

**1MDB created to borrow money, Dr Mahathir tells UK daily
Malaysian Insider
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State investment firm 1Malaysia Development Bhd (1MDB) was created with the aim of borrowing huge sums of money to fund cash handouts for the Najib administration, Tun Dr Mahathir Mohamad said in an interview with The Guardian.

Speaking on the current financial scandal plaguing Malaysia, the country's longest serving prime minister said Datuk Seri Najib Razak had been struggling to fund cash handouts for support, in patronage to politicians as well as cash payments to low-income households.

"So how do you raise money? That is the beginning of corruption.

"1MDB was created so they can borrow huge sums of money," the British newspaper quoted him as saying.

"He needs a lot of money because he doles out money by the millions according to his own supporters. That is corruption. If you want to be popular, do a good job, you will be popular. But to buy people, it's something morally degrading," Dr Mahathir said in the interview.

Repeating his concerns to the paper about Najib's "cash is king" approach, Dr Mahathir added that money borrowed from 1MDB was "not traceable", and that 1MDB officers had resigned because the money was not properly used.

"I told [Najib] that when you borrow the money, it is not sovereign wealth, it is borrowed money. You can't do it like this."

Dr Mahathir also told The Guardian he doubted that RM2.6 billion channelled to the prime minister's personal accounts was really a donation and called for the funds to be investigated and its source traced.

The transfer of funds was first reported by The Wall Street Journal on July 2, citing documents from Malaysian investigators.

A large portion of these funds – US\$681 million – was transferred to Najib's accounts ahead of the general election in May 2013.

The Malaysian Anti-Corruption Commission (MACC) later said the funds were from a Middle Eastern donor whose identity has not been revealed, while Najib has denied taking 1MDB money for personal gain.

"He said he got the money from the Arabs. Well, show. If it is legitimate, why are you hiding it? Bring the Arab, we'll find out how rich is he, what is his business before we can believe that he was given RM2.6 billion or US\$700 million by a donor.

"How can you believe that?" Dr Mahathir said, adding that while he was prime minister, he had never been able to secure donations from Arabs.

The 90-year-old retired statesman, who has become Najib's chief critic, spoke to The Guardian at his office in Putrajaya.

Dr Mahathir has repeatedly called for Najib's resignation over his policies and in particular, 1MDB, which has debts of RM42 billion and is undergoing a restructuring exercise which includes the sale of its power assets.

1MDB was Najib's brainchild, converted into a strategic development fund from its predecessor Terengganu Investment Authority, and placed under the Finance Ministry. Najib is also finance minister and chairman of 1MDB's advisory board. – October 23, 2015.

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