



THE UNITED STATES ATTORNEY'S OFFICE  
EASTERN DISTRICT *of* NEW YORK

[U.S. Attorneys](#) » [Eastern District of New York](#) » [News](#)

**Department of Justice**

U.S. Attorney's Office

Eastern District of New York

FOR IMMEDIATE RELEASE

Thursday, October 22, 2020

## **Goldman Sachs Resolves Foreign Bribery Case And Agrees To Pay Over \$2.9 Billion**

### **Goldman Sachs Malaysia Pleads Guilty to Conspiracy to Violate the FCPA**

The Goldman Sachs Group, Inc. (Goldman Sachs or the Company), a global financial institution headquartered in New York, New York, and Goldman Sachs (Malaysia) Sdn. Bhd. (GS Malaysia), its Malaysian subsidiary, have admitted to conspiring to violate the Foreign Corrupt Practices Act (FCPA) in connection with a scheme to pay over one billion dollars in bribes to high-ranking government officials in Malaysia and Abu Dhabi to obtain lucrative business for Goldman Sachs, underwriting approximately \$6.5 billion in three bond deals for 1Malaysia Development Bhd. (1MDB), for which the bank earned hundreds of millions in fees. Goldman Sachs will pay more than \$2.9 billion as part of a coordinated resolution with criminal and civil authorities in the United States, the United Kingdom, Singapore, and elsewhere.

Earlier today, in federal court in Brooklyn, Goldman Sachs entered into a deferred prosecution agreement with the United States Attorney's Office for the Eastern District of New York and the Department of Justice's Criminal Division, Fraud Section and Money Laundering and Asset Forfeiture Sections (the Department) in connection with a criminal information filed in the Eastern District of New York charging the Company with conspiracy to violate the anti-bribery provisions of the FCPA. GS Malaysia pleaded guilty in the U.S. District Court for the Eastern District of New York to a one-count criminal information charging it with conspiracy to violate the anti-bribery provisions of the FCPA.

Previously, Tim Leissner, the former Southeast Asia Chairman and a Participating Managing Director of Goldman Sachs, pleaded guilty to conspiracy to violate the FCPA and conspiracy to commit money laundering. Ng Chong Hwa, also known as "Roger Ng," former Managing Director of Goldman and Head of Investment Banking for GS Malaysia, has been charged with conspiracy to violate the FCPA and conspiracy to commit money laundering. Ng was extradited from Malaysia to face these charges and is scheduled for trial in March 2021. All four cases are assigned to U.S. District Judge Margo K. Brodie of the Eastern District of New York.

In addition to these criminal charges, the Department has recovered, or assisted in the recovery of, an additional over \$1 billion in assets associated with and traceable to the 1MDB money laundering and bribery scheme.

Seth DuCharme, Acting U.S. Attorney for the Eastern District of New York, Brian C. Rabbitt, Acting Assistant Attorney General of the Justice Department's Criminal Division, William F. Sweeney, Jr., Federal Bureau of Investigation, New York Field Office (FBI), Ryan L. Korner, Special Agent-in-Charge,

Internal Revenue Service Criminal Investigation, Los Angeles Field Office (IRS-CI), made the announcement.

“Over a period of five years, Goldman Sachs participated in a sweeping international corruption scheme, conspiring to avail itself of more than \$1.6 billion in bribes to multiple high-level government officials across several countries so that the company could reap hundreds of millions of dollars in fees, all to the detriment of the people of Malaysia and the reputation of American financial institutions operating abroad,” stated Acting U.S. Attorney DuCharme. “Today’s resolution, which includes a criminal guilty plea by Goldman Sachs’ subsidiary in Malaysia, demonstrates that the Department will hold accountable any institution that violates U.S. law anywhere in the world by unfairly tilting the scales through corrupt practices.”

“The conduct that Goldman Sachs admitted to today—engaging in a scheme to bribe high ranking public officials of a foreign country to obtain lucrative underwriting and other business related to 1MDB—erodes public confidence in the integrity of American business,” stated Acting Assistant Attorney General Rabbitt. “Today’s resolution demonstrates the Department’s commitment to combatting corruption and ensuring that no institution or individual is above the rule of law in the United States, no matter their business, their profits, or their profile.”

