

### The Star January 2019

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# **1. Court allows joint Najib-Arul trial over tampering of 1MDB final audit**

KUALA LUMPUR: The Sessions Court here has allowed a joint trial for the cases involving former prime minister Datuk Seri Najib Tun Razak and former 1Malaysia Development Bhd (1MDB) CEO Arul Kanda Kandasamy over the alleged tampering of 1MDB's final audit report.

Sessions Court judge Azura Alwi granted the prosecution's request for this after hearing the application to transfer by lead prosecutor Datuk Seri Gopal Sri Ram.

Lawyer Datuk N. Sivananthan, who represented Arul, did not object.

On Dec 12, both Najib and Arul were charged separately at the Sessions Court with allegedly tampering with a final audit report on 1MDB.

According to the charge sheet, Najib used his position as prime minister to gain protection from any action, whether disciplinary, civil or criminal, in connection to 1MDB by ordering the final audit report to be tampered with before it was finalised and presented to the Public Accounts Committee (PAC).

He is said to have committed the offence at the Prime Minister's Office in Putrajaya between Feb 22 and Feb 26, 2016.

The charge under Section 23(1) of the Malaysian Anti-Corruption Commission (MACC) Act 2009 carries a maximum 20 years' imprisonment and a fine of no less than five times the amount of gratification or RM10,000, whichever is higher.

Arul was charged with abetting Najib on the same offence at a separate court.

## 2. Marine officers claim trial to RM70,000 bribery charge

JOHOR BARU: Two Marine Department officers have claimed trial to charges of seeking a RM70,000 bribe more than three years ago.

Sanizam Bachok, 45, and Nor Yazid Khairi Mohamad Noor, 48, faced two charges each before judge Kamarudin Kamsun at the Sessions Court here.

In the first charge, Sanizam was charged with asking RM70,000 in cash from a shipping company worker as an inducement to issue a letter of operation approval for three vessels.

He allegedly committed the offence in a restaurant at Anjung Neighbourhood Centre 5 along Persiaran Ledang Heights in Iskandar Puteri at around 6pm on Nov 25, 2015.

The offence under Section 16(a)(B) of the Malaysian Anti-Corruption Commission (MACC) Act is punishable under Section 24 of the Act.

For the second charge, Sanizam was accused of receiving RM50,000 from the same individual as an inducement to issue a letter of operation approval for the three vessels at the same restaurant at around 11.10am on Nov 27, 2015.

For the offence, the accused was charged under Section 17(a) of the MACC Act and punishable under Section 24 of the Act.

For both offences, Sanizam is liable for imprisonment of not more than 20 years and a fine not less than five times the amount or value of the bribe or RM10,000, whichever is higher, if convicted.

Nor Yazid Khairi was charged with abetting Sanizam in the two alleged offences on the same dates and locations.

He was charged under Section 28(1)(c) of the MACC Act and punishable under Section 24 of the Act.

If convicted, he can be jailed for a period of not more than 20 years and fined not less than five times the amount or value of the bribe or RM10,000, whichever is higher.

Yesterday, both men pleaded not guilty to the charges.

Kamarudin then set bail at RM20,000 with one surety for each of the accused and set Feb 10 for the remention of the case.

MACC officer Nor Syarina Raizan prosecuted while the accused were not represented.

### 3. 1MDB is sole owner of superyacht *Equanimity*

PETALING JAYA: It is now clear that the superyacht *Equanimity* is owned solely by 1Malaysia Development Bhd (1MDB) with no competing claims.

Lawyers representing the Malaysian government issued a statement yesterday saying the US Department of Justice's (DoJ) withdrawal of its forfeiture suit to seize the superyacht acknowledges the finality of the declaration of the Malaysian Admiralty Court's on the vessel's ownership.

The lawyers said with the withdrawal of that forfeiture action by the DoJ on Dec 21 last year, there is now no claim to the *Equanimity* by either the DoJ, *Equanimity* (Cayman) Ltd or fugitive businessman Low Taek Jho or known as Jho Low.

"The declaration by the Malaysian Admiralty Court in October 2018 that the *Equanimity* is owned by 1MDB remains totally unchallenged. It is now clear beyond any doubt that no one has any competing claims to the *Equanimity*, including Jho Low," it said.

