



MALAYSIAN SOCIETY FOR TRANSPARENCY AND INTEGRITY (TRANSPARENCY INTERNATIONAL – MALAYSIA)

(PPM-007-10-28081999 – Established since 24th December 1998)

319 Blok A, Kelana Centre Point, Jln SS 7/19 Kelana Jaya, 47301 Petaling Jaya Selangor

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August 27, 2021

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The Honorable Nancy Pelosi
Speaker
United States House of Representatives
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Charles E. Schumer
Majority Leader
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
317 Russell Senate Office Building Washington, DC 20510

Dear Madam/Sirs

RE: “CROOK ACT “ Would Provide Necessary Support for Oversight in Malaysia

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader Schumer, and Minority Leader McConnell,

Transparency International Malaysia (“TI-Malaysia”) is pleased to share this letter in support of the “CROOK Act”. We appreciate the opportunity to share our thoughts on this important measure.

TI-Malaysia has pushed for institutional reforms to counter corruption and promote transparency for over 20 years. We have worked alongside government stakeholders and other partners from civil society on a variety of campaigns, including efforts to provide stronger protections to whistleblowers, foster integrity in the business sector, and improve outdated political financing laws.

Before 2015, Malaysians were largely unfamiliar with the term “kleptocracy.” Then, the 1Malaysia Development Berhad (“1MDB”) scandal exploded.



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The 1MDB scandal dominated public discourse, and the scope of our work quickly broadened to adapt to the crisis unfolding across the country. As alleged in various court cases which have led to criminal convictions, Malaysia's sovereign wealth fund, intended to finance development projects to drive the economy, had, it appears been drained by former prime minister Najib Razak and his associate, businessman Low Taek Jho. Over USD10 billion was stolen, and millions of dollars were spent on the purchase of luxury real estate, yachts, artwork, and even the financing of the *Wolf of Wall Street* film. The former government was also taking out loans with the stolen funds and amassed US\$7 billion USD worth of debt.

A new, reformist government came to power in 2018 and pledged to address the scandal. The former prime minister and a number of other officials were charged with crimes, and Malaysian politicians and law enforcement worked with the U.S. embassy and the U.S. Department of Justice to help locate and repatriate the stolen funds after it was revealed that millions of dollars had flowed through the U.S. financial system. While the U.S. has returned over \$600 million USD to Malaysian authorities, there is still a significant amount of work underway to trace and recover the rest. Funds from the CROOK Act would provide for strengthened oversight of the return of the assets from the 1MDB scandal.

With the unprecedented challenges presented by the COVID-19 pandemic, support from the U.S. government has now become more critical now than ever. Malaysia has been living in a state of emergency since January. The national lockdown has been extended as the pandemic worsens. Funds from the CROOK Act would provide for strengthened oversight this emergency spending when it is needed the most.

We look forward to continuing our partnership with U.S. allies on these matters and appreciate the support they have provided for Malaysian civil societies in the past. Thank you again for the opportunity to present our views here. Please contact Muhammad Mohan for TI-Malaysia, at mmohan@transparency.org.my or +60123162160 if we could be helpful in any other way.

Sincerely,

Dr Muhammad Mohan
President
Transparency International Malaysia