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CORPORATE PARTICIPANTS

Brian Rabbitt - *Acting Assistant Attorney General*

Seth DuCharme - *Acting United States Attorney for the Eastern District of
New York*

William Sweeney - *FBI Assistant Director in Charge of the New York Field
Office*

Stephanie Avakian - *Enforcement Division Director of the SEC*

Jason Gonzalez - *Assistant General Counsel for Enforcement, Board of
Governors of the Federal Reserve System*

PRESENTATION

Introduction

Good afternoon. This is the two-minute warning for the Criminal Division Press Conference. Today we have, speaking in this order, Acting Assistant Attorney General Brian Rabbitt; Acting U.S. Attorney for the Eastern District of New York, Seth DuCharme; FBI Assistant Director in Charge of the New York Field Office, William F. Sweeney; Enforcement Division Director, Stephanie Avakian of the Securities and Exchange Commission; and Assistant General Counsel for Enforcement, Jason Gonzalez of the Board of Governors of the Federal Reserve System.

Again, this is the two-minute warning. For everybody here in D.C., all mics and TV is hot. Thank you.

Brian Rabbitt

Good afternoon. I am Brian Rabbitt, Acting Assistant Attorney General for the Department of Justice's Criminal Division. I am joined today virtually by Acting U.S. Attorney Seth DuCharme of the Eastern District of New York, and Assistant Director Bill Sweeney of the FBI, Stephanie Avakian, Director of the Enforcement Division at the U.S. Securities and Exchange Commission, and Assistant General Counsel for Enforcement, Jason Gonzalez of the Federal Reserve Board.

We are here today to announce enforcement actions of historic significance. This morning, the Department filed criminal charges in New York against the Goldman Sachs Group and its Malaysian subsidiary, charging each with conspiracy to violate the anti-bribery provisions of the Foreign Corrupt Practices Act. These charges stem from Goldman Sachs's central role in a massive global scheme to loot billions of dollars from the government-run Malaysian fund known as 1MDB and the subsequent use of those funds by senior Goldman bankers and their co-conspirators to pay billions of dollars in bribes to senior government officials around the world.

Goldman Sachs Malaysia pleaded guilty to those charges just a short while ago, and its parent entity, the Goldman Sachs Group, has entered into an agreement with the Department of Justice, deferring prosecution on those charges for three years, provided certain conditions are met.

In a reflection of the seriousness of the bank's conduct, today's resolution includes the largest monetary penalty ever paid to the United States in a corporate criminal foreign bribery resolution and requires the bank to pay a total of over \$2.9 billion in criminal fines, penalties, and disgorgement--1MDB was a multi-billion dollar investment fund created by the Malaysian government to promote economic development.

In 2012 and 2013, Goldman received approximately \$600 million in fees, an unusually large amount, for its work helping 1MDB raise \$6.5 billion by issuing and selling bonds on the international market. However, billions of dollars were later stolen from 1MDB, some of which was then used to bribe corrupt officials in Malaysia and Abu Dhabi as well as others. These criminal proceeds were laundered through the United States and other financial institutions and used to make extravagant purchases around the world, including high-end real estate, yachts, art, and other luxury goods.

As the bank admitted in court today, senior Goldman bankers have played a central role in this scheme, conspiring with others to siphon off approximately \$2.7 billion from 1MDB. They, then,

used those funds to line their own pockets and to pay approximately \$1.6 billion in bribes. In addition to the involvement of several senior Goldman executives, other personnel at the bank allowed this scheme to proceed by overlooking or ignoring a number of clear red flags.

Today's resolution is significant. It includes criminal charges against the bank and a guilty plea by its Malaysian subsidiary. It also requires Goldman to disgorge the entirety of its \$600 million profit, pay a \$2.3 billion penalty, and admit wrongdoing. In short, it imposes serious consequences that reflect the central role that Goldman and its employees played in this serious scheme.

Today's charges and guilty plea are the culmination of years of work by the Department of Justice's Criminal Division, the U.S. Attorney's Office for the Eastern District of New York, the FBI's International Corruption Unit, and the Internal Revenue Service's Criminal Investigation Service.

