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1. PAC to summon ex-Transport Minister on VEP system



Former Transport Minister Datuk Seri Liow Tiong Lai will be summoned by The Public Accounts Committee (PAC) over the Vehicle Entry Permit (VEP) system between Johor and Singapore

KUALA LUMPUR: The Public Accounts Committee (PAC) will summoned former Transport Minister Datuk Seri Liow Tiong Lai over the Vehicle Entry Permit (VEP) system between Johor and Singapore.

This follows the findings of the Auditor-General's Report 2017 (second series), which questioned the manner on how the system was awarded through direct negotiations instead of open tender.

PAC deputy chairman Wong Kah Woh told an online news portal that the meeting with Liow, who is also former MCA president, would be conducted in the middle of this month.

"We will discuss the awarding of the VEP system contract to a company called TCSens Sdn Bhd without an open tender," Wong was quoted in the article.

According to the article, it is learnt that TCSens is linked to former MCA deputy secretary-general and former Tanjung Piai member of parliament Wee Jeck Seng.

In the Auditor-General's Report 2017 presented in Parliament on Dec 3 last year, the audit also found a drastic hike in operational expenditure of the RM149.45 million system.

It was also reported that former prime minister Datuk Seri Najib Razak was given assurance by Liow that the contractors were capable and had the expertise for the project.

However, it was later found that the contractors have only RM35.54 in their accounts, instead of the required RM2.3million.

Following the revelation of the Auditor-General's Report, the said contractors produced written proof that they had RM3 million in their account.

The contractors also gave an undertaking, in which, they would bear the cost of the project until the VEP system goes operational two months after its launch.

The audit said the project involved two contracts, Capital Expenditure Contract (Capex), worth RM45.15 million, and Operational Expenditure Contract (Opex), worth RM104.3 million.

Auditors also found that The contractors have sub-contracted the Opex to a third party although they are not allowed to do so.

Other weaknesses found related to the system were that equipment worth RM4.07million, including cameras, barrier gates, fix readers were left uninstalled.

2. DiCaprio testifies before grand jury on 1MDB



Leonardo DiCaprio was among Hollywood top stars that Jho Jho Low, is reportedly friends with and had been lavished with expensive gifts and parties.

KUALA LUMPUR: Hollywood heart-throb, Leonardo DiCaprio has provided testimony before a grand jury on the 1Malaysia Development Board (1MDB) financial scandal reported The Washington Post.

The move is part of the United State's Department of Justice's (DoJ) investigation into the financial scandal.

The daily said the actor had made the "secret appearance" before the Washington DC grand jury in recent months.

Prosecutors emphasised that DiCaprio was not a target of the probe.

It said prosecutors believed that he could provide useful insights about fugitive financier, Low Taek Jho, and his role in the scandal.

"Grand jury proceedings are secret, so it is unclear exactly what DiCaprio told grand jurors. Also unclear is how authorities got him into and out of the federal courthouse without drawing notice," said the report.

DiCaprio was among Hollywood top stars that Jho Jho Low, is reportedly friends with and had been lavished with expensive gifts and parties.

The star was presented with Marlon Brando's best actor Oscar statuette for 1954 film, *On the Waterfront*, for his birthday and a US\$3.2 million (RM13.19 million) Picasso painting, which he is surrendering to US authorities after the scandal broke.

Money allegedly stolen from 1MDB was also used to fund DiCaprio's 2013 blockbuster, *The Wolf of Wall Street*, through US production firm Red Granite, which was co-founded by Riza Aziz, the stepson of former prime minister Datuk Seri Najib Razak.

DiCaprio had thanked Low by name when he accepted the *Golden Globe* for his role in the film.

Hundreds of millions were also used, mainly by Riza and Low, to purchase high-end real estate in Beverly Hills, New York and London, a Monet painting for US\$35mil (RM144mil), a Van Gogh for US\$5.5mil (RM22.6mil), a US\$35mil (RM144mil) Bombardier jet, a US\$100mil (RM411mil) stake in EMI Music Publishing, and a US\$250mil yacht (RM1bil).

The Washington Post also reported that former Fugees rapper Prakazrel "pras" Michel was involved in setting up accounts to help fund Low's lobbying effort to end the probe.

