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Dr M: Settling of debt does not clear 1MDB of missing billions

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PETALING JAYA: Tun Dr Mahathir Mohamad has poured cold water on the proposed restructuring of 1Malaysia Development Bhd, saying that the settling of its debt would not clear 1MDB of the missing billions.

The former prime minister believes the move would only give control of the company to Abu Dhabi-based International Petroleum Investment Company (IPIC).

"There is too much evidence of cover-ups by politicians and civil servants," he posted on his blog chedet.cc yesterday.

"I hope the restructuring will help but unless the lost money is returned, paying off the debt will absolve no one," he added.

Dr Mahathir said the US\$1bil (RM3.7bil) already injected by

IPIC into 1MDB could be followed by another US\$3bil (RM11.1bil), which would give IPIC large control of 1MDB's assets.

"What does IPIC get for its US\$1bil? Certainly it is not a gift. It must be the assets of 1MDB," he said.

He said 1MDB would gain nothing from the transaction because the IPIC money would be used to slash its RM42bil debt to a smaller amount.

Dr Mahathir also alleged that there was "abuse of authority" in the Tun Razak Exchange (TRX) and Bandar Malaysia land procurement by 1MDB at lower than market price.

The Government would also lose billions because the money borrowed by 1MDB had disappeared, he said.