

Mahathir: We rejected Goldman's 1MDB offer of under US\$2bil

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KUALA LUMPUR: Malaysia has rejected Goldman Sachs' offer of less than US\$2bil in compensation over the 1MDB scandal, Prime Minister Tun Dr Mahathir Mohamad told the *Financial Times* (FT).

This figure is less than Malaysia's publicly stated demand for US\$7.5bil.

Malaysia has charged Goldman and 17 current and former directors of its units for allegedly misleading investors over bond sales totalling US\$6.5bil that the US bank had helped raise for sovereign wealth fund 1Malaysia Development Bhd (1MDB).

"Goldman Sachs has offered something like

less than US\$2bil. We are not satisfied with that amount so we are still talking to them. If they respond reasonably, we might not insist on getting that US\$7.5bil," Dr Mahathir told the newspaper.

Goldman declined to comment to the FT.

The bank also did not immediately respond to a Reuters request for comment.

Goldman said last month it was in discussions with authorities on the possibility of a resolution of investigations relating to 1MDB.

A spokesman for Dr Mahathir in Bangkok could not immediately be reached.

US authorities said about US\$4.5bil was

siphoned from 1MDB, which was founded in 2009 by then prime minister Datuk Seri Najib Razak.

The scandal helped Dr Mahathir hand a surprise defeat to Najib in the general election last year.

Dr Mahathir told the FT that the South-East Asian country was not negotiating or in contact with fugitive financier Jho Low, accused of playing a central role in the scam.

Low has consistently denied wrongdoing and said that he did not expect a fair trial in Malaysia as long as Dr Mahathir is in power.

The US Justice Department (DoJ) said this

week that it struck a deal to recover US\$1bil from Low in funds allegedly looted from 1MDB, a record haul for a US anti-corruption probe.

The deal does not include an admission of guilt or wrongdoing and is not tied to criminal action against Low.

Dr Mahathir had said that on Thursday, Malaysia would file a claim on Low's forfeited assets.

"The DoJ has indicated that if we can prove claim of ownership, then we will be able to get the money for ourselves," Dr Mahathir told the FT.