The daily said that Michel had also hired the owner of an investment firm to press the case with the Trump administration.

Prosecutors add that he lobbying was unsuccessful.

It also said Michel had denied wrongdoing.

Low was charged in a US federal court late last year with theft and money laundering.

The US DoJ launched a probe following claims that stolen Malaysian public money was laundered through the US financial system, and filed lawsuits seeking some US\$1.7bil (RM7bil) in assets allegedly purchased with the cash.

In its civil suits, the department said more than US\$4.5bil (RM18.5bil) was stolen from 1MDB by high-level officials at the fund and their associates between 2009 and 2015.

Low was also charged in absentia in Malaysia last year with money laundering and financial fraud.

The court has issued arrest warrants for Low, his father and four other former executives of the firms, and will be seeking the aid of international authorities including Interpol to bring them back to face the charges here.

Low has maintained his innocence against all charges.

3. MCA should return money it received from 1MDB, if any : Guan Eng



Finance Minister Lim Guan Eng (right) urges MCA president Datuk Seri Wee Ka Siong to check the source of the RM16.8 million provided by former prime minister Datuk Seri Najib Razak to the party for the 13th General Election

GEORGE TOWN: Finance Minister Lim Guan Eng has urged MCA president Datuk Seri Wee Ka Siong to check the source of the RM16.8 million provided by former Prime Minister Datuk Seri Najib Razak to MCA for the 13th General Election.

The DAP secretary-general said if the money did originate from the 1Malaysia Development Bhd (1MDB) sovereign fund, then it should be returned back.

Lim said Wee could not plead ignorance, especially now, that he is the MCA president.

"As the president, shouldn't you check the origin of the money? It is your responsibility. How can you just handle it like that?"

"Don't pretend, don't lie. If the money is from 1MDB, then return back the money," he said in a press conference here today.

Wee, in a report published by an English daily, said that as far as he was concerned, when the day he became the MCA deputy president on Dec 21, 2014, there was not a single sen received (by MCA from 1MDB).

The Ayer Hitam member of Parliament said that what he was also not privy to such information before that date.

Former MCA president Tan Sri Chua Soi Lek had recently said that Najib had given RM16.8 million to MCA for the 13th General Election but he was unaware of its origin.

Lim then cited the previous Goods and Services Tax (GST) refund, which he claimed the previous Barisan Nasional administration had failed to refund to the relevant parties, even after two years.

"When we Pakatan Harapan came into power in May 9 this year, we had settled that. We did not say that it was not our doing, thus washed our hands off it. As the Federal Government, it is our responsibility now to tax payers.

"Similarly, as the president of MCA, shouldn't he (Wee) investigate the source of the money, especially since it is linked to one of the world's biggest corruption scandal. He should investigate whether MCA did receive money from 1MDB.

"Failing to do so, it shows he is irresponsible. It also shows that MCA and Barisan Nasional have not learnt their lesson from their ouster from power on May 9. It just goes to show they are still in support of the corrupt culture," he added.

Lim also did not mince his words when he said that the English daily which featured two full pages of the interview with Wee was indeed owned by the political party.

"What do you expect when they ran two pages of the interview? And yet you want to say the paper is not MCA owned?

"They did not even publish what I had said (on Saturday - that newspapers should be free from political parties)," he added.

He again reiterated the need for all media to be free from any political ownership.

"Freedom of the press should not have whatsoever political involvement," he stressed.

4. Halal status of popular Shah Alam 'Muslim' restaurant found to be bogus



A check on the restaurant in Shah Alam, showed all the Quranic verses which were on display earlier, were removed after the raid by authorities.

SHAH ALAM: A popular restaurant at Section 25 here, which has been operating as a 'halal' Muslim establishment for the last 10 years, was found not to have valid halal certification whatsoever.

The food outlet, which is festooned with displays of Quranic verses and messages in Jawi, was also discovered to be obtaining raw foodstuff, such as mutton, from non-halal certified suppliers, Bernama reported.

The eatery was finally exposed by the Selangor Islamic Religious Department (Jais), whose enforcement personnel, as well as officers from the Ministry of Domestic Trade and Consumer Affairs, carried out a spot check on its premises on Sunday.