This resolution marks a major milestone in our efforts to fight foreign corruption involving U.S. businesses. As I mentioned, it involved \$1.6 billion in bribes, which to our knowledge is the largest amount of bribes ever paid by a company in violation of the FCPA. Those bribes, in turn, resulted in \$2.7 billion in losses to 1MDB, which to our knowledge is the greatest loss amount ever charged in an FCPA matter.

Those bribes also ensured that Goldman Sachs received approximately \$600 million in fees, which to our knowledge is one of the largest profits ever secured by a company through foreign bribery in violation of the FCPA. As I mentioned, in recognition of the seriousness of this misconduct, today's resolution involves the largest monetary penalty ever paid to the United States in connection with a corporate criminal foreign bribery resolution.

Now beyond numbers, this case is also significant because it involved a massive corruption scheme carried out by executives of a preeminent American bank that caused significant harm. That harm was born principally and in the first instance by the people of Malaysia who saw a fund created to benefit them, and for which they remain financially responsible, instead turned into a piggy bank for corrupt public officials and their cronies.

The scheme also undercut confidence in the then Malaysian government and allowed billions of dollars in tainted funds to move through the U.S. and global financial systems. The U.S. is home to many of the world's preeminent financial institutions. As today's charges and guilty plea show, the Department of Justice will not hesitate to hold them accountable for harm that they cause here and abroad.

Now today's resolution is just the latest action that the Department of Justice has taken to hold wrongdoers accountable for and to assist victims of the 1MDB scheme. In addition to today's charges and plea involving Goldman Sachs, the Department has announced charges against three individuals in connection with this corruption scheme, including two Goldman executives.

One of those executives, a former participating managing director of the bank and chairman of its Southeast Asian operations, has already pleaded guilty. The other, a former managing director and head of Investment Banking for Goldman Sachs Malaysia, awaits trial in March of next year. The third, a foreign national, remains a fugitive from justice.

The allegations against these latter two individuals are, of course, just that, allegations unless and until they are proven guilty beyond a reasonable doubt. But these individual prosecutions,

together with the significant resolution that we are here announcing today, demonstrate the Department's steadfast commitment to punishing corporate misconduct by prosecuting not only responsible corporations but also responsible individuals, where appropriate.

I would also like to note that the Department's involvement in the 1MDB matter has not been limited solely to criminal prosecutions. It began more than four years ago when, in the largest collection of civil forfeiture action ever brought by the Department, we filed civil suits that collectively sought to recover more than \$1.5 billion in assets connected with this scheme.

The Department's work has led to the identification and forfeiture of over \$1.1 billion in assets traceable to 1MDB. Of that, the Department of Justice has already returned or assisted Malaysia in recovering more than \$620 million, and we expect that many millions more will be returned to Malaysia in the months and years ahead.

These forfeiture efforts were led by the Criminal Division's Money Laundering and Asset Recovery Section in partnership with our colleagues in the U.S. Attorney's Office for the Central District of California, the FBI, and the IRS. They were also made possible through the cooperation with partners in Switzerland, Singapore, Luxembourg, Malaysia, and the United Kingdom. And I would like to thank these partners for their help and assistance with this case.

Today's case is also important because of the unprecedented cooperation and coordination that made it possible. Today's resolution includes crediting of Goldman's parallel resolutions with no fewer than nine other U.S. and foreign authorities, the largest number ever in a foreign bribery case. And several of those cooperating and coordinating authorities are here with me today.

Beyond sheer numbers, this unprecedented coordination is notable for two additional reasons. First, it shows that criminals cannot escape responsibility simply because their misconduct spans jurisdictions and law enforcement authorities. The Department of Justice and its partners here in the U.S. and across the world will work in parallel to investigate and prosecute fraud and corruption no matter where it occurs.

Second, it demonstrates that the Department will ensure that fraud and corrupt conduct is punished appropriately and seriously but not unfairly. Where companies work in good faith to facilitate a coordinated resolution in a case such as this, we will do our part by avoiding piling on and not imposing duplicative fines or penalties.

Finally, I would like to note that this case was investigated and prosecuted, at least in part, during a global pandemic. It is a tribute to our team and our partners that they overcame this challenge and worked diligently to resolve this case. As this resolution shows, the Criminal Division and the Department of Justice remain open for business.