The company *Equanimity* (Cayman) Ltd, which DOJ claimed is a company controlled by Low, contested those claims.

In the meantime, Malaysian authorities took custody of the vessel while the government and 1MDB filed its own forfeiture suit at the Kuala Lumpur High Court.

The Kuala Lumpur High Court ruled on Oct 19 last year that *Equanimity* was owned by 1MDB subsidiaries 1MDB Global Investment Ltd (now known as Global Diversified Investment Company Ltd) and 1MDB Energy Holdings.

The *Equanimity* was seized off the coast of Bali, Indonesia, in February last year at the request of US authorities as part of a probe into the multibillion-dollar 1MDB scandal.

#### 4. Joint trial for Najib and Arul Kanda

KUALA LUMPUR: Former prime minister Datuk Seri Najib Tun Razak and former 1Malaysia Development Bhd (1MDB) CEO Arul Kanda Kandasamy will be tried together over allegations of tampering a final audit report on the state fund.

Sessions Court judge Azura Alwi allowed the prosecution's request to have Arul's case heard with Najib's.

The court yesterday heard the application to have a joint trial by lead prosecutor Datuk Seri Gopal Sri Ram.

Lawyer Datuk N. Sivananthan, who represented Arul, did not object to the request. The charge against Arul, who allegedly abetted Najib, was read again to him.

Arul then pleaded not guilty. The court fixed March 1 for mention.

During yesterday's proceedings, Sri Ram informed the court that the prosecution would apply for the case to be transferred to the High Court.

On Dec 12 last year, Arul was charged with abetting Najib, who allegedly used his position as the then prime minister to gain protection from a civil disciplinary action relating to 1MDB by way of ordering the final audit report on 1MDB to be tampered with before it was finalised and presented to the Public Accounts Committee (PAC).

The charge under Section 28(1)(c) of the Malaysian Anti-Corruption Commission Act carries a maximum 20 years' imprisonment and a fine of no less than five times the amount of gratification or RM10,000, whichever is higher.

On the same day, Najib pleaded not guilty at a separate Sessions Court over similar allegations.

According to the charge sheet, Najib had used his position to gain protection from any action, whether disciplinary, civil or criminal, with regards to 1MDB by way of ordering the final audit report on 1MDB to be tampered before it was finalised and presented to the PAC.

Arul and Najib allegedly committed the offence at the Prime Minister's Office in Putrajaya between Feb 22 and Feb 26, 2016.

The charge under Section 23(1) of the Malaysian Anti-Corruption Commission Act carries a maximum 20 years' imprisonment and a fine of no less than five times the amount of gratification or RM10,000, whichever is higher.

5. Leonardo DiCaprio testifies before jury in US probe into 1MDB



PETALING JAYA: Actor Leonardo DiCaprio (*pic*) made a secret appearance before a grand jury recently to testify as part of the US Justice Department's investigation into 1MDB, reported the Washington Post.

According to sources close to the case, grand jury proceedings are secret, so it was unclear what DiCaprio told grand jurors and how authorities got him into and out of the federal courthouse without drawing notice.

The report added that prosecutors consider DiCaprio a witness who can provide useful insights about Malaysian businessman Low Taek Jho or better known as Jho Low who is alleged to have laundered billions of dollars from the investment fund and then financed a lobbying campaign to end the investigation.

DiCaprio is, however, not a target of the probe.

A US Department of Justice (DoJ) spokesman and a representative for DiCaprio declined to comment.

DiCaprio's spokesman has in the past said the actor was cooperating with the probe and was "entirely supportive of all efforts to assure that justice is done in this matter."

The US DoJ had 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.

Tens of millions of dollars in stolen money was used in 2012 by former prime ministerr Datuk Seri Najib Tun Razak's stepson Riza Aziz, an aspiring film producer, to fund the Hollywood film The Wolf of Wall Street, starring DiCaprio.

Hundreds of millions were 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).

Local police have filed criminal charges against Low and his father over money allegedly stolen from 1MDB.

1Malaysia Development Berhad (1MDB) is a state investment fund which Najib launched in 2009 shortly after becoming Malaysia's prime minister.

Its portfolio has included power plants and other energy assets in Malaysia and the Middle East, and real estate in Kuala Lumpur.

