

Press Release

SEC Charges Goldman Sachs With FCPA Violations

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Washington D.C., Oct. 22, 2020 —The Securities and Exchange Commission today announced charges against The Goldman Sachs Group Inc. for violations of the Foreign Corrupt Practices Act (FCPA) in connection with the 1Malaysia Development Berhad (1MDB) bribe scheme, and as part of coordinated resolutions, it has agreed to pay more than \$2.9 billion, which includes more than \$1 billion to settle the SEC’s charges.

According to the SEC’s order, beginning in 2012, former senior employees of Goldman Sachs used a third-party intermediary to bribe high-ranking government officials in Malaysia and the Emirate of Abu Dhabi. The order finds that these bribes enabled Goldman Sachs to obtain lucrative business from 1MDB, a Malaysian government-owned investment fund, including underwriting approximately \$6.5 billion in bond offerings.

“Corruption risks can be posed by those at all levels of a company, including in the senior ranks. This case demonstrates how important it is for companies to have controls that are tailored to the risks presented by persons employed at all levels,” said Charles Cain, Chief of the SEC Enforcement Division’s FCPA Unit.

The SEC’s order finds that Goldman Sachs violated the anti-bribery, internal accounting controls, and books and records provisions of the federal securities laws. Goldman Sachs agreed to a cease-and-desist order and to pay \$606.3 million in disgorgement and a \$400 million civil penalty, with the amount of disgorgement satisfied by amounts it paid to the Government of Malaysia and 1MDB in a related settlement.

In December 2019, the [SEC charged former Goldman Sachs Group Inc. participating managing director Tim Leissner](#) for his role in the 1MDB bribery scheme.

The SEC’s investigation was conducted by Eric Heining and Paul G. Block of the FCPA Unit and Mark Albers and Martin Healey of the Boston Regional Office. The SEC appreciates the assistance of the Board of Governors of the Federal Reserve System, the United Kingdom’s Financial Conduct Authority, the United Kingdom’s Prudential Regulation Authority, the Monetary Authority of Singapore, the Securities Commission of Malaysia, and the Securities and Futures Commission of Hong Kong.

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