarawak had engaged with TI-M's FGIP since 2009 and TI-M hoped for continued co-operation for good forest governance in Sarawak. The Forest Watch Mobile Application would also act as a tool in assisting to sustain the ecology of Sarawak forests.

Seven papers were presented at the Workshop and some of the issues raised during discussion and Q&A sessions included the following:

1. The rights of indigenous people on forest
2. Native Customary Rights (NCR) issues
3. Illegal logging and licenses
4. Government efforts in handling illegal logging cases
5. Forest vision and conservation forestry
6. Better visibility for Environmental Impact Assessment
7. Better transparency in the management of the forests

TI-M places high importance in maintaining positive rapport with the government and its agencies while adopting policies of constructive engagements. This workshop provided greater awareness among the people on the importance of forests monitoring and paves the way for more collaborative engagement among Government agencies, NGO's and the public.



Tuan Haji Sapuan Ahmad (in the middle), the Director of Sarawak Forest Department together with, Dato' Akhbar Satar (on right), the president of TI-M and Dr. Pola Singh (on left), Exco member of TI-M launching the Forest Watch Mobile Application

ForestWatch Mobile App



ForestWatch Mobile App is an application which allows the public to report irregularities of forest activities through their smart phones. ForestWatch Mobile is an initiative of Transparency International Malaysia Forest Governance Integrity Project (FGIp) to enhance the public involvement in monitoring and accessing forest cover to provide data on State Land Forests and Permanent Forest Reserves. Users can also read daily updated news on Forestry related issues. For more details please log on to :

a. Android:

<https://play.google.com/store/apps/details?id=com.ForestWatch>

b. iOS:

<https://itunes.apple.com/us/app/forestwatch/id820876011?mt=8>

Participants at the workshop

First Row (Sitting from left): Dato' Akhbar Satar (TI-M President), Tuan Haji Sapuan Ahmad (Director of Forest Department Sarawak), Dr Pola Singh (TI-M Exco Member), Zuhairy bin Zadel (Assistant Commissioner of Malaysia Anti-Corruption Commission Sarawak). The workshop was officiated by the Director of the Forest Department Sarawak, Tuan Haji Sapuan Ahmad



SUBMISSION OF THE FOREST GOVERNANCE INTEGRITY REPORT TO THE ROYAL NORWEGIAN EMBASSY

TI-Malaysia (TI-M) would like to express our sincere thanks and appreciation to the Royal Norwegian Embassy for the grant for our Forest Governance Integrity (FGI) Project, spanning June 2013 – May 2014. The FGI project has come to an end at the end of May 2014. Efforts are being made to continue on with this project on a smaller scale.

On 4th September 2014, Dato' Akhbar Satar, TI-M's President, together with Dr Pola Singh, TI-M's Exco Member in charge of FGI Project and Terance Chan, TI-M's Executive Director visited the Royal Norwegian Embassy in Kuala Lumpur to thank the Embassy for their valued financial support and submitted the final FGI report. A meeting was held between the TI-M team and H.E Hans Ola Urstard (Royal Norwegian Ambassador to Malaysia) and Mr Constantin Nicolaysen Karame (First Secretary Royal Norwegian Embassy Kuala Lumpur).

The FGI Project has served to contribute, improve and strengthen transparency, integrity and accountability of the forest governance system and related target groups. The objectives of this phase of the FGI project are as follows: -

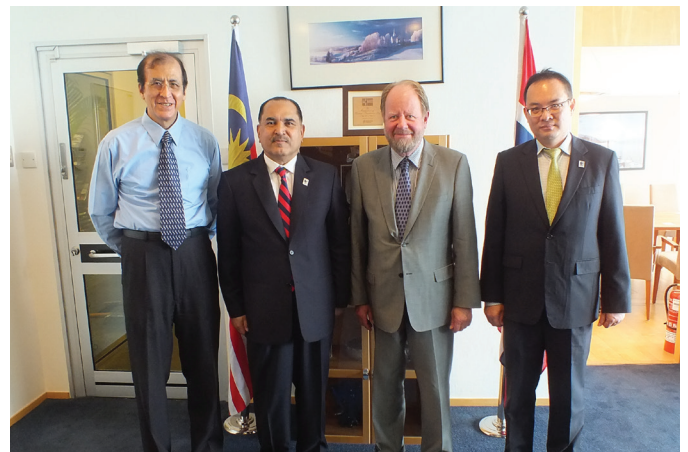
- Increase awareness and knowledge of the challenges and systemic structures of forest sector corruption;
- Foster the development and application of monitoring tools such as 'Forest Watch' mobile applications and web reporting and strengthen cooperation among relevant stakeholders in addressing corruption in the forestry sector;
- Capacity building for civil society, including non-governmental organizations, local communities and indigenous people with the aim of strengthening their capacity to identify corruption threatened areas in the forestry sector through the 'Forest Watch' Initiative.

