

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87750 / December 16, 2019

INVESTMENT ADVISERS ACT OF 1940
Release No. 5418 / December 16, 2019

INVESTMENT COMPANY ACT OF 1940
Release No. 33715 / December 16, 2019

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4108 / December 16, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19619

In the Matter of

TIM LEISSNER,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTIONS 15(b) AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934,
SECTION 203(f) OF THE INVESTMENT
ADVISERS ACT OF 1940, AND SECTION
9(b) OF THE INVESTMENT COMPANY
ACT OF 1940, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS AND
A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”), and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Tim Leissner (“Respondent” or “Leissner”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, Section 203(f) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds¹ that:

SUMMARY

1. This matter relates to a massive corruption scheme perpetrated by Leissner while acting as a senior executive of The Goldman Sachs Group, Inc. (“Goldman Sachs” or the “Company”). Leissner, in coordination with other Goldman Sachs senior executives, authorized and paid bribes and kickbacks to government officials in Malaysia and the Emirate of Abu Dhabi (“Abu Dhabi”) in order to secure lucrative business for Goldman Sachs. Leissner’s actions resulted in violations of the antibribery, books and records and circumvention of internal accounting controls provisions of the Foreign Corrupt Practices Act (“FCPA”).

2. 1Malaysia Development Berhad (“1MDB”) is a Malaysian state-owned and controlled investment fund created to pursue projects for the economic benefit of Malaysia and its people. Between approximately 2009 and 2014, as 1MDB raised capital to fund its projects, billions of dollars were diverted from 1MDB. The diverted funds included a substantial portion of the approximately \$6.5 billion in capital that 1MDB raised in 2012 and 2013 through three bond offerings that it executed with Goldman Sachs (the “bond deals”). As part of the scheme, Leissner and others bribed government officials in Malaysia and in Abu Dhabi to obtain and retain lucrative business for Goldman Sachs, including the 2012 and 2013 bond deals, from which Goldman Sachs earned approximately \$600 million.

3. Leissner willfully violated Section 30A of the Exchange Act by directly participating in the bribery scheme. He also caused Goldman Sachs’s books and records to not, in reasonable detail, accurately or fairly reflect the transactions and dispositions of the company’s assets in violation of Section 13(b)(2)(A) of the Exchange Act, and he willfully aided and abetted violations of that Section. Additionally, Leissner willfully violated Section 13(b)(5) of the

¹ The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Exchange Act and Rule 13b2-1 thereunder by knowingly circumventing what internal accounting controls Goldman Sachs had in place in order to both advance and conceal the corrupt scheme.

Respondent

4. **Tim Leissner**, age 50, was employed by Goldman Sachs between April 1998 and March 2016. Prior to his separation from Goldman Sachs, Leissner was a Participating Managing Director, Vice Chairman of the Investment Banking Division for Asia Ex-Japan, and Chairman of South East Asia. Leissner was a coverage banker for various clients in the Asia Ex-Japan region, including 1MDB. Leissner was at all relevant times an associated person of the Company's U.S. registered broker-dealer and investment adviser, Goldman Sachs & Co. LLC.

Related Entities

5. **The Goldman Sachs Group, Inc.** ("Goldman Sachs" or the "Company") is a U.S. based global investment banking, securities, and investment management firm headquartered in New York, New York. The common stock of the Company is registered pursuant to Section 12(b) of the Exchange Act and is listed for trading on the New York Stock Exchange. The Company is an "issuer" within the meaning of the FCPA.

6. **Goldman Sachs & Co. LLC** ("GS&Co."), a subsidiary of Goldman Sachs, is registered as a broker-dealer and as an investment adviser with the Commission. GS&Co.'s principal business operations are located in New York, New York. Leissner was associated with GS&Co. from April 1998 until March 2016.