The fund was closely overseen by Najib.

#### 6. 1MDB is sole owner of superyacht *Equanimity*

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## 7. Chinese Embassy calls WSJ report on 1MDB 'groundless'

KUALA LUMPUR: The Chinese Embassy here described as "groundless" a report accusing its government of trying to influence the investigation into the 1MDB scandal.

Pooh-poohing *The Wall Street Journal* (WSJ) report, the embassy said China had all along adhered to the principle of non-interference in the internal affairs of another country.

"China never attaches political conditions on our cooperation with other countries.

"We promote the Belt and Road initiative under the principles of wide consultation, joint contribution and shared benefits, with an aim to pursue shared development and prosperity

"We do not accept any groundless accusation made against China," the embassy said in a statement issued yesterday.

The embassy said China and Malaysia had all along treated each other as friendly neighbours and sincere partners.

"Based on the principle of equality, mutual respect and mutual benefit, the two countries have been jointly promoting the Belt and Road initiative and expanding pragmatic cooperation, which contributes significantly to the economic development of both countries and brings about tangible benefits to our people," the embassy said.

The embassy said with 2019 marking the 45th anniversary of diplomatic ties between both countries, there would be new opportunities to be tapped in the bilateral sphere.

"The Chinese side is committed to working together with the Pakatan Harapan government under the leadership of Prime Minister Tun Dr Mahathir (Mohamad) towards creating a brighter future for China-Malaysia relations," it added.

Former prime minister Datuk Seri Najib Tun Razak, in a Facebook posting, also dismissed the WSJ report that China offered to bail out 1MDB in 2016 in exchange for lucrative contracts.

He said Beijing neither offered to bail out the state investment firm, nor bug the Hong Kong residences of WSJ journalists reporting on the scandal.

"As reported by WSJ and as publicly known, this too has never happened.

"Malaysia had continued its efforts and promised to sign a settlement agreement with the Abu Dhabi government-owned International Petroleum Investment Corporation to ensure that all money supposedly missing from 1MDB is returned by Dec 31, 2020," he said in a point-by-point rebuttal against the report.

**8. 'Speedy Gonzales' deal: MACC records statement from Tourism Ministry sec-gen**

PETALING JAYA: The Malaysian Anti-Corruption Commission (MACC) has recorded a statement from Tourism, Arts and Culture Ministry secretary-general Datuk Rashidi Hasbullah.

It is learnt that this is related to the ongoing probe into the controversial RM99mil contract for a company to act as a go-between for Tourism Malaysia and a China-based firm to promote Malaysia via a digital advertising campaign.

Rashidi was at the MACC headquarters in Putrajaya on Friday (Jan 11) from 9.30am to 12.30pm.

Sources said he has also been told to present himself at the headquarters for a second round of questioning on Saturday (Jan 12).

Sources added that more people might be called in for questioning as the investigating team probes deeper.

On Tuesday (Jan 8), former Tourism Malaysia chairman Datuk Siew Ka Wai and a company CEO Elizabeth Ken Tze Ying, 32, were arrested by the MACC.

Sources familiar with the case said Siew is believed to have used his position to propose that the company, which was owned by his acquaintance, was appointed directly for a lucrative project.

The contract was said to be approved in just a day and did not follow Tourism Malaysia's procurement regulations.

Siew and Ken's remand orders expire on Saturday.

It was reported in June last year that MACC had "visited" the Tourism, Arts and Culture Ministry after former Tourism Malaysia chairman Wee Choo Keong called on authorities to look into the awarding of the controversial contract.

Wee dubbed the contract a "Speedy Gonzales" deal, as it was allegedly signed within a day.

He said he had evidence of wrongdoing to back his claims.

#### 9. Director, son quizzed by MACC released on bail

GEORGE TOWN (Bernama): The director of a government department here, who was remanded to assist in the investigation where he had allegedly used his position to enable his son's company to secure a tender worth RM45,472, was released on MACC bail on Sunday (Jan 13).

A spokesman for the Malaysian Anti-Corruption Commission (MACC) said the 58-year-old director was released on MACC bail of RM5,000 in one surety.

