

Firm that received 1MDB funds invested in Italian F1 team
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The name 'Vasco' came into Malaysian public consciousness after US investigations concluded that US\$472.75 million out of the US\$3.657 billion allegedly misappropriated from 1MDB went to Vasco Investments Services SA.

Vasco Investments Services SA is the management firm of Vasco Trust, the vehicle of United Arab Emirates (UAE) tycoon Khadem Al-Qubaisi.

According to *Sarawak Report*, 1MDB funds is not the only sovereign wealth fund which became a target of Khadem's Vasco Trust as International Petroleum Investment Company (IPIC), UAE's sovereign wealth fund, also found its money being funnelled into Khadem's interests.

The whistleblower portal described what Khadem is to IPIC as what Penang-born billionaire Jho Low is to 1MDB.

Khadem came into the 1MDB picture after Jho Low sought his help to allegedly launder funds from the Malaysian firm.

But prior to this, Khadem was already on the roll as he allegedly abused his position as IPIC chief executive officer, according to *Sarawak Report*, which cited investigations by a Luxembourg-based news outlet.

An example was the purchase of Italian Formula One racing team Scuderia Toro Rosso (STR) in 2011.

According to Luxembourg-based news outlet *Luxemburger Wort*, it began with Luxembourg-registered Mondrion, an entity under the Vasco Trust umbrella, purchasing a 25 percent stake in STR.

Khadem then used his influence to get subsidiaries of IPIC, namely CESPAs, Nova Chemicals and Falcon Bank to sponsor his Italian F1 team.

Other examples include getting CESPAs to house its headquarters at Khadem's own building and using IPIC to finance and back his personal property acquisition.

The financial aspect of Vasco Trust was managed by Luxembourg-based Edmond De Rothschild Bank but it all began to unravel after some 90 police accompanied by prosecutors and a federal judge raided the bank in June, according to *Luxemburger Wort*.

Khadem was sacked from IPIC last year, barred from leaving UAE early this year and was last week arrested by Abu Dhabi authorities.

Sarawak Report said IPIC, along with its subsidiary Aabar Investments PJS, is believed to have lost at least US\$50 billion of its original US\$70 billion cash base and is now being merged with another of UAE's sovereign wealth fund Mubadala.

Drawing parallels between IPIC and 1MDB, it said: "It may well turn into a key lesson for countries that are running sovereign wealth funds, which are headed by political figures and beset by weak corporate governance. Such organisations are set up to be corrupted."

"Malaysia has perhaps just one thing to be thankful of, which is that 1MDB's US\$7 billion missing is far less than what is now missing from Aabar," it added.

1MDB's US\$472.75 million arrived at Vasco Investments Services SA between May 29 and Nov 30, 2012.

Subsequently, Vasco Investments Services SA was believed to have invested at least US\$10 million in Tasameem Real Estate LLC, which owns Hakkasan Ltd that controls a chain of night clubs in Las Vegas, according to a [leaked](#) financial statement.