

MAJELIS ULAMA INDONESIA
 PROVINSI DKI JAKARTA
 THE INDOONESIAN COUNCIL OF ULAMA
 PROVINCE OF CAPITAL CITY OF JAKARTA

شهادة
SERTIFIKAT
CERTIFICATE
HALAL
 No. 03020000760213

بناء على الاختبارات والتحليلات والملاحظات التي قام بها مجلس العلماء الاندونيس بجكرتا، نشهد بان
 Berdasarkan pengujian yang telah dilakukan Majelis Ulama Indonesia Provinsi DKI Jakarta, maka
 Based on the inspection carried out by The Indonesian Council of Ulama Jakarta, it is hereby certified that

نوع المنتجات: **Lebaran Pemotongan Ayam**
 اسم المنتج: **Ayam Lada**
 اسم الشركة: **RPA PT. BARSTOW**
 عنوان الشركة: **Desa Gadok Kec. Megera Mendulang, Bogor, Jawa Barat.**

Dinyatakan "halal" menurut hukum Islam
 Is "Halal" in accordance with the Islamic Law

اصدرت هذه الشهادة في: 26 Februari 2013
 تاريخ انتهاء الصلاحية: 25 Februari 2015

Dikeluarkan di Jakarta pada
 Issued in Jakarta on

Bertaku sampai dengan
 Valid until

Komisi Fatwa
 Ketua: **(KH. SYARIFUDDIN ABDUL GANI, MA)**

Dewan Pimpinan MU
 Provinsi DKI Jakarta
 Ketua Umum: **(KH. MUNZIR TAMAM, MA)**

Lembaga Pengujian Pangan
 Obat-obatan dan Kosmetika
 Ketua: **(DR. A. AEC. SHOMAD MURKAWATI)**

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نوع المنتجات: **DAGING**
 اسم المنتج: **SHANG HUI BEEF TENDERLOIN**
 اسم الشركة: **PT. HUI MENTAL TONGSHI**
 عنوان الشركة: **DK. Kelapa Dua, Kabupaten Bogor, Jawa Barat.**

اصدرت هذه الشهادة في: 26 JAN 2013
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→ AN EMPLOYEE ARRANGES A DISPLAY OF HALAL-LABELED BEEF AT CARREFOUR, LEBAK BULUS, JAKARTA, LAST THURSDAY.



THE HIGH COST OF HALAL LABELS

MUI senior officials are suspected of manipulating their authority to issue halal (permitted in Islam) certification to companies in Australia and other countries. Some were even given important positions at a Belgian company.



FOUR people of different ethnic backgrounds gathered at the lobby of the Rydges Bell City Hotel, in the heart of Melbourne, Australia. They were Ali Chawk from Lebanon, Mohammed Lotfi of Egyptian background, Imran Musa from Singapore and Syahrudi Muhammad Idji from Indonesia. On that afternoon of October 1, 2013, they discussed halal food certification issued by the Indonesian Council of Ulama (MUI) or council of Islamic scholars.

Chawk and Lotfi, who have become Australian citizens, are owners of Australian Halal Food Services (AHFS), a company which issues halal labels for food and beverage products. Six months earlier, the MUI had revoked their authority to issue such certification. The AHFS, in their estimation, had issued halal labels to slaughterhouses which failed to slaughter livestock according to Islamic law. "Mr. Lotfi asked me if I had a channel to the Nahdlatul Ulama (NU—Indonesia's biggest Islamic organization)," said Syahrudi, vice chairman of the Tangerang Islamic Propagation Council, last week.

Syahrudi was visiting Melbourne on other business.

↑
MUI'S LP-POM OFFICE,
JAKARTA.

However, he and Imran were also in the middle of setting up a halal-label licensing company in Melbourne. He said Lotfi had asked if the MUI was the only entity in Indonesia with the authority to certify halal-label-issuing companies abroad. Officially, the service should be free of charge, yet Lotfi said he spent a lot of money to get his company's authorization. He showed transfer slips to bank accounts under the name of MUI Chairman Amidhan Shaberah. "When I saw them, I was very surprised," said Syahrudi.

Amidhan heads the MUI's economic affairs and halal certification section. Together with MUI Secretary-General Ichwan Syam, his signature is on letters authorizing institutions to issue halal labels. It is also these two men who revoke the authorization of companies deemed to have breached MUI regulations.

Imran Musa, CEO of ARK Inc. in Singapore, was also surprised to see proof of the money transfers from Lotfi to Amidhan. "I had those slips in my hand," he said. The amounts varied. One transfer was in the amount of Aus\$3,000 to Amidhan's bank account in Bank Commonwealth on March 27, 2013, while the largest was for Aus\$10,000.

These monies, according to Lotfi speaking to Imran and Syahrudi, were given so that the MUI would not

Statutory Declaration
New South Wales Oaths Act 1900 (as amended)

I, Mohamed EL-MOUELHY, solemnly and sincerely declare that-

- I organised for the following persons to tour Australia:
 1. Mr H Amidhan Shaberah
 2. Mr H Mohammad Ichwan Sam
 3. Mr K H Ma'ruf Amin
 4. Drs H Slamet Rianto M Si
 5. Drs H Mudzakir MM
 6. Drs Najib Anwar MH
 7. Mr H Rauwan Harhap
- The tour was at the request and insistence of Mr H Amidhan Shaberah so that approval by MUI can be given for certification.
- I paid for all airfares, accommodation, meals, and other expenses from 02/04/2006 til 08/04/2006
- Mr Sam & Mr Amin chose to return on 05/04/2006 to Indonesia and were paid a large sum of money in Australian Dollars at Melbourne Airport.
- All other persons listed above were paid a larger sum of money in Australian Dollars while in Sydney in my office as they have stayed for the whole week
- The payments in my office were in front of the Indonesian Consul and an Australian Government representative.
- Later the Indonesian consul asked me why I made these payments I told him it was at the request of Mr Amidhan.
- Mr Amidhan was paid the largest sum being the leader of the group.

and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths Act 1900 (as amended).