The authorities were tipped off by a viral social media post which claimed that the restaurant owner, a non-Muslim, was deceiving patrons by promoting the eatery as a Muslim establishment, and that the restaurant was serving non-halal fare.

"We also found that (almost all of the restaurant's staff) are non-Muslim, which makes the halal status of their food questionable," Jais deputy director (Operations) Salwana Ahmad Dahlan said in a statement on Monday.

It is learnt that the restaurant is shared by two owners, T. Krisnasamy, 61, and an individual who is Muslim, but whose identity has not been established.

When contacted by Bernama, Krisnasamy said that his restaurant had never before been raided, and that he will adhere to all of Jais' instructions, beginning with removing the displays of Quranic verses from the premises.

Meanwhile, Salwana said Jais will take legal action against the owners under Section 10 (A) of the Selangor Syariah Crimes Enactment 1995 "for insulting Islam or causing Islam to be undermined."

"The owners have been summoned to present themselves at the Jais Office to have their statements recorded," she said, adding that consumers can check the halal status of food outlets in Selangor at www.jais.gov.com; or lodge any halal status-related complaints by contacting Jais at 03-5514 3760 / 3486.

5. Five remanded in Kuantan over bribery, abuse of power in RM23 million Pahang water project



Five people, including three officers of the state water management company, have been remanded for four days to assist investigations into graft and abuse of power in a RM23 million project.

KUANTAN: Five people, including three officers of the state water management company, have been remanded for four days to assist investigations into graft and abuse of power in a RM23 million project.

The five, aged between 35 and 51, were ordered remanded by magistrate Syarifah Nor Syuhada Tuan Mamat. They were brought to court about 9.15am, having been arrested by state Malaysian Anti-Corruption Commission (MACC) officers between 3.50pm and 10.40pm on Sunday.

The five are being investigated under sections 16(b)(A) and 17(a) of the MACC Act.

They were detained on suspicion of colluding with seven people, including the chief executive officer and three senior officers of the company, who were detained on Thursday for allegedly trying to create a monopoly over state water supply projects in Pahang.

At the same time, MACC also applied to have the remand orders on the earlier seven suspects extended.

Syarifah Nor Syuhada ordered the remand on the seven extended by three days.

All the suspects, represented by counsels Datuk Syed Azimal Amir Syed Abu Bakar, Zamri Idrus and Datuk Davis Yee Fei Churn, are being investigated under Section 17(a) of the MACC Act.

It is understood that the issue has been going on since 2014.

6. MACC to arrest Azeez today?



Datuk Seri Abdul Azeez Abdul Rahim at the Malaysian Anti-Corruption Commission headquarters

PUTRAJAYA: Datuk Seri Abdul Azeez Abdul Rahim is expected to be detained by the Malaysian Anti-Corruption Commission (MACC) today.

The Baling Member of Parliament arrived at the graft-busters' headquarters here at 2.55pm today after being summoned.

MACC has so far kept mum on why Azeez, who is also an Umno Supreme Council member, had been summoned.

However, sources indicated that Azeez is likely to be detained today and will be brought to the magistrate's court to be remanded tomorrow.

This is not Azeez's first appearance at the MACC. He had his statement recorded by the MACC before and on Sept 25.

Azeez and his brother Datuk Abdul Latif Abdul Rahim who is the general manager of a real estate company were previously arrested by the MACC. Also detained was a company director.

All three were arrested under Section 16(a) of the MACC Act 2009 to assist an investigation into allegations of bribery involving a construction company for a Tabung Haji project.

On Oct 5, Abdul Azeez who is former Tabung Haji chairman and his brother were released on a RM500,000 MACC bail with two sureties.

7. MACC to check with UK firm if 6,000 fireproof suits worth RM13mil are fake



The Malaysian Anti-Corruption Commission (MACC) is trying to establish if the 6,000 fireproof suits purchased by the Fire and Rescue Department in 2016 for a whopping RM13.5 million are fake

KUALA LUMPUR: The Malaysian Anti-Corruption Commission (MACC) is trying to establish if the 6,000 fireproof suits purchased by the Fire and Rescue Department in 2016 for a whopping RM13.5 million are fake.

