

## Malaysia's 1MDB Scandal Claims Another Scalp

The Diplomat

December 30, 2016

By Luke Hunt

### Private banker jailed for 30 months.

The legal ramifications following the scandal linked to the 1MDB fund continues to resonate with a court in Singapore convicting a private banker of trying to obstruct investigations into the indebted fund founded by Malaysian Prime Minister Najib Razak.

Yeo Jiawei, 34, a former wealth planner at Swiss private bank BSI where he was known for his taste of the good life, [was convicted of](#) four charges related to obstructing, preventing or perverting the course of justice in regards to 1MDB or 1Malaysia Development Bhd.

He was sentenced to 30 months behind bars.

[Enjoying this article? Click here to subscribe for full access. Just \\$5 a month.](#)

According to police, Yeo earned \$18 million from the affair and had asked three witnesses to lie to authorities, get rid of a laptop and urged them not to travel to Singapore.

He is the third person convicted by 1MDB investigators in Singapore, an enormous embarrassment for leaders across the causeway in Malaysia who stand alone with their insistence that all is okay with the much maligned fund, now reduced to a shelf company.

Najib, who clung to power despite losing the popular vote at elections in 2013, has resisted calls to stand aside and allow Malaysian authorities to hold independent investigation into the scandal. The body of a deputy public prosecutor [who did investigate](#) was found in a cement-filled drum and an attorney-general [who dared to criticize](#) Najib's handling of the case was sacked.

However, authorities in Singapore and in the United States, Switzerland and Hong Kong are also investigating the disappearance of more than \$1 billion from 1MDB amid allegations it was stolen from people close to Najib.

Some reports say as much as \$4 billion is missing.

Najib established 1MDB in 2009, heavy borrowing followed and it has struggled to meet repayments on debts totaling \$11 billion.

Najib's role in the 2002 purchase of [two submarines](#) from France when defense minister is also under scrutiny by a French court investigating allegations of corruption involving that deal, linked to the murder of a Mongolian translator.

The Prime Minister denies any wrong-doing and claims the Malaysian Anti-Corruption Commission (MACC) had cleared him of all allegations tied to 1MDB despite money being traced from the fund to his personal bank accounts.

The British High Commission in Kuala Lumpur is also far from convinced.

"Najib announced the MACC had exonerated him of corruption and the funds in his bank account were a donation from the Middle East and not from 1MDB," it said in a diplomatic telegram sent to London from Kuala Lumpur, [according to a report](#) in *The Guardian*.

"There has been no official MACC statement to this effect."

Singapore – which is keen to crackdown on money laundering – shut down BSI operations in the city-state in May due to violations of anti-money laundering requirements and its speedy response has been widely applauded despite some lax sentencing.

Former BSI director Yvonne Seah Yew Foong [was sentenced to](#) just two weeks' jail and fined \$10,000 earlier this month for aiding in the forging of documents and failing to report suspicious transactions allegedly related to Malaysian financier Low Taek Jho.

Meanwhile, Yeo – described by Judge Ng Peng Hong as "an unreliable and not a credible witness" – still faces seven more charges related to alleged money laundering, cheating and forgery, all involving 1MDB.

His conviction is crucial to a successful resolution to this case, one that is ongoing and promising to be as long as it will be painful. But whether that pain extends to those most responsible for the fund and its losses will test the authorities in five countries.

The financial industry – like politics – is suffering from a crisis of integrity against a backdrop of well-documented corruption cases that has plagued Southeast Asia for decades. Prosecuting those most responsible for the 1MDB disaster will help in mitigating that loss of faith.

*Luke Hunt can be followed on Twitter [@lukeanthonyhunt](#).*

**© 2017 The Diplomat. All Rights Reserved.**

Source: <http://thediplomat.com/2016/12/malaysias-1mdb-scandal-claims-another-scalp/>