Subscribed and declared at Sydney
On 2 April 2012 before me.

Justice of the Peace
JP Registration No 117951
WILLIAM MURPHY



MOHAMED EL-MOUELHY'S SWORN TESTIMONY OF THE BRIBERY
BEFORE NOTARY WILLIAM MURPHY IN SYDNEY.

revoke the authorization of the AHFS. On March 14, Amidhan had sent Lotfi a letter, threatening to revoke AHFS's authorization, citing as the reason the complaint of 21 Islamic associations in Australia. Apparently, the AHFS had given halal certification to slaughterhouses which failed to comply with Islamic law.

In the following correspondence between the AHFS and MUI, Amidhan applied more pressure, claiming to be in possession of a video recording of a Melbourne slaughterhouse, where the butcher slaughtered livestock. Another violation was that the slaughterhouse was located outside the jurisdiction of the AHFS, which is only allowed to certify slaughterhouses in Queensland, the source of meat exported to Indonesia.

Chawk and Lotfi flew to Jakarta to meet Amidhan. "They came in June or July," Amidhan told *Tempo*. The AHFS authorization had been revoked on April 1, 2013. Accordingly, the meeting in Jakarta was to talk about the possibility of Lotfi and Chawk starting a similar company under a different name. Amidhan approved the proposal. "The consideration was they were willing to repent, and pledged not to repeat the violations of the AHFS," he said.

Soon after, the AHFS evolved into the Halal Certification Council, hiring the same employees, having the same address and ownership. However, Lotfi and Chawk were not allowed to be part of the new company's organizational structure. On paper, Lotfi's son became the chief executive. Lotfi and Chawk's task was to oversee the operations of the AHFS, such as issuing halal labels for products exported to Saudi Arabia, Singapore, United Arab Emirates and Qatar.

Lotfi and Chawk declined to confirm the money transfers. When *Tempo* flew to see them in Melbourne, Chawk begged off, saying he would be in Lebanon visiting his ill mother. By email, Lotfi also refused to discuss that information.

•••

AFTER being in Australia from end of January to early February, *Tempo* discovered more stories about bribes from halal-label-issuing companies to senior MUI officials. "It's common knowledge in Australia that in order to get authorization you have to bribe MUI officials," said Mohamed El-Mouelhy, president of the Halal Certification Authority, based in Sydney.

They lamented the MUI regulation which provides authorization at the state level. They felt this system enabled monopolies to thrive and create different halal rates. There is also the vaguely defined obligation to 'contribute' to MUI, as evident in the contract between the AHFS and MUI, signed by Amidhan and Lotfi on October 14, 2009.

Amidhan denied such a contract existed, insisting the authorization was issued free of charge, the way it's done by other Islamic scholar organizations

6. Regarding to this agreement AHFS will give contribution to MUI for strengthening of controlling and monitoring program.

This agreement is signed in Jakarta, Indonesia on 14 October 2009

Signed by and on behalf of MUI
Drs. H. Amidhan, Chairman



Signed by and on behalf of AHFS
Dr. Mohammed Lotfi, Director of AHFS



AHFS'S HALAL LABEL CONTRACT WITH THE MUI.



in other countries. The obligation of a halal-label issuing company is only to promote Islam in their respective areas. “If such a contract exists, it is fake,” he said. “Our dealings with a halal institution end as soon as the authorization is issued.”

It might be free on paper, but not in reality. Mouelhy is experienced in bribing senior MUI officials in order to obtain certification authorization. The company of this 71-year-old Egyptian who holds an Australian passport, wanted to expand his halal-label business to Indonesia, because in 2006 he obtained a license for products exported to Qatar.

At that time, 40 percent of the 400,000 tons of beef needed in Indonesia was supplied by Australia. It is estimated that one company could make Rp500 million a day from the halal-label business alone. Mouelhy met senior MUI officials and the Indonesian Religious Affairs Ministry in 1999, when he helped establish the World Halal Food Council. He also became the organization’s first secretary-general.

In early 2006, Mouelhy visited Jakarta, as a representative of six companies wanting to get licenses.

At that time, matters related to the halal status had to obtain the permission of the ministries of Religious Affairs, Health, and the MUI. At a Chinese restaurant in Hotel Borobudur, Mouelhy was the guest of the MUI Fatwa Commission chairman, with Amidhan and Rauwan Harahap from the Religious Affairs Ministry.

According to regulations, before issuing an authorization, the MUI surveys applicant companies in order to assess their qualifications. The date of the visit was set for April 2-8, 2006. “There they asked for an allowance of Aus\$300 per person per day,” he said. “So expensive.” There was a total of seven people in the monitoring team.

The observers were scheduled to arrive in Perth.



AMIDHAN (LEFT),
AS MUI CHAIRMAN
AT HFCE’S
INTERNATIONAL
HALAL FOOD
CONGRESS IN
BRUSSELS, BELGIUM,
MARCH 23, 2012.

From there, they would travel to Melbourne, then to Sydney, and finally to Queensland, the state with the largest number of cattle producers in Australia. These four places were home to the offices of the six companies represented by Mouelhy. When they reached Melbourne, Ma’ruf Amin and Ichwan Sam returned home. The remaining five people completed the visits to the companies.

