

Johor housing scam:

Millions lost

Star 27/2/2017
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Anti-graft officials are investigating kickbacks received from a massive land scandal which has rocked Johor. The scam involves a huge number of bumiputra housing lots in the state being converted to non-bumiputra status. The Malaysian Anti-Corruption Commission (MACC) says this has been happening since 2013 and the Johor Government has welcomed an in-depth probe. > **See Page 6 for stories by NELSON BENJAMIN and KATHLEEN ANN KILI**

MACC uncovers Johor land scam

Scandal rocks state as it involved conversion of bumiputra lots

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JOHOR BARU: Kickbacks from a massive land scandal in Johor involving tens of millions of ringgit started from 2013. The *modus operandi* was simple – convert bumiputra housing lots to non-bumiputra lots, which can fetch much higher prices.

Anti-graft officers uncovered the plot after sifting through stacks of documents seized from the state government and the developers, who were implicated recently.

Hundreds of houses were converted this way, with one of the six suspects rounded up in a swoop on Friday said to be the “chief broker”.

Malaysian Anti-Corruption Commission (MACC) deputy chief commissioner (operations) Datuk Azam Baki, who confirmed the special operation, said yesterday the investigations were ongoing into the

house conversion scheme.

“We will gather more information and raid more areas,” he said, adding that more suspects were expected to be nabbed.

According to sources, the suspect went around meeting certain interested parties to broker the deals.

They said another suspect, linked to a senior state government official, was tasked with collecting payments and splitting the ill-gotten gains.

“We found that many of these bumiputra lots were kept using the names of (developers’) workers under the quota system.

“But in due time, their status would be converted to non-bumiputra lots, the reason given being that there were no interested buyers,” said a source.

MACC is also investigating if bumiputra-status land was also being converted in the same manner.

It was learnt that the decision to allow the conversion of the housing

lots was approved by a committee chaired by a state executive councillor.

More arrests and seizures are expected as investigations into the alleged scam widens.

According to property market insiders, 40% of the units in any housing development project in Johor must be set aside for bumiputra buyers, who are entitled to a 15% discount.

“Once 50% of the township is constructed, developers can write to the state secretariat for housing, asking for a release when there are no takers for the houses.

“But the developers must first pay about 7.5% of the initial 15% discount as premium to the state government,” said an insider.

However, middlemen have been pushing some developers to pay agent fees or kickbacks to convert these houses or speed up the process. The premium is supposed to be

used for infrastructure projects.

“There are loopholes in the system. Developers who are not willing to give in will have to wait for a long time to get a release,” said another insider.

On Friday, MACC officers arrested six people, including Ahmad Fauzan Hatim Abdul Latiff, who is the eldest son of Housing and Local Government Committee chairman Datuk Abd Latiff Bandi, as well as his special officer.

Others arrested included two developers and a lawyer. The MACC has obtained a seven-day remand order against the six.

Also seized during the sting operation were 21 luxury cars and five high-powered motorcycles from luxury brands such as Bentley, Mercedes-Benz, Porsche, Range Rover and Harley Davidson.

A total of 45 bank accounts with RM15.5mil belonging to the six suspects has been frozen.