One of the important deliverables of the current FGI Project is the development of the Memorandum (Memo) to the Minister of Natural Resources and Environment, Y.B. Datuk Seri Palanivel a/l K. Govindasamy and Y.B. Datuk Paul Low Seng Kuan, the Minister in the Prime Minister's Department, Promoting Governance and Integrity. The Memo is entitled: "Towards Good Governance and Integrity in the Malaysian Forestry Sector and Harmonising State Policies on Land Use", and proposes the need for the Government to review land use policies on promoting greater transparency and accountability for corrupt-free governance in land-use policies and forest conversions that has resulted in the loss of the country's forests.

TI-M believes FGI's ongoing work has helped to lay the foundation for moving the project forward. It is critical that the momentum is maintained and supported to achieve the overall goals of the FGI project.



From left : Dato' Akhbar Satar (TI-M President), Hans Ola Urstard (Royal Norwegian Ambassador to Malaysia)



Dr Pola Singh (TI-M Exco Member in charge of FGI Project), Dato' Akhbar Satar (TI-M President), Hans Ola Urstard (Royal Norwegian Ambassador to Malaysia) and Terance Chan (TI-M Executive Director)



Discussion on FGI Project at office of Royal Norwegian Embassy Kuala Lumpur

*Left : Dato' Akhbar Satar (TI-M President) and Dr Pola Singh
Right : Constantin Nicolaysen Karame (First Secretary Royal Norwegian Embassy Kuala Lumpur), Hans Ola Urstard (Royal Norwegian Ambassador to Malaysia)*

TI ASIA PACIFIC REGIONAL PROGRAMME MEETING (RPM) IN KATHMANDU, NEPAL



TI-M President Dato' Akhbar Satar, Manager Jessica Sercombe and TI-Indonesia's Deputy Secretary General Mr Dedi Haryadi in a meeting on the Unmask the Corrupt campaign launch

The TI Asia Pacific (TI-AP) Regional Programme Meeting (RPM) was hosted by TI-Nepal in Kathmandu this year from the 17-21st May. TI-M was represented by President Dato' Akhbar Satar and Manager Jessica Sercombe.

This year's RPM focused on expertise and best practices sharing in relation to programmatic work. The RPM's objective was: to explore synergies and shared interests within and between sub-regions in the Asia Pacific region; to bring participants together along knowledge and best practices exchange towards strengthened programme implementation and advocacy capacity across the region; to strengthen national chapter management expertise for enhanced leadership and coalition building within the region.

The RPM was a fantastic opportunity for TI-M to learn from other Chapters' experiences, particularly in terms of establishing an Advocacy and Legal Advice Centre (ALAC) and implementing a Youth Integrity Promotion (YIP) programme. Particularly as TI-M is moving ahead with implementing these two new projects.

TI-M was asked to share its experience with other Chapters on recent events and progress. These included:

- A presentation on the BIP Regional Workshop hosted by TI-M in KL in March;
- The ALAC and Youth Chapter exchange trip to TI-Cambodia in April, attended by TI-M, TI-Vietnam and the national contact of Bhutan;
- The launch of the online reporting platform 'Aduanku.my' and how this has helped to increase public engagement;
- The findings of the Malaysia Corruption Barometer (MCB), launched by TI-M in May;
- And on the Forest Governance Integrity (FGI) project.



