

Former Goldman Sachs Investment Banker Sentenced in \$2.7B Bribery and Money Laundering Scheme

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Defendant Conspired to Violate the Foreign Corrupt Practices Act (FCPA) and Commit Money Laundering in Connection with 1MDB Scheme

A former managing director of The Goldman Sachs Group Inc. (Goldman Sachs) was sentenced today to 10 years in prison for his role in a multibillion-dollar bribery and money laundering scheme involving Malaysia's state-owned investment and development fund, 1Malaysia Development Berhad (1MDB).

"Today, Roger Ng was sentenced for his role in a massive and egregious bribery and money laundering scheme involving the bribery of high-level foreign officials in Malaysia and the United Arab Emirates and theft of billions of dollars meant to benefit the Malaysian people," said Assistant Attorney General Kenneth A. Polite, Jr. of the Justice Department's Criminal Division. "The Justice Department remains firmly committed to holding accountable individuals who engage in corruption, undermine the rule of law, and abuse our financial system to launder their illicit funds. This sentence sends a strong message to criminals around the world: if you violate our laws, we will bring you to justice."

According to court documents, between approximately 2009 and 2014, Ng Chong Hwa, aka Roger Ng, of Malaysia, and his co-conspirators laundered billions of dollars misappropriated and fraudulently diverted from 1MDB, including funds 1MDB raised in 2012 and 2013 through three bond transactions it executed with Goldman Sachs. As part of the scheme, Ng and his co-conspirators, including Tim Leissner, the former Southeast Asia Chairman and participating managing director of Goldman Sachs, conspired to and did pay more than \$1 billion in bribes to 12 government officials in Malaysia and the United Arab Emirates to obtain and retain lucrative business for Goldman Sachs, including the 2012 and 2013 bond deals. They also conspired to and did launder the proceeds of their criminal conduct through the U.S. financial system, including funding major Hollywood films such as "The Wolf of Wall Street," and purchasing, among other things, a \$51 million Jean-Michel Basquiat painting from New York-based Christie's auction house, a

\$23 million diamond necklace from a New York jeweler, millions of dollars in Hermès handbags from a dealer based on Long Island, and luxury real estate in Manhattan.

“Roger Ng was a central player in a brazen and audacious scheme that not only victimized the people of Malaysia, but also undermined the public’s confidence in governments, markets, businesses and other institutions on a global scale,” said U.S. Attorney Breon Peace for the Eastern District of New York. “Today’s sentence serves as a just punishment for the defendant’s crimes and a stern warning that there is a significant price to pay for corporate corruption.”

Ng and his co-conspirators, including Low Taek Jho, aka Jho Low, a wealthy Malaysian socialite, used Low’s close relationships with high-ranking government officials in Malaysia and the United Arab Emirates to obtain and retain business for Goldman Sachs through the promise and payment of more than a billion dollars in bribes. In the course of executing the scheme, Ng, with others at Goldman Sachs, conspired to and did circumvent the investment bank’s internal accounting controls. Through its work for 1MDB during that time, Goldman Sachs received approximately \$600 million in fees and revenue, while Ng received \$35 million for his role in the bribery and money laundering scheme. In total, Ng and his co-conspirators misappropriated more than \$2.7 billion from 1MDB.

“This sentencing sends a strong message that those who abuse the U.S. financial system for their own gain will be held accountable,” said Assistant Director Luis Quesada of the FBI’s Criminal Investigative Division. “The FBI and our domestic and international partners remain committed to combating international corruption and will continue to investigate and pursue those who perpetrate complex criminal schemes for profit.”

“The 1MDB case and the sentencing of Mr. Ng highlight IRS Criminal Investigation’s enforcement efforts to abolish international bribery schemes,” said Special Agent in Charge Tyler Hatcher for the IRS Criminal Investigation (IRS-CI). “U.S. financial institutions have safeguards in place to combat these frauds and Mr. Ng intentionally circumvented these safeguards. This sentence is a testament to what happens when you break U.S. laws to bribe international government officials. This case represents a model for domestic and international cooperation in significant cross-border money laundering investigations and we are proud of our domestic and international law enforcement partners in this complex financial investigation.”

In August 2018, Leissner pleaded guilty to conspiring to launder money and conspiring to violate the FCPA. Leissner agreed to forfeit \$43 million and shares of stock valued at more than \$200 million and is awaiting sentencing. Low was indicted in November 2018 and remains a fugitive.

In October 2020, Goldman Sachs and Goldman Sachs (Malaysia) Sdn. Bhd. (GS Malaysia), its Malaysian subsidiary, admitted to conspiring to violate the anti-bribery provisions of the FCPA in connection with the scheme. Goldman Sachs entered into a deferred prosecution agreement with the Criminal Division’s Fraud Section and Money Laundering and Asset Recovery Section (MLARS), and the U.S. Attorney’s Office for the Eastern District of New York. GS Malaysia pleaded guilty in the U.S. District Court for the Eastern District of New York. Goldman Sachs paid 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.

In April 2022, Ng was found guilty by a jury of conspiring to violate the FCPA and conspiring to launder billions of dollars.

The FBI's International Corruption Unit and IRS-CI investigated the case.

Chief Brent Wible of the Criminal Division's MLARS, Chief David Last of the Fraud Section's FCPA Unit, and Assistant U.S. Attorneys Alixandra E. Smith, Drew G. Rolle, and Dylan Stern for the Eastern District of New York prosecuted the case. Former Chief of MLARS' Bank Integrity Unit Jennifer Ambuehl also prosecuted the case. The Justice Department's Office of International Affairs provided critical assistance.

The department also appreciates the significant cooperation and assistance provided by the U.S. Securities and Exchange Commission, and the Board of Governors of the Federal Reserve System along with the Federal Reserve Bank of New York. The department also appreciates the significant assistance provided by the government of Malaysia, including the Attorney General's Chambers of Malaysia, the Royal Malaysia Police, NCB Interpol Malaysia, and the Malaysian Anti-Corruption Commission. The department also appreciates the significant assistance provided by the Attorney General's Chambers of Singapore, the Singapore Police Force-Commercial Affairs Division, the Office of the Attorney General of Switzerland, the Judicial Investigating Authority of the Grand Duchy of Luxembourg, the Criminal Investigation Department of the Grand-Ducal Police of Luxembourg, the United Kingdom National Crime Agency, the United Kingdom Financial Conduct Authority, the United Kingdom Prudential Regulation Authority, the Attorney General's Chambers of the Territory of the British Virgin Islands, and the Attorney General's Office of the Bailiwick of Guernsey and the Guernsey Economic Crime Division.

The Criminal Division's Fraud Section is responsible for investigating and prosecuting FCPA matters. Additional information about the Justice Department's FCPA enforcement efforts can be found at www.justice.gov/criminal/fraud/fcpa.

The Bank Integrity Unit in MLARS investigates and prosecutes complex, multi-district, and international criminal cases involving financial institutions. The unit's prosecutions focus on banks and other financial institutions, including their officers, managers, and employees, whose actions threaten the integrity of the individual institution or the wider financial system.

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