

DAP challenges 1MDB boss over mystery US\$1 billion Cayman funds
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DAP today urged the president of 1Malaysia Development Berhad (1MDB) to explain the "mystery" of the US\$1.1 billion "redeemed" Cayman Islands fund, and repeated its challenge to a public debate.

National publicity secretary Tony Pua accused Arul Kanda Kandasamy of "lying" as both prime minister Datuk Seri Najib Razak and Second Finance Minister, Datuk Seri Husni Hanadzlah had told Parliament that the funds were in the form of "assets" and "units" parked at the Singapore unit of Swiss private bank BSI.

Arul, on the other hand, had told Singapore's Business Times last February that the redeemed proceeds were "cash" held outside Malaysia.

"If these assets in BSI Bank Singapore were still in 'units' form, instead of being in raw assets like cash or shares or properties, it actually meant that the investment in Cayman Islands was never truly 'redeemed'.

"This means that Arul Kanda had lied and misled Malaysians from the very beginning. He not only lied about the fact that the proceeds from the redemption are in the form of cash, he lied to Malaysians about the fact that the Cayman Islands 'fund' was redeemed in the first place!

"There was never any real 'redemption' because the investment was in 'units' form before the 13 January 2015 redemption, and they are still in 'units' form today!

"This proved that the whole so called investment in Cayman Islands since 2012 was a scam to hide the true worth of funds and assets remaining in 1MDB. It also proved that Arul Kanda's media statements, despite having issued 48 of them on behalf of 1MDB, cannot be trusted by any measure," Pua (pic, left) said in a statement today.

Putrajaya previously flip-flopped over the exact nature of the Cayman Islands funds in Singapore.

In March, a parliamentary reply to Pua, the Petaling Jaya Utara MP, stated the money was in cash form, but two months later said it was an asset in US dollars.

Later, Putrajaya said the money was in the form of "units", sparking condemnation from critics.

Pua today demanded that Arul be held accountable to tax payers, and stated his willingness to accept Arul's January dialogue offer to the company's critics.

"If his 'open book' media statements are not trustworthy, then the next best 'open book' measure is for him to hold a public dialogue or debate with his critics," he said in reference to Arul's claim a few days ago that the state fund was an "open book".

"I am ever prepared to accept a dialogue offer from Arul Kanda made in January at any time and place specified. I will not chicken out at the last minute claiming insufficient notice or other prior engagements.

I am also 100% certain that thousands of Malaysians will want to watch the dialogue or debate live as they have had enough of 1MDB's lies, half-truths and evasive answers," he added.

Finance ministry-owned 1MDB has come under the public scrutiny mainly because of the whopping RM42 billion debts that it has racked up in the past five years. The strategic fund has also replaced two auditors, KPMG and Ernst & Young, during the period.

1MDB has not been able to generate enough earnings to service its debts. This raises public concerns over some of its debt papers issued with the government's letter of support – meaning the government is responsible for the fund's debt repayment should it default.

Consequently, the investment fund is currently stepping up efforts to hive off its assets, namely power generation plants and land, to ease its extremely tight cash flow.

Criticism has been mounting over 1MDB, with heightened scrutiny on its operations following whistleblower site Sarawak Report's and The Edge media group exposes, which piled pressure on Najib and prompted opposition politicians, former and current Umno leaders including long serving former prime minister Tun Dr Mahathir Mohamad and anti-graft bodies to demand a thorough investigation into the fund.

The Auditor-General is currently looking through 1MDB's books, with a preliminary report submitted to the Parliament last month, while the parliament's Public Accounts Committee (PAC) had started its investigation into the company.

The PAC probe however, is currently suspended, pending new appointments into the bipartisan panel and will only resume after October 19 when Parliament reconvenes.

Despite being constantly attacked by its detractors, 1MDB had repeatedly stated it is going "full steam ahead" with its rationalisation plan, stressing its commitment to stabilising the company, meeting its debt obligations and delivering its three projects, namely the real estate ventures of Tun Razak Exchange and Bandar Malaysia as well as its energy arm Edra Energy Berhad.

It also reiterated that 1MDB is the most investigated company in Malaysia and that it will continue to share all relevant information with the various authorities that are probing it. – August 16, 2015.

Source:

<http://www.themalaysianinsider.com/malaysia/article/dap-challenges-1mdb-boss-over-mystery-us1-billion-cayman-funds>