

Former Goldman Sachs Investment Banker Convicted in Massive Bribery and Money Laundering Scheme

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U.S. Attorney's Office, Eastern District of New York

Roger Ng Conspired with a Malaysian Socialite and Malaysian Government Officials to Pay Bribes to a Dozen Foreign Officials and to Launder Billions Embezzled from 1Malaysia Development Berhad

BROOKLYN, NY – Ng Chong Hwa, also known as “Roger Ng,” a citizen of Malaysia and a former Managing Director of The Goldman Sachs Group, Inc. (Goldman Sachs), was convicted today by a federal jury in Brooklyn on all counts of a superseding indictment charging him with conspiring to launder billions of dollars embezzled from 1Malaysia Development Berhad (1MDB), conspiring to violate the Foreign Corrupt Practices Act (FCPA) by paying bribes to a dozen government officials in Malaysia and Abu Dhabi, and conspiring to violate the FCPA by circumventing the internal accounting controls of Goldman Sachs. The verdict followed a seven-week trial before United States Chief District Judge Margo K. Brodie.

Breon Peace, United States Attorney for the Eastern District of New York; Kenneth A. Polite, Jr., Assistant Attorney General of the Justice Department’s Criminal Division; Michael J. Driscoll, Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI); and Ryan Korner, Special Agent-in-Charge, Internal Revenue Service Criminal Investigation, Los Angeles Field Office (IRS-CI), announced the verdict.

“Today’s verdict is a resounding victory for justice and for the people of Malaysia who were the victims of this massive scheme that the defendant and his partners in crime carried out in a frenzy of greed to get rich by stealing millions of dollars from the 1MDB fund intended to benefit that country’s economy,” stated United States Attorney Peace. “The

Department of Justice and this Office are committed to addressing corporate culture by vigorously combating white-collar crime and holding corrupt individuals who seek to enrich themselves accountable for violating U.S. laws here and abroad.”

“Roger Ng participated in a massive bribery and money laundering scheme involving the corruption of high-level foreign officials in Malaysia and the United Arab Emirates,” stated Assistant Attorney General Polite. “This trial demonstrates the commitment by the Department of Justice to prosecute and hold accountable individuals who engage in corruption and use our financial system to launder funds related to their illicit schemes. We will continue to pursue criminal wrongdoers and will seek to bring them to justice, wherever they are, deprive them of their ill-gotten gains, and, wherever possible, return corrupt proceeds to those harmed by corruption — as we have throughout our longstanding investigation into the 1MDB scheme.”

“By virtue of today’s verdict, Roger Ng stands convicted of significant crimes for his role in a conspiracy to launder billions of dollars misappropriated from 1MDB, a Malaysian state-owned fund created to pursue economic growth opportunities for Malaysia and its people. While Ng and his associates greedily lined their pockets, the Malaysian people were left as victims who potentially suffered lost economic growth opportunity. The FBI and our partners remain committed to identifying those who choose to engage in foreign corrupt practices and bringing justice to them around the world,” stated FBI Assistant Director-in-Charge Driscoll.

“Today’s conviction of Roger Ng demonstrates the cooperation of law enforcement and prosecutorial agencies around the world to combat foreign corruption. Roger Ng and his co-conspirators enriched themselves while depriving the citizens of Malaysia of billions of dollars that was supposed to be invested on their behalf,” stated IRS-CI Special Agent-in-Charge Ryan L. Korner. “The Internal Revenue Service-Criminal Investigation is proud to stand with our law enforcement partners in the United States and around the world who participated in this most significant investigation.”

1MDB is a Malaysian state-owned and controlled fund created to pursue investment and development projects for the economic benefit of Malaysia and its people.

Ng was employed as a Managing Director by various subsidiaries of Goldman Sachs and acted as an agent and employee of Goldman Sachs from approximately 2005 to May 2014.