“When government officials and business executives secretly work together behind the scenes for their own illegal benefit, and not that of their citizens and shareholders, their behavior lends credibility to the narrative that businesses don’t succeed based on the quality of their products, but rather their willingness to play dirty. Greed eventually exacts an immense cost on society, and unchecked corrupt behavior erodes trust in public institutions and government entities alike. This case represents the largest ever penalty paid to U.S. authorities in an FCPA case. Our investigation into the looting of funds from 1MDB remains ongoing. If anyone has information that could assist the case, call us at 1-800-CALLFBI,” stated FBI Assistant Director-in-Charge Sweeney.

“1MDB was established to drive strategic initiatives for the long-term economic development of Malaysia. Goldman Sachs admitted today that one billion dollars of the money earmarked to help the people of Malaysia was actually diverted and used to pay bribes to Malaysian and Abu Dhabi officials to obtain their business,” stated IRS-CI Special Agent-in-Charge Korner. “Today’s guilty pleas demonstrate that the law applies to everyone, including large investment banks like Goldman Sachs. IRS Criminal Investigation will work tirelessly alongside our law enforcement partners to identify and bring to justice those who engage in fraud and deceit around the globe. When the American financial system is misused for corruption, the IRS will take notice and we will take action.”

According to Goldman’s admissions and court documents, between approximately 2009 and 2014, Goldman conspired with others to violate the anti-bribery provisions of the FCPA by engaging in a scheme to pay more than \$1.6 billion in bribes, directly and indirectly, to government officials in Malaysia and Abu Dhabi in order to obtain and retain business for Goldman from 1MDB, a Malaysian state-owned and state-controlled fund created to pursue investment and development projects for the economic benefit of Malaysia and its people. Specifically, Goldman admitted to engaging in the bribery scheme through certain of its employees and agents, including Leissner, Ng and a former executive who was a Participating Managing Director and held leadership positions in Asia (Employee 1), in exchange for lucrative business and other advantages and opportunities. These included, among other things, securing Goldman’s role as an advisor on energy acquisitions, as underwriter on three lucrative bond deals with a total value of \$6.5 billion, and a potential role in a highly anticipated and even more lucrative initial public offering for 1MDB’s energy assets. As Goldman admitted—and as alleged in the indictment pending in the Eastern District of New York against Ng and Low—in furtherance of the scheme, Leissner, Ng, Employee 1, and others conspired to pay bribes to numerous foreign officials, including high-ranking officials in the Malaysian government, 1MDB, Abu Dhabi’s state-owned and state-controlled sovereign wealth fund, International Petroleum Investment Company (IPIC), and Abu Dhabi’s state-owned and state-controlled joint stock company, Aabar Investments PJS (Aabar).

Goldman admitted today that, in order to effectuate the scheme, Leissner, Ng, Employee 1 and others conspired with Low Taek Jho (also known as “Jho Low”) to promise and pay over \$1.6 billion in bribes to Malaysian, 1MDB, IPIC and Aabar officials. The co-conspirators allegedly paid these bribes using more than \$2.7 billion in funds that Low and other members of the conspiracy diverted and misappropriated from the bond offerings underwritten by Goldman. Leissner, Ng and Low also retained a portion of the misappropriated funds for themselves and other co-conspirators. Goldman, through Leissner, Ng, Employee 1 and others, used Low’s connections to advance and further the bribery scheme, ultimately ensuring that 1MDB awarded Goldman a role on three bond transactions between 2012 and 2013, known internally at Goldman as “Project Magnolia,” “Project Maximus,” and “Project Catalyze.”

Goldman also admitted that, although employees serving as part of Goldman’s control functions knew that any transaction involving Low posed a significant risk, and although they were on notice that Low was involved in the transactions, they did not take reasonable steps to ensure that Low was not involved. Goldman further admitted that there were significant red flags raised during the due diligence process and afterward—including but not limited to Low’s involvement—that either were ignored or only nominally addressed so that the transactions would be approved and Goldman could continue to do business with 1MDB. As a result of the scheme, Goldman received approximately \$606 million in fees and revenue, and increased its stature and presence in Southeast Asia.

