

1MDB, SRC file lawsuits against alleged perpetrators who defrauded them

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1MDB and its former subsidiary SRC International Sdn Bhd have filed a string of civil suits against various personalities who have been accused of defrauding the state-owned firms.

They also took legal action against entities that may not have perpetrated the fraud but were involved in the process - knowingly or unknowingly.

The suits were filed last Friday through three law firms, namely Rosli Dahlan Saravana Partnership (RDS), Skrine & Co, and Lim Chee Wee Partnership, according to The Edge Markets.

The suit is seeking around US\$23 billion (RM94.4 billion) from the respondents.

Among those named included ex-prime minister Najib Abdul Razak, ex-1MDB chairperson Che Lodin Wok Kamaruddin, and ex-1MDB CEOs Shahrol Azral Ibrahim Halmi, Mohd Hazem Abdul Rahman, and Arul Kanda Kandasamy.

Several family members of fugitive businessperson Low Taek Jho were also named, including his father Larry Low Hock Peng and sister Low May Lin. His associates Eric Tan Kim Loong and Tarek Obaid, who is also the PetroSaudi International Ltd founder, were also named.

Some entities named were Deutsche Bank (Malaysia) Ltd as well as Swiss-based Coutts & Co Ltd and JP Morgan (Switzerland) Ltd.

The report, quoting a source familiar with the suits, said the criminal cases in the 1MDB scandal were proceeding too slowly and the civil suits will demonstrate Prime Minister Muhyiddin Yassin's seriousness in the issue.

Najib was on July 27 last year sentenced to 12 years in prison and an RM210 million fine for abuse of power, criminal breach of trust, and money laundering involving RM42 million from SRC International Sdn Bhd.

Najib is appealing the case and the matter is now at the Court of Appeal. His 1MDB-related charges are still at the High Court.

Meanwhile, according to Bernama, the Ministry of Finance (MOF) today confirmed that 1MDB and SRC International Sdn Bhd (SRC) had filed a total of 22 civil suits to recover assets worth over RM96.6 billion, including about RM300

million against various local parties.

The ministry said the writs filed on May 7 comprised six by 1MDB and 16 by SRC.

The writs filed by 1MDB are against nine entities, including two foreign financial institutions, and 25 individuals, while those filed by SRC are against eight entities and 15 individuals for various wrongdoings, MoF said in a statement today.

The wrongdoings include, among others, breach of contractual, statutory, common law and fiduciary duties; breach of trust; fraud; conspiracy to defraud; fraudulent misrepresentation; fraudulent breach of duties and trust; abuse of power; breach of fiduciary duties in public office; and dishonest assistance in misappropriation of funds.

"1MDB and SRC contend that these entities and/or individuals have been unjustly enriched by wrongfully receiving monies from 1MDB or SRC," MOF said.

Bernama reported that Finance Minister Tengku Zafrul Abdul Aziz said the government would not rest until all those involved are made fully accountable for the wrongdoings caused to the country through their involvement in 1MDB and/or SRC.

"Following significant and successful settlements with Goldman Sachs, AmBank Group and Deloitte PLT, the government's recovery efforts are now focused on pursuing other wrongdoers who have caused losses to 1MDB and/or SRC during the execution of their duties, as parties directly or indirectly involved in 1MDB and/or SRC's various operations and transactions," he said.

Malaysia had earlier received RM10.5 billion (US\$2.5 billion) from Goldman Sachs in August 2020 with a further asset recovery guarantee of RM5.88 billion (US\$1.4 billion).

Soon, the government will also receive RM2.83 billion from the AmBank Group and RM336 million (US\$80 million) from Deloitte PLT.

MOF said all proceeds from the 1MDB asset recovery efforts, including any future settlements, are deposited into the Asset Recovery Trust Account under the custody of the Accountant General's Department of Malaysia.

"These settlements will not affect or compromise Malaysia's claims against other wrongdoers for the losses caused to 1MDB and SRC, and they will continue to be pursued through both the criminal and civil justice systems," it said.

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