TI-Secretariat's Regional Coordinator for South-east Asia Samantha Grant and Dato' Akhbar Satar waiting to present on the BIP Regional Workshop

LAUNCH OF THE MALAYSIAN CORRUPTION BAROMETER (MCB) RESULTS



Transparency International-Malaysia (TI-M) released the findings of the 2014 Malaysian Corruption Barometer (MCB), which surveyed the public's experiences and views on corruption and their willingness to combat the issue. The MCB also surveyed citizens' perceptions on the government's effectiveness in tackling corruption over the last 12 months.

Face to face interviews were conducted by Frost and Sullivan throughout Malaysia's 13 states using random sampling. In total, 2,032 respondents were interviewed covering 64% in urban areas and 36% in rural areas, and the gender distribution is equal.

Findings:

The MCB findings are salient, particularly as we are one year on from Malaysia's historic 2013 general election (GE13). For the 2014 MCB, perceptions and experiences are not embedded in the heated context of an upcoming election, but, are instead rooted in a post-election climate, reflecting on Malaysia's state of affairs one year on.

PERCEPTIONS OF CORRUPTION

Positive results found by the MCB include: a decrease in the perceived levels of corruption in Malaysia compared to 2013, along with a decline in the belief that corruption in the public sector in Malaysia is a problem. And, the perception that Malaysia's government is run by a few big interests looking out for themselves also rated better this year compared to 2013.

With regard to the perceived levels of corruption, the MCB results found that 30% of the respondents felt corruption had increased over the last two years, 33% believed it had stayed the same and 36% said corruption had decreased a little. For the 2013 GCB survey, 39% of respondents felt corruption had increased.

Referring to the perception of corruption in the public

sector, the MCB results show that 49% felt that corruption was an issue compared to 58% in 2013, and 24% believed corruption to not be a problem in 2014 compared to 6% reported by the GCB.

The MCB conveyed that 21% of those interviewed felt that Malaysia's government was largely run by a few big interests looking out for themselves, 38% said this was somewhat the case, and 33% believed this was happening to a limited extent. In 2013, 31% of the respondents felt that Government Officials largely looked after their own interests.

However, a year on from GE13 and the public's perceptions of the government's anti-corruption efforts has declined compared to the 2013 GCB findings. When asked how effective they felt the government's actions are in the fight against corruption, 38% of the respondents answered ineffective compared to 25% in 2013. The number of respondents who felt anti-corruption efforts were effective in Malaysia, lessened from 31% in 2013 to 28% in 2014.

The top six institutions perceived to be the most affected by corruption were almost identical to last year's results. However, political parties were perceived to be the most corrupt by 45% of the respondents, replacing the police at last year's top spot. The police still scored a close second, followed by public officials/civil servants, parliament/legislature, business/private sector and the judiciary.

INCIDENCES OF BRIBERY

The MCB findings show that the incidence of bribery in the past 12 months in Malaysia is higher compared to the GCB 2013 results. The top three institutions which the interviewees reported paying a bribe to over the last 12 months are the police, registry/permit services and land services. Of the respondents that had come into contact with the police, 11% had paid a bribe, 8% said they paid



a bribe to the registry/permit services, and 5% to the land services.

What's more, the incidence of bribery in the education and medical/health services has increased (3% to 4% for education and 1% to 3% for medical services) along with the utilities services (increase from 2% to 5% in 2014). Across all institutions, the key reason for bribery is to 'speed things up'. Shockingly however, 22% of the respondents who had paid a bribe to an education institution said that was the only way to receive a service, 20% gave the same reason for medical institutions and 30% for utilities services. These findings are a reality that cannot be ignored. Citizens' experiences show that access to basic services is being undermined by corruption and is even unobtainable for some unless they engage in bribery!

CITIZENS' WILLINGNESS TO REPORT

The MCB results found that citizens' willingness to report corruption had declined. Of the interviewees, 51% said 'Yes' to report an incident of corruption, whereas 79% answered 'Yes' last year. For those respondents who were unwilling to report, 46% said this was due to being afraid of reprisals, 27% did not know where to report, and 27% felt it would not make a difference eitherway.

Yet, 73% of the respondents believe that ordinary people can make a difference in the fight against corruption, which is still an encouraging number, despite a decrease from 87% last year. As much as 54% said they were willing to sign a petition asking the government to do more to fight corruption.

