

# TOP OFFICER HELD OVER GRAFT

Suspect allegedly charging RM2,000 per shop to protect 'Ali Baba' businesses in city centre

## KUALA LUMPUR

**T**HE Malaysian Anti-Corruption Commission (MACC) has arrested a top officer of a local authority who allegedly collected monthly kickbacks from businesses operated by foreigners in the city centre.

It is learnt the suspect, in his 40s, was picked up on Thursday night when he turned up at the commission's office to have his statement recorded.

The MACC was supposed to obtain a remand order to detain the suspect yesterday.

It is learnt that MACC officers also raided the suspect's house and office, and seized an unspecified amount of cash.

The suspect is alleged to have been in cahoots with those involved in "Ali Baba" practices by



*An illegal migrant caught at a business premises during a raid in Kuala Lumpur. Under the Small Traders Act, foreigners are not allowed to apply for or own business licences for convenience stores, eateries, car workshops or markets.* FILE PIC

charging them up to RM2,000 monthly per outlet for the local council to turn a blind eye to businesses being run by illegal immigrants.

He is believed to have been running the racket for months before the MACC got wind of his activities.

Turning a blind eye to the "Ali Baba" racket by local council officers is believed to be a main

reason behind the mushrooming of businesses operated by foreigners, mainly those from Bangladesh and Pakistan, in city centre hotspots like Jalan Bukit Bintang and Jalan Alor.

Under the Small Traders Act, foreigners are not allowed to apply for or own business licences for convenience stores, eateries, car workshops or markets.

However, some local business

owners have illegally "leased" their licences to foreigners for a profit, referred to as "Ali Baba" practice.

In February, it was reported that the Housing and Local Government Ministry had revoked 384 business licences that were "leased" illegally to foreigners.

The past year has seen numerous raids by local authorities, including Kuala Lumpur City Hall, on alleged "Ali Baba" businesses.

The *New Straits Times* has learnt that blatant Ali Baba practices have led to millions in lost revenue for the government.

It has also caused local entrepreneurs who are genuinely interested to operate businesses being deprived of an opportunity to do so as prime lots are taken up by the Ali Baba traders.

Sources told the NST that most of the Ali Baba outlets were also protected by thugs, who hang around the shops to deal with anyone who tries to disturb their operations.

Kuala Lumpur MACC chief Datuk Mohamad Fauzi Hussin confirmed that a suspect had been detained and that the case was being investigated under Section 17(a) of the MACC Act 2009.