

Youth take legal action to stop 1MDB payment to IPIC

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By V Anbalagan

Letter of demand to be sent to Prime Minister Najib Razak, 1MDB board not to pay the US\$1.2 billion, says lawyer for group comprising youth from opposition parties.

KUALA LUMPUR: A letter of demand will be sent to Najib Razak and the 1MDB board of directors to stop making US\$1.2 billion in payments to International Petroleum Investment Company (IPIC) to cover the default in interest payments on bonds.

Lawyer Mohamed Haniff Khatri Abdulla said a notice would be issued this week and a suit would be filed here if the demands are not complied with.

“We will go to the court to obtain a declaration that the settlement between 1MDB and IPIC is against public policy. We will also get an injunction to stop the payment,” he said at a news conference here today.

On May 4, Amanah deputy youth chief Muhammad Faiz Fadzil had submitted a memorandum to Najib in his capacity as finance minister, questioning the delay in action against those responsible for the 1MDB money trail.

Faiz said seven years after 1MDB began operations, its debts had now mounted to RM50 billion and the money trail was being investigated globally in the United States, Singapore, Switzerland and Hong Kong.

Following the expiry of the 10-day deadline, a new group, Gerakan Anakmuda Tolak Najib (Ganti) has emerged to take the matter to the people and to the court.

Ganti comprises youth members from DAP, PKR, PPBM and Deklarasi Rakyat.

Haniff, who previously represented PPBM chairman Dr Mahathir Mohamad, has been appointed lawyer to conduct the legal proceedings on behalf of Ganti and Deklarasi Rakyat.

1MDB previously claimed it had paid IPIC’s subsidiary, British Virgin Island-registered Aabar Investment PJS Limited (“Aabar BVI”), a total of RM3.51 billion between 2012 and 2014, something that IPIC disputed last year, claiming it never received the money.

The question in the minds of many is this: If 1MDB claimed it had made the payment before, why did the company agree to make another payment?

According to filings with the London Stock Exchange, IPIC said it will receive US\$1.2 billion in two equal payments on July 31 and Dec 31.

The agreement is conditional on the Arbitration Tribunal in London making a “consent award” by May 31.

The filing indicates that the settlement involved only part of the total US\$6.5 billion sought by IPIC, the remainder of which is believed to be subject to further negotiations.

Today, Faiz and Ganti said they would form a secretariat to begin legal action against Najib and 1MDB’s board of directors.

“We call upon the public, irrespective of their political affiliations to sign the petition so that they could be included as plaintiffs in the suit,” he said.

He said a class-action could be filed to demonstrate that the right of the people, who were also taxpayers, could not be trampled upon.

“The youth must also understands that they will in future bear the burden of 1MDB debts due to the financial mismanagement and abuse of power by Najib,” Faiz said.

Deklarasi Rakyat coordinator Khairuddin Abu Hassan said 1MDB was set up to steal the people’s money through dubious means.

“Now, Najib is using funds from public institutions and imposing the GST to settle the 1MDB debts,” he added.

Khairuddin, who together with his lawyer Matthias Chang, was cleared last week of sabotaging the Malaysian financial system, said the people should lodge police reports nationwide over the 1MDB scandal.

“We must put pressure on the enforcement agencies to take action against the culprits involved,” he said.

Khairuddin said as coordinator of Deklarasi Rakyat, he would get the people to sign the petition during political meetings and also explain the matter for better understanding of the masses.

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