

Will PM come clean on lacklustre 'good deal' with Goldman, asks Guan Eng

Malaysiakini

06 August 2020

Former finance minister Lim Guan Eng has accused the Perikatan Nasional government of a complete lack of public accountability and transparency.

According to him, this is demonstrated by Putrajaya's "loud silence" to the criticism of what was branded as a "good deal" for the US\$3.9 billion settlement with Goldman Sachs group.

The deal was to resolve Goldman's criminal involvement to defraud 1MDB together with Malaysian leaders and their cronies.

Therefore, Lim asked if Prime Minister Muhyiddin Yassin was prepared to explain the matter to the public since the deal was, in fact, good for Goldman, not Malaysia.

"The critical point that Goldman paid US\$2.5 billion and not US\$3.9 billion was even admitted by the firm.

“Goldman Sachs' press announcement on the agreement dated July 24 confirmed that it is Goldman and not the Malaysian government that secured a good deal in paying US\$2.5 billion to resolve all the criminal and regulatory proceedings in Malaysia against Goldman.

“Not only will criminal charges against 17 of their current and former directors be dropped, no further charges would be brought against Goldman, its subsidiaries, or any of their directors, officers and employees (excluding former employees Tim Leissner and Roger Ng) related to 1MDB,” he added in a statement today.

The former minister quoted Goldman as stating that in principle, the agreement would entail a payment of US\$2.5 billion to the Malaysian government and that the latter would receive at least US\$1.4 billion in proceeds from assets related to 1MDB seized by governmental authorities around the world.

In connection with the guarantee, Goldman said it performed valuation analysis on the relevant assets and believes that the guarantee does not present a significant risk exposure to the firm.

In other words, Lim said, Goldman is asserting that its US\$1.4 billion guarantee that Malaysia would receive from assets related to 1MDB seized by government

authorities throughout the world would not likely cause the firm to make any significant payments.

“Goldman's exposure is likely limited to the US\$2.5 billion cash payment committed by Goldman,” he added.

According to Lim, this only served to confirm former attorney-general Tommy Thomas' response to the so-called “good deal” on Aug 3.

Thomas had said the inclusion of the US\$1.4 billion as part of the settlement was a misleading statement.

He added that Malaysia would have received this sum from the US Department of Justice, in any event, independent of this settlement with Goldman due to the good relationship that Malaysia established with the department after the Harapan government took office in May 2018.

Malaysia's right to receive the US\$1.4 billion, according to Thomas, was not in any way dependent on the Goldman settlement.

Meanwhile, Lim, in his statement, said it was clear that Goldman secured a good deal at the expense of the Malaysian public in resolving their involvement in the

1MDB scandal.

The US\$2.5 billion, he added, was one-third of the US\$ 7.5 billion claimed by the then Harapan federal government.

“Will the prime minister come clean on why they fell short of US\$5 billion and explain the facts fully to Malaysians?” he questioned.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <https://www.malysiakini.com/news/537579>