

Zeti says 7 Bank Negara staff quizzed by cops over 1MDB leak
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By Sheridan Mahavera

Seven Bank Negara (BNM) officers have been questioned by police over information leaks related to the 1Malaysia Development Berhad (1MDB) probe, said Bank Negara governor Tan Sri Dr Zeti Akhtar Aziz.

Zeti said the seven officers have given their full cooperation to the police but she declined to reveal who they were, when they were questioned and which section of the bank they worked in.

She also said the central bank has completed its investigation on bank transactions related to 1MDB and has submitted these papers to the Attorney-General's chambers.

She said the report to the Attorney-General included recommendations for the appropriate enforcement action.

BNM is among institutions that are investigating 1MDB over allegations of mismanagement and graft.

Zeti, however refused to reveal the contents of this investigation, saying that the country's laws allowed BNM to only reveal its contents to other enforcement and regulatory agencies involved in taking action against 1MDB.

"We have submitted our investigations to the A-G with recommendations on the appropriate enforcement action," Zeti told reporters at BNM's headquarters in Kuala Lumpur today.

Zeti said BNM started informal investigations a year ago into a "highly-leveraged" entity to see whether it posed any risks to the financial system.

It was understood she was referring to 1MDB, which had accumulated RM42 billion in debts and has been struggling to pay off its loans.

Some of the company's debts are guaranteed by Putrajaya and critics have said that there were worries that public funds would be used to pay off these loans if 1MDB failed to do so.

The findings of its informal investigation led BNM to forward some of its concerns to the respective authorities, Zeti said, without going into details on what those findings were.

Zeti said BNM started formal probe this year in line with the task force formed in July to investigate fund transfers into the personal accounts of Prime Minister Datuk Seri Najib Razak.

In early July, The Wall Street Journal and Sarawak Report reported that up to US\$700 million (RM2.6 billion) had made its way into Najib's bank accounts through three 1MDB-related companies.

On August 3, the Malaysian Anti-Corruption Commission stated that the RM2.6 billion did not come from 1MDB but was a political donation.

The agency, however, did not reveal the source of the fund. – August 13, 2015.

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