

Did Putrajaya inject RM1 billion into 1MDB recently, ask opposition lawmakers

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By Eileen Ng

Any move by Putrajaya to inject money into troubled 1Malaysia Development Berhad (1MDB) is tantamount to a bailout, two federal lawmakers charged, following a Singapore Business Times report that the federal government has injected nearly RM1 billion into the firm.

DAP Petaling Jaya Utara MP Tony Pua and PKR Pandan MP Rafizi Ramli said if true, then it would make a mockery of the deputy prime minister's statement five days ago that there would not be any bailout of the government-owned strategic investment firm.

"It also means that 1MDB does not have money to pay interest generated by its debts, don't talk about its RM42 billion debt, they can't even pay the interest of the loan and needed government help for this," said Pua at the Parliament lobby today.

Citing an unnamed source, Singapore Business Times said in its report today that RM970 million was issued to 1MDB after the Cabinet met two weeks ago on the proposed cash injection.

It said Putrajaya had set certain conditions before the funds were disbursed to 1MDB.

An 1MDB spokesperson declined comment when contacted by the business daily.

Rafizi said the report tallied with information he claimed to have received from an Umno division leader that the firm's financial health was discussed at a briefing by the Malay ruling party last Sunday.

He was also told that a fresh cash injection amounting to RM900 million was discussed at the briefing.

As such, Prime Minister Datuk Seri Najib Razak should reveal the minutes of the cabinet meeting where 1MDB and the injection of funds into the troubled firm were discussed, the PKR lawmaker said.

"He also needs to explain the RM900 million injection that was allegedly raised in the Umno briefing whereby the funds had apparently been approved by the federal government," he said, adding that this information should be taken seriously as it involved public interest.

Last month, The Malaysian Insider reported that the Cabinet had rejected a proposed RM3 billion cash injection for 1MDB, narrowing the financing options for the strategic investor to repay its debts on time.

The majority of ministers during the February 25 Cabinet meeting did not approve the minutes of the previous week's meeting for the amount, it was reported.

Sources told The Edge Financial Daily last month that the Finance Ministry was aware of 1MDB's cash flow problem and knew it may have no choice but to step in with the RM3 billion injection. But it would need the Cabinet's approval first.

Last week, whistleblower site Sarawak Report ran exposés which prompted opposition politicians, former Umno leaders and anti-graft bodies to demand a thorough investigation into 1MDB.

Najib then ordered the auditor-general to "independently verify 1MDB's accounts", with the findings to be passed to a bipartisan parliamentary public accounts committee.

The police as well as the Malaysian Anti-Corruption Commission said they would wait for the National Audit Department to complete its checks on 1MDB's accounts before commencing with their own investigations into it. – March 11, 2015.

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