

Where's the money, Mahathir asks 1MDB
MalaysiaKini.com
Jan 16, 2015

1Malaysia Development Bhd's (1MDB) announcement that the RM8.3 billion it parked in the Cayman Islands have finally been redeemed has done little to placate former prime minister Dr Mahathir Mohamad, who insists on knowing where the money is now.

Mahathir, who has been a fierce critic of the investment arm, said 1MDB's mere announcement that the amount had been fully redeemed was not acceptable.

"The explanation does not enlighten us on anything.

"I want to know which bank it's kept in now. A billion dollars; you must keep it somewhere, you see.

"I don't know where the money is – that is part of transparency," he said in an interview with Sarawak Report published yesterday.

1MDB's announcement comes amid a missed deadline for the fund to repay a RM2 billion bridge loan last December

The controversy-plagued 1MDB earlier this month also saw a reshuffle, with Abu Dhabi-based Malaysian banker Arul Kanda Kandasamy taking over its new chief executive officer.

Wholly owned by the Finance Ministry, 1MDB has been heavily criticised for parking RM8.3 billion in a tax haven abroad instead of investing locally.

It has also been criticised for overpaying RM2.7 billion for expiring independent power producer companies in 2012 and forking out US\$476 million (RM1.7 billion) in commission to Goldman Sachs for two fundraising exercises in 2012 and 2013 respectively.

'1MDB is unconvincing'

In the interview, Mahathir said 1MDB officials had met him over his unhappiness but failed to provide satisfactory explanations.

"I question the explanation, it is not something I can accept. It is very shallow.... I question the creation of 1MDB and how it is managed.

"They (the managers) came to see me, but they couldn't explain how the money was raised and why the power plants were brought at such high prices and the commission that was paid to Goldman Sachs," he said.

Mahathir (left), who was prime minister for 22 years, added that there was no need for a sovereign wealth fund like 1MDB.

1MDB was set up in 2009 after Prime Minister Najib Abdul Razak came to power.

Mahathir said the government should not be setting up a sovereign wealth fund to gamble with the rakyat's money.

"I don't think that it is necessary for us to have a funds like this. We are doing well enough without a fund...

"In the first place, they got the money to lend to the Saudis and they (Saudis) put it in hedge funds.

"The government should not be gambling money in hedge funds," he was quoted as saying.

1MDB accounts have showed that the 'Saudis' repaid the loan to with interest of US\$488 million, and the firm then invested it in Cayman Islands regulated funds.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Sourcehttp : <http://www.malysiakini.com/news/286482>