A news portal today reported claims from a source purporting that the suits were not from a UK-based manufacturer, as previously alleged.

"MACC is trying to get (the company) in the UK to conduct a forensic (analysis). We need to do a comparison (between the suits supplied by the manufacturer and the suits received by the department).

"This is because there is a claim that the suits were not those supplied (by the manufacturer)," the source told news portal today.

Fire and Rescue Department director-general Datuk Mohammad Hamdan Wahid when contacted declined to comment on the matter.

"The case had been handed over to MACC. Let them handle it because we are not involved in the investigation," he added.

Yesterday, MACC confirmed that they were probing the case and that their investigation was almost complete.

The graft buster is now waiting for UK to respond on the issue of the legal mutual assistance that Malaysia is seeking.

MACC had also sent a fireproof suit that was given to them by the contractor to the Chemistry Department. The department had then confirmed that the suits were not safe for use due to a breach in the Fire and Rescue Department's standards.

It also said that the investigation would not block the department from buying more suits and that it can call them for further enquiries.

Yesterday, it was reported that MACC seized the suits in 2017.

It was also reported that the list of tender decisions by the Housing and Local Government Ministry in 2016 found that only one company was awarded the project to supply the suits that year.

It stated that the ministry made the decision in a meeting on June 10, 2016, to award the project to a private limited company, whose registered address is in Cheras, Kuala Lumpur.

The exact amount for the tender was RM13,590,000, or RM2,265 per suit.

8. Goldman Sachs must take responsibility



Datuk Seri Najib Razak said consequently, Goldman Sachs would have to take responsibility over its dereliction

TANAH RATA: Datuk Seri Najib Razak has distanced himself from Goldman Sachs's admission of culpability over its involvement in the 1Malaysia Development Berhad (1MDB).

The former prime minister, who is facing at least 30 charges relating to misappropriation of funds linked to 1MDB, said the global investment bank's role back then was to preserve the country's sovereign wealth interest.

He said consequently, Goldman Sachs would have to take responsibility over its dereliction.

"We put up a system and it was there to take care of our interests.

"So if they (Goldman Sachs) failed, then they have to take responsibility because they were appointed and paid by 1MDB to take care of our interests," he said.

Najib was speaking to reporters during his campaign rounds on behalf of Barisan Nasional candidate for the Cameron Highlands by-election. Present was BN candidate Ramli Mohd Nor in Kampung Raja today.

The AFP reported that Goldman Sachs chief executive had on Wednesday apologised to Malaysia for a Goldman partner's role in the 1MDB scandal even as he defended the firm as a whole.

David Solomon reiterated during an earnings conference call that the investment bank was cooperating with authorities on the probe of the Malaysian sovereign wealth fund as he expressed regret over a scandal that has roiled the Asian country.

In November, the Justice Department announced that former *Goldman* partner Tim Leissner had pleaded guilty to violating US anti-bribery and money laundering laws and agreed to pay US\$43.7 million in restitution.

9. Goldman Sachs CEO apologises to Malaysia over 1MDB



Head of Goldman Sachs, David Solomon apologised to Malaysia for a Goldman partner's role in the 1MDB scandal even as he defended the firm as a whole. He reiterated during an earnings conference call that the investment bank was cooperating with authorities on the probe of the Malaysian sovereign wealth fund as he expressed regret over a scandal that has roiled the Asian country

NEW YORK: The head of Goldman Sachs on Wednesday apologised to Malaysia for a Goldman partner's role in the 1MDB scandal even as he defended the firm as a whole.

Goldman chief executive David Solomon reiterated during an earnings conference call that the investment bank was cooperating with authorities on the probe of the Malaysian sovereign wealth fund as he expressed regret over a scandal that has roiled the Asian country.

In November, the Justice Department announced that former Goldman partner Tim Leissner had pleaded guilty to violating US anti-bribery and money laundering laws and agreed to pay US\$43.7 million in restitution.

"It's very clear that the people of Malaysia were defrauded by many individuals including the highest members of the prior government," Solomon said. "Per Leissner's role in that fraud, we apologise for the Malaysian people."