It was at the time of their departure at Melbourne airport, said Mouelhy, that he gave seven envelopes of money which came to Aus\$26,000. He had raised that money from those companies. “Amidhan received the largest share,” he said. He made a sworn testimony of the chronology of the events and a statement of bribery before Notary William Murphy in Sydney.

For no clear reason, Amidhan signed a letter stating that those seven companies were not qualified to be authorized as halal-label certifiers. “The staff of Mouelhy’s company was his wife and child. The office was his home. This does not fulfill the criteria,” said Amidhan, explaining the rejection to *Tempo*. According to MUI regulations, he said, authorization is given if the company in question has permission from the local Muslim community, and is willing to set aside some of the profit to promote Islam in their area.

There was a different reason why the Al-Iman Islamic Society in Victoria was turned down. This company did not qualify because a local court had found a problem with their halal certification. Amer Ahmed, director of Al Iman, rejected this reasoning. He said the court dispute was between two company owners. “It had nothing to do with certification,” he said. Until that time, the Al Iman halal label was good for all countries except Saudi Arabia. Amer had given Aus\$4,000 to Mouelhy to try and obtain that export license to Indonesia.

After chatting with people in the halal business in Melbourne and Queensland, Mouelhy found out why he was not given the authorization. Amidhan and his entourage were invited to dinner by Esad Alagic, leader of the Islamic Coordinating Council of Victoria (ICCV), the largest halal institution in the state, with 60 percent of its labels being issued to products exported to Indonesia. Esad and ICCV were appointed by the MUI as its representative in Australia.

Esad is an old friend of Amidhan. He once took Amidhan to visit his home country for the launching of a halal company there. In exchange, Amidhan invited Esad to meet with Indonesian President Susilo Bambang Yudhoyono. At his office in East Brunswick, Victoria, hangs a photo of the three of them. According to Mouelhy, Esad did not want any business competition in Victoria.

The problem is that to obtain MUI authorization, one had to go through Esad. A former financial manager of a halal company said that they once withdrew Aus\$50,000 in cash to be taken by his boss to Jakarta

at the end of 2011. The boss of this company met Amidhan because he was in danger of losing his license to issue halal labels out of state.

Esad was willing to take the boss of this company to meet Amidhan. Speaking to a subordinate, this boss said that he was willing to bribe four people from the MUI. Indeed, after meeting with Amidhan, the MUI did not revoke the company's authorization. To this day, the company still issues halal labels.

Esad was not in Victoria when his office was visited. According to his representative, Ekrem Ozyurek, his boss was attending a halal seminar in Brunei Darussalam. Ekrem did not deny that Esad has a special relationship with Amidhan. ICCV and MUI jointly own an Islamic boarding school on 11 hectares of land in Jonggol, West Java, and they have built a large mosque. "I was there three years ago," said Ekrem.

Ekrem refuses to believe that Esad is a lobbyist for halal companies in Australia. He said, "Why would he want to give other companies the chance to issue halal labels, as we are in the same business."

Amidhan did not deny that he is close to Esad and the ICCV as MUI's representative in Australia. "This is a large and bona fide company which has extensive experience with halal labeling," he said. He confirmed all of the information about Esad and ICCV, except for the story that Esad brought over businesspeople to bribe him, in order to avoid being penalized.

According to Amidhan, although he signs off on authorizations or revocations, the decisions are made with three others, including Lukmanul Hakim, director of the MUI Foods, Drugs and Cosmetics Research Agency (LPPOM). "I also initial the decisions of the committee," said Lukmanul.

●●●

AMIDHAN is well-known not only in Australia, but also in Europe. He is listed as an advisory board member of the Halal Food Council of Europe (HFCE) in Brussels, Belgium. This information was found in a presentation by an HFCE director about the company's structure. This position clearly poses a conflict of interest.

Through the World Halal Food Council led by Lukmanul Hakim, the MUI has been designated as the supervisory and auditing institution for halal certification worldwide. This was done because, in addition to being the ulama institution of the country with the largest Muslim population, it is generally believed that the MUI is the most experienced in processing halal certification issues.

Although the MUI conducts audits every two years, according to the authorization period, such as in Australia, the regulations in Europe are more flexible. There, one halal company can service requests for labels from all food and beverage producers in all European nations. In addition to the HFCE, there are five companies with offices in Poland, England, Germany, France, and the Netherlands.

Mohammad Zeshan Sadek, founder and owner of HFCE, declined to comment on Amidhan's position in his company. A source in the company revealed that Amidhan receives a regular monthly salary of US\$5,000 from them. Furthermore, it is believed that Amidhan's position in that organization, is the reason halal labels issued by the HFCE have never been audited by the MUI.

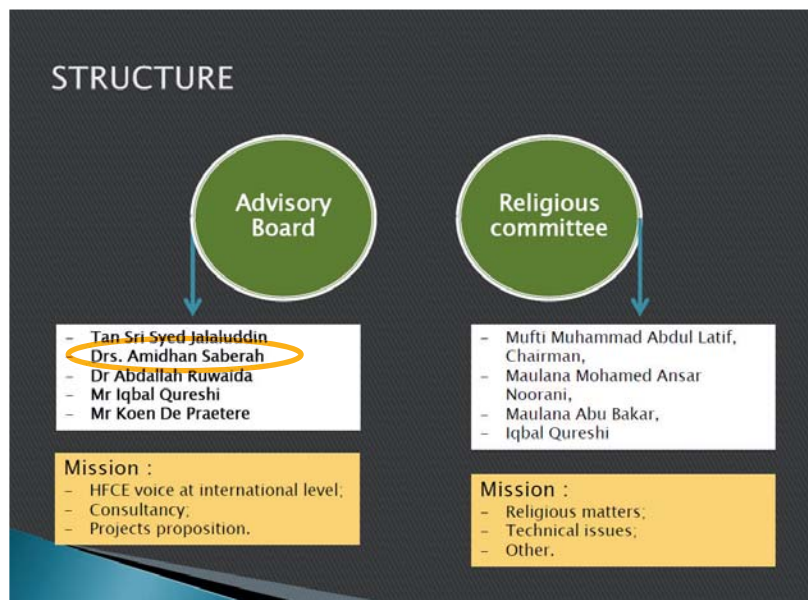
Because they have never been audited by the MUI, products which contain pork gelatin are still given halal labels by the HFCE. For instance, on December 6, 2013, it was discovered that a pharmaceutical product from Belgium turned out to contain trypsin, a compound which comes from pigs. "All of the information you are asking about is very sensitive and is confidential," said Sadek via email, responding to *Tempo's* request for confirmation.

