

**WSJ drops US\$850m bombshell on 1MDB**  
**MalaysiaKini.com**  
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A report claimed that 1MDB sent at least US\$850 million last year to an offshore entity formed to appear as if it was owned by an Abu Dhabi sovereign wealth fund.

According to the *Wall Street Journal* (WSJ), this is based on documents reviewed by the publication and those familiar with the matter.

"A 1MDB unit transferred at least US\$850 million via three transactions last year to a British Virgin Islands-registered company with a name that made it look like it was controlled by IPIC (International Petroleum Investment Co), according to wire transfer documents viewed by the Journal (WSJ) and two people familiar with the matter.

"The 1MDB fund sent the money to 'Aabar Investments PJS Ltd' which closely resembles the name of IPIC's wholly-owned subsidiary Aabar Investments PJS, the wire documents show," it stated.

Quoting those familiar with the matter, *WSJ* said executives at IPIC and Aabar investigating the transfers concluded neither of the two Abu Dhabi funds ever owned or controlled the British Virgin Islands company.

"Records in the British Virgin Islands don't give any details on the owners or directors of the company.

"The records show the British Virgin Islands firm was incorporated on March 14, 2012, and liquidated on June 23 this year, a time of growing criticism of 1MDB from opposition politicians and within Mr Najib's (Prime Minister Najib Abdul Razak) ruling party," it added.

*Malaysiakini* has e-mailed 1MDB for its response.

*WSJ* said they have also tried contacting 1MDB and IPIC on this matter but have not received any response.

Previously, in 2012, IPIC had also guaranteed \$3.5 billion in bonds, which was issued by 1MDB to purchase power plants.

1MDB's financial statements for the year ending March 31, 2013, showed they paid \$1.4 billion to IPIC's subsidiary Aabar as collateral for guaranteeing the bonds.

In 2014, they then paid another \$993 million to Aabar to cancel options given to IPIC to buy a stake in their power plants.

The US daily had reported that IPIC never received this \$2.4 billion, according to the company's officials.

1MDB, on the other hand, insisted that they stand by their financial statements, which showed that they made the payment.

It is also unclear why the payment was made to Aabar instead of IPIC.

1MDB is being investigated internationally and by several agencies within Malaysia, including the Malaysian Anti-Corruption Commission and Bank Negara Malaysia.