Meanwhile, the director's son, the executive director of a government agency in Perak who was also remanded for six days from Wednesday (Jan 9), was released on RM2,000 bail.

On Tuesday (Jan 8), the director was remanded for six days to assist investigations after being suspected of using his position to allow his son's company to secure a tender from his department for a pre-school system project.

His 27-year-old son, who is also the owner of a company, was remanded to be investigated for allegedly abetting his father by proposing that his company be granted the project.

**10. Guan Eng: It's 'reasonable' to ask Goldman Sachs for US\$7.5bil over 1MDB**



PETALING JAYA: Finance Minister Lim Guan Eng believes it is "reasonable" to ask Goldman Sachs for US\$7.5bil (RM30.7bil) over its role in the 1MDB scandal, saying it was an act of an institution instead of just a few rogue individuals.

Lim said they were seeking that amount because they did not know what happened to the US\$6.5bil (RM26.6bil) that was raised through one issuance.

"The fees were paid for services that were not duly rendered. Breach of fiduciary duty. And finally, the fact that they brokered the deal that was 100 basis points higher than the market rate, that does not make sense. I think many people can do that without paying you US\$600mil," he said in an interview with CNN.

When asked what Malaysia would do if Goldman Sachs did not pay Malaysia the amount, Lim said they would take legal action against the bank and that the Attorney General had already initiated action.

Lim said the fact that a senior executive has pleaded guilty and has full access to the former CEO clearly showed that Goldman Sachs was in the know.

"How can you disclaim responsibility when you collected such a huge amount of fees, and at the same time, broadcasting the fact that you were representing Malaysia. I don't think they can run away so easily," said Lim.

He also said that a critical question was why former prime minister Datuk Seri Najib Tun Razak allowed businessman Jho Low to run riot and do as he pleased.

He said they would do whatever it takes to ensure justice is done and that Malaysia will try to get as much of its money back as possible.

"And finally, we want Malaysia, and Malaysians especially, to hold their heads up high again, that Malaysia is no longer a global kleptocracy. We are now a normal, boring democracy," said Lim.

Goldman Sachs has been under scrutiny for its role in helping raise US\$6.5bil through three bond offerings for 1Malaysia Development Bhd (1MDB), which is the subject of investigations in at least six countries.

In December, charges under the country's securities laws were filed against Goldman Sachs, its former bankers Tim Leissner and Roger Ng, former 1MDB employee Jasmine Loo and fugitive financier Jho Low in connection with the bond offerings.

The US Department of Justice (DOJ) has said about \$4.5bil (RM18.4bil) was misappropriated from 1MDB, including some money that Goldman Sachs helped raise, by high-level officials of the fund and their associates from 2009 through 2014.

**11. Abdul Azeez facing 13 graft, money-laundering charges**

PUTRAJAYA: Prosecutors are set to slap Umno supreme council member Datuk Seri Abdul Azeez Rahim with 13 charges of corruption and money laundering involving more than RM140mil when he is brought to court today.

Also to be charged is the Baling MP's older brother, Datuk Abdul Latif.

Abdul Azeez, 52, will among others face 10 charges under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

The Malaysian Anti-Corruption Commission confirmed it had received the green light from the Attorney General's Chambers to charge the duo.

They believe Abdul Azeez had demanded kickbacks to help interested parties secure government contracts and tenders from the previous administration.

"We are now ready to charge him and the brother," said a source.

Abdul Azeez and Abdul Latiff were arrested around 4.30pm yesterday when they were summoned to the MACC headquarters.

The former Tabung Haji chairman arrived at 2.55pm and looked calm as he walked past a crowd of media personnel.

Abdul Azeez was previously arrested by MACC and remanded for 10 days in September last year.

His brother, a cousin and Abdul Azeez's son were also held in connection with the case.

The MACC had also raided his homes and offices and seized RM500,000 in cash, 20 watches and several pieces of jewellery.

But Abdul Azeez had claimed part of the money was from his Umno allocation while some foreign currencies were from Kelab Putera 1Malaysia.

**12. Abdul Azeez, brother head to KL Courts Complex**



**Azeez (second from left) arriving at the KL Courts Complex on Wednesday.**

PUTRAJAYA (Bernama): The vehicles carrying Baling MP Datuk Seri Abdul Azeez Abdul Rahim and his brother, Datuk Abdul Latif Abdul, were seen leaving the compound of the Malaysian Anti-Corruption Commission (MACC) headquarters here about 7.40am on Wednesday (Jan 16).

