

In the Matter of Tim Leissner (2019)

Nature of the Business.

Tim Leissner, a U.S. citizen, was a former senior executive of the Goldman Sachs Group, Inc. (“Goldman Sachs” or “Goldman”) and was employed at Goldman Sachs between April 1998 and March 2016.

Goldman Sachs, a global investment banking and management firm, maintains common stock registered under Section 12(b) of the Exchange Act that is publicly traded on New York Stock Exchange. Goldman Sachs & Co. LLC (“Goldman LLC”) is Goldman Sachs’s U.S. registered broker-dealer and investment adviser.

Influence to be Obtained.

According to the SEC, Leissner, along with other Goldman officials, participated in (and actively concealed his involvement in) bribery schemes to secure debt financing deals or bond deals in Malaysia and Abu Dhabi for Goldman Sachs with the assistance of Jho Low—a third-party agent Leissner knew who could influence government officials in Malaysia and Abu Dhabi who could award Goldman business deals in exchange for bribes. Through Low, Leissner was able to secure approximately \$6.5 billion in bond offering deals for Goldman, from which Leissner was personally compensated \$43 million.

Specifically, in an attempt to win Goldman bond deals with 1Malaysia Development Berhad (“1MDB”), a Malaysian state owned investment fund, Leissner engaged Low, whom he knew had connections to Malaysian government officials who could influence the transactions. The officials in turn would use their influence to award Goldman bond deals and other financial deals and Leissner, along with other Goldman management, worked to misappropriate the bond proceeds and divert them as bribes to officials or misappropriate funds for themselves.

The SEC alleged that Leissner was aware of Goldman’s refusal to approve any business relationships with Low, as Goldman’s compliance and legal groups had concerns about Low after conducting a screen, however Leissner continued to work with Low in securing deals for Goldman Sachs and “actively concealed highly relevant information” to Goldman Sachs’s financial, executive, and legal teams about his work with Low, causing Goldman Sachs to inaccurately and improperly record the payments made with respect to the 1MDB bond deals.

Enforcement.

On December 16, 2019, the SEC settled its enforcement action against Leissner for violations of the FCPA and according to the cease-and-desist order Leissner agreed to pay \$43,700,000 in disgorgement, which can be reduced and satisfied by the amount forfeited in criminal proceedings. The SEC agreed not to impose a civil penalty against Leissner after taking into consideration his guilty plea in a related criminal matter and a civil penalty in a related civil proceeding.

Leissner settled a civil proceeding with the Board of Governors of the Federal Reserve System and agreed to pay a civil penalty of over \$1.4 million. Further, Leissner pleaded guilty to one count of conspiracy to violate the FCPA and one count of conspiracy to commit money laundering in a related criminal enforcement action in the Eastern District of New York and has also agreed to forfeit over \$43.7 million.

Key Facts

Citation. *In the Matter of Leissner*, Admin. Proc. File No. 3-19619 (Dec. 16 2019).

Date Filed. December 16, 2019.

Country. Malaysia and Abu Dhabi.

Date of Conduct. 2014 – 2016.

Amount of the Value. More than \$2.7 billion.

Amount of Business Related to the Payment. Approximately \$6.5 billion.

Intermediary. Third-party agent.

Foreign official. Government officials in Malaysia and Abu Dhabi.

FCPA Statutory Provision. Anti-Bribery; Books-and-Records; Internal Controls.

Other Statutory Provision. None.

Disposition. Cease-and-Desist Order.

Defendant Jurisdictional Basis. Agent of Issuer.

Defendant’s Citizenship. United States.

Total Sanction. \$43,700,000.

Compliance Monitor/Reporting Requirements. None.

Related Enforcement Actions. *United States v. Leissner*, and *In the Matter of Leissner*.

Total Combined Sanction. \$45,125,000.