

Nazlan: Najib's lack of action to recover seized funds puzzling

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KUALA LUMPUR: Datuk Seri Najib Razak's lack of action to recover funds from SRC International Sdn Bhd - which were frozen by the Swiss authorities in 2015 - was "very puzzling", ruled the High Court.

Justice Mohd Nazlan Mohd Ghazali said this in his summary judgment in the SRC International case on Tuesday where the Pekan MP was convicted of all seven charges relating to the misappropriation of RM42mil in the company's funds.

Najib's conduct, said the judge, was more consistent with one who did not want the problem to be resolved given his own complicity in the unlawful transfer of the funds in the first place.

Justice Nazlan said Najib's com-

plicity was evidenced in the shareholder minutes of the Minister of Finance Inc (MOF Inc) despite his claim that the minutes were not genuine.

He said it was clear by the end of 2015 that SRC International was facing financial difficulties.

A memo by MOF Inc dated Nov 4, 2015, raised the need for the first out of three short term loans to SRC International to avoid Retirement Fund Inc (KWAP), which is the lender, from declaring an event of default against SRC International.

"The accused was supportive of the efforts on the short-term loans but did not even summon the directors of SRC International to provide an explanation to him despite being the advisor emeritus and the prime minister who had vast powers

under the Memorandum & Articles (M&A) of the company.

"The accused also disagreed with the assertion that the RM4bil had since disappeared and was lost, insisting that that fact had not been established.

"Never mind that the accused himself offered no evidence to show that he had taken any steps to ascertain what exactly happened to the said funds," he added.

Justice Nazlan also said Najib could not provide a clear answer to the question whether he was satisfied with the progress of SRC International after the first draw-down of the RM2bil before agreeing to support the second RM2bil loan, which happened six months apart.

"The accused claimed he did ask and was told that the monies had

been set aside for immediate investment requirements, but did not inquire whether the loan remained in cash.

"This, according to the accused, was a matter for the board of directors to oversee.

"Further, the accused also disagreed there was a duty to update on the status of the disbursement of the first loan secured by the first government guarantee when the proposal for the second government guarantee was tabled at the meeting of the Cabinet.

"Again, I find this hard to fathom when the source of the funding was the pensions fund (KWAP) and the sum involved was extremely large by any measure," he added.

During the trial, Najib testified that the management of SRC

International was supposed to take steps to recover the monies which were frozen by the Swiss government on suspicion of corruption and money laundering.

Najib said SRC International was supposed to "resolve the matter" when he was questioned about the missing funds.

The money loaned to SRC International from KWAP was frozen, and this had caused a cash flow problem as SRC International could not pay back its debt to KWAP.

Justice Nazlan delivered the guilty verdict, which was read over two hours, on Tuesday.

Najib was sentenced to 12 years in jail and fined RM210mil in default of five years jail for all seven charges in the case. He is appealing the conviction.