But Solomon also defended the bank as a whole, saying it had been misled by Leissner and senior officials in the Malaysian government about the role of a key intermediary in the scandal, Low Taek Jho, or Jho Low.

Goldman helped arrange US\$6.5 billion in bonds for 1MDB. Kuala Lumpur has filed criminal charges against Goldman and two former employees for alleged theft.

A Justice Department indictment of Low and Richard Ng Chong Hwa, another ex-Goldman banker, that identified Goldman as "Financial Institution #1" said the firm's business culture at times emphasised dealmaking "ahead of the proper operation of its compliance functions."

Solomon said employees at Goldman were "extremely angry" about Leissner's role but that morale was good on the whole due to the bank's strong financial performance.

Goldman has suffered a "reputation dent" tied to the scandal, Solomon acknowledged, but added that the effect on clients had been "de minimus."

10. Kit Siang questions Najib's blame of systemic failure for 1MDB issue



(Stock image for illustration purposes) Lim Kit Siang has questioned why former prime minister Datuk Seri Najib Razak is blaming the banking system for 1Malaysia Development Bhd's failure

KUALA LUMPUR: DAP adviser Lim Kit Siang has questioned why former prime minister Datuk Seri Najib Razak is blaming the banking system for 1Malaysia Development Bhd's failure, despite the latter himself having approved Goldman Sachs' "exorbitant fee" to keep mum on the company's failures.

"Najib blamed *Goldman Sachs* for failing in its task despite the exorbitant fee paid for the bank's service.

"Wasn't it Najib who approved the "exorbitant fee" for *Goldman Sachs* to hide from the world the "systemic failure" which enabled the commission of the heinous and monstrous 1MDB corruption and money-laundering scandal which landed Malaysia with the infamy and ignominy of a global kleptocracy?

"Until today, Najib has maintained a very consistent stand that there is nothing basically wrong with 1MDB which could not be put right, but with the apology to the people of Malaysia by *Goldman Sachs* chief executive officer David Solomon who said Malaysia was defrauded by numerous individuals, including the highest members of the prior government, Najib has changed his tune," Lim said in his blog post on Jan 18.

Lim said Najib had indirectly admitted that the 1MDB scandal - which he said caused Malaysia to be condemned by the world as a "global kleptocracy" - was a national catastrophe but maintained that the blame for the 1MDB scandal cannot be pinned on a single individual but was caused by systemic failure.

Lim, who is Iskandar Puteri member of parliament, added that it was ironic that Najib, who is in Cameron Highlands for the by-election, was quoted saying: "It just cannot be one man, it is a systemic failure."

"Najib blamed Goldman Sachs for failing in its task despite the exorbitant fee paid for the bank's service," he said.

Lim also asked if the Pekan MP will make a confession about the 1MDB scandal during the Cameron Highlands by-election, by sharing with Malaysians the deepest and darkest secrets of the financial scandal.

On Wednesday, Solomon had apologised to Malaysians for former banker Tim Leissner's role in the 1MDB scandal, but said the bank had conducted due diligence before every transaction.

Goldman is being investigated by Malaysian authorities and the United States Department of Justice for its role as underwriter and arranger of three bond sales that raised US\$6.5 billion for the sovereign wealth fund.

11. MACC urged to probe Medan Imbi land encroachment

PUTRAJAYA: The Federal Territories Ministry has lodged a report with the Malaysian Anti-Corruption Commission (MACC) with regard to an alleged land encroachment on two lots that belong to the government at Medan Imbi, in Bukit Bintang, Kuala Lumpur.

Officer of Special Duties II to the Federal Territories Minister Zulhazmi Sharif said the report was lodged to urge the MACC to look into the matter which was said to have happened during the administration of the past government.

He said the two government plots were encroached by a private company that claimed to have received approval from "certain people in the Kuala Lumpur City Hall (DBKL)" via an agreement made in 2015.

Meanwhile, the construction began in 2017.

"We want the MACC to conduct a thorough investigation into the case for embezzlement and abuse of power committed by those in the top level at City Hall and in the ministry during the past administration.

