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terlopers. But a new suspicion is growing among ordinary Malaysians that goings-on in Kuala Lumpur are affecting their own pocket books.

As for the party, rivals whom Mr Najib has vanquished may yet bounce back. Dr Mahathir, who has long called for Mr Najib to step down, is scheduled to attend an unusual forum of grandees and politicians from across the political spectrum who are meeting in private later this month to discuss alternatives to Mr Najib. Wan Saiful Wan Jan, of the Institute for Democracy and Economic Affairs in Kuala Lumpur, says that some UMNO bigwigs are backing the prime minister through gritted teeth. He says that a time may come when they say that enough is enough, especially when the party starts considering its strategy for the next election. Perhaps Mr Najib may risk calling a snap election before then, both to pre-empt conspiracy and to

catch out the opposition before it can patch up its differences.

For Malaysia's rattled liberals, all this seems theoretical. Last year they watched plans evaporate for a parliamentary vote of no-confidence. They are doubtful that the current corruption scandal will ever unseat Mr Najib.

Back at the civic hall in Petaling Jaya, the mood darkens as the evening wears on. Microphones passed around the floor reveal frustration and anger. One person insists that the opposition draw up a list of government officials who should face trial if the opposition takes power. A second, shaking with rage, frets that the opposition has "no chance" of winning the next poll. This is no time to give up hope, Ambiga Sreenevasan, a prominent lawyer, tells the crowd. Once the crisis is over, she says, "we must make sure this never happens to our country again." ■

cluding Mr Najib, deny wrongdoing. None has been charged with a crime.

The affair spans the globe. Caught up in it are not only Malaysian officials and moneymen but also several big banks and perhaps Saudi royalty. The money trail leads from Malaysia to Singapore and elsewhere in Asia, Abu Dhabi, Switzerland, the Caribbean and New York. Authorities are investigating in Switzerland, America, Singapore, Hong Kong and the United Arab Emirates. They face a daunting challenge in piecing together such a complex case, a task made harder by operators' widespread use of opaque offshore vehicles.

The story's institutional protagonist is Malaysia Development Berhad (MDB). It was originally a regional development fund for Terengganu, an oil-rich Malaysian state, but in 2009 the country's finance ministry took it over and rebranded it. Mr Najib heads the ministry, as well as being prime minister. The plan was for the fund to suck in investment through tie-ups with foreign firms. Mr Najib chairs MDB's board of advisers.

MDB got most of its financing by raising debt. A series of bond issues pushed its borrowings up to \$11 billion. By 2014 questions were multiplying about its financial health, spurred by the fact that it had had three audit firms in five years. A flurry of investigations in the media drew on leaked documents. MDB denies wrongdoing.

Malaysian investigators concluded that deposits into a bank account held in Mr Najib's name came through banks and companies linked to MDB. They found that a firm that was once part of MDB and is now controlled by the finance ministry, SRC International, paid \$13m into the account in 2014-15. The attorney-general, Mohamed Apandi Ali, has said that there is no evidence that Mr Najib was aware of the payment. (We all overlook items on our bank statements.)

More eye-catching was an earlier payment into Mr Najib's account, of \$68m, from a shell company. This was made only weeks before the general election in 2013, which Mr Najib won narrowly. Some say it was linked to MDB. The official explanation is that it was a legal donation from an unnamed member of the Saudi royal family. Mr Najib has denied ever taking public money for personal gain. MDB says it has not paid any funds into the prime minister's personal accounts.

On March 1st the *Wall Street Journal* reported that investigators in two countries, whom it didn't identify, believe that more than \$1 billion in total flowed into Mr Najib's personal accounts, much of it originating from MDB. These investigators, it is alleged, reckon that the payments were, in part, routed through a company linked to—or made to look as if it was linked to—a venture involving MDB and Middle Eastern interests. ▶



Malaysia's 1MDB affair

Follow the money, if you can

KUALA LUMPUR

Investigators in several countries are trying to get to the bottom of Malaysia's growing corruption scandal

IT WAS a striking move from a country better known for hiding iffy foreign wealth than for exposing it. Frustrated by a lack of co-operation from Malaysian counterparts, Switzerland's attorney-general declared in late January that there were "serious indications" that \$4 billion had gone astray from Malaysian state concerns, some of it into accounts held by current or former Malaysian and Middle Eastern officials. The announcement fuelled an already combustible scandal that has transfixed Malaysians, battered their prime

minister, Najib Razak, and could yet ensnare banks around the world.

The allegations of misappropriation centre on a Malaysian state investment fund, from which it is suspected that large sums were siphoned by businessmen and officials with links to Mr Najib. It is thought that some of this was used to help his party win an election in 2013; some was spent on buying assets at questionable prices; and some of the remainder was moved to offshore shell companies and bank accounts. All those suspected of involvement, in-