As proved at trial, between approximately 2009 and 2014, Ng conspired with others to launder billions of dollars misappropriated and fraudulently diverted from 1MDB, including funds 1MDB raised in 2012 and 2013 through three bond transactions it executed with Goldman Sachs, known as “Project Magnolia,” “Project Maximus” and “Project Catalyze.” As part of the scheme, Ng and others, including Tim Leissner, the former Southeast Asia Chairman and participating managing director of Goldman Sachs, conspired to pay more than a billion dollars in bribes to a dozen government officials in Malaysia and Abu Dhabi to obtain and retain lucrative business for Goldman Sachs, including the 2012 and 2013 bond

deals. They also conspired to launder the proceeds of their criminal conduct through the U.S. financial system by funding major Hollywood films such as “The Wolf of Wall Street,” and purchasing, among other things, artwork from New York-based Christie’s auction house including a \$51 million Jean-Michael Basquiat painting, a \$23 million diamond necklace, millions of dollars in Hermes handbags from a business based on Long Island, and a luxury real estate in Manhattan.

Ng, co-defendant Low Taek Jho, a wealthy Malaysian socialite also known as “Jho Low,” and their co-conspirators used Low’s close relationships with high-ranking government officials in Malaysia and Abu Dhabi to obtain and retain business for Goldman Sachs through the promise and payment of hundreds of millions of dollars in bribes. In the course of executing the scheme, Ng conspired with others at Goldman Sachs to circumvent the investment bank’s internal accounting controls. Through its work for 1MDB during that time, Goldman Sachs received approximately \$600 million in fees and revenues, while Ng received \$35 million for his role in the bribery and money laundering scheme. In total, Ng and the other co-conspirators misappropriated more than \$2.7 billion from 1MDB.

The evidence at trial included testimony from 26 witnesses called by the government; emails, phone records and bank records showing the defendant’s share of the scheme’s criminal proceeds was transferred to a bank account held by an offshore shell company in the name of the defendant’s mother-in-law; travel records; and receipts for luxury items purchased with the criminal proceeds.

Low remains a fugitive. In August 2018, Leissner pleaded guilty to a two-count criminal information charging him with conspiring to launder money and conspiring to violate the FCPA by both paying bribes to various Malaysian and Abu Dhabi officials and circumventing the internal accounting controls of Goldman Sachs. Leissner has been ordered to forfeit \$43 million and shares of stock valued at more than \$200 million. Leissner is awaiting sentencing.

In October 2020, Goldman Sachs and Goldman Sachs (Malaysia) Sdn. Bhd. (GS Malaysia), its Malaysian subsidiary, admitted to conspiring to violate the anti-bribery provisions of the FCPA in connection with the scheme. Goldman Sachs entered into a deferred prosecution agreement with the United States Attorney’s Office for the Eastern District of New York and the Department of Justice’s Criminal Division, Fraud Section and Money Laundering and Asset Forfeiture (MLARS), and GS Malaysia pleaded guilty in the U.S. District Court for the Eastern District of New York to a one-count criminal information. Goldman Sachs also paid more than \$2.9 billion as part of a coordinated resolution with criminal and civil authorities in the United States, the United Kingdom, Singapore, and elsewhere.

The investigation was jointly conducted by the FBI’s International Corruption Unit and IRS-Criminal Investigation. The government’s criminal case is being handled by the Business and Securities Fraud Section of the United States Attorney’s Office for the Eastern District of New York and the Criminal Division’s Money Laundering and Asset Recovery Section (MLARS) and Fraud Section. Assistant United States Attorneys Alixandra E. Smith, Drew G.

Rolle and Dylan Stern, and Bank Integrity Unit Chief Jennifer E. Ambuehl of MLARS and Co-Principal Deputy Chief of the Fraud Section Brent Wible are prosecuting the case. The Criminal Division's Office of International Affairs provided critical assistance in this case.

The Department also appreciates the significant cooperation and assistance provided by the U.S. Securities and Exchange Commission, and the Board of Governors of the Federal Reserve System along with the Federal Reserve Bank of New York. The Department also appreciates the significant assistance provided by the government of Malaysia, including the Attorney General's Chambers of Malaysia, the Royal Malaysia Police and NCB Interpol Malaysia. The Department also appreciates the significant assistance provided by the Attorney General's Chambers of Singapore, the Singapore Police Force-Commercial Affairs Division, the Office of the Attorney General of Switzerland, the Judicial Investigating Authority of the Grand Duchy of Luxembourg and the Criminal Investigation Department of the Grand-Ducal Police of Luxembourg.

The Defendant:

NG CHONG HWA (also known as "Roger Ng")

Age: 49

Kuala Lumpur, Malaysia

E.D.N.Y. Docket No. 18-CR-538 (MKB)

Contact

John Marzulli

Danielle Blustein Hass

United States Attorney's Office

(718) 254-6323

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