

I had suspicion on Najib over irregular 1MDB transactions: ex-chair

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Mohd Bakke Salleh did not meet Najib Abdul Razak to inform him about his resignation as chairperson of 1MDB's board of directors.

The 13th prosecution witness told the Kuala Lumpur High Court today that he did not practice the courtesy then due to his suspicion that the then prime minister was involved in alleged irregular 1MDB monetary transactions.

Bakke (above) was testifying during the 1MDB audit report trial against Najib - who used to be finance minister and chairperson of the Malaysian sovereign wealth fund's board of advisors - and the fund's former CEO Arul Kanda Kandasamy.

During previous court proceedings on Dec 22 last year, Bakke testified that following the revelation of the diversion of US\$700 million of 1MDB funds, he tendered his resignation as chairperson on Oct 19, 2009.

The witness told the court then it was because 1MDB's management did not abide by the board's instructions on the US\$1 billion from the sovereign wealth fund, which was meant for the joint venture between it and Abu Dhabi's Petrosaudi Saudi International Limited.

He also testified then that Najib did not reply to his short messaging service (SMS) about the diversion of the funds.

In the separate criminal proceedings involving the main RM2.28 billion 1MDB corruption case against Najib, the court heard testimony that the US\$700 million was diverted to Good Star Limited, which was allegedly controlled by fugitive businessperson Low Taek Jho, also known as Jho Low.

During today's 1MDB audit report proceedings before trial judge Mohamed Zaini Mazlan, Bakke was replying under cross-examination by lead defence counsel Muhammad Shafee Abdullah.

The lawyer was asking Bakke why he did not inform Najib about his intent to resign.

"I did not at the time because I had a feeling of suspicion that the former prime minister was also in the loop on this, very much involved in the scheme of things

on the investment (US\$1 billion 1MDB funds for the joint venture) with Petrosaudi.

“I decided I would not want to see him personally. I was not comfortable,” Bakke said.

The witness added that he avoided informing Najib about his intent to resign also because Najib told him to inform the board to decide on the proposed joint venture with PSI.

Bakke was referring to his previous testimony on April 1, where he claimed that through a telephone call on Sept 26, 2009, Najib told him not to focus on previous irregular transactions of 1MDB and just to focus on the proposed joint venture.

The witness had claimed that Low - who was in attendance at the board meeting - handed the handphone to him where Najib was allegedly on the line.

Under further grilling by Shafee, the witness explained that his suspicion was triggered by the circumvention of the need for 1MDB to do a proper evaluation of the proposed joint venture with PSI.

Bakke also testified that he then believed that 1MDB's management team ignored

the board due to them taking instruction from Low as well as Najib.

Suspicion not stated in letter

When Shafee asked whether the witness had any evidence of this feeling, Bakke replied that his suspicion was confirmed when he met 1MDB's former CEO Shahrol Azral Ibrahim Halmi six years later after his resignation.

"I met him (Shahrol) and asked him about how these things (irregularities at 1MDB) happened. He said that he was taking instruction from Low and the former prime minister (Najib)," Bakke claimed.

However, he conceded that he did not state in his resignation letter his suspicion regarding Najib.

Later during a re-examination by deputy public prosecutor Gopal Sri Ram, Bakke said that Najib's telephone call had caused the board to "race through the process".

The witness also said Najib's non-reply to his SMS about the diversion of the US\$700 million had further confirmed his suspicion about the accused.

Proceedings before Zaini will resume tomorrow morning.

Najib is charged with using his position to order amendments to 1MDB's final audit report before it was presented to the Public Accounts Committee(PAC) to prevent any action against him.

Co-accused Arul Kanda was charged with abetting Najib in making the amendments.

The charges are framed under Section 23 (1) of the MACC Act 2009, which specifies a jail term of up to 20 years and a fine of no less than five times the amount of gratification or RM10,000, whichever is higher.

The prosecution is contending that the decision to make the amendments was made during a meeting on Feb 24, 2016, at the office of then chief secretary to the government, Ali Hamsa.

It was alleged this was done to remove or alter certain portions of the 1MDB audit report, including dropping the issue of Low's attendance at the fund's board meetings.

Another issue that was allegedly dropped from the 1MDB audit report was the

two conflicting 2014 financial statements of the sovereign wealth fund.

Besides Arul Kanda, others who were allegedly at the 2016 meeting were former auditor-general Ambrin Buang, Ali, former National Audit Department (NAD) officer Saadatul Nafisah Ahmad Bashir, Najib's former chief private secretary Shukry Salleh, and then Attorney-General's Chambers representative Dzulkifli Ahmad.

The former premier's defence team contends there was no wrongdoing in the amendment to the 1MDB audit report as the said amendments were on allegedly unfinalised copies of the report prior to it being tabled with the PAC in March 2016.

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