

US probes into luxury real estates owned by businessman close to Najib
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The United States Treasury is investigating ownership of luxury properties in the country which could have been purchased with illicit money, according to a recent New York Times (NYT) report.

This included properties purchased by a businessman with links to Prime Minister Datuk Seri Najib Razak, former Russian senators, a former governor from Colombia and a British financier.

The report said the US department was looking at cash purchases of real estate made by shell companies which offered cover to the identities of the real buyers.

While using shell companies to buy homes is legal, a top Treasury official, Jennifer Calvery, told NYT there were instances where the multi-million dollar homes had been used as "safe deposit boxes" for ill-gotten gains.

"We are concerned about the possibility that dirty money is being put into real estate," Calvery, the director of the Financial Crimes Enforcement Network, was quoted saying.

"We think some of the bigger risk is around the least transparent transactions."

Just last year, NYT reported that a shell company linked to Malaysian businessman Jho Low purchased a US\$23.98 million (RM105 million) apartment at the Park Laurel condominiums in Manhattan, before selling it to another shell company owned by Najib's stepson Riza Aziz.

It said Low similarly bought a mansion in Beverly Hills for US\$17.5 million and sold it to Riza again.

In 2011, he allegedly used another shell company to buy a penthouse at the Time Warner Center condominium for US\$30.55 million.

NYT's latest report said the Treasury would begin identifying the secret buyers in Manhattan and Miami-Dade County, and the programme would affect billions of dollars in real estate.

The initiative was part of a broader effort by the US government to increase the focus on money laundering in real estate. – January 18, 2016.

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