Observations:

Two stark observations can be made from the MCB results: public perceptions of the government's effectiveness to fight corruption have declined, and incidence of bribery in public services have worsened, which is a deplorable reality.

The first series of the Auditor-General's (A-G) report 2013 raised some alarming weaknesses in the Ministries' implementation of programmes and activities. Administration errors, the substantial waste of public funds and taxes due to direct negotiations, and the severe mismanagement of funds for programmes such as the rehabilitation of malnourished children – all correlate with the MCB's findings.

Standards of good governance and integrity are being compromised for state capture, at the cost of our future generation.

Recommendations:

1. TI-M calls for integrity and trust to be made the founding principles of public institutions and services.
2. TI-M strongly urges for laws governing political parties to be reformed immediately, especially in political financing.

With political parties being perceived as the institution/organisation worse affected by corruption, it is necessary for:

- Full public disclosure of assets of elected and public officials;
- Political contributions should be channeled into proper party accounts and not in to personal bank accounts;
- Controlled and transparent political financing expenditure for both general election and party election campaigns;
- Federal government and all state governments to eliminate state capture;
- The elimination of the chain between politics and government procurement.

TI-M not only urges the Heads of Department to confront such alarming weaknesses and mismanagement of funds, but for the Ministers responsible to be more accountable and immediately address reported misconduct and negligence.

4. Whilst systematic structures have been positioned to enhance anti-graft practices, the government has to implement tougher measures to curb corruption.
 5. TI-M calls for more rigorous integrity testing in the selection of new recruits and current officers in the civil service.
- The institutions/organizations most perceived to be corrupt continue to consist of the same bodies. TI-M advocates for the government to take concrete actions

in addressing this. Integrity testing needs to be implemented, such as psychometric testing, as a method of pre-employment screening and carried out amongst current staff in the public services.

TI-M urges the government to announce what further concrete action they will be taking to curb the rising incidences of bribery, stipulate the allocated timeframe this will be conducted in and inform the public of the long-term measures they will be introducing to ensure these actions will be sustained. Citizens' lives and access to basic needs cannot continue to suffer at the hands of the greedy and as a result of ineffective management of staff.

6. TI-M urges for the government to take more effective measures to address the prevalence of corruption in the police sector.
7. TI-M calls for the government to implement stronger policies and protection to reduce fear of reprisal for civilians reporting corruption.

IMPACT of the MCB Results:

Upon the release of the MCB results, the National Key Results Area (NKRA) Against Corruption announced it was planning to study the need for creating an act to monitor political funds. Dato' Hisham Nordin, Director of the NKRA Against Corruption, referred to the MCB findings directly stating that, based on the public's perception which rated political parties as the most corrupt, monitoring of political funding is crucial to increase party transparency.

More information on the news report can be found here:

<http://www.themalaymailonline.com/malaysia/article/call-for-new-act-to-improve-transparency-of-political-funding>

PRESS STATEMENT OVERVIEW (MARCH - SEPTEMBER 2014)

Month	Day	Title
March	3	TI-M Engages Orang Asal as Whistleblowers
April	4	TI-M Sec-Gen Appointed as Vice-Chair to ISO/PC 278 – Anti-Bribery Management System
May	5	Ignorance Is Bliss – Malaysian Teachers Asked For Bribes and This is What Our Children Had to Say
	14	TI-M 2014 Malaysia Corruption Barometer (MCB) Results
	23	Kudos to Johor Bahru High Court for finding TNB guilty of contempt of court
June	3	PSMB meets TI-M over alleged contract award Scandal
	9	TI-M urges PM to address threats to our national security in Eastern Sabah caused by Corruption
	12	TI-M views with great concern the exposure of an alleged scandal involving the Human Resource Development Fund
July	17	TI-M lauds PEMANDU's call for enforcement agencies to emulate PDRM's Integrity Initiatives.
September	2	Media Release Transparency International-Malaysia – It is Time to Unmask the Corrupt in Malaysia
	5	TI-M lauds MACC's success in detaining Customs officers
	13	The Reopening of the Teoh Beng Hock Case

ANNOUNCEMENT OF TI-MALAYSIA'S EXECUTIVE DIRECTOR



Terance Chan Kok Yue ("Terance") joined Transparency International – Malaysia as its Executive Director on 1st of August 2014.

