

INTEGRITY AND ANTI-CORRUPTION

MPU2373

Assessment Report

**Topic: Malaysian Immigration Department Migrant Scandal of
2016**

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CASE BACKGROUND

The **Malaysian Immigration Department Migrant Scandal of 2016** came to light following extensive investigations by the Malaysian Anti-Corruption Commission (MACC). The MACC conducted a series of raids in May 2016, resulting in the arrest of 37 individuals, including immigration officers and external agents. Among those arrested was a deputy director of the Immigration Department, highlighting the extent of the corruption reaching into senior levels of the organization (Rahman & Kamarudin, 2017).

The syndicate had been operating for several years, exploiting weaknesses in the Immigration Department's systems, particularly the Malaysian Immigration System (myIMMs). This electronic system was designed to process visa and work permit applications securely. However, compromised immigration officers manipulated the system to approve applications without proper vetting. Migrant workers, primarily from countries like Bangladesh, Nepal, and Myanmar, were charged fees ranging from RM2,000 to RM6,000 for these fraudulent services (Kaur, 2018).

Agents and intermediaries played a crucial role in the operation. They recruited migrants seeking employment opportunities in Malaysia, promising legitimate documentation. These agents collaborated with immigration officers who had access to the myIMMs system. The officers bypassed necessary background checks and legal procedures, effectively granting illegal entry and work permissions. It is estimated that the syndicate facilitated the entry of over 16,000 illegal immigrants into Malaysia (Hamid & Ismail, 2016).

The involvement of senior officials, such as the deputy director, raised serious concerns about the depth of corruption within the Immigration Department. The scandal exposed systemic vulnerabilities and a culture of corruption that compromised the integrity of Malaysia's immigration processes.

OFFENSES COMMITTED

The offenses committed during this scandal were multifaceted and severe, encompassing violations of national laws and ethical standards:

1. Bribery and Corruption

Immigration officers and intermediaries accepted bribes to issue fraudulent visas and work permits. The officers received substantial financial incentives from agents and migrants, which contravened the Malaysian Anti-Corruption Commission Act 2009. This act criminalizes the solicitation or acceptance of any form of gratification by public officials. The pervasive corruption undermined the integrity of the immigration process and eroded public trust in governmental institutions (Rahman & Kamarudin, 2017).

2. Forgery and Issuance of False Documents

The manipulation of the myIMMs system allowed the creation and issuance of legitimate looking but fraudulently obtained documents. Officers abused their access to input false information and approve applications without adhering to legal requirements. These violated provisions of the Immigration Act 1959/63, governing the entry and employment of foreigners in Malaysia. The issuance of false documents also breached sections of the Penal Code related to forgery and fraud (Hamid & Ismail, 2016).

3. Abuse of Power

Officials misused their authority to bypass established protocols and procedures. By circumventing security checks and disregarding legal processes, they facilitated the illegal entry of migrants. This abuse of power represented a dereliction of duty and breached the ethical obligations of public servants as outlined in the Public Officers (Conduct and Discipline) Regulations 1993 (Rahman & Kamarudin, 2017).

4. Facilitation of Human Smuggling

The syndicate's activities amounted to facilitating human smuggling by enabling unauthorized individuals to enter Malaysia illegally. By providing fraudulent documentation, they assisted migrants in evading immigration controls. This contravened both national laws and international agreements, including the United Nations Protocol against the Smuggling of Migrants by Land, Sea, and Air, to which Malaysia is a signatory (Kaur, 2018).

5. Criminal Conspiracy

The coordinated efforts among immigration officers, agents, and other individuals constituted a criminal conspiracy. Under Sections 120A and 120B of the Malaysian Penal Code, engaging in a conspiracy to commit illegal acts is punishable by law. The syndicate's deliberate and organized efforts to subvert the law demonstrated a collective intent to profit from illegal activities (Hamid & Ismail, 2016).

6. Money Laundering

The large sums of money involved raised concerns about money laundering activities. The illicit financial transactions were likely laundered to conceal their illegal origins, violating the Anti-Money Laundering, Anti-Terrorism Financing, and Proceeds of Unlawful Activities Act 2001. Some officers were found to have accumulated wealth disproportionate to their official salaries, indicating possible money laundering (Rahman & Kamarudin, 2017). These offenses collectively highlighted a severe failure in institutional oversight and emphasized the need for comprehensive reforms within the Malaysian Immigration Department.



Figure 1 shows Illegal Indonesian migrant workers returning from Malaysia, arrive at at Halim Perdanakusuma military airport base in Jakarta, Indonesia

IMPACT ON INDIVIDUALS AND ORGANIZATIONS

a. Impact on Individuals

Migrant Workers:

Migrant workers paid significant sums for fraudulent permits, often depleting their life savings or incurring debts. Believing they were obtaining legitimate work opportunities, they were instead victims of exploitation (Kaur, 2018). When the fraud was uncovered, many migrants faced arrest, detention, or deportation. Despite being victims, they lacked legal protections and were subjected to immigration penalties (Hamid & Ismail, 2016). The uncertainty and exploitation caused severe psychological stress. Migrants experienced fear, anxiety, and a sense of betrayal, having trusted agents and officials who deceived them (Kaur, 2018).