Let me end by returning to an earlier point. The American financial system and our American financial institutions are the envy of the world. We have a duty to ensure that they remain free from corruption and that their considerable influence and power is used for good, not to harm others. The 1MDB fund held tremendous promise for the Malaysian people, but instead of realizing on that promise, it was looted by corrupt officials and their co-conspirators, including the Goldman Sachs bankers that we have charged.

This criminal conduct is antithetical to good government. It hurts free markets, it undermines the rule of law, it creates an un-level playing field, and it puts our national security at risk by

enabling corrupt regimes around the world. It also erodes global confidence in our American financial institutions and the U.S. financial system.

Today's resolution, coupled with the other actions the Department has taken over the last several years in connection with this case, represent a major step towards restoring that confidence and making the people of Malaysia whole. It imposes serious consequences on Goldman for the bank's involvement in this serious misconduct.

Thank you very much for being here today, and I would like to next turn the podium, at least virtually, to my colleague, Acting U.S. Attorney Seth DuCharme in New York. Thank you.

Seth DuCharme

Thanks very much, Brian. Good afternoon, everyone. It's good to see you all today. My name is Seth DuCharme. I'm the Acting United States Attorney for the Eastern District of New York. And today I'm joined by Bill Sweeney to my left who is the Assistant Director in Charge of the FBI for the New York Field Office, and my team here in Brooklyn, Jackie Casol (SP), Alec Smith (SP), and Andrew Roll (SP), who stand beside me as well.

Today's resolution of criminal charges against Goldman Sachs and its Malaysian subsidiary stands in part for the principal that U.S. federal law has a very long arm. When it comes to holding accountable those who unfairly tilt the scales in international business through the use of bribes, we look far and wide.

In this investigation, we uncovered conduct as far away as Malaysia and Abu Dhabi that ran afoul of our U.S. criminal code, in particular the Foreign Corrupt Practices Act. We also looked in our own backyard, just a couple of miles across the Brooklyn Bridge from where we're now standing to the New York financial district.

And we there discovered that Goldman Sachs and some of its senior managers were involved in bribery, and we took the appropriate action. Enforcing the FCPA is a mission with which our office is very familiar. As we have recently in other matters, here we once again enforced the statute to help stamp out international corruption and to maintain the integrity of our iconic American financial institutions. In so doing, we applied the rule of law to defenders evenly and fairly, consistent with the principals of federal prosecution, whoever the offenders may be, wherever we may find them, the corporations as well as the individuals.

To be clear, this case isn't just about what happens in Malaysia, although that is very important, because that's where the injury was done. This case is also about the way our American financial institutions conduct business, and it's about reminding people where the boundaries of fair play are. There are certain lines which, if crossed, carry significant penalties, and justly so.

The conduct at issue in this case involved a bribery and corruption scheme that spanned years--multiple transactions, multiple countries, multiple officials, and it involved a revered New York-based bank, Goldman Sachs. These was a scheme that helped Goldman Sachs make hundreds of millions of dollars in fees by using bribes to incentivize foreign officials to allow Goldman Sachs (inaudible) bond deals that were supposed to support energy development in Malaysia.

A state-owned strategic investment fund in Malaysia, 1MDB's intended purpose, was to help secure the long-term economic future of the Malaysian people but much of it never did. Instead, billions of dollars were diverted from the 1MDB bond transactions and used to enrich the co-

conspirators and to pay the bribes and to line Goldman Sachs' own pockets and the pockets of its confederates.

Through the promise of payment of well over \$1 billion in bribes, Goldman Sachs obtained lucrative business from 1MDB, including a role on three bond offerings that raised approximately \$6.5 billion for 1MDB and earned Goldman Sachs over \$600 million in fees and revenue. Even in the world of international finance, those are big numbers.

And when fees like that are obtained through violations of U.S. law, they require a response from U.S. authorities to deter similar conduct, to provide just punishment, and to level the playing field for honest parties. The scheme was principally carried out by senior officials in Goldman Sachs. And, as you know, we've charged individuals in connection with this conduct. One has pleaded guilty, one awaits trial, and a third is, for the moment, not within our custody.

