

1MDB fraud: Goldman Sachs has 10 days to pay \$1.26b to US authorities

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Goldman Sachs Group Inc has 10 days to pay the remaining US\$1.26 billion of a US\$2.3 billion (RM9.5 billion) settlement to the US authorities over its role in the 1MDB affair.

According to Bloomberg, the 10-day deadline was mentioned in a June 4 filing by the US government at a federal court.

Goldman Sachs entered into a deferred prosecution agreement with the US Department of Justice last year.

Initially, Goldman Sachs and its Malaysia unit were charged with conspiring to engage in a five-year scheme to violate a US anti-bribery law.

According to the Department of Justice, the accused were investigated in connection with a scheme to pay over US\$1 billion in bribes to Malaysian and

Abu Dhabi officials in exchange for business deals, including the underwriting of US\$6.5 billion in bonds raised by 1MDB.

At the material time, Najib Abdul Razak was prime minister and finance minister of Malaysia. As finance minister, Najib was the ultimate shareholder of 1MDB.

In July last year, Najib was convicted of abuse of power, criminal breach of trust and money laundering in relation to RM42 million belonging to SRC International Sdn Bhd, which was initially a 1MDB subsidiary. Najib is appealing the decision.

Najib is also facing trial for, among others, misappropriating RM2.28 billion in 1MDB funds.

Malaysia will need many more years to service the debt racked up by 1MDB and SRC. As of June 3, 1MDB's debt stood at RM39.66 billion while SRC's debt stood at RM2.57 billion.

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