The Proton Preve and Toyota Fortuner car carrying the siblings were escorted by a police patrol car and two motorcycles.

The two brothers were arrested at 4.30pm yesterday when they presented themselves at the MACC headquarters and would be charged at the Kuala Lumpur Sessions Court.

They will be charged under the MACC Act 2009 and Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (AMLATFPUAA) 2001. -

### 13. MACC detains 20 in Sabah

KOTA KINABALU: Graft busters in Sabah have swooped down on more than 20 people statewide, including directors and owners of companies, amid claims of fake documents being used to obtain contracts worth millions of ringgit.

Of those, 13 were arrested and remanded at the Kota Kinabalu court, five in Tawau, two in Lahad Datu, four in Keningau and one in Sandakan yesterday.

Sources from the Malaysia Anti-Corruption Commission (MACC) said they were still searching for another suspect for the case in Sandakan.

It is believed that among those nabbed are directors and owners of companies that allegedly used fake documents to obtain contracts and tenders worth more than RM20mil since several years back.

The women are being remanded for three days while the remaining 10 for six days.

In Tawau, five company owners and managers are being remanded for seven days until Jan 21 to facilitate investigations into suspected fake bank statements given to obtain tenders worth almost RM9mil since 2017.

The three women and two men aged between 35 and 65 are suspected of providing fake documents to get the contracts to provide food for four secondary school hostels in Tawau.

In Lahad Datu, the two are being remanded for seven days while in Keningau, the four are also being remanded for a week on suspicion of involvement in contracts worth about RM7.7mil.

The Sandakan suspect is being remanded for seven day as well over contracts worth more than RM5mil.

**14. State education dept food contracts: MACC detains 26th suspect**



KOTA KINABALU: The Malaysian Anti-Corruption Commission (MACC) has detained another suspect in Sandakan in the investigation into suspicious food supply contracts worth nearly RM20mil with the state education department.

The 28-year-old contractor, the 26th arrested so far since Monday, has been remanded for seven days by the Sandakan Magistrates Court on Thursday (Jan 17).

MACC investigators have remained tight-lipped over the investigation, but it is believed that fake documents, including falsified bank statements, were used to secure contracts.

According to sources, the contracts worth nearly RM20mil involved supplying food to school hostels, among others.

It was learnt that the latest suspect is being probed over a RM2.26mil Sabah Education Department contract in 2016.

Sources said that the contractors were possibly fronting for bigger players.

However, the sources said that they were going through documents to establish if they were paid off by others to use their trading licences.

They are also looking at the possibility that certain department officials were involved.

To date, a total of 13 contractors have been detained in Kota Kinabalu, five in Tawau, four in Keningau as well as two each in Sandakan and Lahad Datu.

#### 15. **MACC probe on woman distributing cash at Camerons**

IPOH: Malaysian Anti-Corruption Commission (MACC) is investigating the case of a woman who was seen distributing cash while clad in a Pakatan Harapan T-shirt, says Perak MACC director Datuk Zainul Darus.

He said MACC interviewed at least seven witnesses, including the woman, to help with the investigation after the photos went viral.

"MACC urges the public to not make any speculation regarding the matter as it is still being investigated.

"We have received at least five reports related to the Cameron Highlands by-election," he explained during a press conference at the state MACC office yesterday.

On Jan 13, MIC Youth Secretary Arvind Krishnan's tweet went viral when he uploaded a series of photos showing the woman distributing cash in Cameron Highlands.

Pakatan has denied the allegation of bribery and has clarified that the woman was actually giving petrol reimbursement to its volunteers who came to Tanah Rata during nomination day.

Zainul added that the state MACC had sent a full report regarding attempts to topple Perak Menteri Besar Datuk Seri Ahmad Faizal Azumu to its headquarters in Putrajaya early this month.

"We have taken statements from 10 individuals to help in the investigation. Putrajaya will check if there is a need for additional information before handing it over to the deputy public prosecutor's office.

"The deputy public prosecutor will determine if the matter will be further investigated," he said.