We're here today because Goldman Sachs Group and Goldman Sachs Malaysia have now accepted responsibility for their roles in the scheme. As Brian noted, Goldman Sachs Malaysia has pled guilty to conspiring to violate the FCPA, and the Goldman Sachs Group has entered into a deferred prosecution agreement, admitting its role in the conspiracy that violates the FCPA and agreeing to pay a criminal penalty of more than \$2.9 billion, with over \$1.2 billion being paid to the United States.

Today's criminal charges brought against one of the world's largest global investment banks, one that is headquartered just miles from where I'm now standing, demonstrate that we take this conduct seriously, that we remain steadfast in our commitment to investigate and prosecute white-collar criminals both here and abroad, and to hold our financial institutions accountable to the rule of law.

I'd now like to turn the podium over to my colleague, Bill Sweeney, from the FBI. Bill?

William Sweeney

Thank you, Seth, and thanks for the exceptional work that your team performed. The government officials and business executives secretly worked together behind the scenes for their own illegal benefit and not that of their citizens or shareholders. Their behavior lends credibility to the narrative that businesses do not succeed based on the quality of the products but rather their willingness to play dirty. Greed is not good.

Greed like this eventually exacts an immense cost of society, and unchecked criminal behavior erodes trust in public institutions and government entities alike. When greed leads to activity that breaks federal law, FBI special agents will do their part to hold the corrupt executives, officials, and businesses accountable.

Today's announcement should (inaudible) to achieve justice in this case. The story of 1MDB is in an intricately web of corruption involving one of the world's largest investment banks in a series of high-level government officials overseas. Senior leaders of Goldman Sachs paid more than \$1.6 billion in bribes to foreign officials in Malaysia and Abu Dhabi in order to procure business from 1MDB.

This effectively secured their position as the lead arranger for three bond issuances for the company. When these bonds sold, Goldman charged commission fees that far exceeded the business norm, earning them a whopping \$600 million and simultaneously boosting their business reputation across Southeast Asia. This appropriated amount from the scheme

traveled around the world. Two Goldman Sachs employees have been charged with their role in the international public corruption scheme. Tim Leissner, the former Southeast Asian chairman of Goldman Sachs pleaded guilty to conspiring to launder money and conspiring to violate the FCPA. Roger Ng, the former managing director of Goldman and the head of Investment Banking for Goldman Sachs Malaysia has been charged with conspiring to launder money and to violate the FCPA. He faces trial next year.

Today, we are holding a major U.S. financial institution accountable for violations of FCPA-related practices. Goldman Sachs has agreed to pay more than \$2.9 billion in criminal penalties and disgorgement fees. This case represents the largest ever penalty paid to the U.S. authorities in a Foreign Corrupt Practices Act case.

Our investigation into the looting of funds from 1MDB remains ongoing. And if anybody has information that could assist the case, please call us at 1-800-CALL-FBI. This resolution in this case would not have been reached without the joint commitment of our law enforcement partners here in the United States and overseas, to include those in Singapore, Switzerland, United Kingdom, Luxembourg, and of course Malaysia.

I want to thank you and thank your team and thank the Department, and I'll turn it back over to Brian.

Brian Rabbitt

Thank you, Bill, and thank you, Seth. I am glad you were able to join us from New York. And I wanted to echo Bill's thank you to our international partners who have assisted in this case as well as to the team in New York under the leadership of Seth and Bill and the rest of our partners at the FBI and the U.S. Attorney's Office who have been so integral to this case.

With that, I will turn it over now to Stephanie Avakian, who is the Director of Enforcement at the U.S. Securities and Exchange Commission. Thank you.

Stephanie Avakian

Thanks, Brian. Good afternoon, and thank you. I'm Stephanie Avakian, Director of the SEC's Division of Enforcement. Today, the SEC announced charges against Goldman Sachs for violating the anti-bribery books and records and internal control provisions of the Foreign Corrupt Practices Act. Goldman Sachs agreed to settle the charges and was ordered to pay a civil penalty of \$400 million. The company was also ordered to pay disgorgement of more than \$600 million, which has been satisfied by the payments the company made to the government of Malaysia and 1MDB in a related settlement.

