

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the Matter of

TIM LEISSNER

A Former Institution-Affiliated Party of

THE GOLDMAN SACHS GROUP, INC., New
York, N.Y.,

A Registered Bank Holding Company, and

Its Non-Bank Subsidiaries

GOLDMAN SACHS (ASIA) L.L.C., Hong Kong,
GOLDMAN SACHS (SINGAPORE) PTE.,
Singapore, and GOLDMAN SACHS & CO.,
LLC, New York, N.Y.

Docket Nos. 19-008-E-I
19-008-CMP-I

Order of Prohibition and Order of
Assessment of Civil Money Penalty
Issued Upon Consent Pursuant to
Sections 8(e) and 8(i) of the Federal
Deposit Insurance Act, as Amended

WHEREAS, pursuant to sections 8(e), (i)(2), and (i)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. §§ 1818(e), (i)(2), and (i)(3), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issues this Order of Prohibition and Order of Assessment of Civil Money Penalty (the “Order”) upon the consent of Tim Leissner (“Leissner”), a former institution-affiliated party, pursuant to sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), of The Goldman Sachs Group, Inc. (“GS Group”), a bank holding company subject to the supervision and regulation of the Board of Governors, and GS Group’s non-bank subsidiaries Goldman Sachs (Asia) L.L.C. (“GS Asia”), Goldman Sachs (Singapore) Pte. (“GS Singapore”), and Goldman Sachs & Co. LLC (“GS & Co.”), formerly known as Goldman, Sachs & Co. (collectively, “Goldman” or the “Firm”);

WHEREAS, the Board of Governors is the appropriate federal banking agency with jurisdiction over institution-affiliated parties of GS Group, GS Asia, GS Singapore, and GS & Co., such as Leissner, within the meaning of sections 3(q)(3) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(q)(3) and 1818(b)(3);

WHEREAS, at all material times relevant to this Order, Leissner was employed as a participating managing director at Goldman, and was a coverage banker for various clients in the Asia Ex-Japan region, including 1Malaysia Development Berhad (“1MDB”), a Malaysian state-owned development company;

WHEREAS, from at least January 2012 until his departure from Goldman in February 2016, Leissner engaged in violations of law, unsafe and unsound practices, and breaches of fiduciary duty including, among other things:

- (a) participating in a scheme with Malaysian businessman Low Taek Jho (“Low”) and other co-conspirators to divert proceeds from several 1MDB transactions, including three 1MDB bond offerings underwritten by Goldman in 2012 and 2013 (the “1MDB Offerings”), for the benefit of the co-conspirators and to pay bribes to certain government officials of Malaysia and Abu Dhabi;
- (b) concealing the involvement of certain intermediaries in business transactions relating to 1MDB and a 2015 Indonesian financing transaction from Firm control personnel and deal approval committees in order to obtain or retain business from clients and help ensure that the transactions would be approved by the Firm;

- (c) in June 2015, sending an unauthorized reference letter on behalf of the Firm to a foreign financial institution that contained false and misleading statements concerning the Firm's relationship with Low and his family; and
- (d) engaging in various personal investments and other outside activities without seeking prior approval from the Firm as required, and annually certifying to the Firm that he had no such interests;

WHEREAS, on August 28, 2018, Leissner pleaded guilty in federal district court to conspiracy to violate the Foreign Corrupt Practices Act and conspiracy to launder money in connection with the scheme described above, and agreed to forfeit \$43.7 million;

WHEREAS, by affixing his signature hereunder, Leissner has consented to the issuance of this Order by the Board of Governors and has agreed to comply with each and every provision of this Order, and has waived any and all rights he might have pursuant to 12 U.S.C. § 1818, 12 CFR Part 263, or otherwise: (a) to the issuance of a notice of intent to prohibit on any matter implied or set forth in this Order; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any manner the basis, issuance, terms, validity, effectiveness, or enforceability of this Order or any provision hereof.

NOW THEREFORE, prior to the taking of any testimony or adjudication of or finding on any issue of fact or law implied or set forth herein, and solely for the purpose of settlement of this proceeding without protracted or extended hearings or testimony:

IT IS HEREBY ORDERED that:

1. Pursuant to sections 8(e) and (i)(3) of the FDI Act, 12 U.S.C. §§ 1818(e) and (i)(3), that Leissner, without the prior written approval of the Board of Governors and, where necessary pursuant to section 8(e)(7)(B) of the FDI Act, 12 U.S.C. § 1818(e)(7)(B), another Federal financial institutions regulatory agency, is hereby and henceforth prohibited from:

- (a) participating in any manner in the conduct of the affairs of any institution or agency specified in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), including, but not limited to, any insured depository institution or any holding company of an insured depository institution, or any subsidiary of such holding company, or any foreign bank or company to which subsection (a) of 12 U.S.C. § 3106 applies and any subsidiary of such foreign bank or company;
- (b) soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A);
- (c) violating any voting agreement previously approved by any Federal banking agency; or
- (d) voting for a director, or serving or acting as an institution-affiliated party, as defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), such as an officer, director or employee, in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A).

2. The Board of Governors hereby imposes a civil money penalty on Leissner in the amount of \$1,425,000 which shall be paid within thirty (30) days of the execution of this Order by Fedwire transfer of immediately available funds to the Federal Reserve Bank of Richmond, ABA No. 051000033, beneficiary, Board of Governors of the Federal Reserve System. The Federal Reserve Bank of Richmond, on behalf of the Board of Governors, shall distribute this sum to the U.S. Department of the Treasury, pursuant to section 8(i) of the FDI Act (12 U.S.C. § 1818(i)).

3. Pursuant to section 8(b) of the FDI Act, 12 U.S.C. § 1818(b), Leissner shall fully cooperate with and provide substantial assistance to the Board of Governors, including but not limited to the provision of information, testimony, documents, records, and other tangible evidence, in connection with the investigations of whether enforcement action should be taken against Goldman or other individuals who are or were institution-affiliated parties of Goldman or otherwise.

4. All communications regarding this Order shall be addressed to:

(a) Richard M. Ashton
Deputy General Counsel
Patrick M. Bryan
Assistant General Counsel
Board of Governors of
the Federal Reserve System
20th & C Streets, NW
Washington, DC 20551

