

WSJ: FBI zooms in on Riza's purchase of luxury properties
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The United States Federal Bureau of Investigation (FBI) is looking into Prime Minister Najib Abdul Razak's stepson Riza Aziz's purchase of two luxury properties in its investigation into 1MDB.

Investigators believe at least US\$50 million originating from 1MDB were spent on the properties in New York and Los Angeles, *The Wall Street Journal* (WSJ) reported.

"The financing of those acquisitions is under investigation by the FBI, which is conducting a wide-ranging inquiry into alleged misappropriation of billions of dollars from 1MDB, according to people familiar with the probe," WSJ reported.

Riza, a Hollywood producer, bought a [US\\$33.5 million seven-bedroom duplex](#) at the upmarket Laurel Park condominium complex in New York in November 2012. The duplex overlooks the iconic Central Park.

In 2010, he bought a US\$17.5 million 11,000sq-ft Beverly Hills mansion in Los Angeles, which has a 120-foot pool, featuring a golden pyramid.

WSJ said Riza's Beverly Hills mansion is under renovation and he is now residing in a rented Los Angeles apartment.

The US daily earlier reported that Riza's Red Granite Pictures produced the blockbuster 'The Wolf of Wall Street' using [US\\$155 million diverted from 1MDB](#).

Investigation papers sighted by WSJ showed the funds came through British Virgin Island-registered firm Aabar Investments PJS.

All investigation papers by Malaysian enforcement agencies are sealed under the Official Secrets Act (OSA).

1MDB said **it was defrauded** into transferring more than US\$3.5 billion into Aabar BVI, which it believed was linked to Abu Dhabi's state-owned International Petroleum Investment Corporation.

IPIC, which sought payment for guaranteeing 1MDB-issued bonds, denied links to Aabar BVI, prompting 1MDB to **default on interest** payments pending the dispute resolution.

Malaysiakini has contacted Red Granite Pictures for a response.

Red Granite fully cooperating

A Red Granite spokesperson told WSJ “there has never been anything inappropriate about any of Red Granite Pictures or Riza Aziz’s business activities”.

He said: “What they have done and will continue to do is develop and produce successful and acclaimed movies that have generated more than US\$825 million in worldwide box-office revenues.”

The spokesperson added that Red Granite Pictures “is responding to all inquiries and cooperating fully”.

Najib earlier instructed the Auditor-General's Department to check if 1MDB funds were used to finance a film.

The auditor-general's report on 1MDB is classified under the OSA, despite it being tabled to the parliamentary Public Accounts Committee (PAC).