

FBI starts probe on 1MDB, says WSJ
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The US Federal Bureau of Investigation (FBI) has reportedly initiated a probe into allegations of money laundering related to the debt ridden 1MDB.

According to financial daily The Wall Street Journal (WSJ) this morning, a source reported this development in the midst of the detention of Umno former leader Khairuddin Abu Hassan.

Khairuddin was barred from leaving the country this week, foiling his plan to travel to the US to meet the FBI over a complaint against 1MDB, and is now being remanded.

WSJ reported that the scope of FBI's current investigation is not yet known and that FBI has not revealed any knowledge of Khairuddin's planned visit.

"A spokeswoman for the FBI's New York office said that no agent in the office had arranged to speak with Khairuddin or had any previous contact with him," wrote WSJ.

The report noted Khairuddin's arrest on Friday on allegations of "attempting to undermine democracy".

It also noted how both Switzerland and Singapore said they have frozen accounts linked to 1MDB or its personnel, but 1MDB had denied such claims of frozen accounts in both instances.

WSJ has published a number of reports damaging to 1MDB, a Finance Ministry owned fund that is Prime Minister Najib Razak's pet project.

On Sept 9 WSJ reported allegations that UAE's International Petroleum Investment Company (IPIC) had reportedly not received a US\$1.4 billion collateral payment promised to it by 1MDB.

On Sept 18 it reported Abu Dhabi officials questioning a further US\$993 million that 1MDB reported it paid to IPIC, but which also appears to be "largely missing".