He also revealed that MACC has remanded four individuals including three civil servants who reportedly used their positions to receive bribes from a contractor in 2018.

MACC also remanded two FELDA officers for five days yesterday for allegedly submitting false claims in connection with the construction of a retaining wall for a settler's house at FELDA Trolak Selatan in Sungkai.

A contractor and an executive of a property management firm had earlier been remanded on Tuesday over the same case.

**16. Another contractor remanded in Sabah Education Dept fraud case**



**SANDAKAN:** Another contractor has been remanded by the Malaysian Anti-Corruption Commission (MACC) in connection with a fraud case involving a fake bank statement used to obtain a multi-million ringgit tender from the State Education Department (JPNS).

The 52-year-old man is being remanded for seven days, starting on Friday (Jan 18) to facilitate investigations into the use of fake bank statement to acquire a tender worth RM2.2mil for a school in Beluran in 2016.

The case is being probed under Section 18 of the MACC Act 2009 for providing documents such as receipts/invoices that are false or contain false details with the intention to deceive the principal.

He was among 27 people detained state-wide by MACC over the past few days over fake bank statements used to secure tenders from JPNS between 2016 and 2018.

It is believed that among those nabbed were directors and owners of companies that allegedly acquired contracts and tenders worth more than RM20mil by using false documents.

According to sources, the contracts involved supplying food to school hostels, among other things.

The contractors were possibly fronting for bigger players, they added.

However, the sources said investigators were going through documents to establish if the contractors were paid off by others to use their trading licences.

They are also looking at the possibility that certain department officials were involved.

**17. LGE to Goldman Sachs: Sorry no cure, just pay back US\$7.5bil**



PUTRAJAYA: A mere apology from Goldman Sachs over the involvement of its former banker in the scandal riddled 1Malaysia Development Bhd (1MDB) is insufficient, says Lim Guan Eng.

The Finance Minister said an apology that came with US\$7.5bil (RM30.8bil) was what mattered, and if Goldman Sachs followed up its apology with that payment, Malaysia would consider dropping charges against the investment bank.

"US\$7.5bil...we can discuss lah," he quipped.

Goldman Sachs Group Inc CEO David Solomon apologised to Malaysians on Thursday (Jan 17) for the involvement of its former banker Tim Leissner's role in 1MDB.

"At least, he accepted that they have to bear and shoulder some responsibility.

"That apology, of course, go someway towards that, but that is, of course, insufficient. Necessary but not sufficient," Lim told reporters, adding that only when reparations and compensations were paid would the situation be sufficiently remedied.

Lim said the investment bank should understand the agony and trauma suffered by Malaysians because of the 1MDB.

He said if had not been for a change in government, Goldman Sachs, one of the largest investment banks in the world, would not even apologise.

#### **18. Company director with Datuk title among three arrested for corruption**

PUTRAJAYA (Bernama): The Malaysian Anti-Corruption Commission (MACC) has detained two company directors and a female insurance agent to facilitate investigations into a bribery and false claims case involving RM1.8mil.

According to MACC sources, one of the directors, a 44-year-old with the title of "Datuk", was picked up at noon Tuesday (Jan 22), while the other, aged 51, was detained an hour later.

The 29-year-old insurance agent was nabbed at 2pm.

All of them were held when they came to give their statements at the MACC headquarters here.

The sources said the trio were alleged to have accepted a bribe from a manufacturing equipment supplier in the purchase of manufacturing machines for the company, in which the two directors had their shares.

The three suspects were also believed to have misappropriated the company's funds for personal gain.

MACC investigations director Datuk Seri Simi Abdul Ghani, when contacted, confirmed the arrest, saying that the trio would be taken to the Putrajaya magistrate's court for remand on Wednesday (Jan 23).

The case is being investigated under Section 17(a) and Section 18 of the MACC Act 2009.

#### **19. Ku Nan pleads not guilty to receiving RM2mil bribe from developer**

KUALA LUMPUR: Former Federal Territories minister Datuk Seri Tengku Adnan Tengku Mansor has pleaded not guilty to a charge of receiving a RM2mil bribe from a property developer.

