

Najib blamed others to cover up SRC fraud, says lawyer

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KUALA LUMPUR: Datuk Seri Najib Razak pointed fingers at others to cover up his own dishonesty in the misappropriation of RM3.95bil from the Retirement Fund Inc (KWAP), funnelled through SRC International Sdn Bhd, the High Court heard.

Lawyer Datuk Lim Chee Wee, who represented SRC, submitted that Najib “pointed fingers” at others when he claimed that it was the duty of the SRC board of directors (BOD) to conduct due diligence and safeguard the first RM2bil from KWAP.

Lim, however, argued that the BOD did not even exist at the time the loan was disbursed in the second half of 2011.

Najib had contended that as the then prime minister and finance minister, he could not be expected to undertake due diligence, as this was the responsibility of operational safeguards such as the SRC BOD or the KWAP investment panel.

“This is untenable. In the context of the procurement of the first KWAP loan, the plaintiff (SRC) has already established that there was no SRC BOD in place and the KWAP investment panel felt compelled to follow Najib’s instructions for several reasons, including the fact that KWAP fell under his purview as finance minister,” he said.

Lim was submitting at the hearing of SRC’s US\$1.18bil civil suit against Najib and former SRC CEO Nik Faisal Ariff Kamil, who is

at large.

He added that Najib had exerted his influence over KWAP to expedite a massive loan to SRC, even though there was in fact no imminent investment.

“He (Najib) knew that there were no imminent investments but nevertheless worked in concert with Nik Faisal to procure the loan on an expedited basis in furtherance of the eventual misappropriation of SRC funds, in which both were personal recipients,” Lim said.

Lim further argued that SRC was not a run-of-the-mill project, as it involved RM4bil of civil servants’ pension funds being channelled into a “fledgling company with no proven track record”.

“Indeed, SRC was even concep-

tuated as an entity akin to PETRONAS. Ultimately, there was no energy security achieved,” he said.

In May 2021, SRC filed legal action against Najib, alleging that he committed breach of trust, abused power, misappropriated the company’s funds, and personally benefited from these actions.

It named Najib along with its former directors Datuk Suboh Md Yassin, Mohammed Azhar Osman Khairuddin, Nik Faisal, Datuk Che Abdullah @ Rashidi Che Omar, Shahrol and Tan Sri Ismee Ismail in May 2021.

However, later, it removed six names from the suit and retained Najib and Nik Faisal as the first and second defendants.

Additionally, Najib has brought

the formerly named SRC directors as third-party respondents in the suit.

The company is seeking damages, interests, costs and a court declaration that Najib is responsible for the company’s losses due to his breach of duties and trust and is demanding that Najib pay back the US\$1.18bil in losses that it has suffered.

It is also seeking US\$120mil and US\$2mil from Najib and Nik Faisal, respectively, on account of fraudulent breach of fiduciary duties and breach of trust.

Najib is currently serving a jail term in Kajang Prison for the misappropriation of RM42mil from SRC.

The hearing continues before Justice Ahmad Fairuz Zainol Abidin today.