



Another Worthy Contestant: Malaysia's Prime Minister Is Vying To Become Politician Of The Year

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I have a Bureaucrat Hall of Fame to publicize civil servants who manage to get wildly over-paid while being notoriously under-worked. And I have a Moocher Hall of Fame to identify welfare recipients who have displayed special skills in living off the labor of other people.

But now I'm thinking I may need to create a Hall of Fame to "honor" politicians who go above and beyond the call of duty by displaying extraordinary levels of arrogance, elitism, malfeasance, and corruption. That's because my initial plan to give a once-per-year award has been superseded by events.

Back in May, I gave a "Politician of the Year Award" to Rodrigo Duterte, the newly elected president of the Philippines, because he announced to voters that none of his mistresses is on the public payroll.

But earlier this month, I had to reopen the balloting since it was revealed that the follicly-challenged President of France, Francois Hollande, was squandering more than \$100,000 per year on a hair stylist.

To make matters even more complicated, the Prime Minister of Malaysia has decided to join the contest.

And if these blurbs from a *Wall Street Journal* column are any indication, he definitely deserves some sort of recognition.

U.S. prosecutors on Wednesday linked Malaysian Prime Minister Najib Razak to hundreds of millions of dollars they believe were stolen from the Malaysian state-owned investment fund 1MDB. ...The evidence of fraud connected to 1MDB from investigations in the U.S., Singapore, Switzerland and at least four other countries is damning. The U.S. Justice Department put the losses at \$3.5 billion on Wednesday. The Swiss Attorney General's office said earlier this year it suspects \$4 billion was misappropriated.

That's some serious diverting of other people's money. Makes scams like Solyndra, Export-Import Bank, and Fannie Mae and Freddie Mac seem like amateur hour by comparison.

Not surprisingly, the Prime Minister and his cronies are using political coercion to silence and sidetrack whistle blowers.

...officials who tried to investigate 1MDB were sidelined. Attorney General Abdul Gani Patail was on the verge of bringing charges against Mr. Najib last summer when he was forced to resign for "health reasons." ...Abu Kassim Mohamed, chief commissioner of the Malaysian Anti-Corruption Commission, had advised prosecutors to charge Mr. Najib and was investigating 1MDB until last month, when the government announced he would move to a lower post.

Gee, seems like bad health and demotions are quite common in Malaysia.

The stonewalling reflects Mr. Najib's strong political position at home. He has played the nationalism card to portray himself as a victim of foreign forces, used repressive laws to silence critics in the press and opposition, and expelled dissidents from his party. ...Mr. Najib has also been helped at home by the appearance of close ties to U.S. President Obama, who invited him for a golf outing and ostentatious photo-op in Hawaii in December 2014.

I'm shocked, by the way, that Najib's name hasn't been linked to the money-laundering racket sometimes known as the Clinton Foundation. Seems like that would be a match made in heaven.

But perhaps I simply haven't looked closely enough.

Also, this is a good opportunity to recognize the reporter, Clare Rewcastle Brown, who has done more than any other person to publicize this scam. She even got added to *Fortune's* list of "World's Greatest Leaders."

Through her website Sarawak Report, London-based journalist Brown has become an irritant in the corridors of power in Malaysia. Her exposés on state investment fund 1MDB—publicizing the alleged siphoning of \$700 million into the pockets of Prime Minister Najib Razak—have made her a hero and a villain in the country, depending on whom you ask. The government has tried to arrest her for "activities detrimental to Parliamentary democracy" and has banned her website.

Speaking of her website, you can read her indictment of Najib by clicking here.

Let's close with a caveat and a lesson.

The caveat is that Prime Minister Najib still hasn't been convicted of anything. We have to hold out the possibility, however remote, that he's actually innocent.

The lesson is that the Malaysian government shouldn't be in the business of trying to allocate capital.

Even if a big government-run development bank miraculously and improbably steered clear of corruption, it's always a bad idea to let politicians and bureaucrats invest with other people's money.

And when you add the inevitable corruption to the mix, the net result is that you damage the economy while simultaneously lining the pockets of insiders.

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