

**Najib unmoved after US lawsuits linked to 1MDB scandal**  
**MalaysiaKini.com**  
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**A Ananthalakshmi, Reuters**

Although US prosecutors say billions of dollars were stolen from a state investment fund that Malaysian Prime Minister Najib Abdul Razak founded and oversaw, his government was unmoved today by the allegations.

US prosecutors said yesterday over US\$3.5 billion was diverted from the 1Malaysia Development Bhd (1MDB) fund that Najib founded in 2009 shortly after coming to power.

The US civil lawsuits are seeking to seize US\$1 billion of the allegedly embezzled assets that were transferred into the United States using shell companies.

The lawsuit does not name Najib but refers to a "Malaysian Official 1" – described as a high-ranking government official – who received some of the misappropriated funds, including US\$681 million in March 2013. A source familiar with the investigation later confirmed that "Malaysian Official 1" is Najib.

Political risk consultants Eurasia said that since Najib was not directly named in the lawsuits, that "will afford him protection".

"Najib has become accustomed to weathering international investigations," Eurasia said in a note to clients.

"Najib supporters placed in key positions across government (including in the Attorney-General's Office and the anti-corruption commission) will continue to shield the prime minister from any probe by blocking access to information or evidence that could implicate him," the note said.

Najib has consistently denied any wrongdoing. Local investigations have also cleared him, although transactions related to 1MDB are under investigation in at least six countries for money-laundering, fraud and other offences.

Najib has sacked critics of the scandal within his ruling United Malays National Organisation (Umno), including members of his cabinet.

When the US Justice Department announced the lawsuits, Najib was attending an open house dinner and from where he posted pictures on his Twitter account, laughing and shaking hands with the guests.

The first response from the Malaysian government to the US actions came around 12 hours later, with a Najib spokesperson saying Malaysia will cooperate fully with any lawful investigation of its companies or citizens.

A cabinet minister said today Malaysia has nothing to hide and that “1MDB has been the subject of an unprecedented politically-motivated attack, the objective of which was to unseat a democratically-elected head of government”.

The action by the Justice Department may strain diplomatic ties between the United States and predominantly Muslim Malaysia, which have flourished under Najib. The Obama administration sees Kuala Lumpur as a key partner in its fight against radical Islamists and Najib as a key ally in Obama’s strategic pivot to Asia.

### **Malaysia media ignores story**

The story about the US lawsuits made headlines around the world, but not in Malaysia, where major local newspapers, controlled directly or indirectly by the government, and the state news agency largely ignored it today.

In the past, the government has cited the need to maintain public order in justifying its restrictions on stories about the 1MDB scandal.

Malaysians, who have borne the brunt of the allegations as the ringgit currency fell to a 17-year low in 2015 at the height of the corruption allegations, took to Twitter to praise the US action.

“The Malaysian people were defrauded on an enormous scale...” FBI deputy director Andrew McCabe said at a briefing in Washington last night.

The hashtag #MalaysianOfficial1 was trending today.

The scandal does not appear to have hurt Najib at recent polls.

Najib's coalition won big electoral victories in state and parliamentary by-elections last month, as local issues took prominence over the 1MDB scandal.

Malaysia's fragmented opposition parties have been in disarray over policy differences after winning the popular vote in the last general election in 2013. Their most popular leader Anwar Ibrahim is in jail on a sodomy conviction critics allege was politically motivated.

But former Prime Minister Dr Mahathir Mohamad said today Malaysians should push for a referendum on Najib's leadership as he launched a new opposition front that Anwar has endorsed.

- Reuters

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