

Beat: News

Former Goldman Sachs Investment Banker Convicted in Massive Bribery Scheme

Roger NG Found Guilty of Conspiracy

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Friday, April 8, 2022

Former Goldman Sachs investment banker convicted in massive bribery and money laundering scheme.

Roger Ng found guilty of conspiring to violate the Foreign Corrupt Practices Act and commit money laundering in connection with 1MDB Scheme.

A former Managing Director of The Goldman Sachs Group Inc. (Goldman Sachs) was convicted today by a federal jury in the Eastern District of New York for conspiring to commit bribery, to circumvent internal accounting controls, and to commit money laundering in connection with a multibillion-dollar scheme involving Malaysia's state-owned investment and development fund, 1Malaysia Development Berhad (1MDB).

"Roger Ng participated in a massive bribery and money laundering scheme involving the corruption of high-level foreign officials in Malaysia and the United Arab Emirates," said Assistant Attorney General Kenneth A. Polite, Jr. of the Justice Department's Criminal Division. "This trial demonstrates the commitment by the Department of Justice to prosecute and hold accountable individuals who engage in corruption and use our financial system to launder funds related to their illicit schemes. We will continue to pursue criminal wrongdoers and will seek to bring them to justice, wherever they are, deprive them of their ill gains, and, wherever possible, return corrupt proceeds to those harmed by corruption as we have throughout our longstanding investigation into the 1MDB scheme.

Following an eight-week trial, Ng Chong Hwa, aka Roger Ng, of Malaysia, was found guilty of conspiring to violate the Foreign Corrupt Practices Act (FCPA) by paying bribes to a dozen foreign officials in Malaysia and the United Arab Emirates, conspiring to violate the FCPA by circumventing the internal accounting controls of Goldman Sachs, and conspiring to launder billions of dollars related to the scheme.

"Today's verdict is a resounding victory for justice and for the people of Malaysia who are the victims of this massive scheme carried out in a frenzy of greed by the defendant and his co-conspirators to get rich by stealing millions of dollars from the 1MDB fund intended to benefit that country's economy," said U.S. Attorney Breon Peace for the Eastern District of New York. "The Department of Justice and this office are committed to addressing corporate culture by vigorously combating white-collar crime and holding corrupt individuals accountable for violating U.S. laws here and abroad in order to enrich themselves."

"The FBI and our domestic and international law enforcement partners maintain an unwavering commitment to combating international corruption," said Assistant Director Luis Quesada of the FBI's Criminal Investigative Division. "This conviction serves a reminder that the FBI will always hold accountable those who abuse the U.S. financial system to further their corrupt schemes, as well as the persons and companies that enable them."

"Today's conviction of Roger Ng demonstrates the cooperation of law enforcement and prosecutorial agencies around the world to combat foreign corruption," said Special Agent in Charge Ryan L. Korner of IRS Criminal Investigation (IRS-CI), Los Angeles Field Office. "Roger Ng and his co-conspirators enriched themselves while depriving the citizens of Malaysia of billions of dollars that were supposed to be invested on their behalf. The Internal Revenue Service-Criminal Investigation is proud to stand with our law enforcement partners in the United States and around the world who participated in this most significant investigation."

1MDB is a Malaysian state-owned and controlled fund created to pursue investment and development projects for the economic benefit of Malaysia and its people.

Ng was employed as a Managing Director by various subsidiaries of Goldman Sachs and acted as an agent and employee of Goldman Sachs from approximately 2005 to May 2014, and was also a stockholder of Goldman Sachs.

According to evidence presented at trial, between approximately 2009 and 2014, Ng 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, known as "Project Magnolia," "Project Maximus" and "Project Catalyze." As part of the scheme, Ng and others, 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-Michael 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 a luxury real estate property in Manhattan.

Ng and his co-conspirators, including co-defendant 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 hundreds of millions of dollars in bribes. In the course of executing the scheme, Ng conspired with others at Goldman Sachs 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 revenues, while Ng received \$35 million for his role in the bribery and money laundering scheme. In total, Ng and the other co-conspirators misappropriated more than \$2.7 billion from 1MDB

Low remains a fugitive. In August 2018, Leissner pleaded guilty to conspiring to launder money and conspiring to violate the FCPA by both paying bribes to various Malaysian and United Arab Emirates officials and circumventing the internal accounting controls of Goldman Sachs. Leissner agreed to forfeit \$43 million and shares of stock valued at more than \$200 million, and is awaiting sentencing.

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 Department of Justice's 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.

The investigation was jointly conducted by the FBI's International Corruption Unit and IRS-Criminal Investigation. The government's criminal case is being handled by the Criminal Division's Fraud Section, MLARS, and the U.S. Attorney's Office for the Eastern District of New York. Co-Principal Deputy Chief Brent Wible of the Fraud Section, Bank Integrity Unit Chief Jennifer E. Ambuehl of MLARS, and Assistant U.S. Attorneys Alixandra E. Smith, Drew G. Rolle, and Dylan Stern of the Eastern District of New York are prosecuting the case. The Justice Department's Office of International Affairs provided critical assistance.

The department 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; the Government of Malaysia, including the Attorney General's Chambers of Malaysia, the Royal Malaysia Police and NCB Interpol Malaysia; the United Kingdom Financial Conduct Authority; the United Kingdom 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; and the Ministry of Justice of France.

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.

Note: Click to view a video statement from AAG Polite.

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UPA United Press Agency LTD

483 Green Lanes

UK, London N13NV 4BS

contact (at) unitedpressagency.com

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