Sadek said that the money given to Amidhan was a speaker's fee in the annual halal conference meeting in Belgium. "He was paid just like the other speakers," said this Malaysian businessman who lives in Chicago, USA.

Amidhan has denied holding a position in the HFCE. Jokingly, he said that he would ask for his salary as an advisor, when he meets Sadek at a halal food conference in Rome, scheduled for this weekend. When *Tempo* showed him an email indicating a transfer to a dollar-denominated account in the Sudirman branch of Bank CIMB under his name, Amidhan replied, "That could be my fee as a speaker. It's US\$1,000 at most."

● BAGJA HIDAYAT (JAKARTA), KARTIKA CANDRA (AUSTRALIA),
ASMANI KUSRINI (BELGIUM)

HFCE'S PRESENTATION THAT INCLUDES AMIDHAN AS AN ADVISORY BOARD MEMBER.



TWO LABELS FOR FLEMINGTON MEAT

In Melbourne, meat declared halal was processed in the same location as non-halal products. Yet, it was still able to obtain its certification according to MUI standards.

CUTS of meat passed by a butcher at a processing plant in Flemington, a suburban area northwest of Melbourne, Australia. The large chunks of pink meat looked fresh. Those pork cuts then slid along to an aluminum counter. The cutter continued to hum.

One worker, who wore a long apron, white pants and boots, was ensuring that the cuts of prime-quality meat were properly positioned as they passed by the man chopping them. His partner stood at the end of the machine, busy going through the stack of sliced pork. He would eliminate any pieces covered in white fat.

"This one isn't good because it's fatty," he told one prospective buyer, two weeks ago, holding a cut of meat covered in fat.

In the same corridor, another worker stood behind an aluminum table, diligently cutting wide, thin strips of beef. The bright red cuts he was deftly processing were premium-quality wagyu beef, generally ordered by Japanese restaurants in various countries.

This processing plant, founded in 1981, purchases meat from various slaughterhouses in Victoria. The meat is then cut according to orders from the market and packaged before being sent to the buyers. Meat labeled halal is exported to Indonesia, Malaysia, China, Japan, Singapore and Middle Eastern countries. There is only one special facility in Queensland processing halal meat.

The problem is the 'halal meat' is processed in the same place as the 'non-halal meat'—something which is not allowed according to many experts in Islamic law. That processing plant in Flemington, processes non-halal meats, including pork, from morning to afternoon. The meat classified as halal is in the mornings. One afternoon when pork was being processed, two weeks ago, boxes of goat meat with the halal label were lined up at the side of the room.

According to the halal standards set by the Indonesian Council of Ulama (MUI), pork and halal



EKREM OZYUREK,
DEPUTY CHAIRMAN OF
ICCV, AUSTRALIA.



MOHAMED EL-MOUELHY, HEAD OF
THE AUSTRALIAN
HALAL CERTIFICATION
AUTHORITY.

meats may not be processed in the same place. This is because, according to MUI Chairman Amidhan Shaberah, processing them in the same place will contaminate halal products with substances from non-halal products. "It must be (done) in separate places. Even right next to each other is not allowed," he told *Tempo*, two week ago.

Nevertheless, the meat processing plant in Flemington has obtained halal certification from the Islamic Coordinating Council of Victoria or ICCV, the halal certification issuing company in that state approved by the MUI. The ICCV was also appointed by the MUI as the sole coordinating agency for halal certification of Australian products entering Indonesia.

Sidki Guzel, the administrative manager and auditor for ICCV, admitted that his company had issued the company in Flemington the halal certification. He claimed that the company processed meat only for domestic consumption and does not process pork and halal meat under the same roof. An ICCV auditor, he said, routinely checks to ensure the standards are being met at companies or slaughterhouses which have received their halal certification.

Guzel said that each country has different halal standards. When it issues certification, the ICCV refers to the conditions set in each country. He assured that the processing area in Flemington does not export its products to Indonesia. "I guarantee that the products sent to Indonesia are processed according to halal standards. There is no mixing whatsoever. No products intended for Indonesia are processed under the same roof with non-halal products," he said.

This is not the first time that the ICCV has run into a problem over halal certification. Two years ago, this organization led by Esad Alagic, was protested by the Australian Muslim community after they issued halal certification to the fast-food chain Hungry Jack's in the suburban area of Tullamarine, despite the fact that the menu at that branch was pretty much the same as in its other branches, which included pork. Later the owner of that branch was asked to give up its halal claim by the head office of Hungry Jack's.

Guzel also denied reports that the ICCV was negligent. He said the halal certificate issued by the ICCV for that chain was done according to procedures. Guzel blamed the leadership of Hungry Jack's, which in his view, was not pleased that one of its branches obtained a halal label. "It was just a matter of business competition. They were jealous because the halal food branch drew a lot of customers," he said.