My law enforcement colleagues here have already described the facts of this case, so I'm not going to do it again. I will, however, note that from our perspective, this case highlights the continuing need for public companies to understand who they are doing business with as well as to have controls that are tailored to the risks presented by employees at all levels, including senior employees.

This is particularly important where, as here, the transactions at issue involve billions of dollars of corporate assets. This case also demonstrates our longstanding and productive working relationships with the Department of Justice and other domestic and international regulatory and criminal authorities. Here the SEC staff brought to bear all of our investigative skills, among them our skills in asset tracking and analyzing bank records. And this resolution reflects on our

ability to successfully deploy our respective experience and expertise, while also sharing information, as appropriate, across our parallel investigations.

Vigorous enforcement of the FCPA is a high priority for the SEC. These cross-border investigations are complex, and they typically take a long time to complete, in most cases many years. But combating the destructive and anti-competitive effects of bribery and corruption is critical to furthering the SEC's mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.

I'd like to recognize the Division of Enforcement team who investigated this case. They are Eric Heining and Paul Block of the FCPA unit and Mark Albers and Martin Healey of our Boston Regional Office. They were supervised by Charles King, Chief of the FCPA Unit. I'd also like to thank the many law enforcement colleagues in this matter, in particular thanks to Brian Rabbitt and his colleagues here in the Criminal Division of the Department of Justice, Seth DuCharme and his colleagues in the United States Attorney's Office for the Eastern District of New York, Bill Sweeney and his colleagues from the FBI, and Jason Gonzalez and his colleagues from the Board of Governors of the Federal Reserve System.

And with that, let me turn it over to Jason Gonzalez. Thank you.

Jason Gonzalez

Thank you, Stephanie. Good afternoon. My name is Jason Gonzalez, and I'm the Assistant General Counsel for Enforcement at the Federal Reserve Board. Today, the Federal Reserve Board is assessing a \$154 million civil money penalty against the Goldman Sachs Group for the firm's failure to maintain appropriate oversight, internal controls, and risk management with respect to Goldman's involvement in a far-reaching scheme to defraud a Malaysian state-owned investment and development company, known as 1MTB.

In addition to this penalty, the Federal Reserve is imposing a cease-and-desist order, directing Goldman Sachs Group to improve its risk management and oversight of significant and complex transactions, improve its anti-bribery compliance program, and to enhance its due diligence related to these transactions.

The Federal Reserve regulates and supervises Goldman Sachs and other large banks, and our examiners will monitor the bank's corrective actions on an ongoing basis. And as the bank's regulator, the Federal Reserve oversees the adequacy of the firm's risk management program, including controls over legal compliance.

We are committed to taking firm action to remedy serious deficiencies and to hold banks accountable where there are violations of law. In addition, the Federal Reserve previously prohibited from banking three former Goldman employees for their actions on behalf of the firm in the misconduct related to the 1MDB offerings.

In March 2019, the Federal Reserve prohibited former Goldman employees Tim Leissner and Roger Ng for their roles in the scheme to divert bond proceeds from the 1MDB offerings. Leissner was also fined \$1.4 million. In January 2020, the Federal Reserve also prohibited a former Goldman employee, Andrea Vella, for unsafe and unsound practices in connection with the bond offerings. The Federal Reserve's actions send a strong message to the banking industry to make compliance with the law a priority.

The action also highlights the importance of banks effectively managing operational risk and the consequences of failing to do so. The actions taken against Goldman Sachs serve to remind us that we must remain vigilant to protect the nation's financial system. The Federal Reserve is proud to share this responsibility with the Justice Department and the SEC.

I want to close by expressing my gratitude to the men and women at the Federal Reserve and each of the agencies represented here today for their hard work and dedication. Today's action would not have been possible without their collective efforts. And I'd like to thank our host for holding this conference to announce this very important action. Thank you, Brian.

Brian Rabbitt

Thank you to both Jason and Stephanie for joining me here today and for their remarks. With that, I believe we have time for a few questions from folks on the line, so I will turn it over to Matt Lloyd.

QUESTION-AND-ANSWER SESSION

Operator

We will now begin the question-and-answer session. To ask a question, you may press "*", then "1" on your touch-tone phone. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press "*", then "2." Please note that you will be limited to one question today, and we do ask that when you pose your question, you specify who it is for.

