

Sri Ram, Shafee engage in verbal war over 'rescuing' of 1MDB witness

Malaysiakini

24 March 2022

Hidir Reduan Abdul Rashid

Defence lawyer Muhammad Shafee Abdullah has contended that the prosecution was trying to "rescue" a key witness in the RM2.28 billion 1MDB corruption case against Najib Abdul Razak.

However, deputy public prosecutor Gopal Sri Ram countered that the former premier's defence counsel was instead asking irrelevant questions in today's graft trial.

The verbal sparring took place during open-court proceedings before the Kuala Lumpur High Court this morning.

The heated exchange was triggered when Shafee (above, right) was cross-examining 13th prosecution witness and former 1MDB board member Ismee Ismail about an alleged fake agreement related to the conversion of the sovereign wealth fund's monies into Murabahah notes.

Pursuant to the joint venture between 1MDB and Abu Dhabi's Petrosaudi international Limited, they agreed to convert 40 percent of 1MDB's stake in the joint venture at US\$1 billion (RM4.2 billion) into an Islamic loan to the same joint venture.

The agreement saw 1MDB acceding to sell off the 40 percent share to the joint venture company, by giving, on paper, the Islamic loan via Murabahah notes to the joint venture company at a value of US\$1.2 billion.

With the conversion to the Murabahah notes, the joint venture company would on paper owe US\$1.2 billion to 1MDB, effectively giving 1MDB a paper profit of US\$200 million after accounting for the initial US\$1 billion.

Objections raised

During proceedings before trial judge Collin Lawrence Sequerah, Sri Ram raised objections to the line of questioning by Shafee which was linked to the backdating of the alleged wrongful Murabahah agreement.

Sequerah then remarked to the lead defence counsel that it is not fair to try to get the witness to answer when the issue is based on documentation.

As Najib looked on from the dock, Shafee then submitted that the prosecution was trying to “rescue” Ismee, which Sri Ram denied.

Shafee: Nobody needs to rescue the witness.

Sri Ram: I am not rescuing the witness. I seek to stop irrelevant questions.

Sequerah then remarked that Ismee may not know the answer as it was a matter of inference.

Shafee then explained that the defence team needed Ismee to answer as the witness was at the time a 1MDB board member and would have the basic facts on what transpired then.

The judge then allowed Shafee to continue with the cross-examination.

Wasting time

Two days ago during the trial, Sri Ram contended that Najib’s defence team were posing irrelevant questions to Ismee and that they should stop wasting the court’s time.

In previous proceedings, Najib's defence team contended that the former prime minister and finance minister had no knowledge of wrongdoing at 1MDB, and that the wrongdoing there was solely masterminded by fugitive businessperson Low Taek Jho, better known as Jho Low, and certain members of the sovereign wealth fund's management.

However, the prosecution asserted that Low had acted fully on the authority of Najib, who was also the then chairperson of 1MDB's board of advisers.

1MDB is fully owned by the federal government via the Minister of Finance Incorporated (MOF Inc).

Judge stops questions linked to charges in absentia

Later during cross-examination by Najib's other defence counsel Hariharan Tara Singh, Sri Ram raised objections against the lawyer's line of questioning regarding a previous mass charging in absentia of multiple personalities linked to the 1MDB affair.

Back on Aug 9, 2019, it was reported that Malaysia filed criminal charges against 17 current and former directors at subsidiaries of Goldman Sachs Group Inc following an investigation into a multibillion-dollar corruption scandal that led to

the demise of the state fund 1MDB.

Among them include Richard John Gnodde, the chief executive of Goldman Sachs International.

The US bank was under scrutiny for its role in helping to raise US\$6.5 billion through bond offerings for 1MDB, the subject of corruption and money laundering investigations in at least six countries.

During proceedings before Sequerah today, Hariharan referred Ismee to the charging of Gnodde and several others.

The lawyer asked the witness whether 1MDB's management had exposed him (witness) to possible criminal charges, which triggered an objection from Sri Ram.

Sequerah then allowed the prosecution's objection, saying that the defence team's line of questioning amounted to asking Ismee to analyse whether he (Ismee) is at risk of being charged by analysis of elements of the past chargings.

During further cross-examination by Hariharan, Ismee testified that 1MDB acquiring independent power producers (IPPs) Tanjong Energy Holdings Sdn

Bhd and Mastika Lagenda Sdn Bhd, was in line with the interest of the Malaysian government.

Ismee agreed that the acquisition was also consistent with 1MDB's initiative to invest in strategic energy assets.

Hariharan was asking the witness whether the 1MDB acquisition was for the benefit of Najib.

Ismee: It was acquired by 1MDB for the advantage and interest of 1MDB.

Hariharan: It was for the advantage of the (Malaysian) government?

Ismee: Yes.

The trial before Sequerah will resume this afternoon.

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

The offences were allegedly committed between early 2011 and late 2013.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <https://www.malaysiakini.com/news/615703>