"Both lots, 568 and 716, were open land to be used for business sites. Instead, an office building and fruit kiosks were built on the said plots," he told reporters, here.

Zulhazmi said, among the documents that were submitted to the MACC were case chronology report, City Hall integrity report as well as report and notice to evacuate the plots issued by the Federal Territories Land and Minerals Office.

"It is weird how City Hall can approve plans on plots that do not belong to the said company or to City Hall. We believe there are those involved in the process who have received certain 'benefits'," he added.

It was reported that questions had been raised over how a private company was able to develop a six-storey office building and several durian kiosks on the two plots of government land valued at RM20 million in Medan Imbi, Bukit Bintang in 2016, without paying "a single sen" in rent or premium.

Zulhazmi also said the company had been instructed by the Federal Territories Land and Minerals Office that owned the two plots to vacate the land by Jan 10.

However, the company had yet to do so, he added.

Since the construction of the building and kiosks were completed on the plots, measuring 0.14ha (16,000 sq ft), it was reported the company had been collecting rent from tenants with no revenue going to City Hall.



Officer of Special Duties II to the Federal Territories Minister Zulhazmi Sharif (2nd from right) said the report was lodged to urge the MACC to look into the matter which was said to have happened during the administration of the past government.

12. 1MDB dragnet widens as Securities Commission investigate Deloitte and KPMG

KUALA LUMPUR: The Securities Commission (SC) is investigating Deloitte and KPMG – two of the world's largest audit firms – over their audit on 1Malaysia Development Bhd (1MDB), the South China Morning Post (SCMP) has reported.

It said the SC was looking into the firms to determine if they were “aiding and abetting” in the scandal, or merely negligent.

The authorities are looking to make the accountants accountable if any wrongdoing is found, the newspaper quoted sources as saying.

It was reported that Ernst & Young, which was 1MDB's first auditor, was sacked in 2010.

The firm was replaced by KPMG, which performed the audit for 2010, 2011 and 2012.

Following this, Deloitte took over for the years 2013 and 2014. The firm quit in 2015 after the US Department of Justice initiated legal action against 1MDB.

In mid-2018, KPMG released a statement claiming that the books it had audited for 2010, 2011 and 2012 were not “true and fair” assessments of 1MDB's funds, and that it lacked full access to relevant documents that were only declassified when the new government took power.

Deloitte quit after the US Department of Justice filed lawsuits to recover assets acquired with misappropriated 1MDB funds, saying that its audit reports should no longer be relied upon.

SCMP reported that Deloitte and KPMG did not respond to its repeated requests for comment.

1MDB has not filed financial statements since 2015, and the new government has yet to name new auditors for the investment fund.

The SC investigation is the latest move by the government to get to the bottom of the 1MDB scandal.

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14. Saifuddin assures full cooperation with MACC in SSM graft probe



Datuk Saifuddin Nasution Ismail said the ministry will cooperate with the graftbuster, as required by the law.

PUTRAJAYA: Domestic Trade and Consumer Affairs Ministry today promised to provide full cooperation in Malaysian Anti-Corruption Commission's (MACC) probe on its federal agency, the Companies Commission of Malaysia (SSM).

Its Minister Datuk Saifuddin Nasution Ismail said the ministry will cooperate with the graftbuster, as required by the law.

"We are open to investigations by MACC and also extend our cooperation based on the available laws. There will not be any hindrance from our side.

"At the same time, we will also make sure that SSM will fully support and cooperate with MACC," he said after announcing the Chinese New Year's Price Control Scheme, here

He also said that there will not be any internal investigation on the case as MACC is already investigating the matter.

"We will leave to MACC as the investigating authority to probe the case," he added.

It was reported that on Tuesday, the son of a SSM top management staff went to the MACC headquarters here to hand over documents on the case.

A source said the man, in his 20s, was told to hand over the documents, believed to be linked to a corruption case within the SSM involving worth millions of ringgit.

On Jan 9, MACC had also seized 69 boxes of documents believed to be related to the case.

15. Bukit Aman look for 1MDB documents at law firm linked to Goldman Sachs



Police have raided law firm, Rahmat Lim & Partners, this morning, to search for documents related to 1Malaysia Development Berhad (1MDB).

