

'NAJIB ISSUED 5 CHEQUES WITH TANORE FUNDS'

Witness says FIFO method was used to track flow of money in ex-PM's account

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A POLICE investigating officer detailed to the court yesterday how he determined that millions of ringgit deposited into Datuk Seri Najib Razak's bank account were the result of illegal activities.

Anti-Money Laundering Criminal Investigation Division assistant director Assistant Commissioner Foo Wei Min said he used the "first in, first out" (FIFO) methodology to calculate the flow of money in the former prime minister's account.

In money-laundering investigations, FIFO tracks the order of funds deposited, focusing on identifying the initial, potentially illicit source of funds.

"Initially, I will determine whether the money entering Najib's account is 'illicit' or 'clean'.

"Illicit funds are identified based on transactions from Tanore Finance Corp to Najib's account, while clean money is from legitimate sources unrelated to 1Malaysia Development Bhd (1MDB).

"Using the FIFO method, we can see that each withdrawal from Najib's account would deduct funds from sources unrelated to Tanore before utilising Tanore money until it's depleted. "The 'benefit of doubt' principle has been given to the bank account holder through this method because every identified illicit transaction is presumed to be entirely illicit," he said.

It was revealed in the trial that Tanore was a shell company controlled by fugitive businessman Low Taek Jho, better known as Jho Low.

Foo said this when testifying as the 48th prosecution witness in Najib's trial for misappropriating billions in 1MDB funds.

He said through the FIFO method, an investigator was able to separate the US\$681 million of funds that had originated from Tanore in Najib's account from other funds already there.

"My investigation also revealed that Najib had issued five cheques involving the use of illegal money from Tanore totalling RM22,649,000 in 2013.

"The cheques were issued to Umno at RM20 million, Batu Kawan Umno at RM100,000, an individual known as Lim Soon Peng at RM246,000, ORB Solutions Sdn Bhd at RM2 million and Semarak Konsortium Satu Sdn Bhd at RM303,000."

On Sept 20, Bank Negara Malaysia analyst Adam Ariff Mohd Roslan testified that US\$640 million in funds belonging to 1MDB subsidiary 1MDB Global Investment Ltd were remitted to Tanore and Granton Property Holding Ltd — both owned by Low's proxy Eric Tan Kim Loong, or "Fat Eric".

"Tanore later instructed Falcon Bank to transfer US\$681 million to Najib's bank account as soon as possible. A total of US\$620 million was immediately transferred into Najib's bank account at AmIslamic Bank. The remaining US\$61 million was transferred on March 25," he had said.

Najib, 70, is facing four charges of using his position to obtain bribes totalling RM2.3 billion from 1MDB funds and 21 charges of money laundering involving the same amount.

Hearing before judge Datuk Collin Lawrence Sequerah continues.

