

Mahathir hopeful of 1MDB settlement with Goldman soon

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Malaysian Prime Minister Dr Mahathir Mohamad is hopeful of reaching an out-of-court settlement with Goldman Sachs over the 1MDB scandal soon but that compensation of "one point something billion" dollars offered by the bank was too small.

The Southeast Asian nation has charged Goldman and 17 current and former directors of its units for allegedly misleading investors over bond sales totalling US\$6.5 billion that the US bank helped raise for sovereign wealth fund 1Malaysia Development Bhd (1MDB).

Mahathir said they have demanded US\$7.5 billion from Goldman and negotiations were ongoing.

"We would like to avoid having to go to the courts, but if they come up with a reasonable sum I think we will agree," Mahathir, 94, said in an interview with Reuters on Tuesday.

"But at the moment their offer is too small. We're continuing to talk with them to explain why they should pay what we demand. Of course, it's not the full amount, that they may be able to bring down, but we think that we can reach some agreement at a later stage."

A spokesman for Goldman declined to comment.

Mahathir said he hoped an agreement with Goldman would be reached "soon".

"Yes, I want to achieve a settlement. We are progressing, if we fail then we'll go to the courts," he said. "We cannot preempt by going to the courts."

Goldman said in October it was in discussions with authorities on a possible resolution of investigations relating to 1MDB.

The bank could separately end up paying less than US\$2 billion to US authorities to resolve criminal and regulatory probes connected to the scandal, Bloomberg reported last week.

US authorities say about US\$4.5 billion was siphoned from 1MDB, founded in 2009 by then-Malaysian prime minister Najib Abdul Razak. The scandal helped Mahathir unexpectedly defeat Najib in a general election last year.

Mahathir said Malaysia would not agree to a settlement with fugitive financier Jho Low, accused of playing a central role in the scam. Low has consistently denied wrongdoing and says he does not expect a fair trial in Malaysia as long as Mahathir is in power.

"We think he is very guilty. We have proof of that," Mahathir said of Low. "We want to settle it according to the law.

Mahathir said Malaysian authorities have no contact with Low or his representatives and did not know where he is.

The US Justice Department said last month it struck a deal to recover US\$1 billion in funds allegedly looted from 1MDB from Low.

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