KUALA LUMPUR: Police have raided law firm, Rahmat Lim & Partners, this morning, to search for documents related to 1Malaysia Development Berhad (1MDB).

The firm was said to have represented top investment bank, Goldman Sachs, in bond deals that took place in 2012 and 2013, amounting to US\$6.5 billion.

A team from Bukit Aman's Commercial Crime Investigation Department went to the firm at 10am after obtaining a court order, to locate the related documents for the case.

CCID acting director Datuk Saiful Azly Kamaruddin when contacted confirmed the team's 'visit' to the law firm.

"This morning, a team from the Bukit Aman's CCID went to the firm to look for documents linked to 1MDB case. No arrest has been made," he said, declining to elaborate further.

Meanwhile, Inspector General of Police Tan Sri Mohamad Fuzi Harun said he has yet to be informed of the raid but acknowledged that 1MDB probe is still ongoing.



CCID acting director Datuk Saiful Azly Kamaruddin when contacted confirmed the team's 'visit' to the law firm.

"We are hoping to complete the investigation paper by March and within that timeframe, the investigation continues." he said.

"Until the time that we have completed the investigation, police will continue to look for evidence to support the case, including conducting raids, if necessary." he said at a crime prevention programme in the city today.

16. 1MDB dragnet widens as Securities Commission investigate Deloitte and KPMG



Deloitte and KPMG are both being probed by Securities Commission (SC) over their audit on 1Malaysia Development Bhd (1MDB)

KUALA LUMPUR: The Securities Commission (SC) is investigating Deloitte and KPMG - two of the world's largest audit firms - over their audit on 1Malaysia Development Bhd (1MDB), the South China Morning Post (SCMP) has reported.

It said the SC was looking into the firms to determine if they were "aiding and abetting" in the scandal, or merely negligent.

The authorities are looking to make the accountants accountable if any wrongdoing is found, the newspaper quoted sources as saying.

It was reported that Ernst & Young, which was 1MDB's first auditor, was sacked in 2010.

The firm was replaced by KPMG, which performed the audit for 2010, 2011 and 2012.

Following this, Deloitte took over for the years 2013 and 2014. The firm quit in 2015 after the US Department of Justice initiated legal action against 1MDB.

In mid-2018, KPMG released a statement claiming that the books it had audited for 2010, 2011 and 2012 were not "true and fair" assessments of 1MDB's funds, and that it lacked full access to relevant documents that were only declassified when the new government took power.

Deloitte quit after the US Department of Justice filed lawsuits to recover assets acquired with misappropriated 1MDB funds, saying that its audit reports should no longer be relied upon.

SCMP reported that Deloitte and KPMG did not respond to its repeated requests for comment.

1MDB has not filed financial statements since 2015, and the new government has yet to name new auditors for the investment fund.

The SC investigation is the latest move by the government to get to the bottom of the 1MDB scandal.

17. FT Minister proposes solutions to Medan Imbi land issue



Federal Territories Minister Khalid Abdul Samad said "The solution is whether the land and building have the same owner, or the owner of the building buys the land or the landowner takes over the building."

PUTRAJAYA: Federal Territories Minister Khalid Abdul Samad has proposed two solutions to resolve the issue of encroachment into two lots of government land in Medan Imbi, Bukit Bintang, in Kuala Lumpur.

He said the first solution was for the owner of the commercial building to buy the lots while the second was the strong likelihood of the Kuala Lumpur Federal Territory Land and Mines Office confiscating the building.

He said, however, this would be finalised by holding negotiations to find the best solution for the parties involved in the land issue.

"The building owner had sent a letter to the Land and Mines Office (PTG) and PTG also sent a letter to the Mayor and the Federal Territories Ministry to find a solution.

"The solution is whether the land and building have the same owner, or the owner of the building buys the land or the landowner takes over the building," he said when met at the launch of the Placemaking @ Re-discovery City Trail at Presint 1 here. today.

Khalid said that if the building owner wished to buy the land, then it could not be denied that they have committed an offence of constructing a building without first buying the land.

He said that the second way to resolve the issue was PTG seizing the building.

