

Probe on 1MDB timid or stymied, claims *The Economist*
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The 1MDB affair could serve as an important test of how the world deals with cross-border corruption, said *The Economist*.

The publication recalled the issues which are plaguing the allegation-riddled sovereign fund and Prime Minister Najib Abdul Razak.

“With graft and dodgy offshore manoeuvres high up political agendas after the leaking of the Panama papers, investigators have an added incentive to dig deep,” it added.

The Economist claimed that investigations within Malaysia have been “timid or stymied”, therefore leaving “other countries to make the running”.

“Last year the attorney-general was replaced - supposedly on health grounds, though leaked documents appear to show he was about to bring criminal charges against Najib.

“His successor has rebuffed calls by the central bank for 1MDB to face charges.

“A parliamentary report into the fund’s affairs identified irregularities but stopped short of alleging outright fraud,” it said.

The document, which *The Economist* claimed suggested possible legal action against the prime minister, was the purported draft of a charge sheet published on whistleblower website, *Sarawak Report*.

The financial weekly's observation came just weeks after Swiss Financial Market Supervisory Authority (Finma) warned that Switzerland was facing [increased risk of money laundering](#), citing examples such as 1MDB.

"We know that suspect funds also passed through banks headquartered in the US, the UK, and the Middle East. Transactions were also processed via many other international financial centres.

"That makes the investigations correspondingly complex, involving prosecutors and supervisory authorities from four continents.

"Be that as it may, such cases damage the reputation of the Swiss financial centre.

"If the Swiss banking system is misused for money laundering on a large scale, that puts it in a poor light," Finma chief executive officer Mark Branson had said.

Switzerland believes that at least US\$4 billion from 1MDB had been misappropriated but *The Economist* said investigators now believe it could be as much as US\$6 billion.

It noted that Swiss investigators had on April 12 said they were widening their investigation to two former public officials from the United Arab Emirates, believed to have been key officials in International Petroleum Investment Company (IPIC) and subsidiary Aabar Investments PJS, both of which had dealings with 1MDB.

"The statement (by Swiss authorities), unusually blunt for an ongoing probe, talked of suspected "embezzlement", "criminal mismanagement", "forgery" and "money-laundering".

"Switzerland's top financial regulator calls it a "clear" case of corruption, with "concrete indications" of "inadequate" anti-money-laundering measures by banks that handled 1MDB's cash, among them some of the biggest names in finance," noted the London-based publication.