

PM accused of pulling wool over public's eyes
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PKR de facto leader Anwar Ibrahim has accused Prime Minister Najib Razak of hoodwinking the people pertaining to last year's financial statement of the 1Malaysia Development Berhad (1MDB).

"We have today 1MDB's financial statements that expose the Barisan Nasional's blatant abuse of government funds and how it continues to mismanage the country," he said.

He was basing his comments on the 1MDB's financial statement dated March 31, 2010.

He pointed out that he had last year aired his concern over 1MDB when Pakatan Rakyat exposed how the fund, which had been already allocated RM5 billion in 2009 via government bonds, was planning to raise another RM10 billion, which would have pushed up the fund's liabilities to RM15 billion by 2013.

He alleged that Najib had hoodwinked the people when he said that 1MDB had declared a profit of RM426 million in the first year of operations.

"He never told us how," Anwar (right) said.

He added that 1MDB was able to declare a profit for March 31, 2010 because it entered into a very suspicious transaction tantamount to a blatant attempt to deceive the people.

Back and forth dealings

"The profit declared was nothing more than an accounting entry to hide a trail of arrangements to create slush funds for the Barisan Nasional.

"Hardly five months after paying RM3.5 billion in cash for an investment in a joint venture with PetroSaudi of Saudi Arabia, 1MDB sold the invest back to the owners of the Saudi concern for RM4.1 billion.

"On the surface, this looks like stunning financial returns, roughly a RM615 million gain that helped 1MDB show profit.

"But careful reviews of the 1MDB's financial statements show a different picture," he said, adding that PetroSaudi is now paying for the transaction through an 11-year old loan scheme that will only be fully repaid in March 31, 2021," Anwar said.

He said nearly 70 percent of 1MDB's original capital is now tied-up in a loan, with no certainty of repayment.

He said PetroSaudi and many of its associates are companies incorporated in tax havens, such as Cayman Islands and the British Virgin Islands.

"Therefore, there will be no transparency of the transactions among 1MDB and PetroSaudi and its associates which will remain shrouded in secrecy," he said.

Sleight of hand figures

Anwar said more astonishingly the deal to sell the investment was sealed on March 31, 2010, the last day of 1MDB's financial year.

"This sleight of hand accounting is a blatant attempt to show the dubious profit that Najib declared," he added.

"What is also as explosive is that Sarawak Chief Minister Taib Mahmud's connection to 1MDB and the dubious transactions it recorded.

"Last year, PetroSaudi paid over RM1.5 billion to take over UBG Berhad, the financial arm of the business empire of Taib Mahmud's family that was facing difficulties.

He said in the light of the massive and unprecedented spending and political bribery seen in the Sarawak elections, Pakatan Rakyat demands the appointment of a special audit team to probe the transactions involving 1MDB, PetroSaudi and UGB to ascertain whether the government money been used for setting up a political slush fund.

He also called for an immediate halt to 1MDB's efforts to raise more funds from banks until the probe is completed.

Anwar also called for a freeze on any attempt by the Barisan Nasional to transfer any government property to 1MDB, such as the plan to award the company a prime piece of real estate in Jalan Cochrane.

"There should be a full disclosure of who is behind PetroSaudi and 1MDB and whether 1MDB is financially sound to meet all its obligations to repay the loan," he said.

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