

FAQ on WSJ's money trail exposé
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On July 3, The Wall Street Journal (WSJ) dropped a bombshell on Malaysians by claiming that nearly US\$700 million (RM2.6 billion) somehow made its way to bank accounts allegedly owned by our prime minister.

Given the complexity of the issue, Malaysiakini has compiled a series of questions sourced from our readers as well as our newsroom, and attempts to answer them.

1. What exactly was the WSJ report about?

The report claims that an ongoing probe by Malaysian investigators have traced nearly RM2.6 billion being transferred into what they believe to be Prime Minister Najib Abdul Razak's personal bank accounts.

2. Are the accounts really owned by Najib?

The WSJ report does not say this with certainty. They note that remittance documents show account numbers, but does not name Najib.

However, they are in possession of flow charts, purportedly obtained from Malaysian investigators, which attributed the accounts to Najib.

Whistleblower website Sarawak Report, which published a similar report on the same day as the WSJ, claimed that the accounts - bearing the name AmPrivate Banking-1MY, AmPrivate Banking-MY and AmPrivate Banking-MR - indeed belonged to Najib.

3. Has Najib explicitly denied owning the accounts?

No.

4. Has Najib explicitly denied that the transactions took place?

No.

5. How has Najib responded?

Nearly half a day after the WSJ and Sarawak Report broke the news, Najib responded by claiming to be the victim of "unsubstantiated, and many simply outrageous" allegations.

"The latest allegation is that I have taken state-linked funds for personal gain.

"I believe (Dr Mahathir Mohamad), working hand in glove with foreign nationals, including the now discredited political attack blog Sarawak Report, is behind this latest lie.

"Let me be very clear: I have never taken funds for personal gain as alleged by my political opponents - whether from 1MDB, SRC International or other entities, as these companies have confirmed."

Yesterday, Najib repeated this point on his blog.

"I want to again stress that I never took 1MDB funds for my personal gain.

"The WSJ allegation was done in bad faith and is supported by certain quarters in the country who want me to step down as prime minister and Umno president".

On the same day, Najib's lawyers also sent a "pre-letter of demand" asking Dow Jones, the owners of WSJ, to clarify if it really meant that the prime minister had misappropriated state funds.

The letter was panned by lawyers as a stalling tactic as defamation suits are normally and immediately initiated with a letter of demand.

6. Did WSJ accuse Najib of using the money for "personal gain"?

No. Neither did Sarawak Report.

However, the WSJ did run an article in June 18 accusing Najib of using funds originating from 1MDB for BN's 2013 election campaign.

7. How did WSJ and Sarawak Report get hold of this information?

The WSJ merely cited documents obtained from "Malaysian government investigation". They made the documents public on Tuesday.

8. Are the documents authentic?

We don't know. But thus far, no government agency has come up to say it's fake. Attorney-General Abdul Gani Patail alluded that the documents were leaked from an ongoing investigation.

9. Who is investigating 1MDB related matters thus far?

There is the National Audit Department and Parliament's Public Accounts Committee (PAC).

Then there is a multi-agency task force, comprising the police, Malaysian Anti-Corruption Commission and the Attorney-General's chambers.

We now know that Bank Negara is part of the task force.

10. Who formed the task force? When?

We don't know.

11. What are their terms of reference or scope?

The task force did not explicitly say. However, the Inspector-General of Police Khalid Abu Bakar mentioned back in March that it involved Section 409 and Section 420 of the Penal Code.

Section 409 of the Penal Code refers to "criminal breach of trust by public servant or agent", while Section 420 is on "cheating and dishonestly inducing delivery of property".

Najib, even though an interested party in the investigation himself, yesterday said the special task force will determine whether WSJ's allegations that he had taken 1MDB's funds for person interest had basis or not.

He went on to say that the investigation must consider the authenticity of documents put forward by WSJ.

The task force has been very particular in its statements by not mentioning specific individuals that are being investigated.

Instead, the task force often refers to the "allegations against the prime minister" as its subject of probe.

12. Who is in the task force?

Bank Negara governor Zeti Akhtar Aziz, the IGP, MACC chief Abu Kassim Mohamed, and the AG are signing off task force statements, so it is reasonable to conclude that they are task force members.

We don't know how many people are in the task force or what the composition is like.

13. Who does the task force report to?

We don't know. However the task force's information collected from its investigation had been sent to Attorney-General Abdul Gani Patail for review.

14. What is the progress of their investigations?

Until June 4, the task force didn't provide any progress reports. However, Sarawak Report published an article on April 29 claiming that "investigators" found that Bank Negara was supplied with "false documents", in connection with 1MDB.

However, the task force began issuing regular status updates since last Saturday, a day after WSJ implicated Najib in taking state funds.

It had since frozen six bank accounts related to the case and also raided 1MDB's office yesterday.

Highly-placed sources in the task force told Malaysiakini that three of the six bank accounts belonged to Najib but Abdul Gani denied this.

It is noteworthy that the denial statement was signed by Abdul Gani, as opposed to the previous task force statements which were signed off by the heads of Bank Negara, MACC, police, and the AG himself.

15. Can the four heads of the task force act independently if Najib doesn't take leave?

If they are professionals, yes.

However, there will still be concerns of conflict of interest as all of them report to Najib and they have also faced criticism in their handling of less controversial cases in the past.

For their normal duties, Abu Kassim and Abdul Gani report to Najib as prime minister. Zeti reports to Najib as finance minister.

Should Najib take leave, the Yang Di-Pertuan Agong would make Muhyiddin Yassin acting prime minister with full powers of the prime minister. In this scenario, Abu Kassim, Abdul Gani, and Zeti would report to Muhyiddin.

16. So why isn't Najib taking leave? Wouldn't that give the task force more credibility?

True. But Najib going on leave would have political implications.

Some of Najib's political opponents have made it clear that they intend to oust him and Najib may never return as prime minister if he does not remain on top of things.

Furthermore, if the allegations hold merit, then staying on as prime minister would offer better leverage.

17. If Najib goes on leave, would it confirm an independent investigation?

It is likely to yield a more credible and independent investigation but issues may still persist as some of the investigation members have also been accused of a cover-up.

For example, Bank Negara itself may be implicated in the probe for failing to uphold its own rules to flag the transaction of huge sums of money into accounts purportedly controlled by Najib. The first transaction occurred in 2013.

An alternative is for the setting up of a royal commission of inquiry into the matter.

18. Why is the Cabinet and Umno still strongly backing Najib?

While there are some voices of dissent, the vast majority of ministers still support Najib.

The bulk of the money was deposited into accounts purportedly controlled by Najib shortly before the 13th general elections, which would suggest that the funds were meant for the national polls.

If the allegation is proven true, it means the money trail does not end with Najib and other party leaders may be implicated.

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