

**Picasso, yacht and diamond necklace in DoJ's latest suit over 1MDB**  
**Malaysia Today**  
**June 16, 2017**

**US government says that some of the assets linked to the fund described in the complaints were given away by the conspirators as gifts.**

NEW YORK: The US Justice Department is seeking to recover US\$540 million (RM2.3 billion) in assets including art works, jewellery and film rights that it says were purchased with funds misappropriated from the 1MDB wealth fund.

It's the latest attempt by the US government to seize assets linked to the tainted fund, bringing the total sought by the Justice Department to US\$1.8 billion.

From 2009 through 2015, more than US\$4.5 billion (RM19 billion) belonging to 1MDB was diverted by high-level officials of the fund and their associates, according to complaints filed Thursday in the Central District of California.

The items cited in the new lawsuit as subject to seizure include a Park Avenue condominium, diamond jewellery, shares of fitness club operator Fly Wheel Sports Inc, a painting by Pablo Picasso titled "Nature Morte au Crane de Taureau" and rights to the 2014 film "Dumb and Dumber To".

The government also wants to seize a luxury yacht, the Equanimity, valued at more than US\$260 million. It can hold 26 guests and 33 crew members and features a helicopter pad, gym and cinema. And there's a stake in the Viceroy Hotel Group valued at US\$31 million. Both were purchased by Jho Low, a Malaysian financier with ties to the country's prime minister and a taste for the good life, prosecutors say.

### **'Wolf' Movie**

Last year the government sought assets including properties in Hollywood and New York, various art works and rights and royalties for the 2013 film "The Wolf of Wall Street". The Justice Department alleged a three-part scheme orchestrated by Low: Phase one involved the launch of the fund in 2009, and the next two phases involved the sale of bonds arranged by Goldman Sachs in 2012 and 2013.

The US investigation is part of a worldwide effort to track how much of the US\$6 billion that 1MDB raised for development projects was used to pay for luxury real estate, art, lavish parties and more. Switzerland, Singapore, Hong Kong and Luxembourg are among the countries also investigating the roles played by banks and individuals.

The fund has consistently denied any misconduct. Prime Minister Najib Razak, who until last year was the chairman of 1MDB's advisory board, has denied any wrongdoing and was cleared by Malaysia's attorney-general. Jho Low has also said he did nothing wrong.

The Hollywood films cited by the Justice Department were produced by Red Granite Pictures, co-founded by Najib's stepson, Riza Aziz. "Red Granite is actively engaged in discussions with the Justice Department aimed at resolving these civil cases and is fully cooperating," the company said in a statement.

According to Thursday's complaint, 1MDB secured two loans from Deutsche Bank in 2014, worth US\$1.225 billion combined, supposedly to buy back options it had given to a subsidiary of the International Petroleum Investment Company of Abu Dubai (IPIC) in 2012 in connection with funds raised by Goldman.

### **Offshore affiliates**

Instead, the government said, US\$850 million of that money was sent to two offshore affiliates that appeared to be related to IPIC but were in fact controlled by individuals who benefited from the 1MDB fraud in cooperation with Low.

Senior 1MDB managers "made material misrepresentations and omissions" to Deutsche Bank about its affiliates to compel the bank to divert the funds, and some of those funds were then routed through a series of structured transactions to create the appearance that some of 1MDB's earlier investments were paying off, the government said.

A spokeswoman for Deutsche Bank declined to comment.

The government said that some of the assets described in the complaints were given away by the conspirators as gifts. They include a US\$9 million collage by Jean-Michel Basquiat and the US\$3.3 million Picasso, both given to the "Wolf of Wall Street" actor Leonardo DiCaprio, and a US\$27 million, 22-carat pink diamond necklace, prosecutors said.

DiCaprio has already "initiated return" of those items, "which were received and accepted by him for the purpose of being included in an annual charity auction to benefit his eponymous foundation," a spokesman for the actor said on Thursday.

He also returned an Oscar award won by the late Marlon Brando, given to him by Red Granite during the production of "The Wolf of Wall Street", the spokesman said.

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