

Goldman Sachs Malaysia pleads guilty to charges related to 1MDB

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Goldman Sachs Malaysia, a unit of the Wall Street investment banking group, on Thursday pleaded guilty to US Department of Justice charges over its role in Malaysia's 1MDB corruption scandal, as it looks to settle a probe that has dogged the bank for years.

The move follows a US\$3.9 billion settlement the bank reached with Malaysia in July to settle all charges against the bank there related to the matter.

The scandal dates back to the government of former Malaysian Prime Minister Najib Abdul Razak, which set up the 1MDB fund in 2009.

The Justice Department estimated US\$4.5 billion was misappropriated by high-level fund officials and their associates between 2009 and 2014.

Meanwhile, British regulators fined Goldman Sachs International 96.6 million

pounds on Thursday as part of global action that will see the US bank pay nearly US\$3 billion to settle a probe into its role in Malaysia's 1MDB corruption scandal.

"There is no amnesty for firms that tackle financial crime poorly, and the size of GSI's fine reflects that," Mark Steward, executive director of enforcement and market oversight at Britain's Financial Conduct Authority, said in a statement.

The settlement resolves a probe by US authorities into the bank's role in underwriting three bond offerings in 2012 and 2013 that raised US\$6.5 billion for Malaysia's government.

- Reuters

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