7. **1MDB** was a strategic investment and development company wholly-owned by the Malaysian government through the Malaysian Ministry of Finance. It was formed in 2009 when the Malaysian government took control of a municipal entity called Terengganu Investment Authority ("TIA"). 1MDB was created to pursue investment and development projects for the economic benefit of Malaysia and its people, primarily relying on debt to fund these investments. 1MDB's development projects were focused in the areas of energy, real estate, tourism and agribusiness. 1MDB was overseen by senior Malaysian government officials, was controlled by the Malaysian government, and performed a government function on behalf of Malaysia.

8. **The Middle Eastern Sovereign Wealth Fund** was an investment fund wholly-owned by the government of Abu Dhabi. It was established by the government of Abu Dhabi pursuant to an Emiri Decree in or around 1984 with a mandate to advance Abu Dhabi's natural petroleum wealth for the development of the emirate. The Middle Eastern Sovereign Wealth Fund was overseen by senior Abu Dhabi government officials, was controlled by the Abu Dhabi government, which appointed all the members of the Middle Eastern Sovereign Wealth Fund's board of directors, and performed a government function on behalf of Abu Dhabi.

9. **The Middle Eastern Investment Firm**, a subsidiary of the Middle Eastern Sovereign Wealth Fund, was a public joint stock company incorporated under the laws of Abu Dhabi.

10. **Jho Low**, age 38, is a Malaysian national who advised on the creation of TIA, 1MDB's predecessor entity. Jho Low has never held a formal position at 1MDB. Jho Low nevertheless exercised significant control over 1MDB during the time period relevant to this Order. Jho Low worked as a finder and intermediary in relation to 1MDB officials and other government officials on numerous financial transactions and projects involving Goldman Sachs.

11. **Roger Ng**, age 47, is a Malaysian national who was employed as a Managing Director and acted as an agent of Goldman Sachs. He worked with Leissner at Goldman Sachs from approximately 2009 to May 2014.

12. **Najib Razak**, age 66, was the Prime Minister of Malaysia from 2009 to 2018 who held a position of authority with 1MDB.

FACTS

Background

13. 1MDB was formed in or around 2009, when the Malaysian government asserted federal control over TIA, which previously had been a development fund controlled by the Malaysian state of Terengganu.

14. 1MDB was created for the stated purpose of pursuing investment projects for the economic benefit of Malaysia and its people, relying mainly on debt to support these projects. 1MDB was supervised by senior Malaysian government officials, controlled by the Malaysian government, and performed a government function on behalf of Malaysia. Upon 1MDB's formation, Najib Razak assumed a position of authority with 1MDB. Najib Razak had the authority to approve all appointments to, and removals from, 1MDB's Board of Directors and 1MDB's Senior Management Team. In addition, any financial commitments by 1MDB, including investments, that were likely to affect a guarantee given by the government of Malaysia for the benefit of 1MDB or any policy of the Malaysian government, required the approval of Najib Razak.

Malaysian Intermediary Jho Low

15. Low had advised on the creation of TIA, 1MDB's predecessor entity. Although he did not hold a formal title with 1MDB or the Malaysian government, Low worked as a finder and intermediary in relation to 1MDB officials and other government officials on multiple financial transactions and projects, including transactions involving Goldman Sachs.

16. Goldman Sachs, through its participating managing director Leissner, was retained to provide financial advice to the government of Malaysia in connection with the 2009 federal takeover of TIA ("Project Tiara"). Notwithstanding Low's public denials about any involvement with 1MDB during this time, while working on this project, Leissner and other senior executives at Goldman Sachs knew that Low worked as a finder and intermediary in relation to 1MDB, and

began to actively work to conceal Low's involvement in Goldman Sachs-related transactions from others at the firm. Leissner and others, including Goldman Sachs Managing Director Roger Ng, at the time knew that Low remained close to IMDB officials and other government officials in Malaysia, including Najib Razak, and Abu Dhabi. During this time, Low also specifically requested that Leissner, Ng and others conceal his involvement in Goldman Sachs's business.