Terance is a professional management leader with exposure in wide ranging areas of Corporate Planning, Strategy Formulation, Business Development, Financial Planning, Human Resources Management and leading cross border operations in the Southeast Asian and Australasian regions.

He graduated in Accounting from RMIT University, in Melbourne, Australia. Terance is an Associate Fellow of the Malaysian Institute of Management and had previously held associate membership with the Australian Society of Certified Practising Accountants (ASCPA). He is also a qualified Six Sigma Quality Black Belt practitioner.

Terance has worked in many senior leadership and diverse roles, including as Chief Financial Officer, Country Manager and Chief Executive Officer in leading multinational companies such as General Electric (GE); ABN AMRO Bank and Euromoney. Immediately prior to joining TI-Malaysia, Terance was the Country Manager of Asian Aviation Centre of Excellence (AACE).

UNMASK THE CORRUPT (UTC) LAUNCH



The Unmask the Corrupt (UtC) campaign was officially launched in Malaysia on the 2nd September, following on from Transparency International's (TI) international launch [http://www.transparency.org/news/pressrelease/it_is_time_to_unmask_the_corrupt_in_switzerland] on 1st September in Switzerland.

Discussion panel (L-R) : TI-M Secretary General Dr Loi, Director of PEMANDU Mr Ravindran Devagunam, President of The Malaysian Bar Mr Christopher Leong, Founding Chief Executive of IDEAS Mr Wan Saiful Wan Jan, and Vice-President of ACFE Mr Yunus Bin Yusop

UtC globally campaigns for the corrupt to be brought to justice and for citizens to have the right to know who's cheating the system. TI is lobbying for the leaders of the world's biggest economies – the G20 – to publish the list of the real owners of all companies and to make it harder for the corrupt to travel internationally and enjoy their ill-gotten gains.

In his opening speech, TI-Malaysia's (TI-M) President, Dato' Akhbar Satar stated, TI-M calls on our government to advance the struggle against impunity, there is much work to be done to address illicit money outflows, money laundering and eliminate secret tax havens and opaque beneficial ownership. TI-M will work to establish a Civil Society Organization (CSO) coalition to work together and draw on each other's expertise and knowledge to achieve the objective of the campaign, calling on the government to unmask the corrupt.

Dato' Akhbar's key note address was followed by a presentation on 'Beneficial Ownership in the Context of Malaysia', by a leading expert in the field, Professor Dr. Edmund Terence Gomez. A Professor of Political Economy at the University of Malaya. Professor Gomez highlighted the importance in addressing the following factors when dealing with corruption, selective patronage and money laundering in Malaysia:

- Who owns and controls private exempt companies (PECs) and to what extent are they mere proxies?
- What is the nature of the relationship between political leaders and corporate figures and how does this relationship influence business activities?
- Public governance must be a prime focus in addition to corporate governance, due to the evolution of control of Malaysia's banking sector.

A panel of distinguished speakers also took to the stage, sharing their expertise on issues pertaining to the UtC campaign in Malaysia.

Mr Ravindran Devagunam, Director of the Performance Management Delivery Unit (PEMANDU), shared current initiatives being undertaken by the government to curb illicit outflow stemming from illegal gambling and foreign labour applications. Mr Christopher Leong, President of the Malaysian Bar stressed how current Malaysian legislation is highly protective of individual privacy. He addressed how Malaysia's Anti-Money Laundering and Anti-Terrorism Financing Act is effective in providing a paper trail, but more needs to be done beyond the Act to curb corruption. Mr Wan Saiful Wan Jan, Founding Chief Executive of the Institute for Democracy and Economic Affairs (IDEAS), proposed the need to utilize the Open Government Partnership to institutionalize discussions and collaborations between government and civil society. From the Malaysian Association of Certified Fraud Examiners, Vice-President Mr Yunus Bin Yusop provided a succinct overview on the requirement for banks to conduct enhanced due diligence on local politically exposed persons (PEPs) as well as on foreign PEPs. He highlighted how reporting suspicious activity of local PEPs to the banking sector, is however, problematic due to political influence over the financial institution.

