

1MDB must walk the talk; allow audit access to PAC

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MP SPEAKS In response to the shock move by a Penang Umno leader's police report against 1Malaysia Development Bhd (1MDB) alleging various improprieties, 1MDB has immediately stated that the company welcomes any investigation into its affairs and the opportunity to rebut malicious allegations.

We certainly welcome the sudden purported openness from 1MDB in opening its books for investigations while pleading that everything is above board.

This is despite the fact that prior to the police report, 1MDB had conducted itself in a completely opposite fashion, scrupulously hiding information and avoiding scrutiny over its various controversial transactions.

When it was discovered that 1MDB had parked a staggering US\$2.32 billion in Cayman Islands, 1MDB and Prime Minister Najib Abdul Razak (right) steadfastly refused to even name the mysterious fund managers other than the fact that they were "licensed financial institutions".

This is despite the fact that various MPs, including myself, had pressed the government for transparency over the matter.

If the prime minister refused even to be accountable to Parliament, can we really expect 1MDB to "open up" to the Commercial Crimes Department?

Even when the controversial US\$3 billion "Letter of Support" was raised in the August house, Najib's Deputy Finance Minister, Ahmad Maslan had attempted to mislead Parliamentarians by claiming that the letter of support "did not exist" before being forced into an embarrassing retraction and apology.

'Tip of iceberg'

There are also many other baffling transactions which 1MDB has refused to explain in any detail including the US\$1 billion investment in a Petrosaudi international venture or the RM4 billion SRC international venture which was hastily offloaded to the Finance Ministry.

There was also the controversial 10 percent of proceeds from bonds raised which were paid to Goldman Sachs International as "certain commissions, fees and expenses".

The amount paid far exceeds international norms of fees not exceeding two percent for bond issues of similar sizes.

These unanswered questions are merely the tip of the iceberg.

Therefore if 1MDB is really sincere in being transparent and believe that there is absolutely nothing to hide, then they must immediately offer itself to an audit and investigation by the Public Accounts Committee (PAC) and the auditor-general.

It will not be the first time 1MDB was summoned to the PAC. 1MDB was twice called to testify with the PAC in 2011. However, during these meetings, 1MDB refused to disclose information even to the Parliamentary Committee.

After that, 1MDB was never called again to testify despite repeated requests by some members of the committee, including myself.

Hence the BN government led by Najib must stop hemming and hawing, and instead take the bull by the horns to offer themselves for scrutiny by the PAC and the auditor-general.

TONY PUA is MP for Petaling Jaya Utara and DAP national publicity secretary.

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