The ICCV is one of the largest certification organizations in Australia. According to its deputy chair, Ekrem Ozyurek, the institution was jointly established in 1991 by 11 Muslim communities in Australia. At present, the ICCV employs 140 butchers, and



plans to hire another 250. The increased need for butchers reflects an increase in the number of certificates issued. This is because the ICCV requires the placement of its butchers at each slaughterhouse which has been certified.

According to Mohamed El-Mouelhy, director of the Halal Certification Authority Australia and who claimed to be a close friend of Esad, the ICCV has received special treatment because of its closeness to Amidhan. It may be that because of the close relations that the MUI has never audited the ICCV.

News of Amidhan and Esad Alagic's closeness is nothing new for those in the certification business in Australia. The two knew each other before Amidhan became head of MUI. According to Mouelhy, Esad was introduced to Amidhan by an official at the Indonesian Religious Affairs Ministry. This Bosnian often visits Jakarta to meet with Amidhan. When Esad visits, Amidhan would pick him up at Hotel Borobudur, where Esad usually stayed. Conversely, when Amidhan visits Australia, Esad would always be his host



ICCV OFFICE AT 155
LYGON STREET,
EAST BRUNSWICK,
VICTORIA, AUSTRALIA.

and take care of his needs.

Esad was also invited to the official opening of an Islamic boarding school in East Java, which was also attended by President Susilo Bambang Yudhoyono. Esad posed for a photo with President SBY at that event, which now hangs on the wall of the ICCV office in East Brunswick, Victoria.

According to Mouelhy, Amidhan had previously invited Esad to meet with SBY at the State Palace. At that time, Esad had not brought the proper attire to attend an official event. Amidhan made him get a suit. Esad also invited Amidhan to visit Bosnia, to see a halal certification company established by Esad in his home country.

Amidhan admitted he was close to Esad and maintains good relations with him. He said the invitation to be at an event attended by the President is not unusual. "We are all close and kind to everyone," he said.

● KARTIKA CANDRA (MELBOURNE)



CONFESSIONS OF A 'SINNER'

The falsification of halal labels on meat from the United States was absolved by the MUI. It involved the largest importer in the country.



IN June four years ago, when he was still director of Veterinarian Public Health at the Agriculture Ministry, Turni Rusli Syamsudin received a letter which he clearly remembers. It had been sent by the Indonesian Council of Ulama (MUI) to the head of the Quarantine Board, with a copy to his in-

CONTAINERS OF IMPORTED MEAT FROM AUSTRALIA AND NEW ZEALAND IN TANJUNG PRIOK PORT, 2011.

stitution.

According to Turni, this MUI letter reported that the halal beef certificate held by importer Sumber Laut Perkasa was invalid. Based on that letter, the ministry issued a circular to monitor meat imported by Sumber Laut. "To ensure it would not be circulated any further," said Turni, who retired last year.

Signed by Lukmanul Hakim, director of the foods, drugs and cosmetics research agency (LPPOM)—the halal certification institution of MUI—the letter detailed the counterfeiting of halal certificates, which they had discovered via Halal Transactions of Omaha (HTO). The Nebraska, US-based halal certification agency had discovered fake certificates with the HTO logo, which was being done by Citizen Foods, Westbury, New York, the exporter supplying meat to Sumber Laut Perkasa.

In its letter to Lukmanul, the HTO said that Citizen Foods, managed by Helena Lenawati, collaborated with Basuki Hariman, owner of Sumber Laut Per-

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MUI LETTER THAT
DECLARES THE HALAL
LABEL FOR SUMBER
LAUT PERKASA'S
IMPORTED MEAT IS
INVALID.

kasa, to forge dozens of HTO certificates from 2007-2010. The HTO has issued 87 halal certificates for Cargill Meat Solutions in High River, Canada, a meat supplier of Citizen Foods from 2007-2009. In reality, the number of HTO certificates in use exceeded that amount. It was confirmed that the 2010 certificates were illegitimate, as the HTO had severed its contract with Citizen Foods at the end of the previous year.

"Some of the certificates were directly counterfeited by Sumber Laut Perkasa," read the letter from HTO management to Lukmanul. Seven halal certificates, said to be fakes, were attached to that letter. This counterfeiting was done by forging the signature of HTO Director Ahmad al-Absy, over a fake stamp.

Based on this HTO finding, on June 4, 2010, the MUI sent a letter asking the Agriculture Ministry to review the import license of Sumber Laut Perkasa. Turni, the official who received a copy of the MUI letter, summoned Basuki Hariman. The person in question never showed up, sending instead some of his employees. Then a circular was issued by the director-general of livestock and animal health at the Agriculture Ministry to the provinces, to keep a close watch on meat bearing the Sumber Laut Perkasa logo.

News spread of the entry of beef from the US without proper halal certification. The focus intensified on Basuki Hariman, the sole importer of beef from the US. In 2010, no limit had been set on the importation of beef. The government allowed meat to be imported from Australia, New Zealand, the US and Canada. The total amount imported in 2010 was about 140,000 tons. Of that amount, 30 percent or 42,000 tons came from the United States. Basuki's company is the main importer of meat from the US.

One source who knows about this in detail said that Basuki could not evade the charges made by Halal Transactions of Omaha. However, this importer came up with a solution. He sent Feni, his secretary, to lobby Lukmanul, by sending him a letter of apology to the MUI. In this letter, Basuki explained that the proliferation of fake certificates occurred due to mistakes made by one of his personnel. He said that he had fired that irresponsible worker.