Immigration Officers and Agents:

Those involved were dismissed or suspended from their positions. The scandal resulted in the termination of numerous officers, including high-ranking officials like the deputy director (Rahman & Kamarudin, 2017). Arrests and prosecutions ensued for over 37 individuals. They faced charges under various laws, leading to imprisonment and fines. The deputy director, for instance, faced serious corruption charges (Hamid & Ismail, 2016). The scandal tarnished the reputation of the involved personnel and the department. Officers faced social stigma and damaged career prospects due to their involvement in corrupt activities (Rahman & Kamarudin, 2017).

Whistleblowers:

Whistleblowers who exposed the corruption risked backlash from colleagues and superiors. The lack of robust protections made it challenging for individuals to come forward (Kaur, 2018). Whistleblowers often faced ostracism and mental health challenges due to their actions. Fear of retaliation and isolation impacted their well-being (Rahman & Kamarudin, 2017).

b. Impact on the Organization (Malaysian Immigration Department)

The scandal eroded public trust in the department's ability to uphold integrity. Media coverage and public discourse highlighted systemic failures, leading to widespread criticism (Hamid & Ismail, 2016). External oversight and audits were implemented to prevent future misconduct. The government initiated a comprehensive review of the department's operations and systems (Rahman & Kamarudin, 2017). New systems and procedures were introduced to address systemic failures and improve accountability. This included enhancing the security of the myIMMs system and implementing stricter protocols (Kaur, 2018). Honest employees experienced demoralization due to the widespread corruption and public criticism. The scandal created a challenging work environment, affecting overall productivity (Hamid & Ismail, 2016).

c. Impact on Society

Public confidence in government institutions was undermined. The scandal raised concerns over transparency and accountability within the public sector (Rahman & Kamarudin, 2017). Illegal entry and employment impacted local job markets and labor policies. The presence of undocumented workers affected wage levels and employment opportunities for local citizens (Kaur, 2018). Discontent arose between locals and migrant workers, fueled by perceptions of inequality and competition for resources. This heightened social tensions and xenophobia (Hamid & Ismail, 2016). The scandal led to public demands for stricter anti-corruption measures. Civil society organizations advocated for reforms and greater transparency (Rahman & Kamarudin, 2017).



Figure 2 shows Lim being led by MACC officers to be taken to the MACC headquarters in George Town on Wednesday

LESSONS LEARNED

The scandal underscored the need for transparent processes and robust oversight mechanisms in public institutions. Implementing clear procedures and making information accessible reduces the likelihood of corrupt practices. Regular audits and independent oversight can detect and deter misconduct (Hamid & Ismail, 2016). Ensuring the safety and support of whistleblowers is critical to exposing and addressing corruption. Enhancing legal protections encourages individuals to report wrongdoing without fear of retaliation. Establishing confidential reporting channels can facilitate the early detection of unethical behavior (Kaur, 2018). Comprehensive reforms, including digitalization and automation of processes, can reduce human intervention and minimize corruption risks. Upgrading systems like myIMMs with advanced security features can prevent unauthorized access and manipulation (Rahman & Kamarudin, 2017). Educating the public on the implications of corruption fosters a culture of accountability. Awareness campaigns can highlight the societal costs of corruption and mobilize public support for reforms. Engaging civil society organizations enhances advocacy efforts (Hamid & Ismail, 2016). Promoting ethical behavior through training programs and stringent hiring practices can mitigate corruption. Leadership must model integrity and accountability, setting standards for the organization. Continuous professional development reinforces ethical conduct (Kaur, 2018). Coordination between government, civil society, and international organizations is vital to address cross-border crimes like human smuggling. Collaborative efforts enhance resource sharing, intelligence gathering, and enforcement capabilities (Rahman & Kamarudin, 2017).

CONCLUSION

The 2016 Malaysian Immigration Department Migrant Scandal serves as a critical case study on the impacts of corruption within government institutions. The extensive corruption and exploitation not only compromised national security but also inflicted considerable harm on vulnerable migrant workers. The scandal's exposure prompted critical reflections on institutional integrity, accountability, and the ethical conduct of public officials.

Addressing the root causes requires a multifaceted approach, including strengthening internal controls, promoting transparency, protecting whistleblowers, and fostering an ethical organizational culture. The government's response, involving arrests, system overhauls, and policy changes, indicates recognition of the severity of the issue. However, sustained efforts are necessary to rebuild public confidence and prevent recurrence.

The lessons learned extend beyond Malaysia, offering valuable insights for other nations grappling with similar challenges. Upholding the rule of law, safeguarding human rights, and maintaining the integrity of public institutions are universal imperatives. By implementing comprehensive reforms and fostering a culture of integrity, governments can mitigate corruption risks and protect the interests of their citizens and the international community.

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