Now, we will pause momentarily to assemble our roster. Our first question today comes from Dave Michaels with the *Wall Street Journal*.

Dave Michaels

Oh, hi. Thanks for taking the question. I guess this question is for the Assistant Attorney General. Given the record-breaking nature of this case, including the amount of the bribes paid and the penalties that are called for, why did the resolution not require a guilty plea by the parent or an indictment of the parent as opposed to this unit in Malaysia? And did the Justice Department consider the collateral consequences that might have flowed from a guilty plea or indictment in making the decision not to insist on that?

Brian Rabbitt

Thank you, Dave. I appreciate the question. Look, in every case, we think hard--very hard--about what the appropriate resolution is, both in terms of the size of any penalties and disgorgement that we require an entity to pay as well as the form of the resolution. I think that if you look at the terms of this resolution on paper, there can be no question that this is a serious and significant resolution that imposes serious and significant consequences for the offense and that it's commensurate with the conduct that we've described in our filings.

Just to kind of go over some of those terms again in a little bit more detail, I want to be clear about one thing. Today's resolution does, in fact, require--or does, in fact, charge Goldman Sachs, the parent entity, with the criminal violation of the Foreign Corrupt Practices Act. As I mentioned, we've entered into a deferred prosecution agreement with the parent entity, and prosecution on those charges will be deferred for a period of three years, provided certain conditions are met.

But the parent entity has, in fact, been criminally charged. And as you point out, Dave, the Malaysian subsidiary of the parent entity, Goldman Sachs Malaysia, has not only been charged criminally but has pleaded guilty to and admitted its liability for criminal FCPA violations. And as I'll note, this scheme, while global in nature, was, of course, focused on Malaysia. And so, I think it makes sense that the Malaysian subsidiary of Goldman Sachs is the one who has been charged and pled guilty here today.

I'll also note, in addition to those charges, that we've charged, as I mentioned, three individuals with money laundering and FCPA violations in connection with their roles in this scheme. So, there's been a significant amount of criminal liability imposed in this case, criminal liability that we feel is serious and significant but also appropriate under the circumstances.

And I'll also just mention the financial component of this resolution as well, which I also think speaks to the seriousness and significance of it. Goldman Sachs is being required to disgorge and return to Malaysia 100 percent of the fees that it earned in connection with this work. And it is also being required to pay a global criminal monetary penalty of approximately \$2.3 billion, which is four times the amount of profits that it earned in connection with this deal.

In addition to that, it has also entered into a separate settlement, I understand, with Malaysia, whereby it will pay Malaysia up to \$2.5 billion. So, I think considered as a whole, Dave, the resolution here today is a serious one, it's a significant one, and it imposes meaningful consequences for the conduct that we've charged here today.

Next question?

Operator

Our next question comes from Mike Balsamo with the *Associated Press*.

Mike Balsamo

Thanks. Brian, maybe you could just speak a little bit more about kind of the significance of 1MDB investigations and the assets and the work that the Department has put into these investigations going forward, including the prosecution of Jho Low. I guess it kind of stands to reason of--whether or not the Department knows where he is and will actually kind of bring him to court in the U.S.

Brian Rabbitt

Thanks, Mike. I can address that. The 1MDB case at the Department of Justice, as I mentioned in my remarks, is not simply criminal in nature. As I just mentioned, the criminal investigation here was significant, and it's resulted in charges against Goldman Sachs, its Malaysian entities, and three individuals. Beyond that, it also has involved a significant amount of work on the civil side by our Money Laundering and Asset Forfeiture Unit here in the Criminal Division as well as other attorneys throughout the Department.

I really do think it's significant. We have identified and seized and had forfeited in excess of \$1 billion connected to or traceable to 1MDB. And we've already returned or assisted Malaysia in recovering approximately \$620 million. That's money that will go back to the people of Malaysia and will be used to make good on the debt that 1MDB incurred in connection with this scheme. And in addition to that \$620 million, we expect, as I mentioned, that many, many millions more will be going back to Malaysia in the months and years ahead.