Beyond the establishment of a CSO coalition, President Dato' Akhbar stated an open letter to government will be submitted along with the launch of a public petition to give strength to the campaign.

The UtC national launch was the kick start to a global TI 24 month initiative to call on political leaders to 'Unmask the Corrupt' and target impunity for corruption. Please continue to follow the progress of the launch on:

Twitter: @TI_Malaysia

Facebook: <http://www.facebook.com/timalaysia>

TI's Website (Unmask the Corrupt): http://www.transparency.org/unmask_the_corrupt

TI-M's Website (Unmask the Corrupt): <http://transparency.org.my/category/what-we-do/unmask-the-corrupt/>



ADVOCACY FOR ENFORCEMENT AGAINST FOREIGN BRIBERY WORKSHOP

A workshop on “Advocacy for Enforcement against Foreign Bribery” was held on 8th – 10th September 2014 at PJ Hilton Hotel by the TI-Secretariat and hosted by TI-M. The goal of the Workshop was to develop an advocacy strategy for the countries in the region, to increase state action countering foreign bribery, for both supply and demand. The key speakers for the Workshop were Adam Foldes and Rukshana Nanayakkara from TI-Secretariat. Ten TI-National Chapters participated in the Workshop: Indonesia, New Zealand, Australia, India, Taiwan, Japan, Korea, Cambodia, Mongolia, and Malaysia.

During the workshop, the participants from each chapter were required to highlight their advocacy priority areas in relation to foreign bribery and provided cases which foreign companies bribed public officials in the chapter’s country or companies of the chapter’s country bribed abroad. The sectors where foreign bribery is visible or where the legal system/legal practice is insufficient in various countries of the region were also discussed during the workshop.

At the end of the workshop, the participants gained further knowledge on foreign bribery advocacy and of the advocacy practice of other chapters in the region. The ten chapters formed a joint advocacy network and plan to commit to and support each other’s advocacy efforts.

TI-THAILAND AND ETHICS OFFICERS VISIT MALAYSIA

Transparency International-Malaysia (TI-M) hosted 16 Ethics Officers and delegates from Transparency International-Thailand (TI-Th) on 24 September at Transparency International-Malaysia’s office during their visit to Malaysia from the 24th – 26th of September. Their visit intends to widen the views of the Ethics Officers and learn from the best practices and challenges experienced by TI-M in working on issues of integrity and anti-corruption in Malaysia.

The delegation consisted of officers from the Ministry of Agriculture and Cooperative, Ministry of Natural Resources and Environment, Ministry of Culture, Ministry of Education, Ministry of Public Health, Ministry of Finance and Office of the Prime Minister.



Malaysia was chosen as a context to learn from, in terms of its experience in implementing ethics and integrity through initiatives such as the National Integrity plan, and integrity pacts in the business sector. TI-M accompanied the Thai delegates on their site visits to government bodies such as the Malaysian Anti-Corruption Commission (MACC), The Malaysia Anti-Corruption Academy (MACA), The Performance Management & Delivery Unit (PEMANDU), The Malaysian Institute of Integrity (IIM) and the Minister in the Prime Minister’s Department for Governance and Integrity, on the 25 and 26 September.



THE BRAVERY OF CORRUPTION FIGHTERS



TI-Malaysia wishes to express our deepest sympathy to the family of Gustave Sharangabo Makonene, a most respected member of TI-Rwanda who was murdered a year ago in July 2013.

Gustave was a brave and courageous man, who worked as a coordinator of the Advocacy and Legal Advice Centre (ALAC) since 2011, and was committed to helping people whose livelihoods had been affected by corruption.