This move softened up Lukmanul. Feni returned with a letter from LPPOM, forgiving Sumber Laut for its mistakes. Just 17 days later, the MUI issued a letter. "In principle, we ac-

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MUI LETTER THAT
PARDONS BASUKI
HARIMAN, SUMBER
LAUT PERKASA
OWNER, WHO
COUNTERFEITED THE
HALAL CERTIFICATE.

cept the apology," read the MUI letter to Basuki Hariman, dated June 21, 2010.

Lukmanul said that this letter was issued without any money involved. "What money? I don't know Basuki," he said. He said he had forgotten about the letter from LPPOM absolving the forging of halal certificates by Sumber Laut Perkasa. However, he stressed that the meat imported by Sumber Laut had been checked, despite LPPOM's lack of involvement. "One party reported it was clean. If that is the case, thank goodness," he said last week.

When *Tempo* visited the office of Sumber Laut Perkasa last week at the Sunter Warehouse Complex in North Jakarta, Basuki was not there. Feni insisted the company never forged HTO halal certificates or received a warning from the MUI in 2010. She stressed again that Sumber Laut had never bribed LPPOM.

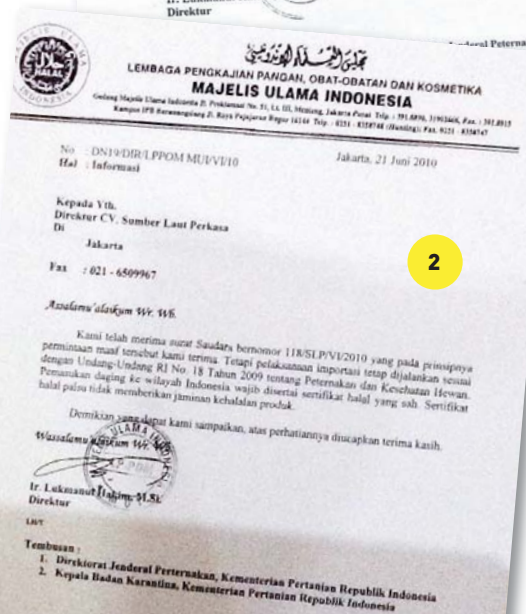
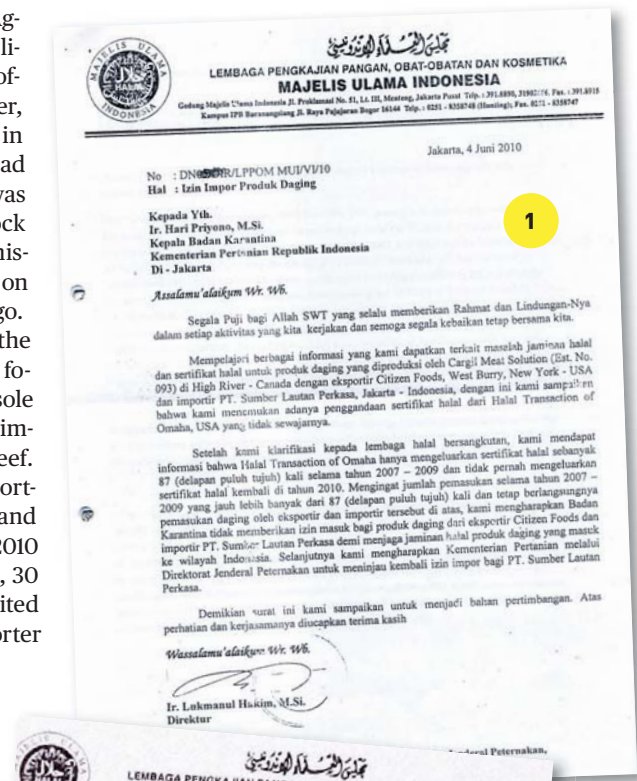
Many meat importers estimate that Basuki would manage to survive this fake certificate incident, because of his prior experience with a similar problem. At the end of 2004, Basuki's company was accused of importing illegal meat. It was discovered that thousands of tons of beef from the US imported by his company was actually from India, where meat products are considered to be susceptible to foot-and-mouth disease. This case was never subjected to further investigation, and Basuki's company remained an officially recognized importer.

After receiving a letter of pardon from LPPOM, Basuki took it to Turni. He asked the Agriculture Ministry not to doubt halal certificates from Sumber Laut. According to

Turni, the report on the forging of halal certificates was cancelled because the MUI had received a clarification from Sumber Laut. "The MUI understood the problem," he said.

Escaping MUI scrutiny was a blessing for Basuki's company. In 2011, when a quota system for beef was established by the Agriculture Ministry, he received the lion's share, getting 60 percent of total imports, which were divided among several companies.

● AKBAR TRI KURNIAWAN, APRILIANI GITA FITRIA



Six halal-label issuing companies in Europe are centered in Belgium, France, the Netherlands, United Kingdom and Poland. Amidhan Shaberah is listed as an advisor to the Halal Food Council of Europe, headquartered in Brussels, Belgium. An insider revealed that Amidhan receives a salary of 5,000 Euros or about Rp85 million per month. Amidhan's position has created a conflict of interest because the MUI audits and supervises institutions which issue halal labels.

01 A businessman asks the MUI for permission to become an organization issuing halal labels abroad. Officially there are no administration fees.

02 The MUI checks out the company, which bears all of the travel expenses of MUI officials doing the checking.

03 The MUI decides whether to approve or refuse the application. The company which has been approved will sign a contract with MUI Chairman Amidhan Shaberah.

“There’s no contract...after the license is issued, we have nothing more to do with that company”

—AMIDHAN SHABERAH

04 The company whose request has been approved will issue the halal label for food and beverage products exported to Indonesia.

