

## Ex-Goldman Exec Gets 10 Years For 1MDB Corruption

By **Stewart Bishop**

Law360, New York (March 9, 2023, 1:38 PM EST) -- Former Goldman Sachs managing director Roger Ng on Thursday was sentenced to 10 years in prison after being convicted at trial over his alleged role in a massive corruption scheme that drained billions of dollars from \$6.5 billion in Malaysian sovereign wealth fund 1MDB bond deals.



Ex-Goldman Sachs managing partner Roger Ng, shown here in February 2022, was sentenced Thursday to 10 years in prison. (AP Photo/Seth Wenig)

During a packed sentencing hearing in Brooklyn, U.S. District Judge Margo Brodie called the 1MDB ordeal one of the biggest financial crimes in the history of the world. The judge told Ng that he and his co-conspirators effectively stole billions of dollars, which was meant to benefit the people of Malaysia.

"These sorts of crimes threaten confidence in democracy and government," Judge Brodie said during a hearing in Brooklyn federal court.

Ng, also known as Ng Chong Hwa, was found guilty last year of conspiracy to violate the anti-bribery provisions of the Foreign Corrupt Practices Act, conspiracy to violate the FCPA by circumventing Goldman's internal accounting controls and money laundering conspiracy.

Prosecutors say Ng, former Goldman partner Tim Leissner and Malaysian financier Jho Low were at the center of a scheme to siphon more than \$2.7 billion for bribes and kickbacks from three Goldman-backed 1MDB bond deals that were meant to fund Malaysian infrastructure and other economic projects.

Low is alleged to have leveraged his government contacts in Southeast Asia and the Middle East to use a flood of bribes for government officials in Malaysia and Abu Dhabi to prop up the bond deals. Goldman netted approximately \$600 million in fees and revenue for underwriting the transactions, while Leissner and Ng pocketed tens of millions of dollars from the scheme, according to the government.

Leissner has pled guilty and testified against Ng at trial. Low, the alleged mastermind of the 1MDB corruption, is accused of taking \$1.4 billion in kickbacks for himself, and is considered to be a fugitive by U.S. officials. His whereabouts are not publicly known.

Ng, who is alleged to have made \$35.1 million in kickbacks from the scheme, maintains his innocence and intends to appeal.

Prosecutors had asked for a 15-year prison term for Ng, calling him a "deeply corrupt banker" who was key to ensuring that Goldman facilitated the bond transactions, and the investment bank's involvement gave the deeply corrupt deals an appearance of legitimacy.

Assistant U.S. Attorney Alixandra Smith told Judge Brodie that the harm inflicted on the Malaysian people by the 1MDB affair goes beyond a monetary loss.

"Foreign corruption is a particularly pernicious form of fraud," Smith said. "That damage can't just be fixed by paying a lot of money back."

Ng faced a theoretical sentencing guideline calculation of life in prison, however the statutory maximum penalty for the charges is an incarceratory sentence of 30 years.

In a statement to the court, Ng told Judge Brodie he deeply regrets how this matter has affected others. He said his family in Malaysia has been ostracized by some members of their own community.

"I'm embarrassed, I'm ashamed that I failed them and burdened them," Ng said.

Ng's attorneys had pushed for a time-served sentence, saying he played a much more minor role in the alleged scheme compared with Low, Leissner — Ng's boss — and others. An attorney for Ng, Marc Agnifilo of Brafman & Associates, said Ng didn't pay a single bribe to anyone.

"The bribes were paid by Mr. Leissner, without telling Mr. Ng who the bribes were going to," Agnifilo said.

He told Judge Brodie that Ng suffered greatly for six months in a Malaysian jail under brutal conditions, which left him infected with Malaria and another condition that almost killed him.

Agnifilo said that an independent psychiatrist appointed by the court concluded that Ng suffers from post-traumatic stress disorder due to that period of incarceration, which is exacerbated by the fact that Ng has been stuck in the U.S. for the past five years — in part due to the COVID-19 pandemic — and separated from his family.

While she acknowledged Ng's difficult circumstances, Judge Brodie said there is a strong need for general deterrence here, especially for senior executives of other companies who might consider engaging in such misconduct.

In a statement, Eastern District of New York U.S. Attorney Breon Peace called the sentence of 10 years just punishment for Ng's crimes.

"Roger Ng was a central player in a brazen and audacious scheme that not only victimized the people of Malaysia, but also risked undermining the public's confidence in governments, markets, businesses and other institutions on a global scale," Peace said.

Agnifilo told reporters after the sentencing hearing that they're disappointed in the outcome.

"It's been an incredibly difficult five years for him," Agnifilo said. "I think the judge acknowledged our arguments, and she came out where she came out. We do plan to appeal."

At Ng's two-month-long trial last year, Leissner was the government's star witness and over the course of 10 days on the witness stand, he described how Ng was intimately involved in the scheme.

Leissner placed Ng at a key 2012 London meeting with Low, Leissner and others in which Low laid out what government officials — including the former prime minister of Malaysia and an influential sheikh in Abu Dhabi — had to be bribed to ensure the bond deals went through.

However, Leissner was pilloried on cross-examination over his admissions to extensive lies for years in both his professional and personal lives. He admitted to being married to two different women at the same time, twice, and lying about it. He also admitted to forging divorce documents and committing immigration fraud, as well as stealing.

Ultimately, the two central issues at trial were Leissner's credibility, and whether \$35.1 million that was deposited in an account controlled by Ng's family represented proceeds from the scheme, or as Ng and his wife insisted, a return on an investment she had made in China.

Under a deferred prosecution agreement in 2020, Goldman agreed to pay \$2.9 billion to resolve the U.S. government's criminal investigation into the bank's role in the affair. The New York-based investment bank also agreed to a \$3.9 billion deal to exit the Malaysian government's criminal case over the bank's role in the 1MDB ordeal.

Ng is due to report to prison on May 4.

The government is represented by Alixandra Smith, Drew Rolle and Dylan Stern of the U.S. Attorney's Office for the Eastern District of New York, Jennifer Ambuehl and Nikhila Raj of the Justice Department's Money Laundering and Asset Recovery Section and Brent Wible of the DOJ's Fraud Section.

Ng is represented by Marc Agnifilo, Jacob Kaplan, Teny Geragos and Zach Intrater of Brafman & Associates PC.

The case is U.S. v. Jho et al., case number 1:18-cr-00538, in the U.S. District Court for the Eastern District of New York.

—Editing by Marygrace Anderson and Emily Kokoll.

*Update: This story has been updated with more information from the hearing.*