

Jho Low 'higher authority' behind 1MDB offshore investment: Witness

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1MDB TRIAL | A former banker with the defunct Singapore branch of BSI Bank testified that fugitive Low Taek Jho (Jho Low) was the "higher authority" who greenlighted Malaysian sovereign wealth fund 1MDB's controversial US\$2.3 billion offshore investment.

Kevin Michael Swampillai told the High Court in Kuala Lumpur this afternoon that he observed Low greenlight the decision to invest the money in Brazen Sky Limited, which was carried out by several other individuals like former 1MDB chief financial officer (CFO) Azmi Tahir and his then deputy Terence Geh.

During today's RM2.28 billion 1MDB corruption trial against Najib Abdul Razak, the 44th prosecution witness testified that this contrasted with his (Swampillai's) assumption that the then-prime minister had knowledge about the layering done via utilisation of fiduciary funds for 1MDB funds through BSI.

The court previously heard that the use of offshore-based fiduciary funds by BSI

clients was to facilitate the flow of money to a particular destination of their choosing, whilst also obscuring the identity of the investor.

During cross-examination by lead defence counsel Muhammad Shafee Abdullah, Swampillai explained that Azmi and Geh were the two directors of British Virgin Islands (BVI)-based Brazen Sky, which was among the entities through which 1MDB funds flowed through as part of the alleged money laundering scheme.

It was reported that 1MDB's previous auditors KPMG had refused to sign off on the fund's US\$2.3 billion investment into Brazen Sky in 2013. This led to the sovereign wealth fund later getting a new auditor, Deloitte.

On April 20 last year during the 1MDB trial, KPMG's Ahmad Nasri Abdul Wahab testified that the auditor wanted to meet Najib in late 2013 as the auditor was not satisfied with the information and documentation provided by the sovereign wealth fund's management for the audit of the US\$2.3 billion investment in Brazen Sky.

Shafee: Things at Brazen Sky cannot move unless the two directors (Azmi and Geh) say 'Yes', but what you said here (in Swampillai's written witness statement) was that Jho Low (above) prevailed over them?

Swampillai: Yes.

Shafee: To make certain that the decision was in accordance with Jho Low's decision?

Swampillai: Yes.

Shafee: In your witness statement saying Najib is higher authority that you have clarified (as mere assumption), now here it seems your answer jives with Paragraph 48 (of the witness statement) regarding the transactions referring to 'higher authority' Jho Low, whereby Jho Low is prevailing over them (Azmi and Geh)?

Swampillai: Yes.

Shafee: It is not a situation where the then-prime minister and finance minister (Najib) prevailed over them?

Swampillai: Yes.

Kevin Michael Swampillai

The 58-year-old Malaysian-born with a Singaporean permanent resident permit

holder added that during his tenure with BSI from 2010 to 2016, he observed Low's conduct in relation to dealings with BSI bankers for 1MDB-related accounts with the bank.

Trial before judge Collin Lawrence Sequerah continues this afternoon, and is scheduled to continue tomorrow until Thursday this week as well.

Najib is facing four counts of abuse of power and 21 counts of money laundering involving RM2.28 billion from 1MDB.

For the four abuse of power charges, the former Pekan MP is alleged to have committed the offences at Amlslamic Bank Bhd's Jalan Raja Chulan branch in Bukit Ceylon, Kuala Lumpur, between Feb 24, 2011, and Dec 19, 2014.

On the 21 money laundering counts, the accused is purported to have committed the offences at the same bank between March 22, 2013, and Aug 30, 2013.

On Oct 23 2020, the Monetary Authority of Singapore (MAS) imposed a lifetime ban on Swampillai over the 1MDB affair.

According to MAS' official web portal, Swampillai and his then subordinate, Yeo Jiawei, had channelled a portion of the fund management fees or "secret profits"

namely US\$5 million - to an entity beneficially owned by Swampillai, without BSI's knowledge and authorisation.

The Singaporean authority contended that the secret profit was in relation to the duo having assisted 1MDB to restructure several of its joint venture interests.

MAS also claimed that Swampillai "deliberately made misrepresentations to 1MDB's auditors, KPMG Malaysia, in an attempt to improperly influence the outcome of an audit carried out by them on 1MDB's fiduciary fund investments", among other contentions.

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