05 The food and beverage products that receive the halal label from a company approved by the MUI can enter Indonesia.

THE GLOBAL BUSINESS OF MUI'S TOP OFFICIALS

THE Indonesian Council of Ulamas (MUI) does not charge any fees when it authorizes foreign companies to issue halal labels on products. However, there is a stipulation that these institutions must ‘contribute to promoting Islam in their (respective) environs.’ This no-cost authorization has become a lucrative opportunity to ‘bribe’ senior MUI officials.



In Australia, there are six halal-label issuing institutions recognized by the MUI, their scope of work limited to their respective states. Councils of Islamic scholars in other states allow the halal label to be given to interstate meat producers. MUI has set the length of this authorization to two years, which can be renewed before its expiration date. Renewals are often issued after companies donate a ‘gift’ of Aus\$50,000-78,000 to MUI senior officials. The October 20, 2013, issue of *The Sunday Mail* (Brisbane) reported that this ‘unofficial’ fee was about Aus\$27,000 per month.

- » Australian Federation of Islamic Councils Inc, New South Wales
- » Global Halal Trade Centre Pty Ltd, Victoria
- » Halal Certification Council, Queensland
- » Islamic Coordinating Council of Victoria
- » Supreme Islamic Council of Halal Meat in Australia Inc, New South Wales
- » Western Australia Halal Authority



The MUI was established in Jakarta on July 26, 1975, by 62 people from 26 provinces, representing Islamic social organizations and government bodies. The MUI was appointed as the sole institution authorized to issue halal certificates. This year, the MUI was allocated Rp10 billion in government assistance.



APPROVE

DECLINE



Syarat Perusahaan Halal

1. The establishment of an Islamic organization which has the support of the Imam of a local mosque or Muslim community consisting of at least 40 people, and which contributes to the promotion of Islam in their (respective) environments.
2. Having a permanent office and permanent staff.
3. The Islamic organization in question has a fatwa commission, the membership of which consists of three Islamic scholars who understand Islamic law, and two scientists with experience in testing slaughterhouses, restaurants, factories, and industries which process additives.
4. Having standard operational procedures for the certification process, covering administration, factory testing, auditing, and fatwa commission procedures.
5. Administrative files must be well-organized in order to facilitate auditing.
6. Possess a broad network, including links with the World Halal Food Council community and halal product trade institutions.
7. Having the capacity to cooperate with the MUI in supervising halal products in Indonesia.

» In the contract between the company which issues halal labels and the MUI, there is a stipulation that the company should be willing to contribute to the MUI for the strengthening and supervision of the halal program.

» Minimum capital of Aus\$120,000 to establish the company.

Conditions for halal meat:

- » The person slaughtering the livestock should be a Muslim who knows how to recite the proper words (saying "In the name of God").
- » The animal slaughtering and packing areas should separate halal products from non-halal ones.

The Islamic Coordinating Council of Victoria (ICCV), which was founded in 1991 and is owned by Esad Alagic, was appointed as MUI's representative in Australia. A total 60 percent of the meat labeled halal by the ICCV is exported to Indonesia. The remainder goes to Malaysia, Saudi Arabia, and other Middle East nations. New halal label companies or those renewing their authorization in Australia often ask Esad to help them arrange a meeting with Amidhan Shaberah.

Lucrative Labels

Companies which issue halal labels generally serve 10 slaughterhouses. One slaughterhouse can slaughter 1,500 cattle and 2,000 goats a day.

Cattle

- » Animal slaughtering fee: Aus\$3 per cow
- » Packaging: 15 boxes per cattle
- » Price per box: Aus\$.25
- » Halal label fee: Aus\$.90 per box

Goats

- » Animal slaughtering fee: Aus\$.30 per goat
- » Packaging: 4-5 boxes per goat
- » Price per box: Aus\$.25
- » Halal label fee: Aus\$.30 per box

AMIDHAN SHABERAH:

I'M NOT A STATE OFFICIAL, I CAN ACCEPT GRATUITIES



USING his iPhone 5, the chairman of the Indonesian Council of Ulama or MUI, Amidhan Shaberah summoned his personal chauffeur. That Wednesday evening he and his wife were scheduled to attend a nerve therapy treatment. All day long, he had parked himself at the luxury Grand Hyatt Hotel in the heart of Jakarta, meeting with foreign guests, before meeting with *Tempo* for an interview.

Amidhan, 75, who hails from Banjarmasin, capital of South Kalimantan province, has been in the news lately, for reportedly selling halal (permitted, according to Islam) certificates to foreign companies for thousands of dollars, when they should be free of charge, pending the proper requirements. Reportedly, to companies who are already issued such certificates, he threatens to invalidate the certificates for breaching MUI rules, in exchange for dollar payments.

In fact, the decision to issue or withdraw halal certificates lies in the hands of four people. But Amidhan's position as chairman places him in the forefront of accusations. It so happens that he was once a bureaucrat, his last post being the director-general of the haj pilgrimage organization at the Religious Affairs Ministry. Upon his retirement in 1996, he joined MUI.

After calling his driver on the phone a number of times, the black Toyota Alphard SUV finally appeared at the hotel's lobby and Amidhan quickly disappeared inside it. He had just concluded his two-hour interview, adding, "In my lifetime, this is my first honest and open interview."

Following the interview, however, he called us many times, to clarify some of his statements. At one time he would deny having attended a particular meeting, only to admit it a few hours later, in his attempt to explain the bribery charges against his organization. Excerpts of the interview:

Many businessmen overseas are now admitting they were asked to pay you money to get the halal label.