Under the terms of the agreements, Goldman will pay a criminal penalty and disgorgement of over \$2.9 billion. Goldman also has reached separate parallel resolutions with foreign authorities in the United Kingdom, Singapore, Malaysia, and elsewhere, along with domestic authorities in the United States. The department will credit over \$1.6 billion in payments with respect to those resolutions.

The department reached this resolution with Goldman based on a number of factors, including the Company’s failure to voluntarily disclose the conduct to the department; the nature and seriousness of the offense, which included the involvement of high-level employees within the Company’s investment bank and others who ignored significant red flags; the involvement of various Goldman subsidiaries across the world; the amount of the bribes, which totaled over \$1.6 billion; the number and high-level nature of the bribe recipients, which included at least 11 foreign officials, including high-ranking officials of the Malaysian government; and the significant amount of actual loss incurred by 1MDB as a result of the co-conspirators’ conduct. Goldman received partial credit for its cooperation with the department’s investigation, but did not receive full credit for cooperation because it significantly delayed producing relevant evidence, including recorded phone calls in which the Company’s bankers, executives, and control function personnel discussed allegations of bribery and misconduct relating to the conduct in the statement of facts. Accordingly, the total criminal penalty reflects a 10 percent reduction off the bottom of the applicable U.S. sentencing guidelines fine range.

Low has also been indicted for conspiracy to commit money laundering and violate the FCPA, along with Ng, E.D.N.Y. Docket No. 18-CR-538 (MKB). Low remains a fugitive. The charges in the indictment as to Low and Ng are allegations, and those defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

The investigation was conducted by the FBI’s International Corruption Unit and IRS-CI. The prosecution is being handled by the Business and Securities Fraud Section of the U.S. Attorney’s Office for the Eastern District of New York and the Criminal Division’s Fraud Section and Money Laundering and Asset Recovery Section. Assistant U.S. Attorneys Jacquelyn M. Kasulis, Alixandra E. Smith and Drew G. Rolle of the Eastern District of New York and Trial Attorneys Katherine Nielsen, Nikhila Raj, Jennifer E. Ambuehl, Woo S. Lee, Mary Ann McCarthy, Leo Tsao and David Last of the Criminal Division are prosecuting the case. Additional Criminal Division Trial Attorneys and Assistant U.S. Attorneys within U.S. Attorney’s Offices for the Eastern District of New York and Central District of California have provided valuable assistance with various aspects of this investigation, including with civil and criminal forfeitures. The Justice Department’s Office of International Affairs of the Criminal Division provided critical assistance in this case.

The Department also appreciates the significant assistance provided by the U.S. Securities and Exchange Commission, the Board of Governors of the Federal Reserve System including the Federal Reserve Bank of New York, and the New York State Department of Financial Services, the United Kingdom Financial Conduct Authority and Prudential Regulation Authority, the Attorney General's Chambers of Singapore, the Singapore Police Force-Commercial Affairs Division, the Monetary Authority of Singapore, the Office of the Attorney General and the Federal Office of Justice of Switzerland, the judicial investigating authority of the Grand Duchy of Luxembourg and the Criminal Investigation Department of the Grand-Ducal Police of Luxembourg, the Attorney General's Chambers of Malaysia, the Royal Malaysian Police, and the Malaysian Anti-Corruption Commission. The department also expresses its appreciation for the assistance provided by the Ministry of Justice of France; the Attorney General's Chambers of the British Virgin Islands; the Attorney General's Office of the Bailiwick of Guernsey; and the Federal Office of Justice of Germany.

**The Defendants:**

THE GOLDMAN SACHS GROUP, INC.

E.D.N.Y. Docket No. 20-CR-437

GOLDMAN SACHS (MALAYSIA) SDN. BHD.

E.D.N.Y. Docket No. 20-CR-438

---

**Attachment(s):**

[Download Goldman Malaysia Information](#)

[Download Goldman Malaysia Plea Agreement](#)

[Download Goldman Sachs DPA.pdf](#)

[Download Goldman Sachs Information](#)

**Topic(s):**

Foreign Corruption

**Component(s):**

[USAO - New York, Eastern](#)

**Contact:**

John Marzulli

United States Attorney's Office

(718) 254-6323

Updated October 22, 2020