17. Goldman Sachs's various internal FCPA and accounting controls were overseen and enforced by its compliance function (the "Compliance Group") and its legal department (the "Intelligence Group"). These groups worked in conjunction with, and as part of, various Goldman Sachs committees ("GS Committees") in reviewing transactions for approval.

18. Goldman Sachs's written policies required bankers who submitted transactions to GS Committees for approval, such as Leissner, to broadly disclose information relevant to the matters at issue, including "a full assessment of the transaction risks." Nevertheless, while working on Project Tiara and thereafter, Leissner selectively concealed from other employees of Goldman Sachs, including the GS Committees and their members, that he was working with Low as an intermediary to secure the deals. Leissner did this in an effort to avoid potential heightened scrutiny of the bond deals by the GS Committees, the Compliance Group or the Intelligence Group.

19. Between in or around September 2009 and in or around March 2011, Leissner and others, including Ng, supported at least three attempts to make Low a formal client of Goldman Sachs. Leissner and Ng supported these efforts because, in part, they believed that Low would work to deliver lucrative business deals, including from IMDB, for the ultimate benefit of Goldman Sachs, Leissner, Ng and others. These attempts were unsuccessful because certain personnel within Goldman Sachs's Compliance Group and Intelligence Group had previously refused to approve any business relationship with Low. Their refusal was based, in part, on concerns that these groups had concerning the source of Low's wealth. Personnel within the Compliance Group and the Intelligence Group communicated the rejection of Low's application to Leissner and others within Goldman Sachs. Notwithstanding their knowledge of the concerns that had been raised about Low not being a suitable client for Goldman Sachs, Leissner and other employees and agents of Goldman Sachs continued to work with Low based upon their belief that Low would help ensure that government officials in Malaysia and Abu Dhabi would deliver lucrative business deals to Goldman Sachs.

The Bond Deals

20. Later, when Goldman Sachs was retained by IMDB to assist it with three large debt financings in 2012 and 2013 – the "bond deals" – Leissner and other senior executives of Goldman Sachs knew that Low was playing a central role in these transactions, including by acting as an intermediary between Goldman Sachs, IMDB and other Malaysian and Abu Dhabi government officials. Leissner and other senior executives of Goldman Sachs also knew that Low promised to pay bribes and kickbacks to these officials to secure IMDB business for Goldman Sachs.

21. Throughout 2012 and 2013, Leissner and other senior executives of Goldman Sachs actively worked to obtain and retain business from IMDB for the benefit of Goldman Sachs through the promise and payment of bribes and kickbacks to government officials in Malaysia and Abu Dhabi using, in part, misappropriated and embezzled proceeds from the bond deals. During this time, through the course of the scheme, Leissner and others paid millions of dollars in bribes and kickbacks to government officials, and obtained IMDB business for Goldman Sachs, in particular, the three bond deals. These three bond financing transactions were referred to internally at Goldman Sachs as “Project Magnolia,” “Project Maximus” and “Project Catalyze.”

22. Goldman Sachs’s role as underwriter for the bond deals meant that the firm would be using its own capital to fund the initial purchase of the IMDB bonds. Accordingly, the transactions were formally reviewed and approved by multiple GS Committees including the Firmwide Capital Committee (“Capital Committee”). The Capital Committee’s charter states as follows:

The Committee provides approval and oversight globally of debt-related transactions, including principal commitments of the Firm’s capital. The Committee aims to ensure that business, reputational and suitability standards for underwritings and capital commitments are maintained on a global basis.

23. Although the purported purpose of the approximately \$6.5 billion raised by the three bond transactions was to support IMDB projects for the benefit of the Malaysian people, Leissner and others instead planned and executed a scheme to misappropriate more than \$2.7 billion and distribute the money as bribes and kickbacks to government officials in Malaysia and Abu Dhabi, including but not limited to Najib Razak, as well as to other participants in the scheme and their families, including Leissner.

