

**Dr M: 1MDB presumed guilty until money is found**  
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The 1Malaysia Development Bhd (1MDB) management must be presumed guilty unless large sums of its money that remain unaccounted are found, former prime minister Dr Mahathir Mohamad says.

Mahathir was referring to 1MDB's US\$1.103 billion (RM4 billion) investment in the Cayman Islands, the status of which remains a mystery.

"With money claimed to have been invested in Cayman Islands and despite claims that it had been brought back and is now in Singapore, the money cannot be demonstrated to be there in tangible form.

"Then [1MDB] management will be held responsible for its loss.

"The assumption must be that management had misappropriated the money, unless otherwise proven," Mahathir said in a blog posting this morning.

1MDB has insisted that its investment in the Cayman Islands have been fully redeemed in cash and is now parked at BSI Bank Ltd in Singapore.

Prime Minister Najib Abdul Razak, who is also finance minister, reiterated this position in a parliamentary written reply on March 10.

However, on May 20, Najib amended his answer, stating there is no cash in BSI Singapore, but merely "assets in US dollars".

This became even more baffling when Finance Minister II Husni Hanadzlah (photo) clarified that the assets were in fact in the form of "units", but refused to explain what he meant by that.

**'Assets don't justify missing money'**

Mahathir said the losing of money in bad investments by businesses was acceptable, but money simply disappearing was not.

"In business, money can be lost through bad investments or bad management. That is acceptable, though the chief executive officers and managers would be sacked.

"But when money is lost and the management cannot explain where it went and how it disappeared, then management would still be responsible, even if there is a bailout or the debts paid," said Mahathir.

He also rubbished the government's defence that 1MDB's assets are worth RM51.4 billion,

which outstrips the company's RM42 billion debt, stressing that this does not absolve the Finance Ministry-owned company of the missing money.

"Even if the debts are fully paid up through the sale of assets bought by 1MDB, that does not mean that 1MDB is free from the charge that it cannot account for the billions it had lost," he said.

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