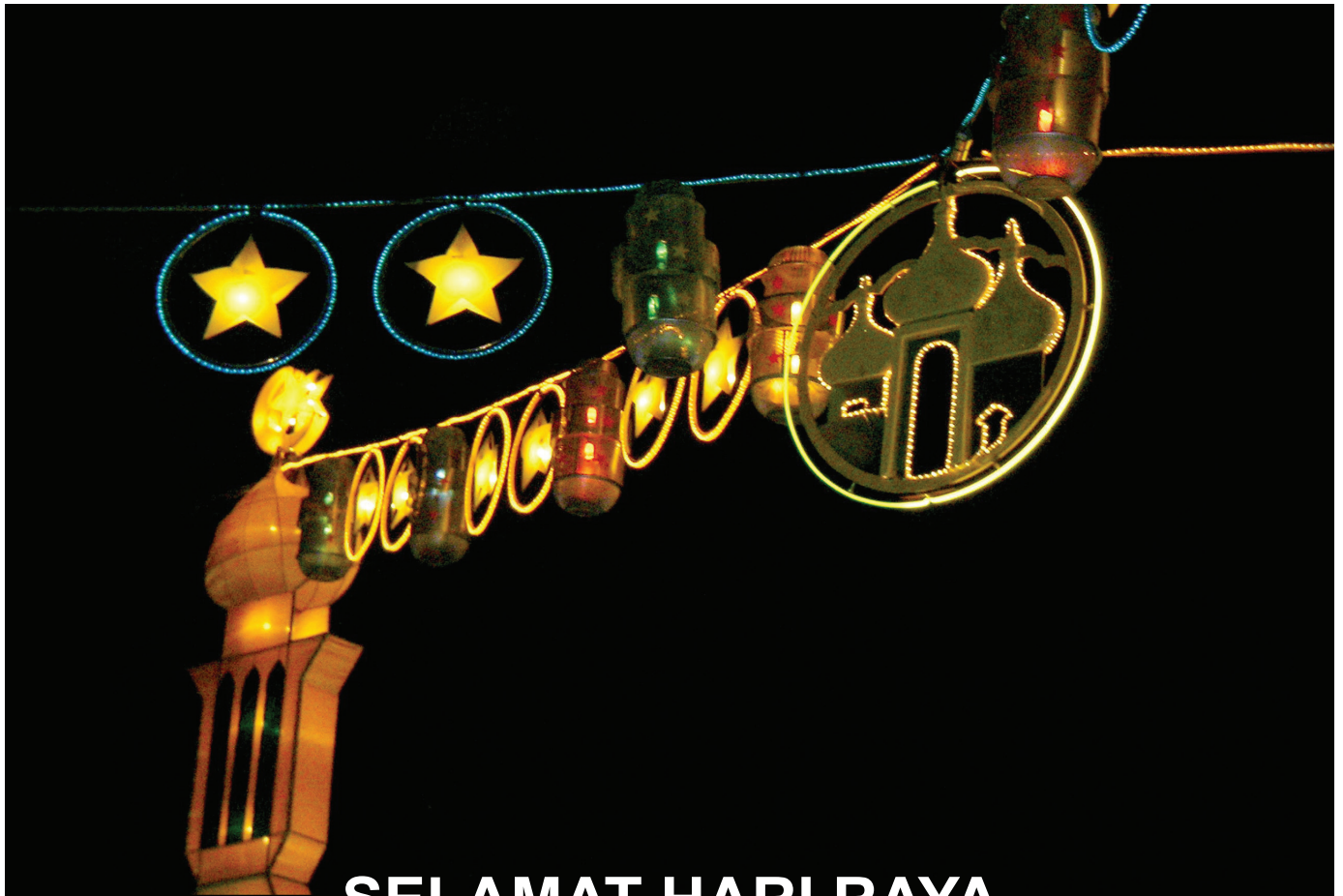
“For the past year Transparency International has called on the authorities to investigate fully the murder of our dear colleague Gustave and to find out the motive for his killing,” said Marie Immaculée Ingabire, chair of Transparency International Rwanda.

The Rwandan National police have presented to the public two police officers suspected of involvement in Gustave’s murder. Both suspects denied the allegations that they murdered Mr. Makonene because he was about to uncover a smuggling operation that they were involved in between Rwanda and the Democratic Republic of Congo.

