

DOJ reaches settlement, recovers US\$60m from Riza Aziz

Malaysiakini

03 September 2020

The United States Department of Justice (DOJ) has recovered US\$60 million (RM249 million) after reaching a settlement of its civil forfeiture cases against assets acquired by Riza Aziz utilising funds allegedly embezzled from 1MDB.

The funds were laundered through financial institutions in the United States, Switzerland, Singapore and Luxembourg.

"These assets are estimated to be worth more than US\$60 million and with the conclusion of this settlement, together with the prior disposition of other related forfeiture cases, the United States will have recovered or assisted in the recovery of nearly US\$1.1 billion (RM4.6 billion) in assets associated with the 1MDB international money laundering and bribery scheme," said the DOJ in a statement.

The assets being forfeited subject to this settlement are in addition to the more than US\$1 billion in assets the US previously forfeited in connection with the

DOJ's 1MDB investigation, which "represents the largest recovery to date under the department's Kleptocracy Asset Recovery Initiative".

"As alleged in the forfeiture complaints, Riza and others collectively laundered billions of dollars pilfered from 1MDB, an investment fund intended to benefit the Malaysian people," said acting assistant attorney general Brian C Rabbitt of DOJ's Criminal Division.

"Riza and his co-conspirators allegedly diverted these funds for their own benefit and used them to acquire luxury real estate in New York and London and to make personal investments.

"The forfeiture of these assets will add to the almost US\$1.1 billion stolen from 1MDB that the US Department of Justice has so far helped recover and return to the Malaysian people," added Rabbitt.

"This forfeiture sends a clear signal that the department will not allow wrongdoers to use the US financial system to launder the proceeds of their illegal activity."

Legal action to continue

Additionally, US attorney Nick Hanna of the Central District of California said the legal action would continue to shed light on the massive fraud and money laundering scheme that brazenly stole public funds belonging to Malaysia.

"The high-end properties across the nation that have now been seized and forfeited demonstrate our commitment to preventing corrupt actors from using the United States as a place to hide stolen riches," said Hanna.

In May, Riza, the stepson of former premier Najib Abdul Razak, was accorded a discharge not amounting to an acquittal by the Kuala Lumpur Sessions Court for his five criminal charges on allegedly receiving illegal proceeds from sovereign wealth fund 1MDB.

The producer of "The Wolf of Wall Street" and "Dumb and Dumber To" was charged last year in Malaysia for allegedly receiving a total of US\$248 million (RM1 billion) on five occasions between 2011 and 2012.

Riza was accused of committing the offences by receiving the money through the bank account of Red Granite, the Hollywood production company he co-founded.

The deal, however, is dependent on him fulfilling the terms of the agreement reached with the prosecution, which among others, necessitates the return of an

estimated US\$107.3 million (RM465.3 million) to the Malaysian government.

Najib himself was convicted on seven charges of abuse of power, breach of trust and money-laundering relating to the scandal and was sentenced to 12 years in prison and fined RM210 million.

Currently free pending his appeal, he faces more charges in connection with 1MDB.

'Heinous scheme'

Assistant director Calvin Shivers of the FBI's Criminal Investigative Division said that the case in the US represents "significant, unwavering investigative work" by the FBI's International Corruption Team and its partners.

"Riza and his co-conspirators misappropriated and laundered billions of dollars away from Malaysian people for their personal gain, and they will not be permitted to profit.

"The FBI is committed to bringing all those who participated in this heinous scheme to justice and holding them accountable for the illicit actions," he said.

According to the civil forfeiture complaints, from 2009 through 2015, more than US\$4.5 billion in funds belonging to 1MDB were allegedly misappropriated by high-level officials of 1MDB and their associates and laundered through financial institutions in several jurisdictions by Malaysian public officials and their associates, including Riza.

Under the terms of the settlement, the claimants in the US forfeiture actions agreed to forfeit all assets subject to pending forfeiture complaints in which they have a potential interest.

Claimants are also required to cooperate and assist the DOJ in the orderly transfer, management and disposition of the relevant assets.

The assets subject to the settlement agreement include the sale proceeds of high-end real estate acquired in Beverly Hills (photo above) as well as a luxury condominium in New York City; the sale proceeds of an investment made by Riza in a Kentucky maintenance company; a luxury London townhome; and a promotional poster for the 1927 motion picture film "Metropolis".

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <https://www.malysiakini.com/news/541114>