He pleaded not guilty to receiving the bribe from Chai Kin Kong through a Hong Leong Islamic Bank cheque that was issued by Aset Kayamas Sdn Bhd and deposited into a CIMB Bank account belonging to Tadmansori Holding Sdn Bhd during his tenure as Federal Territories minister at the time.

Tengku Adnan has links to both companies in personal as well as his previous official capacities.

After the charge was read out to him, Tengku Adnan said: "Minta dibicarakan (I claim trial)".

The case was transferred from the Sessions Court to the High Court on Dec 14 last year.

He allegedly committed the offence at CIMB Bank Berhad, Pusat Bandar Damansara on June 14, 2016.

The charge under Section 165 of the Penal Code carries a maximum two years' jail or a fine, or both, upon conviction.

The court fixed a six-day trial starting July 2.

DPP Julia Ibrahim informed the court that this case would be tried on its own and not tried together with Tengku Adnan's other graft case.

He was also charged with receiving RM1mil from property developer Datuk Tan Eng Boon through a cheque belonging to Pekan Nenas Industries Sdn Bhd, which was deposited into Tengku Adnan's account.

**20. SC confirms it is looking into conduct of 1MDB auditors**



KUALA LUMPUR (Reuters): Malaysia's securities regulator said on Saturday (Jan 26) it was looking into the conduct of auditors of 1Malaysia Development Bhd (1MDB), a state fund that was wound up after losing billions of dollars in a scandal that erupted under the country's previous government.

"The Securities Commission's review of the conduct of auditors in relation to 1MDB audits is still on-going," the regulator said in an emailed statement to Reuters, without identifying the firms involved.

The statement was issued following a South China Morning Post report on Friday that cited sources saying that the regulator was reviewing the work carried out by international auditors KPMG and Deloitte to see if they were "were aiding and abetting in this scandal, or merely negligent."

KPMG and Deloitte did not respond to requests from Reuters for comment.

1MDB is the subject of money laundering investigations in at least six countries, including the United States and Malaysia. The US Department of Justice has alleged that over US\$4.5bil (RM18.5bil) was stolen from 1MDB by top officials of the fund and their associates between 2009 and 2014.

Deloitte audited 1MDB's financial statements for 2013 and 2014, before it resigned as the fund's auditor in early 2016.

It had taken over after 1MDB fired its earlier auditors, KPMG and Ernst & Young, authorities have said.

After the Justice Department filed civil lawsuits in 2016 over 1MDB, Deloitte said the 1MDB finance statements it had audited should no longer be relied upon.

In June last year, 1MDB said KPMG had informed the fund that 1MDB's financial statements for the financial years ending March 2010, 2011 and 2012 audited by KPMG did not provide a true and fair assessment of the company.

Investigations into 1MDB were reopened in Malaysia after Prime Minister Tun Dr Mahathir Mohamad unexpectedly won a general election in May.

The 1MDB scandal was a major reason for former premier Datuk Seri Najib Razak's shock election loss. Najib has since been charged with graft over 1MDB, the fund he founded in 2009. He has pleaded not guilty and has denied any wrongdoing.

Goldman Sachs, which helped sell 1MDB bonds, is also facing criminal charges in Malaysia.

**21. Two company directors, senior manager released on MACC bail**

PUTRAJAYA (Bernama): Two company directors - one of whom with a "Datuk" title - were released on Sunday (Jan 27) after being remanded for five days to assist investigations into bribery and false claim case involving RM1.8mil.

They were released by Magistrate Muhamad Bukhori Md Ruslan on Malaysian Anti-Corruption Commission (MACC) bail of RM100,000 with two sureties each.

A female insurance agent also remanded in relation to the case had been released on Jan 25 on MACC bail of RM10,000 with one surety.

According to MACC sources, the three of them were alleged to have accepted a bribe from a manufacturing equipment supplier in the purchase of manufacturing machines for the company, in which the two directors had their shares.

All of them were detained when they came to give their statements at the MACC headquarters here on Jan 22.

Meanwhile, a former senior product manager of a company who had been remanded for five days since Jan 23 was also released on MACC bail of RM100,000.

The 40-year-old man was detained to assist investigations into a bribery case involving over RM2mil.

Initial investigations revealed that the suspect received bribes worth more than RM2mil from a company, among others, for the approval of credit notes issued to the company.

