

**PM misled Umno members on 1MDB, says Pua**  
**MalaysiaKini.com**  
**May 19, 2015**

Petaling Jaya Utara MP Tony Pua today lambasted Prime Minister Najib Abdul Razak for issuing misleading explanations in a bid to explain the 1Malaysia Development Fund (1MDB) controversy to Umno members.

Pua said this in reference to Najib's claim, at a meeting with Selangor Umno members last Sunday, that 1MDB's RM42 billion obtained through loans is locked in land banks owned by the company.

"He had the nerve to tell Umno Selangor in Klang that 'the (1MDB) RM42 billion is not lost. There, the 70 acres TRX and 50 acres Bandar Malaysia lands'.

"That argument is ridiculous because 1MDB only paid RM1.86 billion for these pieces of land," Pua said in a statement.

He also rubbished another version of Najib's explanation to The Malaysian Council of Former Elected Representatives (Mubarak) that 1MDB's RM42 billion cannot possibly be missing as its accounts had been audited by Deloitte Malaysia, 1MDB's external auditor.

**Umno members may not know**

Pua who is also DAP publicity chief, said while Umno members may not know they are being misled by such explanations, it would not sit well with the financial community.

"While the Umno brethren may not know any better, such attempts to absolve 1MDB and himself from the monster scandal only serve to worsen his credibility and reputation in the financial community," he said.

Pua (photo) said using Deloitte's name to defend 1MDB is "misleading and disingenuous".

He pointed out that there have been cases in the past where auditors abetted in producing unqualified accounts, such as Arthur Andersen, which collapsed overnight for its role in the Enron financial scandal in the United States.

"Alternatively, the management of 1MDB could very well have misled Deloitte.

"For example, it was recently exposed by Sarawak Report that 1MDB's bank statements in BSI Bank, Singapore, were purportedly forged and circulated by the top management of 1MDB to secure loans from lending banks," he said.

Pua added that Deloitte may have signed off 1MDB's accounts for 2013 and 2014 but it did not mean there were no questionable elements highlighted in the financial statement.

### **Auditors didn't vouch for some 1MDB assets**

For example, he said, Deloitte classified 26 percent or RM13.4 billion of 1MDB's RM51.4 billion assets as "Level 3".

Pua explained that Level 3 assets are not based on observable market data and are derived from valuation techniques.

"In other words, the auditors have put on record that they are unable to vouch for the veracity and accuracy of these numbers, which were supplied by the 1MDB management.

"Therefore, even a mere 20 percent shortfall in the above 'Level 3' asset valuation will trigger a severe liquidity crisis for 1MDB, as we witness today," he said.

Pua also slammed Najib for urging the people not to pass judgment on 1MDB until after the Auditor-General's Department completes its investigation.

"While Najib, who is also the finance minister, pleaded for the critics to wait for the investigation reports by the auditor-general before judging 1MDB, he himself has no qualms to immediately absolve 1MDB from any wrong-doings, embezzlement and misappropriations," Pua added.