"The building owner can still negotiate with PTG to find the best solution," he said.

On Jan 16, the ministry revealed that there had been embezzlement and abuse of power in the encroachment of the two plots of land.

Khalid reportedly said that both lots, 568 and 716, were open land to be used for business sites but instead had an office building and fruit kiosks built on the land.

A week later on Jan 23, the ministry lodged a report with the Malaysian Anti-Corruption Commission (MACC) over the matter.

Today Khalid emphasised that despite the ministry seeking a holistic solution to the issue, it did not necessarily mean that the building owner could be freed of committing a wrongdoing in constructing the building without buying the land.

"The one who constructed the building will be hit with fine or summons, as well as criminal charges, if there is an element of corruption.

"We want to investigate how the building was built without permission of the relevant authorities)," he said, regarding the building which was constructed in 2017.

It was reported that questions had been raised over how a private company was able to develop a six-storey office building and several durian kiosks on two plots of government land valued at RM20 million, without paying "a single sen" in rent or premium.

Since the construction of the building and kiosks were completed on the plots, measuring 0.14ha (16,000 sq ft), it was reported the company had been collecting rent from tenants with no revenue going to Kuala Lumpur City Hall.

18. Malaysia fines Deloitte for breaches linked to 1MDB

Deloitte.

Malaysia's securities regulator on Wednesday said they had fined Deloitte for committing four breaches related to a 2.4 billion ringgit (\$584.7 million) sukuk programme issued by a firm linked to scandal-tainted state fund 1MDB

KUALA LUMPUR: The Securities Commission Malaysia (SC) has reprimanded and imposed penalties on Deloitte PLT (Deloitte) for four breaches related to the RM2.4 billion sukuk murabahah programme issued by Bandar Malaysia Sdn Bhd (BMSB) in 2014.

The commission said Deloitte was the statutory auditor for BMSB and 1MDB Real Estate Sdn Bhd (1MDB RE) for the financial years ended March 31, 2015 to 2016.

1MDB RE, now known as TRX City Sdn Bhd, was one of the third party security providers of the sukuk programme and the immediate holding company of BMSB.

1Malaysia Development Bhd (1MDB) was the holding company of 1MDB RE and BMSB.

In a statement today, the SC said Deloitte had committed two breaches under Section 276(3)(b) of the Capital Markets and Services Act 2007 (CMSA) for its failure to immediately report to the commission irregularities which may had a material effect on BMSB's ability to fulfil its obligations in repaying sukuk holders any amount under the sukuk programme.

It said the breaches committed by Deloitte were serious in nature as the audit firm failed to discharge its statutory obligations despite having included the following in BMSB's and 1MDB RE's Audited Financial Statements (AFS):

- An audit qualification in its independent auditors' report for 1MDB RE for the AFS for the financial years ended March 31, 2015 (AFS 2015) and March 31, 2016 (AFS 2016), an emphasis of matter in its independent auditors' report for BMSB's AFS 2015 and AFS 2016 and 1MDB RE's AFS 2015 and AFS 2016.
- The audit qualification in Deloitte's independent auditors' report for 1MDB RE for AFS 2015 and AFS 2016 stated that Deloitte was unable to obtain sufficient appropriate audit evidence to

determine whether the advances to 1MDB from, among others, the proceeds of the sukuk murabahah programme could be recovered.

- The emphasis of matter in Deloitte's independent auditors' report for 1MDB RE for AFS 2015 and AFS 2016, as well as BMSB's AFS 2015 and AFS 2016 which stated that 1MDB was under investigation by several authorities.

"Deloitte further highlighted in its report for 1MDB RE's AFS 2015 and AFS 2016 that 'the ongoing investigations of 1MDB indicate the existence of material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern'," it said.

The SC had imposed a total fine of RM2 million on Deloitte for the above breaches, which was the maximum provided for under Section 354(3)(b) of the CMA.

For the remaining two breaches under Section 276(1) of the CMA, Deloitte was fined a total of RM200,000 for its failure to send a copy of BMSB's AFS 2015 and 2016 to MTrustee Bhd, within seven days after furnishing the AFS 2015 and 2016 to BMSB.