[The process] is now online. We have done a field survey on those who have registered. The MUI national coordination meeting in 2013 determined seven criteria to qualify to be a halal-issuing organization. This includes having three *ulama* (Islamic scholar) in the organization and two professions as auditors, to help the local mosque or madrasah (small mosque) and be registered as a member of the World Halal Food Council.

What is the fee?

Free. Being halal is a religious thing, why pay? They will just be asked to help a mosque or an Islamic school in the area of their operation.

But they set a fee to food and beverage producers.

After the license is issued we have nothing more to do with that company, except during the audit every two years. It's true Australia is protesting this. There is a fee because they must pay salaries to their employees, supervisors, butchers, office rent and other needs. Each organization sets its fees differently, so there has been a kind of tariff war. There seems to be a rivalry between Turkish and Lebanese businesspeople over there. We suggest that the fees should be standardized.

(Lukmanul Hakim: Actually, in 2006 there was a plan to do it according to the states. The objective was to avoid fighting between them. It was embarrassing to deal with the Australian government, which is not Islamic.)

When the MUI conducted an audit, who funded it?

The licenses are good for two years. We audit the issuing organizations to ensure that they have given the producers the labels according to the sharia law. Because we are a non-profit organization and no fees are charged, they must bear their entire transportation and accommodation expenses while they're over there. If it's far away, I ask for a business class air ticket because I'm already old.

Did you get paid?

No.

(Lukmanul Hakim: In the past, the National Standardization Board suggested the MUI set an auditing fee, but it was rejected. So a lump sum was paid.)

We obtained a contract between a halal organization and the MUI, in which it says that they must give a contribution to the MUI. What does that mean?

There is no contract. It's not insurance that would need one. If there is one, it must be fake. The people who are authorized to issue the licenses are: myself, Ma'ruf amin, chairman of the MUI, and Lukmanul Hakim, director of the research institute of food, drugs and cosmetics. MUI represents the policy, implementation rests with Lukman.

(Lukmanul Hakim: I just initial the licenses. The signatories are *Pak* Amidhan and the secretary-general.)

You reportedly submitted some personal accounts to the halal institution.

That's false. I'd be stupid to do that. But that's what I often hear too.

What about the money from Mohammed Lotfi, chief of the Australian Halal Food Services (AHFS)?

There was nothing like that. Provide the proof. The AHFS license was withdrawn because it had given the halal label to butchering livestock not in accordance to the sharia. We have the video, it was recorded by Malaysian ulamas. Because of that, they withdrew the AHFS license. Then he came with his deputy, Ali Chawk, to meet me. They were apologetic. I accepted it and they have now set up a new company, called Halal Certification Council.

How come? The staff and the process are the same, only the name has changed?

They promised not to breach rules anymore.

Reportedly they lobbied to keep their license, by giving money.

Nothing like that. That's slander. Lotfi was unhappy that I kept giving the AHFS sanctions.

Another case involves businessman Mohamed El-Mouelhy, who claimed to have given you Aus\$26,000 to accelerate the issuance of his license.

That story happened 20 years ago. He was disappointed at not getting support to set up the World Halal Council. Countries preferred to join the World Halal Food Council, which is now headed by *Pak* Lukman. He will agree that the bribery story is slander.

This happened in 2006.

No, it didn't happen. (An hour later, he called.) It seems the meeting did take place. I was invited to go to Australia, but it was with the Religious Affairs Ministry. There were seven of us, and all expenses were borne by the State Budget. Those lies must have come from Mouelhy, and even if there is proof, I was not a government official, I can accept gratuity.

So, Moelthy was given the license?

No. I noted that Mouelhy worked from his home. His wife and child were directors. So I did not give

The AHFS license was withdrawn because it had given the halal label to butchering livestock not in accordance with sharia. We have the video, it was recorded by Malaysian ulamas. Because of that, they withdrew the AHFS license.



LUKMANUL HAKIM

him the license. And it turned out, the Al Iman Islamic Society was having problems with its own certificate. Maybe he got upset with me over those two issues and spread the rumor that he gave me money.

He swore by it.

Ah, a desperate man will do anything, right?

According to Mouelhy, the license was not given to him because you met with Esad Alagic, his rival in the halal-label business.

Not at all. I am indeed close to Esad. MUI Chairman Din Syamsuddin appointed him a representative of MUI in Australia.

Wouldn't that be a conflict interest, given that the Islamic Coordinating Council of Victoria, which he heads, should be monitored by the MUI?

That's the point, we are limited in what we can monitor. We have no budget for audits, so we decided to set up an effective representative office.

We also heard that licenses would be given if it was done through Esad, by bribing him.

Is that another slander? No such thing.

What about reports that you would threaten to withdraw licenses unless companies came to you with money?

Nothing like that. The authority to issue and withdraw licenses rests with four people, not me alone.

In addition to Australia, you are reported as an advisor for the Halal Food Council of Europe.

What? Where did you get that information? I cannot be an advisor.

The information can easily be accessed from the internet.

(Lukmanul Hakim: This is serious because it can lead to charges of conflict of interest.)

That's the issue. You as advisor of HFCE, it was never audited, because you accepted a regular salary.

If that was really the case, I will ask him about the money when we next meet. That's too much. I may have been paid to deliver a lecture, because I am close to the owner. But there is no link. It's not allowed.

How can the MUI control halal organizations as supervisor and auditor?

Because the Institute for the Study of Food, Drugs and Cosmetics consists of 600 experienced scientists. The MUI is also very knowledgeable and experienced on halal issues other than as an institution of ulama of the world's biggest Muslim country.

The MUI is a people's organization. How does it get its funding?

We get some assistance from the State Budget. This year, it was Rp10 billion, depending on the programs proposed