

WSJ: US Federal Reserve warns Goldman Sachs over 1MDB deals
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The US Federal Reserve has cautioned Goldman Sachs Group Inc that their reputation could be at risk over the deals they had helped put together for troubled Malaysian state fund 1MDB, reported The Wall Street Journal (WSJ) today.

"Those deals are increasingly under a brighter spotlight, as additional details emerge about the alleged actions of the firm's former Southeast Asia head who handled transactions for the fund 1MDB," WSJ said.

Goldman Sachs' partner Tim Leissner was suspended and later quit early this year after it was discovered that he had allegedly written an unauthorised reference letter on behalf of controversial businessman Jho Low, who has been closely linked to 1MDB, WSJ reported people familiar to the matter saying.

"When it disclosed Mr Leissner's suspension, Goldman didn't name Mr Low.

"The fact that Mr Leissner wrote a letter of reference to another financial institution for someone involved in 1MDB puts the firm deeper into the controversy surrounding the fund, lawyers say.

"People familiar with the matter said Mr Leissner's letter had included details on Mr Low's finances, while overstating the extent to which Goldman had done due diligence on him," read WSJ's report.

Leissner, who is cooperating with investigators, has not been accused of wrongdoing in the 1MDB deals.

However, WSJ noted that he did not respond to requests for comment about the letter and his involvement with Low.