

PetroSaudi confirms former exec nabbed in Thailand over 1MDB blackmail

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KUALA LUMPUR, June 23 — Former PetroSaudi International executive Xavier Justo who allegedly blackmailed the firm over its dealings with 1Malaysia Development Bhd (1MDB) has been arrested in Thailand, the company said in a statement today.

According to PetroSaudi, Justo was detained at his home in Thailand by the country's Crime Suppression Division yesterday and charged with attempted blackmail and extortion against the Middle Eastern Firm.

"We are relieved that Mr Justo will now face justice through the courts. We have been the victims of a regrettable crime that has unfortunately been politicised in Malaysia," a company spokesman said in the statement.

"We are happy to finally set the record straight and we apologise to the Malaysian people for the harm that one of our unscrupulous ex-employees has caused to them."

PetroSaudi added that Thai police seized numerous computers, hard drives and other evidence during their arrest of Justo and were still continuing their probe into the former executive.

The firm further said it was co-operating fully with Thai authorities and is considering further legal action in other jurisdictions.

Justo is believed to be the source of leaked documents on PetroSaudi's abortive US\$1.2 billion joint-venture with 1MDB, from which hundreds of millions were allegedly siphoned out.

Funds from the said venture were also allegedly diverted to fund a Malaysian tycoon's purchase of a local bank.

During a televised programme on 1MDB, however, Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah insisted that the entire amount had been recovered and 1MDB even profited from the deal.

Many of these leaked documents were published on a whistleblower website, but an anonymous blog on June 7 reproduced documents that supposedly show 1MDB's US\$1.2 billion deal with Petrosaudi was a legitimate arrangement.

1MDB was incorporated in 2009, after Prime Minister Datuk Seri Najib Razak announced the decision to turn the Terengganu Investment Authority state fund into a federal agency.

Since then, 1MDB has been dogged by negative publicity over its finances and debt, and most recently cash flow problems that saw it struggle to meet a RM2 billion loan payment.

It is currently under investigation by at least four federal agencies.

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