

Riza, Jho Low and two others named in US Justice Dept lawsuit
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Reuters

US federal prosecutors have filed civil lawsuits seeking to seize assets worth more than US\$1 billion, allegedly stolen from Malaysian state fund 1MDB, which was overseen by Prime Minister Najib Abdul Razak.

None of the US lawsuits name Najib but they contain details that appear to directly implicate the prime minister. They include allegations that US\$681 million from a 2013 bond sale by 1MDB was transferred to the account of "Malaysian Official 1", who is described in the lawsuits as "a high-ranking official in the Malaysian government who also held a position of authority with 1MDB".

1MDB and the Malaysian prime minister's office had no immediate comment.

Najib was investigated in Malaysia after revelations that US\$681 million was transferred to his personal bank accounts. Malaysia's attorney-general said in January the prime minister had not committed any crime, and that the money in his bank account was a political donation from the Saudi royal family.

Najib has consistently denied any wrongdoing.

Saudi Foreign Minister Adel Al-Jubeir said in April funds wired into Najib's personal bank account were a "genuine" donation originating from Saudi Arabia.

The US lawsuits seek to seize assets "involved in and traceable to an international conspiracy to launder money misappropriated from 1MDB".

The alleged offences were committed over a four-year period and involved multiple individuals, including Malaysian officials and their associates, who conspired to fraudulently divert billions of dollars from 1MDB, the lawsuits said.

1MDB, which Najib founded in 2009 shortly after he came to office, is being investigated for money-laundering in at least six countries, including the United States, Singapore and Switzerland.

It is the largest set of cases ever brought by the Justice Department's Kleptocracy Asset Recovery Initiative, which seeks the forfeiture of the proceeds of foreign corruption. The previous largest case in February sought to seize US\$850 million.

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The lawsuits name Najib's stepson Riza Aziz as a "relevant individual. Riza is the founder of Red Granite Pictures, which produced the Oscar-nominated 'The Wolf of Wall Street'.

Riza could not be reached for comment.

The lawsuits also named Malaysian financier Low Taek Jho, better known as 'Jho Low', and Abu Dhabi government officials Khadem Abdulla Al-Qubaisi and Mohammed Ahmed Badawy Al-Husseiny.

Al Qubaisi and Al-Husseiny are former officials at a sovereign fund in Abu Dhabi that participated in deals with 1MDB.

Jho Low did not respond to requests for comment sent to his Hong Kong-based company, Jynwel Capital. Al Qubaisi and Al-Husseiny could not be reached for comment.

The people named in the complaint have not been charged with crimes - the defendants in the civil lawsuits are the properties the government wants to seize.

Those include luxury properties in New York and California, paintings by Vincent Van Gogh and Claude Monet, and a Bombardier jet.

Tens of millions of dollars in funds diverted from 1MDB were used to produce the 2013 Martin Scorsese film 'The Wolf of Wall Street', the lawsuits said. The lawsuits aim to seize proceeds from that film, which was produced by Riza's Red Granite Pictures.

Some of the misappropriated 1MDB funds "are directly traceable to a US\$700 million wire transfer and US\$330 million wire transfer unlawfully diverted from 1MDB to the Good Star Account," owned by Jho Low, one of the lawsuits alleged.

Other misappropriated funds from 1MDB were transferred to the co-founder of PetroSaudi, a company that had a joint venture deal with 1MDB, and thereafter to a high-ranking official in the Malaysian government it identified only as 'Malaysian Official 1'.

"That misappropriation occurred in multiple phases over the course of several years," the lawsuits said.

Najib and Obama

A top White House official distanced President Barack Obama from the action taken by the Justice Department.

"The simple answer is we do not have any control over Justice Department actions," Deputy National Security Advisor Ben Rhodes told *Reuters* in Yangon, where he was speaking to university students. "We've made that clear to Malaysia and every other country."

Bilateral relations between the two nations have never been better over the past seven years that both Najib and Obama have been in power, a relationship brought into focus by photos of the two leaders playing a round of golf in 2014.

Obama visited Malaysia twice in the last two years.

The inquiries have put Najib under political pressure with critics led by former prime minister Mahathir Mohammed calling for him to step down.

Najib has sacked critics of the scandal within his ruling United Malays National Organisation (Umno) and consolidated his position in the party.

He also secured big electoral victories in state and parliamentary by-elections this year, as local issues took prominence over the 1MDB scandal.

- *Reuters*