Goldman Sachs Obtains Project Magnolia from Malaysian Sovereign Wealth Fund

24. In or around early 2012, Leissner and other senior executives of Goldman Sachs met in Malaysia with others, including Low and other IMDB officials. A purpose of the meeting was to discuss IMDB’s proposed purchase of a Malaysian energy company (“Malaysian Energy Company A”) and Goldman Sachs’s preparedness to help obtain financing for the purchase.

25. During that meeting, Leissner and other senior executives of Goldman Sachs discussed with Low the type of financial guarantee that IMDB needed to obtain for the bond issuance to meet Goldman Sachs’s underwriting requirements. They ultimately agreed on a guarantee from the Middle Eastern Sovereign Wealth Fund. Leissner, Ng and another senior executive of Goldman Sachs understood that Low was acting as an intermediary between IMDB, Najib Razak and other government officials from Abu Dhabi.

26. In late February 2012, Leissner and other senior executives of Goldman Sachs met with Low and other IMDB officials in London to discuss the proposed financing. During this meeting, Low explained that in order to secure the guarantee from the Middle Eastern Sovereign Wealth Fund discussed at the prior meeting with Leissner and others, they would have to pay

bribes and kickbacks to government officials, including to certain officials in Malaysia and Abu Dhabi. After the February 2012 meeting, Leissner discussed this information with other senior executives of Goldman Sachs.

27. In or around March 2012, 1MDB formally engaged Goldman Sachs to be the sole underwriter for the \$1.75 billion debt financing transaction designed, in part, to pay for the acquisition of Malaysian Energy Company A, which was guaranteed by the Middle Eastern Sovereign Wealth Fund.

28. In or around March 2012, Leissner and certain other senior executives of Goldman Sachs traveled to Abu Dhabi along with Low and certain other 1MDB officials to meet with officials of the Middle Eastern Sovereign Wealth Fund and its subsidiary the Middle Eastern Investment Firm to discuss the contemplated guarantee for Project Magnolia. Throughout that time, Leissner knew Low had arranged the meetings with the officials of the Middle Eastern Sovereign Wealth Fund and the Middle Eastern Investment Firm, and that some of these officials, among others, would be paid bribes by Low to secure the guarantee.

29. Leissner and other senior executives of Goldman Sachs also knew that Low would pay bribes and kickbacks to influence Malaysian officials to obtain the necessary approvals to execute Project Magnolia for Goldman Sachs. During the months leading up to the issuance of Project Magnolia, Leissner knew that Low enlisted 1MDB officials to assist him in ensuring that all necessary approvals were obtained from 1MDB officials and others to complete the transaction, in exchange for bribes and kickbacks to those 1MDB officials.

30. In or around the end of May 2012, near the closing of Project Magnolia, Leissner actively worked with another senior executive of Goldman Sachs and Low to divert some of the bond proceeds that Goldman Sachs raised from Project Magnolia into the bank accounts of shell companies that Leissner, the other Goldman Sachs senior executive and Low beneficially owned and controlled. These individuals understood and expected to keep some of the diverted funds for their personal use, and that other funds would be used to pay bribes and kickbacks to government officials in Malaysia and Abu Dhabi and elsewhere in exchange for their assistance in obtaining and retaining business for Goldman Sachs in connection with Project Magnolia.

31. On or about May 21, 2012, Project Magnolia closed, earning approximately \$193 million in fees for Goldman Sachs.

32. Goldman Sachs transferred the proceeds of the Magnolia bond offering via wire to the 1MDB entity designated to receive the payment. At the time, Leissner, Low and others knew that a large portion of the proceeds of the bond offering would be diverted to themselves and others, including government officials, through shell companies beneficially owned and controlled by Low, Leissner and others.

