

Innocent taxpayers biggest losers in graft

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Kota Kinabalu: It is ordinary citizens who end up paying the price for corruption and in the case of the 1MDB which cost the taxpayer RM42b, the impact will last for generations to come.

Senior Chartered Accountant Partner at Crowe Horwath, Michael Tong, said 1MDB was also a world record-breaker in public looting.

He was speaking at the recent NGO Sabar – Kopitiam Council “Sabah Voices to Action” Episode 8 podcast recently on Good Governance, Public Fund Leakages &

Mismanagement with Permanent Secretary of Sabah Ministry Science, Technology and Innovation, Datuk Mohd Hanafiah Mohd Kassim. The rot starts at the top and the consequences are still felt today.

“Closer to home, our Water Dept scandal uncovered in 2016 revealed senior government officials embezzled over RM60 million which was meant for the rural water supply projects. “Deep entrenched cartel system collected and distributed to as high as the ministerial level,” he said.

Both Michael and Mohd Hanafiah agreed there is a need to check graft that could undermine the progress of the state and steal the future of generations of Sabahans by a corrupt minority in positions to do so.”

“The culture of complacency and apathy on graft must go, to be replaced by a culture of accountability and transparency.”

People need to be guided, convinced, and educated about the consequences of corruption, and be able to express outrage in disapproval of it and not be apathetic, as Hanafiah puts it: “Tidak payah lah, ini bukan saya punya hal.”

Michael called for the Whistleblower Protection Act to be improved to curb corruption. The Whistleblower Protection Act 2010 was enacted to encourage and facilitate disclosure of improper conduct in both the public and private sectors.

Under the Act, the range of protection goes as far as protection of confidential information; immunity from civil and criminal action; and protection from detrimental action. Michael noted that in a recent case the whistleblower became his own victim.

He said it is important to forge political will to achieve efficiency and curb wastage by GLCs.

Hanafiah said competency is crucial to check graft, with the proper governance and SOPs. It is an ongoing struggle as good and experienced personnel can be retired as time goes.

“All religions teach morality and between right and wrong,” Michael said, “The shame culture is not there for people who engage in corruption.

“They don’t have that dignity and honour to uphold the good name or legacy of their family. The culture of honouring and the culture of being shameful of wrongful conduct is lacking,” Michael noted.

AG’s report too late

Hanafiah noted that at one point in time, the salaries of federal civil servants had not been reviewed for more than a decade.

Sabah has one of the highest poverty rates in the country.

He once asked the authorities on the people convicted of corruption – only 40 per cent prosecuted were the “buayas” or big crocodiles, most were the “kacangs” or (peanuts) or low level offenders.

Michael noted that corruption is a long-standing issue due poor governance, lack of transparency, systemic corruption that is practiced and acceptable, and inefficiencies in public administration, insufficient check and balance institutions, poor integrity and moral values.

He also said the It was reported reports by the Auditor-Generals came very late. This has not enabled the government to take action against corruption.

“The belated yearly National Audit Dept reports are on government projects at inflated costs like schools, hospitals and public infrastructure.

“Still the worst projects suffered from delays and substandard quality. Sabah’s uncompleted Pan Borneo, quite unlike Sarawak’s completion rate, is a clear comparison on the efficiency of the Pan Borneo Road project between the two States.”

Placing experts in GLCs lauded

Michael lauds the state government’s recent placement of professionals into the management of some GLCs, noting these professionals would not risk their good reputation in tolerating graft, mismanagement and nepotism abuse which are detrimental to the operational health of these agencies.

“As most of these entities which are not managed by technocrats and professionals but political appointees, business is seldom practised as the corporate objective is to make profit. In some cases resulting in competing unfairly with private entrepreneurs.”

He cited the example of MAS requiring multiple restructuring and bailouts with taxpayers’ monies due to mismanagement. Michael recalled that in Sabah many industries set up by the Berjaya administration suffered losses and eventually sold off.

“Sabah, despite being resources rich, is one of the poorest states and one wonders how effective are these poverty alleviation programmes where there is criticism for inefficiencies and leakages and where the funds were alleged to have not reached the intended beneficiaries.

“One also needs to question whether the root cause of poverty has been properly addressed, or we are just treating the short-term symptoms especially without really understanding the cause such as the migration of Sabahans to work in West Malaysia because of better employment opportunities.”

He noted that the need for a political war chest fund to win elections also contributes to cases of corruption.

“Sabah Voices to Action - Shaping Sabah’s Future Together” is a citizen-driven, non-partisan initiative running from March to June 2025, dedicated to amplifying Sabahans’ voices, fostering meaningful discussions, and shaping policies on education, healthcare, public infrastructure, and good governance.

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Together, we can build a stronger, more inclusive Sabah!

