

Najib, please explain this clause

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COMMENT One year after the 1MDB scandal was first exposed by Sarawak Report and the Wall Street Journal (WSJ), few people knew that there was a clause in the Memorandum and Articles of Association (MAA) of the company, which clearly implicates Prime Minister Najib Abdul Razak in the 1MDB scandal.

Sarawak Report has produced a copy of the MAA of what was formerly the Terengganu Investment Authority Berhad (TIA), dated Feb 27, 2009, which places the sitting prime minister in direct control over “any financial commitment in (including investment), restructuring or any other matter which is likely to affect the guarantee given by the federal government of Malaysia”.

It would be hard for anyone to accept Najib’s explanation after reading Article 117 of 1MDB's MAA where all investments required written authorisation from Najib (emphasis, mine).

After TIA was formed, it was rebranded as 1MDB five months later on July 31, 2009. Najib should explain why, with this clause in the MAA stating so specifically his executive power in the running of 1MDB, could he still pretend having a distant role as chair of the advisory board of the investment arm that he created, both as finance minister and the prime minister of this country.

In short, despite billions of ringgit being involved, Najib can still deny any responsibility for the scandal. It defies conventional wisdom that when a scandal happened under his nose that Najib should deny any involvement and continue to helm the nation.

Umno, which has largely defended Najib, will have to pay heavily in the coming general election for not willing to confront Najib about the current scandal which has hit world news, putting Malaysia in a bad light, as a result of which we, the rakyat, are suffering because of this one man who believes he will die in office.

Such is not befitting of any great leader that the country has seen. In most countries, the leader would have resigned, or as they say in Japan, the courageous leader would have carried out harakiri instead of continuing to live in shame, dragging others along with him.

Former prime minister Dr Mahathir Mohamad appears to have more credibility than Najib himself, when he himself finally agreed to step down in 2003 after realising that he could no longer cling on to power any longer.

More questions

As pointed out by Public Accounts Committee (PAC) member Tony Pua, there is still a humongous sum of US\$5.5 billion cash outflow overseas that has not been accounted for. According to Pua, the state-owned fund had “refused to substantiate it with documents”.

His reasons for being unhappy with the final outcome of the PAC probe is understandable, while 1MDB’s reference to 80 percent pregnancy is both ridiculous and insensitive to the women.

Failure to produce the relevant documents can only imply that 1MDB has something to hide. Knowing that they were facing the PAC, nothing should be hidden in the first place.

What is it that we do not know? Anyone with some common sense would readily agree that failure to produce documentary proof as evidence would mean that certain transactions involving such huge amount of public funds have been carried out either illegally or as alleged by Dr Mahathir, the money had simply disappeared.

At the same time, we have noted that the auditor-general’s report is still under the Official Secrets Act (OSA). Why? Why is it that the OSA is not lifted since the audit report is meant for every Malaysian? Why was it not being tabled together with the PAC report in parliament so that the truth can be uncovered?

It is the selective release of information that has many of us asking more questions. This is the reason why even Dr Mahathir had said that the problem with Najib’s 1MDB has ballooned to more than RM42 billion - it is a debt of over RM50 billion now!

What debt-to-asset ratio can 1MDB show to prove that the company is sustainable? Even Minister in the Prime Minister’s department, Abdul Wahid Omar had admitted to CNBC recently that 1MDB was unsustainable in the first place.

CIMB chairperson Nazir Abdul Razak, Najib’s own brother, had warned the nation against a repeat of the same mistakes in 1MDB. Nazir has also urged “people who are responsible for it (to be) held accountable for it and nobody (should do) it again.”

With such a huge sum of money involved, and if the blame is now solely on the ex-CEO of 1MDB Shahrol Azral Ibrahim Halmi, Shahrol Azral should be immediately apprehended and his passport confiscated.

After all, this is what the Conference of Rulers had decreed end of last year. Why is there no further action taken, after the report from PAC was released this week? Failure to act is Najib’s failure in his capacity as chair of the advisory board, finance minister and the prime minister.

In fact, Shahrol did say that Najib had “refused the revaluation of assets in 1MDB's

joint-venture with PetroSaudi International (PSI) despite concerns raised by the 1MDB board of directors". Shahrol can then bring the matter to court to show that this was a failure on Najib's part to do what was right. Whatever the outcome, Najib cannot absolve himself of the responsibility for the mother of all scandals in this nation by virtue of Article 117 of the company's MAA.