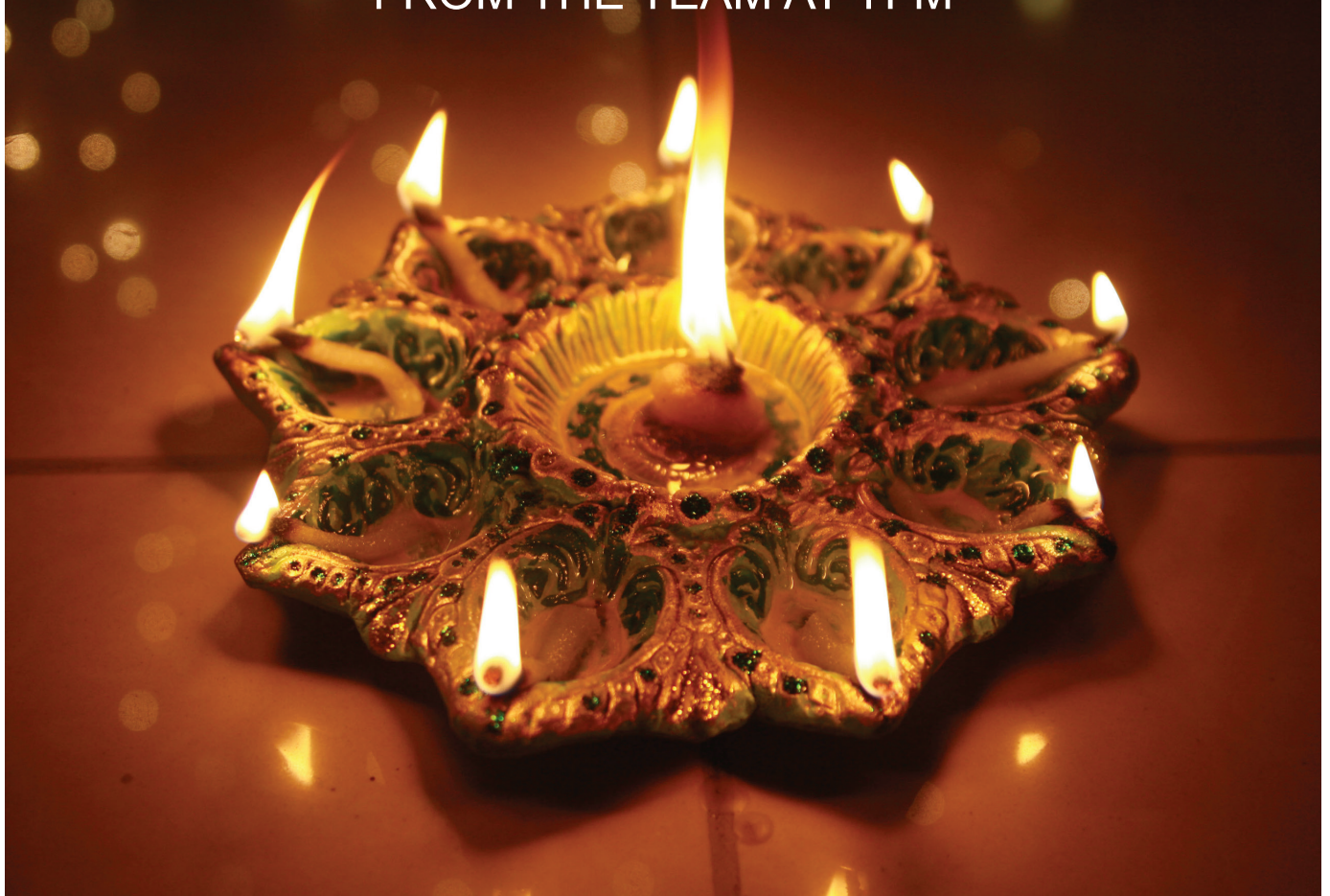
TI-M wishes to convey our support, and solidarity to TI-Rwanda in achieving justice in the ongoing investigation. The courage and bravery of those committed to fighting corruption is commendable. A life, however, is never worth losing.

UPCOMING EVENTS

DATE	EVENT	VENUE
DEC 3rd	2014 Corruption Perception Index Results Launch	MALAYSIAN ANTI-CORRUPTION AGENCY
DEC 13th	2014 Anti-Corruption Walk	Taman Tasik Titiwangsa



**SELAMAT HARI RAYA
& HAPPY DEEPAVALI**
FROM THE TEAM AT TI-M





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Negara bebas dari rasuah bermula dengan anda