

After paying M'sia, Goldman to fork out another US\$2b to DOJ

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Goldman Sachs has reached an agreement with the US Department of Justice (DOJ) to pay more than US\$2 billion for the bank's role in Malaysia's 1MDB scandal, according to reports.

The agreement, which may be announced on Thursday, will allow Goldman Sachs to avoid a US criminal conviction over the scandal, said Bloomberg, citing sources familiar with the matter.

Malaysia has dropped criminal charges against three Goldman Sachs units after the bank agreed to pay US\$2.5 billion to settle the probe.

Goldman Sachs had generated about US\$600 million in fees for its work with the Malaysian sovereign wealth fund, which included three bond offerings in 2012 and 2013 that raised US\$6.5 billion.

According to The New York Times, Goldman Sachs will "admit mistakes" but will

not itself have to enter a guilty plea to charges in the US as part of the deal with prosecutors.

The bank will also avoid the appointment of an outside monitor to review its compliance procedures.

In July, Goldman Sachs agreed to pay US\$2.5 billion to Malaysia in return of the dropping of criminal charges against the bank's top executives.

Goldman Sachs also pledged to cover any shortfall from the sale of US\$1.4 billion in assets that have been seized by prosecutors in the US.

Lobbyist pleads guilty

Meanwhile, a former fundraiser for US President Donald Trump pleaded guilty earlier this week to a charge that he illegally lobbied Trump to drop an investigation into the 1MDB scandal.

Elliott Broidy, who held finance posts in Trump's 2016 campaign and on his inaugural committee, was alleged to have received millions of dollars in payments from an unnamed foreign national to try to arrange the end to a US investigation.

The unnamed foreign national is believed to be Jho Low, an associate of former prime minister Najib Abdul Razak, who is currently facing multiple charges in Malaysia for his role in the scandal.

Najib was convicted in July and sentenced to up to 12 years in prison and fined RM210 million in a case involving SRC International, a former subsidiary of 1MDB. He is currently out on bail pending an appeal to his conviction and sentence.

Jho Low, who is wanted man in both Malaysia and US, is believed to be living in China.

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