

Our 1MDB probe sabotaged, says PAC deputy chief
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Parliament's Public Accounts Committee's (PAC) highly anticipated inquiry into 1Malaysia Development Bhd (1MDB) was "deliberately sabotaged", its deputy chairman Dr Tan Seng Giaw said, after losing key members ahead of this week's grilling of former and current executives of the debt-ridden state investor.

The bipartisan panel was to have continued its inquiry with former 1MDB CEO Datuk Shahrol Azral Ibrahim Halmi in Parliament this morning, before moving on to president and group executive director, Arul Kanda Kandasamy, tomorrow.

Mohd Hazem Abdul Rahman, who served as 1MDB's CEO from March 2013 to January 2015, was to have appeared before the panel on Thursday.

"PAC has been deliberately suspended and we already anticipated the 1MDB people would not turn up.

"We have anticipated the whole thing to be deliberately sabotaged," Dr Tan told The Malaysian Insider.

Dr Tan refused to elaborate who had "deliberately sabotaged" the PAC proceedings, but noted that never in the history of the 13-member committee had so many of its members been elevated to the government administration at the same time.

PAC's outspoken chairman Datuk Nur Jazlan Mohamad and three other members - Datuk Seri Reezal Merican Naina Merican, Datuk Mas Ermieyati Samsudin and Datuk Wilfred Madius Tangau - were promoted to the Cabinet.

Their appointments disqualified them from being PAC members.

Opinion is divided over the interpretation of Parliament's Standing Orders, as to whether the remaining members of the PAC can continue holding hearings.

While Dr Tan and other opposition members of the committee say PAC can carry on with the proceedings, Speaker Tan Sri Pandikar Amin Mulia, in citing Standing Order 77(3), declared that all PAC proceedings, including its ongoing inquiry into 1MDB, had to be temporarily suspended pending the appointment of a new chairman and members.

Pandikar's view has been disputed by PAC opposition members as well as the Bar Council, which said the committee could still function as it had the required quota, and that Dr Tan as deputy chair could take over the functions of the chairman.

Dr Tan confirmed that PAC had received an official letter from the Parliament secretary, informing them of the postponement of all its inquiry proceedings,

including its hearing on 1MDB.

But the committee's members from the opposition are still meeting today, he said, and he hoped that the remaining members from Barisan Nasional would also turn up.

The latest development marks the second time that Shahrol and Arul Kanda escaped PAC, after they skipped a scheduled hearing on May 26, citing work overseas.

However, questions were raised when Arul Kanda met Barisan Nasional Backbenchers Club (BNBBC) president, Tan Sri Shahrir Samad on the night of May 27 at a hotel near KL Sentral in Kuala Lumpur, in a meeting that lasted till early morning.

Arul Kanda had told The Malaysian Insider then that there was nothing wrong with meeting the veteran Johor Baru federal lawmaker.

"Yes, I met with Shahrir, but that was on Wednesday. I wasn't available for the PAC hearing as I was only back in the country on Tuesday night.

"I've got nothing to hide," Arul Kanda had told The Malaysian Insider when contacted in May.

Shahrol, who is currently on 1MDB's board of directors, was the company's first CEO from February 2009 to March 2013, while Arul Kanda was appointed in January this year.

Together with Hazem, the trio are key witnesses in PAC's inquiry on the Finance Ministry-owned 1MDB, which has incurred RM42 billion in debts in just six years of operations.

Besides the top executives, the former chairman of 1MDB's board of directors, Tan Sri Mohd Bakke Salleh, and ex-board member Tan Sri Azlan Zainol, were also expected to face PAC on August 17.

The duo were said to have quit their posts following unhappiness with the 1MDB management over an alleged US\$700 million (RM2.6 billion) meant to be channelled into a joint venture company set up by 1MDB and PetroSaudi International Ltd (PSI).

Past hearings

1MDB has been a sensitive matter for the government of Prime Minister Datuk Seri Najib Razak, who is also the finance minister and chairman of the advisory board of 1MDB, his brainchild set up in 2009.

Its massive debts, overpriced power asset purchases and other opaque dealings were exposed by whistleblower website Sarawak Report and Malaysian business newspapers under The Edge Media Group.

PAC unanimously decided to begin proceedings into 1MDB in a special meeting held

on April 30.

It previously said that it would wait for the auditor-general's report before beginning its own probe.

Its former chairman Nur Jazlan said PAC could not wait for the auditor-general's report on the troubled company as there was too much speculation by the public over the investment firm's financial standing.

The first hearing took place on May 19, with testimonies from Economic Planning Unit (EPU) director-general Datuk Seri Dr Rahmat Bivi Abdulla and Treasury secretary-general Tan Sri Irwan Serigar Abdullah, who also sits on 1MDB's advisory board.

The EPU representative was invited as the unit coordinates 1MDB's Tun Razak Exchange (TRX) and Bandar Malaysia real estate developments.

Both agencies also played a role in monitoring the firm's governance.

PAC had also heard testimonies from 1MDB's past and present auditors, Ernst & Young, KPMG and Deloitte.

The auditor-general submitted a preliminary report to PAC on July 10, with a full report due by the year end.

Other probes in connection with 1MDB include the Malaysian Anti-Corruption Commission's (MACC) investigation into a 1MDB-linked company, SRC International Sdn Bhd.

Police, meanwhile, are probing 1MDB itself over alleged information leaks on the firm to Sarawak Report.

Bank Negara Malaysia is in charge of investigating financial methods and procedures on fund transfers.

Yesterday, MACC, which also said it had been investigating allegations of US\$700 million transferred to Najib's personal accounts from 1MDB-linked companies, announced that the money came from donations and not from 1MDB.

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