In my opinion, if we care to probe further, the amount of over US\$5.5 billion could well be the "missing link" to explain how money from various channels had finally ended up in Najib's own account; therefore, it is in his favour that, as chairperson of the advisory board, Najib should immediately instruct a full investigation to probe how US\$700 million and US\$330 million were allegedly misappropriated to Good Star Limited (GSL) in 2009 and 2011, respectively. This works out to be over US\$1 billion!

I quote Pua: "Instead of saying PAC cleared the prime minister, the way to say it is PAC failed to clear the prime minister. This is because we were not given any documents to investigate, hence, we were unable to clear the prime minister even we if wanted to."

If GSL is controlled by Malaysian tycoon Jho Low, then, the probe has to be carried out immediately to see if there was an element of corruption involved. Why is there a deafening silence?

Of this US\$5.5 billion, US\$3.51 billion was paid to another company bearing the name Aabar Investment PJS Ltd (BVI), whose name was almost identical to a subsidiary of Abu Dhabi's state-owned International Petroleum Investment Co (IPIC) group. The original Aabar Investments PJS was incorporated in Abu Dhabi, while the other was incorporated in British Virgin Island (BVI) and had nothing to do with IPIC.

PAS president Abdul Hadi Awang had been particularly very silent after the PAC report was released, but the party's deputy president, Tuan Ibrahim Tuan Man had rightly pointed to another questionable investment of US\$2.318 billion to "an unlicensed fund manager Bridge Global Absolute Return Fund SPC, a month-old company with no prior experience handling large funds at the time of the transaction".

Apart from that, Najib also has to explain the allegations by WSJ that a total of US\$105 million had ended up in Red Granite Capital, which then funded the Red Granite Pictures belonging to his step son, Riza Aziz. We are waiting the outcome of an investigation on the source of Riza's amassed wealth by the US federal authorities.

Jitters across continents because of 1MDB

What does the arrest by the authorities in Abu Dhabi of former CEO of Aabar, Mohamed Al Husseiny tell you? As investigations go deeper, I suspect more people will be arrested and the truth will be told.

The assets of two of both Mohamed and another IPIC senior officer Khadem al-Qubaisi of

Abu Dhabi's state-owned International Petroleum Investment Co (IPIC) group have been frozen by the United Arab Emirates central bank.

Mohamed is currently facing an extradition request by the US Department of Justice, relating to charges concerning 1MDB. The mother of scandals has caused at least six countries to initiate investigation.

Is Najib not interested to know the truth who in 1MDB had, in fact, collaborated with Mohamed? Was it 1MDB's former CEO Shahrol Azral Ibrahim Halmi? Why is Malaysia not joining the bandwagon to fine-toothcomb its investigation into the 1MDB scandal since it involves our reputation as a nation? Why are there still so many questions left unanswered?

At this juncture, it is only right to say that the PAC report was a whitewash at its best, and nothing more. By virtue of its scope, what the PAC report failed to answer are the numerous allegations put forward by WSJ and other international media which claimed that a total of US\$1 billion had ended up in the private accounts belonging to Najib.

A good example is how SRC International transferred RM42 million into Najib's account, and according to Najib, no one appeared to know who gave the instruction. What an incredible story this is!

We have heard of five-year-old toddlers telling their mummies and daddies, "I don't know how Santa climbed down our chimney but I am happy I have my presents." There is no chimney in Malaysian homes, anyway!

My fellow Malaysians, we have to continue to ask questions until we get satisfactory answers. The main culprits and the mastermind behind the 1MDB scandal must be brought to justice.

After all, this is national interest. As the citizens of this country, we have a right to know what happened to the US\$5.5 billion. We owe it to Pua for telling us more than what the PAC had arrived at in its written report.

Najib has to take full responsibility

A good leader will have to lead by example. When things go wrong, as the case with 1MDB, the person behind the creation has to take full responsibility.

As suggested by Tuan Ibrahim, Najib should immediately resign over the failure of 1MDB. There are no other options available. The longer Najib carries, the worse it gets as international investigators and media zooms into the 1MDB scandal.

What if, just months before the next general election, one of the countries investigating into the 1MDB scandal issues a statement saying that they have enough evidence to prosecute

the prime minister of Malaysia? Unless the truth is unravelled, the 1MDB scandal can only spiral all the way down for Najib, Umno and the Barisan Nasional as a whole.

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