

**Najib pressured 1MDB CEO to ensure KPMG signed off 2013 accounts, court hears**

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1MDB TRIAL | Then prime minister Najib Abdul Razak had put pressure on Mohd Hazem Abd Rahman to ensure that auditors signed off on the company's 2013 accounts, the Kuala Lumpur High Court heard today.

Reading from his witness statement, former 1MDB CEO Hazem testified that Najib had phoned him several times to ensure that the accounts were closed.

At the time, KPMG refused to sign off on the accounts even after auditors heard from Najib, the sole shareholder of 1MDB in his capacity as finance minister, and company officials.

Representatives from KPMG had allegedly met with Najib in his residence in KL on Dec 15, 2013, on the accounts.

Hazem revealed this after prosecutors had shown in a printed copy of an email titled "Urgent: Briefing package for YAB PM".

The purpose of the alleged meeting was to satisfy questions by KPMG regarding the details of 1MDB's US\$2.3 billion "investment" in Brazen Sky Ltd, incorporated in the British Virgin Islands, in particular the details of the assets held.

According to Hazem, KPMG representative (Datuk) Johan Idris had asked Najib whether he, as the sole 1MDB shareholder, was aware of Brazen Sky's "investment" in the Bridge Global Absolute Return Fund segregated portfolio company (SPC).

According to Hazem, Najib said he was and asked why KPMG was suspicious although BSI Bank (the custodian of Brazen Sky's investment), had provided a statement of accounts.

"Najib also told Johan that he wishes KPMG to close 1MDB's accounts before Dec 31, 2013, to which the auditor did not respond," said Hazem.

Hazem, the 10th prosecution witness, testified that despite KPMG having received various reasons to close the 1MDB accounts for 2013 following the December meeting, the auditor still refused to do so.

"Due to pressure from DS Najib to close the 1MDB account, and due to the factor of the company's reputation, the management (of 1MDB) proposed to the board of directors and sole shareholder (Najib) to replace KPMG with Deloitte.

"The decision was made because I received pressure from various quarters, especially DS Najib, who called me several times via handphone to ensure 1MDB's 2013 financial audit report would be closed.

"I had no other solution other than to propose to the board of directors to replace KPMG with Deloitte," Hazem testified.

When DPP Mohamad Mustaffa P Kunyalam showed a copy of a letter from then finance minister Najib to 1MDB's board dated Dec 31, 2013, Hazem confirmed that this letter was the approval from Najib as then head of Minister of Finance Incorporated to replace KPMG with another auditor, Deloitte.

Proceedings before judge Collin Lawrence Sequerah are then adjourned to Thursday, where Hazem is expected to finish reading from his 110-page witness statement.

Earlier this afternoon, lead defence counsel Muhammad Shafee Abdullah informed the court that the cross-examination of the witness would be done in

the next trial date after Thursday, which will be in October.

Shafee said this is so that the defence could better prepare a better cross-examination of Hazem, who began testifying for the prosecution yesterday.

It is understood that the prosecution would wrap up its examination-in-chief of Hazem on Thursday this week.

Najib is on trial over four counts of abuse of power and 21 counts of money laundering involving RM2.28 billion of 1MDB's funds.

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