

Najib pretending all fine with 1MDB, says Pua
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Prime Minister Datuk Seri Najib Razak is only pretending that 1Malaysia Development Berhad (1MDB) is healthy and can be salvaged despite its massive debts, so he could deny his own culpability in the issue, says a DAP lawmaker.

This comes after 1MDB's Memorandum and Articles of Association document sighted recently showed that Najib had absolute power over the troubled state investment vehicle's decisions.

Petaling Jaya Utara MP Tony Pua today said the document only cemented that Najib was entirely responsible for problems surrounding the state investment vehicle including its RM42 billion debt.

"Najib should drop all pretence of ignorance and give up the farcical charade that 1MDB is a healthy and salvageable company because he is only acting to deny his own culpability and protect his own interest in the matter," he said in a statement.

Clause 117 of the memorandum, which was exposed by news portal Malaysiakini, showed that the prime minister's written approval was needed for any 1MDB deals, including its investments and restructuring exercises.

Pua said this included any financial commitment (including investment), restructuring or any other matter which affected the guarantee given by Putrajaya for the benefit of the company, national interests, national security or any policy of the government.

Other matters which needed the prime minister's written approval were amendments to the company's memorandum as well as for appointments and removal of directors and senior management team of 1MDB.

"Therefore the above expose debunked all previous attempts by the prime minister to disassociate himself from the management and operations of 1MDB," added Pua, who is also DAP national publicity secretary.

He said this contradicted what Putrajaya said, that Najib as prime minister was "not involved in the daily operations of 1MDB, which is run by a professional and experienced team".

"Even in Najib's letter of demand sent to me on November 21, 2014, over my alleged defamatory statements with regard to 1MDB, his lawyers stated unequivocally that 'contrary to your defamatory statements... our client being the chairman of the board of advisors of 1MDB only renders advice to the board of directors of 1MDB who is tasked for the management and operation of 1MDB'," he said.

Pua urged Najib, who is also the finance minister, to give a full and complete explanation of 1MDB's problems in a ministerial statement during the current sitting

of the Dewan Rakyat.

"[Najib] must explain in full, his involvement in the initial US\$1 billion investment with Petrosaudi International Limited and the additional US\$1 billion of loans extended to Petrosaudi.

"He must also explain his approval for the direct payment of more than US\$1 billion to Good Star Limited, a company controlled by Jho Low (Low Taek Jho) as well as the US\$260 million of funds siphoned from 1MDB used for the acquisition of UBG Bhd," he said.

He added that Najib must also explain why 1MDB had proceeded to raise bonds amounting to US\$6.5 billion by paying fees in excess of 10% to Goldman Sachs International, and why a costly guarantee was sought from Abu Dhabi's International Petroleum Investment Corporation (IPIC) for US\$3.5 billion of these bonds.

Criticism has been mounting over state investment vehicle, which was established in 2009 and wholly owned by the Finance Ministry, after it chalked up debts of up to RM42 billion.

1MDB's inability to pay its debts from several local as well as foreign banks has sparked talk of a possible systemic risk to Malaysia's economy, although Bank Negara governor Tan Sri Zeti Akhtar Aziz has denied that a single entity would be able to do that. – May 27, 2015.

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