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Swiss probe ex-Abu Dhabi official over 1MDB

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Former head of petroleum group suspected of looting more than \$1bn of funds

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Swiss criminal authorities are probing a well-connected former top Abu Dhabi finance official over an alleged international conspiracy to embezzle money from Malaysia's 1MDB wealth fund.

Investigators suspect Khadem al-Qubaisi, ex-head of the emirate government's International Petroleum Investment Company, of fraud, money laundering and corruption, according to a letter seen by the Financial Times.

Mr Qubaisi has long been regarded as close to Sheikh Mansour bin Zayed Al Nahyan, Manchester City football club's

owner and a brother of Sheikh Khalifa, Abu Dhabi's ruler and United Arab Emirates president.

Details of the Swiss investigation, which also targets a subordinate of Mr Qubaisi and two former 1MDB officials, come just weeks after US authorities produced a damning account of how billions of dollars were allegedly looted from the Malaysian fund. The Swiss probe also highlights the damaging fallout for oil-rich Abu Dhabi from its investment business dealings with Malaysia, which drew in leading politicians from both countries.

Mr Qubaisi could not be reached. His lawyer declined to comment.

Mr Qubaisi and the other three suspects are named in a letter sent last month from the Swiss attorney-general's office to BSI bank, which has

already been punished by authorities in Switzerland and Singapore for its role in handling 1MDB funds.

The Swiss attorney-general's office said in April that it had placed two unnamed former Emirati officials under criminal investigation, as part of a broader probe into the suspected misappropriation of \$4bn of Malaysian state funds.

The Swiss attorney-general's office and BSI both declined to comment.

Mohamed Badawy al-Husseiny, the former head of Ipic's Aabar subsidiary, is also named as a suspect in the Swiss letter. Both he and Mr Qubaisi were named in a court case launched by US authorities last month concerning a plot to misappropriate more than \$1bn of 1MDB funds, although neither man was named as a defendant. Mr Husseiny

could not be reached for comment.

Mr Qubaisi abruptly left the International Petroleum Investment Company in April 2015 and his whereabouts and status since have been the subject of speculation. He has been under investigation in Abu Dhabi for months, according to government insiders. Attempts by the FT to contact him have failed.

Mr Qubaisi comes from an influential family in the emirate said to be linked to the ruling Al Nahyan family by marriage. He emerged as one of Abu Dhabi's most active investors over the past decade, as the oil-rich emirate went on a corporate buying spree. He led Ipic's expansion from traditional conservative investments in foreign energy ventures into more exotic assets such as Virgin Galactic and Tesla Motors.

Mr Qubaisi and Mr Husseiny have

been under the spotlight since US authorities alleged last month they conspired with some 1MDB officials to use a fake offshore company to siphon off part of the proceeds of a pair of 2012 bond issues by the Malaysian fund totalling about \$3.5bn. The Ipic-guaranteed bonds were part of a growing relationship between Abu Dhabi and Malaysia, cemented in a March 2013 bilateral "strategic partnership" that led to another contentious \$3bn bond issue.

About \$1.37bn of the bond proceeds was transferred by 1MDB officials to a Swiss bank account belonging to a British Virgin Islands-registered business named Aabar Investments PJS Limited, US authorities have claimed.

Mr Qubaisi received almost \$473m of the diverted money into his accounts in 2012, the US court action claims.