## 22. Ex-Fugees member Pras fights US forfeiture complaint over 1MDB

WASHINGTON (AP): A rapper and founding member of the 1990s hip-hop group The Fugees is fighting the US government over a multimillion-dollar forfeiture complaint.

Prakazrel "Pras" Michel faces allegations in a civil forfeiture complaint that he aided a scheme to try to get the Justice Department to drop an investigation into embezzlement from a Malaysian investment fund.

The complaint says Michel was engaged by the brother of Jho Low, a fugitive Malaysian financier charged by the Justice Department last year with embezzling money from the fund to pay for a luxurious lifestyle, to join the illicit lobbying effort.

It says Michel helped by opening bank accounts under false pretenses to finance the scheme.

Justice Department officials are trying to recover roughly US\$38mil (RM156mil) from Michel that they say can be connected to that effort.

A former Justice Department official, George Higginbotham, pleaded guilty in November for his role in that lobbying, marking the first public acknowledgement of a secret attempt to pressure American officials to drop their probe of the fund known as 1MDB.

The embezzlement from the fund became a political scandal in Malaysia, with money spent on diamond jewelry, high-end artwork, luxury art and to finance *The Wolf of Wall Street* and other Hollywood productions.

Barry Pollack, a lawyer for Michel, asked Monday to dismiss the complaint.

He said the Justice Department failed to present sufficient allegations of bank fraud, conspiracy and false statements, or that the funds in the accounts the government wants to seize were proceeds of fraud.

Pollack requested a hearing on his arguments.

Michel has denied wrongdoing. He told *The Washington Post* in a statement last month that his name was being "dragged through the mud" and said, "I have never conspired to commit any crime, nor defraud any organization, in this case or otherwise."

Prosecutors say Higginbotham, who worked on the congressional affairs staff in the Justice Department's Office of Justice Programs, helped open bank accounts and created false loan documents for shell companies as part of the scheme.

### **23. MACC arrests seven contractors for making false claims**

JOHOR BARU: The Malaysian Anti Corruption Commission (MACC) has arrested seven contractors, including two women in Kluang for making false claims amounting to almost RM50,000.

It is learnt that investigations carried out found that all the contractors made false claims pertaining to supply works at the state's Unity Department in 2017 worth RM48,600 when they did not carry out any such work.

All of the suspects, aged between 30 and 50, are the various owners of the company, and the MACC detained them at its Johor headquarters at around 4pm on Tuesday (Jan 29).

The case is being investigated under Section 18 of the MACC Act 2009, which carries a fine of five times the bribery amount or RM10,000, whichever is higher and imprisonment of not more than 20 years upon conviction.

When contacted, state MACC director Datuk Azmi Alias confirmed the arrest and said the Magistrate's Court here had allowed three suspects to be remanded for seven days, and five days for the other suspects starting on Wednesday (Jan 30).

He also said the two suspects were released on MACC bail at RM5,000 with one surety.

#### 24. Prosecution hands over 421 documents to the defence over Najib's 1MDB case



KUALA LUMPUR: The prosecution team has handed over 421 documents to the defence that will be used in the trial of Datuk Seri Najib Tun Razak who is accused of corruption and money laundering involving funds from 1Malaysia Development Berhad (1MDB).

The documents were handed over in accordance with Section 51A of the Criminal Procedure Code.

The court was informed of this progress by lead prosecutor Datuk Seri Gopal Sri Ram during case management on Thursday (Jan 31).

However, the prosecution said there were still several banking documents that they have not obtained from the banks.

"We still need time to get the documents," Sri Ram said.

Justice Collin Lawrence Sequerah then fixed Feb 26 for case management.

In another development, the court also fixed Feb 15 for hearing in Najib's application to challenge Sri Ram's appointment to lead the prosecution team in the case.

Justice Sequerah ordered the parties involved to submit their written submissions on Feb 13.

On Sept 20, the former premier was charged with four counts of graft under the Malaysian Anti-Corruption Commission (MACC) Act and 21 counts of money laundering under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001, involving 1MDB funds of RM2.28bil.

Najib was alleged to have committed all the offences at the AmIslamic Bank Berhad, No. 55, Jalan Raja Chulan, Bukit Ceylon between 2011 and 2014.