As to individual prosecutions, as I mentioned, one individual, a senior Goldman Sachs banker, the Chairman of Goldman's Southeast Asian Operations, has already pleaded guilty to criminal charges in connection with this case. Another, who was a managing director and the head of Investment Banking for Goldman Sachs Malaysia, is facing trial in March of 2021. And we look forward to that trial, and we are preparing for it. As I mentioned earlier that individual is innocent until proven guilty, but we will be going to trial in March of next year.

And as to third individual, as Seth and I both mentioned, he's a fugitive from justice. And here at the Department, generally speaking, we aggressively pursue fugitives, and we pursue every avenue available to us to get them back here to the United States where they can, in fact, face justice for their actions.

Thanks. Next question?

Operator

Our next question comes from Kadhim Shubber with the *Financial Times*.

Kadhim Shubber

Hi, there. Thank you for taking my question. This is for the Assistant Attorney General. You had said in your remarks that other personnel who haven't been charged at Goldman allowed the scheme to proceed by overlooking or ignoring a number of clear red flags. Could you talk a little bit more about what the charges today say about what you sort of referenced there in terms of overlooking or ignoring red flags by other personnel?

Brian Rabbitt

Sure. And thank you for the question. Look, we've been very clear here at the Department of Justice about the central role the corporate compliance programs play in corporate America today. It's something that we take into account in the course of our investigations. It's something that we take into account and look at very seriously in connection with resolutions of particular cases.

Here, one factor in our analysis was the fact that not only was there criminal conduct by a number of Goldman Sachs executives, but there was also a number of red flags that were raised over the course of the years that would have and should have allowed Goldman Sachs to either identify this conduct and follow up on it or stop it altogether, either at the outset or at some point before the scheme was completed.

So, I think today's resolution shows companies the importance of corporate compliance programs. It ensures--or it shows companies that they need to ensure that their corporate compliance programs are not only adequate on paper but that they are also adequately resourced and that they're functioning properly, that they're tested, and that they can actually identify, stop, and mitigate the type of conduct that led to the significant criminal charges and the significant resolution with the bank today.

I think we have time for one more question.

Operator

Our next question will come from Felix Salmon with Axios.

Felix Salmon

Thanks very much. I was just wondering a very simple question, if you could sort of add up and duplicate some of the fines here. It seems that of the \$2.9 billion that you--your headline number--\$600 million of that is included in the \$2.5 billion that was paid to Malaysia. There was also \$350 million paid to Hong Kong. I'm a bit unclear about the \$150 million that's going to the Fed and the \$1.4 billion that--in assets that were also sent back to Malaysia. Is there a sort of bottom-line number here for the total amount of money that Goldman Sachs is paying globally to settle these charges?

Brian Rabbitt

There is. And I apologize, math is not necessarily my strong suit, which is why I'm a lawyer. But I will say the global amount of money that is going to be paid by Goldman Sachs in connection with the resolution that we are announcing today is \$2.921 billion. And I'll highlight just a couple of components of that for you. But, if you would like to follow up with our Office of Public Affairs, I'm sure we could give you a fact sheet that breaks that down in a little bit more detail.

As well, I would refer you to our filings in the case, which provide a bit more detail about the specific breakdown in terms of the money. But of the \$2.921 billion in global penalties, \$606 million is being credited to Malaysia as disgorgement. The DOJ will be paid \$1.263 billion in a criminal monetary penalty. The SEC, as Stephanie mentioned earlier, will receive \$400 million in a civil monetary penalty. The Fed will receive \$154 million in terms of a penalty.

And then there are a number of other foreign regulators that are also receiving similar amounts in terms of penalties, all of which is being credited against the top line \$2.9 billion number. So just again, circle back. The global amount that we are announcing in connection with today's resolution is \$2.921 billion. Of that, \$2.315 billion represents penalties. And of that, \$1.263 billion will be paid directly to DOJ, which, as I mentioned, is, to our knowledge the largest criminal monetary penalty ever paid to the Department of Justice in connection with a criminal foreign bribery resolution.

So, with that I will close the press conference. I want to say thank you very much to everybody for being here today. I want to, once again, thank our team here at the Department of Justice for their excellent work on this case. And I also want to thank our partners here in the United States and abroad for their steadfast cooperation and coordination as we worked to secure justice for the United States and the people of Malaysia. Thank you.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.