

United States v. Low Taek Jho, a/k/a “Jho Low” and Ng Chong Hwa, a/k/a “Roger Ng” (E.D.N.Y. 2018) United States v. Tim Leissner (E.D.N.Y. 2018)

Nature of the Business.

Low Taek Jho (“Low”), a Malaysian national, was an advisor on Terengganu Investment Authority (“TIA”), the predecessor entity to 1Malaysia Development Berhad (“1MDB”), Malaysia’s state-owned investment development company. Low served as an intermediary between 1MDB and foreign government officials but did not hold a formal position at 1MDB or in the Malaysian government.

Ng Chong Hwa (“Ng”), a Malaysian national, and Tim Leissner, a German national, were employees and agents of an unidentified U.S. financial institution (“Institution”), and managing directors for its various subsidiaries. Ng and Leissner were responsible for the Institution’s business relationship with 1MDB.

Influence to be Obtained.

According to the DOJ, from 2009 to 2014, as 1MDB raised money to fund projects, billions of dollars were misappropriated and diverted from 1MDB, including funds raised through three bond transactions (“Project Magnolia,” “Project Maximus,” and “Project Catalyze”) underwritten by the Institution.

The bond transactions raised approximately \$6.5 billion for 1MDB and \$600 million in fees and revenue for the Institution. Of the funds raised, more than \$2.7 billion was allegedly misappropriated by Low, Ng, Leissner, and others who paid bribes and kickbacks to government officials to obtain and retain business for the benefit of the Institution, and retained funds for their personal benefit. Low, Ng, and Leissner laundered the proceeds of the scheme through the U.S. financial system by purchasing, among other things, luxury residential real estate and artwork, and funding major Hollywood films.

Ng, Leissner, and others at the Institution used Low’s close relationships with high-ranking government officials in Malaysia and Abu Dhabi to obtain and retain business. Ng continued to work with Low after attempts to make Low a formal client of the Institution failed due to concerns about Low’s source of wealth. Ng, Leissner, and others circumvented internal accounting protocols at the Institution in connection with 1MDB business, and concealed Low’s involvement from the institution’s compliance function and legal department.

Enforcement.

On August 28, 2018, the DOJ filed a two-count criminal information charging Leissner with conspiracy to commit money laundering and conspiracy to violate the FCPA by paying bribes to foreign government officials and circumventing internal accounting controls. In a November 1, 2018 press release, the DOJ announced that Leissner pleaded guilty to both counts and was ordered to forfeit \$43.7 million. Leissner’s sentencing is scheduled for January 17, 2019.

On October 3, 2018, the DOJ filed a three-count criminal indictment charging Low and Ng with conspiracy to commit money laundering and conspiracy to violate the FCPA by paying bribes to foreign government officials. Ng was also charged with conspiracy to violate the FCPA by circumventing internal accounting controls. On November 1, 2018, Ng was arrested in Malaysia pursuant to a provisional arrest warrant issued at the request of the United States. Low remains a fugitive.

Key Facts

Citation. *United States v. Jho & Hwa*, No. 1:18-cr-00538 (E.D. N.Y. 2018); *United States v. Leissner*, No. 1:18-cr-00439 (E.D.N.Y. 2018).

Date Filed. October 3, 2018 (Low; Ng); August 28, 2018 (Leissner).

Country. Malaysia; United Arab Emirates.

Date of Conduct. 2009 – 2014.

Amount of the Value. Approximately \$2.7 billion.

Amount of Business Related to the Payment. Not stated.

Intermediary. Advisor.

Foreign Official. Malaysian and Emirati government officials.

FCPA Statutory Provision.

- **Low.** Conspiracy (Anti-Bribery).
- **Ng.** Conspiracy (Anti-Bribery; Internal Controls).
- **Leissner.** Conspiracy (Anti-Bribery; Internal Controls).

Other Statutory Provision.

- **Low.** Conspiracy (Money Laundering).
- **Ng.** Conspiracy (Money Laundering).
- **Leissner.** Conspiracy (Money Laundering).

Disposition.

- **Low.** Fugitive.
- **Ng.** Pending.
- **Leissner.** Plea Agreement.

Defendant Jurisdictional Basis. Agent of Domestic Concern (Ng; Leissner); Conspirator (Low)

Defendant’s Citizenship. Malaysia (Low; Ng); Germany (Leissner).

Total Sanction.

- **Low.** Pending.

- **Ng.** Pending.
- **Leissner.** Pending.

Related Enforcement Actions. None.