33. Goldman Sachs's documentation of the wire transfer – including a signed payment authorization and instruction, an executed agreement between Goldman Sachs and its client, and the Project Magnolia offering circular (collectively, the “Magnolia Bond Documents”) – falsely

stated that the proceeds would be used only to pay for the acquisition of Malaysian Energy Company A or for “general corporate purposes.” Leissner knowingly caused these records to be false.

34. Within three months of the closing of Project Magnolia, millions of dollars of bond proceeds were transferred through shell companies beneficially owned and controlled by Low and other participants in the scheme into a Hong Kong bank account in the name of shell companies incorporated in the British Virgin Islands and controlled by Leissner. Leissner also used a portion of these funds for his personal use and enjoyment. Leissner also knew that other bond funds from Project Magnolia were transferred through shell company accounts beneficially owned and controlled by Low and other participants in the scheme and ultimately into accounts of shell companies beneficially owned and controlled by Abu Dhabi government officials with influence over the transaction.

Goldman Sachs Obtains Project Maximus from Malaysian Sovereign Wealth Fund

35. In or about May 2012, Leissner, Low and others began to plan a second bond transaction, known internally at Goldman Sachs as “Project Maximus,” which was designed, in part, to raise capital for IMDB to purchase a second Malaysian power generation company (“Malaysian Energy Company B”). Leissner and certain other senior executives of Goldman Sachs intended that Low and others would pay bribes and kickbacks to influence Malaysian and Abu Dhabi officials to obtain the necessary approvals to execute the bond offering. The mandate to underwrite this bond offering was also awarded by IMDB to Goldman Sachs, and it was structured similarly to the first bond issuance but only with an indirect guarantee from the Middle Eastern Sovereign Wealth Fund.

36. Although the Middle Eastern Sovereign Wealth Fund did not provide a direct financial guarantee of the Project Maximus bonds as it had with Project Magnolia, it nevertheless agreed to privately secure the bonds on a bilateral basis with Goldman Sachs. As with Project Magnolia, Leissner and others continued to work with Low to acquire this business for Goldman Sachs.

37. Leissner knew that a large portion of the proceeds of Project Maximus would be illegally diverted to himself and others, including government officials, through shell companies beneficially owned and controlled by Leissner and others. Leissner also knew at the time that Najib Razak and government officials from Abu Dhabi and IMDB officials would receive money from the proceeds of Project Maximus that passed through various shell companies beneficially owned and controlled by himself, Low and others. Moreover, along with Low and others, it was Leissner’s intended purpose that the payments were to flow to these government officials to influence the officials to execute the bond transaction with Goldman Sachs. A close relative of Najib Razak and a senior official with the Middle Eastern Sovereign Wealth Fund, among others, received some of these funds.

38. On or about October 10, 2012, Leissner participated in a GS Committee meeting that included senior Goldman Sachs executives participating from multiple locations globally,

including New York City, New York. The meeting was convened for the purpose of approving Goldman Sachs's role in Project Maximus. During the meeting, Leissner was directly asked whether Low was involved in Project Maximus. Leissner told the GS Committee affirmatively that Low was not involved in Project Maximus, though Leissner and other senior executives of Goldman Sachs knew at the time that this statement was false.

39. Project Maximus closed on or about October 17, 2012, raising approximately \$1.75 billion for the designated 1MDB entity and resulting in approximately \$188 million in fees for Goldman Sachs.

40. Leissner knew that some of the proceeds from Project Maximus were transferred by or per Low to Leissner in furtherance of the scheme. Thereafter, Leissner, Low and others caused some of these funds to be transferred to the accounts of 1MDB officials or relatives of such officials, or to the accounts of shell companies beneficially owned by 1MDB officials, in exchange for their assistance in obtaining and retaining business for Goldman Sachs.

41. Goldman Sachs's documentation of its transfer of funds to purchase the bonds – including a signed payment authorization and instruction, an executed agreement between Goldman Sachs and its client, and the Project Maximus offering circular (collectively, the “Maximus Bond Documents”) – falsely stated that the bond proceeds would be used solely to pay for the acquisition of Malaysian Energy Company B or for “general corporate purposes.” Leissner knowingly caused these records to be false.

