

# Resolving 1MDB issue

## Goldman Sachs in talks for a possible settlement

NEW YORK: Three years after Goldman Sachs Group Inc agreed to fork over more than US\$5bil for its role in the plundering of Malaysia's 1MDB investment fund, the Wall Street giant has struggled to put the scandal to bed.

Now, the New York-based bank and Malaysia are taking a fresh stab at resolving one of the most embarrassing episodes in the bank's history.

Behind the scenes, Goldman Sachs executives have made fresh overtures, Prime Minister Datuk Seri Anwar Ibrahim told Bloomberg News during his visit here for the United Nations General Assembly.

He struck a more conciliatory tone, saying that he might reconsider taking Goldman to court over disagreements tied to the deal sealed by the previous government.

"A settlement is possible because we are not unreasonable. We ask what is reasonable and I even refused to state the quantum because then, we should allow for some flexibility to discuss," Anwar said.

"I don't think it's fair to suggest that the entire deal has got to be relooked into but there are specific areas where there is a flaw. Maybe we just focus on that."

The investment fund became the centre of a multibillion-dollar scandal that spawned probes across continents.

Months after striking the initial agreement in 2020 - and staging an unusual and

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amusing photo-op with Malaysian government officials to celebrate it - Goldman admitted to its role in the biggest foreign bribery case in US enforcement history, reaching multiple international settlements exceeding US\$5bil for its part in raising funds for 1MDB.

Malaysia is also pursuing efforts to bring back former Goldman banker Roger Ng, who has been sentenced in the United States to 10 years in prison over his role in the scandal.

"He was quite instrumental, he would know a lot, and would be of immense assistance in our investigations," Anwar said.

As part of the 2020 settlement, Goldman made an initial US\$2.5bil payment while guaranteeing the return of US\$1.4bil of 1MDB assets seized by authorities around the world, in exchange for Malaysia dropping charges against the bank.

Goldman was also required to make an interim payment of US\$250mil if Malaysia did not receive at least US\$500mil in assets and proceeds by August 2022, according to the bank.

The two sides have been locked in a disagreement over that, the bank has spelled out in public filings. The latest talks only concern the asset valuation dispute, a Goldman spokesman said.

While the two sides will try for an amicable resolution, Anwar still cautioned Goldman against assuming the lawsuit threat is a bluff.

"They are taking us for granted. They think that we'll not proceed with a lawsuit," Anwar said.

"There's nothing for us to lose except for the legal fees which a government can manage. But it's also the integrity of Goldman Sachs that's in question."

The Malaysian government is unhappy on two key counts with the existing deal and how Goldman is approaching it.

"The flaw is firstly, the quantum and the interpretation of some of the clauses," the Prime Minister said.

If needed, Anwar said he could even get personally involved but does not see the need for it.

"We have a competent team to look at it, but if needed, I can meet them for just a casual tea or cheesecake," he added. — Bloomberg