



Key facts and themes in the Report

“Goldman Sachs’ 1MDB ‘Four Monkeys’ Defense and CEO Solomon’s Golden Opportunity”

- Bottom line:
 - 1MDB is not just about stealing billions of dollars, a global money laundering scheme, or a financial scandal; it’s about the corruption and looting of an entire country by enabling an allegedly corrupt politician to get reelected for another five years, when he crushed his political opposition and at least one prosecutor was brutally murdered;
 - None of this likely would have been possible without the critical role played by Goldman Sachs as 1MDB’s banker, underwriter, advisor and validator;
 - Although more than 30 Goldman bankers and executives were involved in the 1MDB relationship, Goldman’s primary defense is reportedly the claim that a couple of its partners went “rogue” and secretly engaged in massive, years-long criminal conduct. According to this story line, those couple of rogues were criminal masterminds and geniuses who fooled **all** of the smartest, highest-paid bankers in the world; **all** of Goldman’s risk, compliance, legal and audit systems and controls; and **all** of Goldman’s management, including its then-CEO Lloyd Blankfein, then-COO/later President Gary Cohn and then-co-head of investment banking/now CEO David Solomon;
 - This “four monkeys” defense of “see no evil, hear no evil, speak no evil, and keep all the money” should be rejected due to the many red flags during Goldman’s relationship with 1MDB;
 - Goldman’s actions here also raise the most fundamental issues of accountability relating to the double-standard applied to Wall Street’s too-big-to-jail and too-big-to-fail financial giants. In addition, these actions raise questions about the wisdom of taxpayers bailing out Goldman and saving it from bankruptcy in 2008, particularly in light of Goldman’s extensive RAP Sheet of wrongdoing and unlawful activities, which is getting worse.
- The Department of Justice and Attorney General Barr are considering bringing criminal charges against Goldman Sachs for its involvement in the looting of between \$4 billion to \$10 billion from the Malaysian investment fund 1MDB;
- Literally months after being bailed out by the US government and US taxpayers, Goldman began a relationship with 1MDB spanning from 2009 to 2014, reportedly as part of a new Goldman profit-making strategy called “monetizing the state”;

- Goldman’s 1MDB relationship involved more than 30 bankers and executives, including its most senior executives;
- From May 2012 to March 2013, Goldman Sachs was the sole, no bid underwriter for three 1MDB bond offerings amounting to \$6.5 billion, for which Goldman reportedly pocketed about \$600 million;
- A highly contested election for Prime Minister was underway during these offerings as were serious allegations of corruption by the then-Prime Minister seeking reelection; the largest anti- corruption street protests in the history of the country were happening at the same time;
- **Follow the money:** The money raised by Goldman in the last bond offering of \$3 billion was deposited in a small Swiss bank over the objections of Goldman’s Singapore lawyers and hundreds of billions of dollars of that money was allegedly diverted the next day to accounts for the benefit of the then-Prime Minister and used as bribes to enable him to steal the very close election that was held just two months after the bond offering;
- Goldman’s primary defense is that a couple of “rogue” partners lied and fooled all the smartest, highest-paid bankers in the world, all of Goldman’s risk, compliance, legal and audit systems and controls, as well as all of Goldman’s management. We call this Goldman’s “four monkeys” defense: see no evil, hear no evil, speak no evil, and keep all the money;
- The pending question is whether Goldman Sachs will be criminally charged by the Department of Justice or whether “too-big-to-jail” is alive and well at the Wall Street banks where the wealthy and well-connected are allowed to use shareholders’ money to buy a “get-out-of-jail-free card” when any other business in America committing such crimes would be shown little, if any, mercy, and thrown into bankruptcy -- with the executives thrown into prison;
- These actions also raise questions about the wisdom of taxpayers bailing out Goldman and saving it from bankruptcy in 2008. That was supposedly to benefit Main Street because of the crucial role banks have in our economy, but that simply cannot include these types of activities, which benefited no one other than the Goldman financiers receiving big bonuses;
- Is this really the type of bank, and are these the types of activities, that should be backed by taxpayers? As [detailed in the RAP Sheet Report](#), Goldman Sachs has been the subject of no less than 34 major legal actions over the last two decades, paid almost \$10 billion in settlements, fines and penalties, and received almost \$900 billion in bailouts related to the 2008 financial crash, which it helped cause; and,
- [Goldman lawbreaking is getting worse](#): Goldman’s major legal actions and payments have actually increased since the pre-crash era, not including the numerous pending 1MDB civil and criminal actions across the globe.

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