42. In 2012, 1MDB issued a total of \$3.5 billion in bonds that were underwritten by Goldman and indirectly guaranteed by the Middle Eastern Sovereign Wealth Fund.

Goldman Sachs Obtains Project Catalyze from Malaysian Sovereign Wealth Fund

43. In or about November 2012, despite having raised over \$3 billion in the prior 11 months, 1MDB sought to raise an additional \$3 billion through a bond issuance known internally at Goldman Sachs as “Project Catalyze.” This debt financing was purportedly designed to fund 1MDB's portion of a joint venture with the Middle Eastern Investment Firm. Goldman Sachs was engaged to underwrite the project in or around early 2013.

44. As they had with the two prior 1MDB bond issuances, Leissner and other senior executives of Goldman Sachs continued to work with Low as an intermediary between Goldman Sachs, 1MDB officials, Najib Razak and other Malaysian government officials. Further, although required by internal compliance policies of Goldman Sachs, Leissner failed to disclose that (a) he had received a portion of the funds diverted from the prior bond transactions via Low and (b) that Leissner, Low and others paid bribes and kickbacks to 1MDB officials and others who were involved in the transactions.

45. The Project Catalyze bond issued on or about March 19, 2013, resulting in approximately \$186 million in fees to Goldman Sachs from this deal. A portion of the

approximately \$3 billion raised by this bond issuance was transferred to Leissner by or at the direction of Low.

46. Goldman Sachs's documentation of the transaction – including a signed payment authorization and instruction, an executed agreement between Goldman Sachs and its client, and the Project Catalyze offering circular (collectively, the “Catalyze Bond Documents”) – falsely stated that the bond proceeds would be used solely to fund Malaysia's contribution to a joint venture investment vehicle with Abu Dhabi or for “general corporate purposes.” Leissner knowingly caused these records to be false.

Leissner and Goldman Sachs Seek to Obtain Further Business from Malaysia Post-Catalyze

47. Following the closing of Project Catalyze, through the end of 2014, Leissner and Goldman Sachs sought, obtained and worked to execute several additional transactions with 1MDB, particularly focusing on a proposed initial public offering of 1MDB's energy assets (“Energy IPO”).

48. Throughout the time period of these additional transactions, Leissner and other participants in the scheme continued to pay bribes and kickbacks to certain Malaysian government officials, including from the proceeds of the Project Catalyze bond and other 1MDB transactions, to influence those officials to award a role for Goldman Sachs in the Energy IPO.

49. These bribes and kickbacks included transferring millions of dollars to the accounts of shell companies beneficially owned and controlled by 1MDB officials, and transferring approximately \$1.3 million to the account of a New York jeweler to pay for jewelry for the spouse of Najib Razak.

50. Between in or around June 2012 and October 2014, more than \$200 million of the proceeds of the three 1MDB bond deals and other 1MDB business was transferred by Low or at his direction into accounts beneficially owned and controlled by Leissner.

LEGAL STANDARDS AND VIOLATIONS

51. Under Section 21C(a) of the Exchange Act, the Commission, after making certain required findings, may impose a cease-and-desist order upon any person who is violating, has violated, or is about to violate any provision of the Exchange Act or any rule or regulation thereunder, and upon any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation.

Leissner Violated Exchange Act Section 30A

52. The anti-bribery provisions of the FCPA, Section 30A of the Exchange Act, make it unlawful for any issuer with a class of securities registered pursuant to Section 12 of the Exchange Act, or any employee or agent of such issuer, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to

pay, or authorization of the payment of any money, or offer, gift or promise to give anything of value to any foreign official for purposes of influencing any act or decision of such foreign official in his official capacity in order to assist such issuer in obtaining or retaining business for or with any person. 15 U.S.C. § 78dd-1.

53. As described above, while acting as Goldman Sachs's employee and agent, Leissner made use of interstate commerce by, among other things, sending wire transfers from a foreign bank account to a U.S. bank account in furtherance of his corrupt offers and promises to bribe foreign officials, through which Leissner intended that the officials would use their official positions to assist Goldman Sachs in obtaining the bond deals and other business. By this conduct Leissner willfully violated Exchange Act Section 30A.

Leissner Aided and Abetted and Caused Violations of Exchange Act Section 13(b)(2)(A)

54. The books and records provision of the FCPA, Section 13(b)(2)(A) of the Exchange Act, requires every issuer with a class of securities registered pursuant to Section 12 of the Exchange Act to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer. 15 U.S.C. § 78m(b)(2)(A).

55. As described above, Leissner knowingly actively concealed highly relevant information from financial, legal and compliance executives, including by making misstatements to these executives regarding Low's role as an intermediary in the bond deals. This caused Goldman Sachs to improperly record transactions in the Magnolia Bond Documents, the Maximus Bond Documents, and the Catalyze Bond Documents (collectively, the "1MDB Bond Documents") so as to misstate the actual intended uses of bond proceeds. By this conduct Leissner willfully aided and abetted and caused violations of Section 13(b)(2)(A).

Leissner Violated Exchange Act Section 13(b)(5) and Rule 13b2-1

56. Exchange Act Section 13(b)(5) provides that no person shall "knowingly circumvent . . . a system of internal accounting controls or knowingly falsify any book, record, or account." 15 U.S.C. § 13(b)(5). Exchange Act Rule 13b2-1 further provides that "no person shall, directly or indirectly, falsify or cause to be falsified, any book, record, or account." 17 CFR § 240.13b2-1.

57. As described above, Leissner knowingly circumvented those internal accounting controls that Goldman Sachs had in place and caused the company's books, records and accounts to be falsified through the misrepresentations that he made to Goldman Sachs's executives and committees. Leissner's conduct caused Goldman Sachs to improperly record in the 1MDB Bond Documents payments that it made in connection with the bond deals. The bond proceeds were in fact used in part to make bribes and other illicit payments. By this conduct, Leissner willfully violated Exchange Act Section 13(b)(5) and Rule 13b2-1 thereunder.

Criminal and Other Regulatory Dispositions

58. Respondent has pleaded guilty to criminal conduct relating to the findings in the Order. Specifically, in *United States v. Leissner*, Cr. No. 18-CR-439 (MKB) (E.D.N.Y. 2018) Respondent pleaded guilty to one count of Conspiracy to Violate the FCPA and one count of Conspiracy to Commit Money Laundering. As part of his guilty plea, Leissner agreed to forfeit \$43,700,000.

59. Respondent has also entered into a parallel civil settlement with the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”) concerning some of the findings in the Order. Specifically, in *In the Matter of Tim Leissner*, Docket No. 19-008-E-I (Mar. 11, 2019), Leissner agreed to pay a civil money penalty of \$1,425,000.

Non-Imposition of a Civil Penalty

60. Respondent acknowledges that the Commission is not imposing a civil penalty based upon (a) Respondent’s guilty plea as part of his resolution with the United States Department of Justice, and (b) the imposition of a civil money penalty as part of the settlement with the Federal Reserve Board.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent’s Offer.

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act, Section 203(f) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent cease and desist from committing or causing any violations and any future violations of Sections 30A, 13(b)(2)(A), and 13(b)(5) of the Exchange Act and Rule 13b2-1 thereunder.

B. Respondent be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization;

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

C. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

D. Respondent shall pay to the Commission disgorgement of \$43,700,000. The amount of this obligation shall be reduced and deemed satisfied by the amount of Respondent's criminal forfeiture in *United States v. Leissner*, Cr. No. 18-CR-439 (MKB) (E.D.N.Y. 2018) up to and including the entire amount of this obligation.

By the Commission.

Vanessa A. Countryman
Secretary