

Press Release

February 04, 2020

Federal Reserve Board announces it is permanently barring senior executive at Goldman Sachs from banking industry

For release at 11:30 a.m. EST

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The Federal Reserve Board on Tuesday announced that it is permanently barring Andrea Vella, a senior executive at Goldman Sachs, from the banking industry for his role in Goldman's financing of a defrauded Malaysian sovereign wealth fund.

Goldman arranged bond offerings in 2012 and 2013 for 1Malaysia Development Berhad (1MDB), Malaysia's state-owned development and investment company. The consent order states that Vella failed to escalate Low Taek Jho's involvement in the bond offerings. Low was a person of known concern to Goldman, and his involvement indicated heightened potential underwriting risks.

Low and two former Goldman employees, Tim Leissner and Roger Ng, have been criminally charged by the Department of Justice for participating in a scheme to divert proceeds of the bond offerings from 1MDB for their personal benefit and bribing certain government officials in Malaysia and Abu Dhabi.

In March 2019, the Board permanently prohibited Leissner from banking and fined him \$1.42 million for his role in the scheme to divert bond proceeds. Ng is currently prohibited from banking by the Board.

For media inquiries, call 202-452-2955.

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Last Update: February 04, 2020

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

In the Matter of

ANDREA VELLA

An institution-affiliated party of Goldman
Sachs Services (B.V.I.) Limited, and Goldman
Sachs (Asia) L.L.C., Hong Kong

Non-Bank Subsidiaries of a Registered
Bank Holding Company

Docket No. 20-001-E-I

Order of Prohibition Issued Upon
Consent Pursuant to Section 8(e) of
the Federal Deposit Insurance Act,
as Amended

WHEREAS, pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. § 1818(e), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issues this Order of Prohibition (the “Order”) upon the consent of Andrea Vella (“Vella”), an employee and 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 Goldman Sachs Services (B.V.I.) Limited (“GS Services”) and Goldman Sachs (Asia) L.L.C. (“GS Asia”), incorporated in Delaware and doing business in Hong Kong, both non-bank subsidiaries of The Goldman Sachs Group, Inc., a registered bank holding company, New York, New York (together, the “Firm”);

WHEREAS, since at least 2010, Vella has been employed by GS Services and on assignment to GS Asia, where he held senior roles within the Firm, including the Co-Head of the Financing Group and the Co-Head of the Investment Banking Division for the Asia Ex-Japan region;

WHEREAS, as a senior executive of the Firm, Vella, among others, had responsibility for executing complex financing transactions arranged by the Firm, including three bond

offerings issued by 1Malaysia Development Berhad (“1MDB”), Malaysia’s state-owned investment and development company, in 2012 and 2013 (the “1MDB offerings”);

WHEREAS, in this role, Vella was responsible for providing full and accurate information to the Firm committees reviewing the complex financing transactions and appropriately supervising financing personnel working on the transactions;

WHEREAS, from around February 2012 to April 2013, Vella engaged in unsafe and unsound practices by failing to ensure that the involvement of third-party Low Taek Jho (also known as Jho Low) in the 1MDB offerings, which indicated heightened potential underwriting risks, was fully escalated within the firm;

WHEREAS, by affixing his signature hereunder, Vella 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 final adjudication of or finding on any issue of fact or law implied or set forth herein, without Vella admitting or denying any allegation made or implied by the Board of Governors in connection herewith, and solely for the purpose of settlement of this proceeding without protracted or extended hearings or testimony:

IT IS HEREBY ORDERED, pursuant to sections 8(e) of the FDI Act, 12 U.S.C. § 1818(e), that:

1. Vella, 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. Pursuant to section 8(b) of the FDI Act, 12 U.S.C. § 1818(b), Vella 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.

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

- (a) Richard M. Ashton, Esq.
Deputy General Counsel
Board of Governors of
the Federal Reserve System
20th & C Streets, N.W.
Washington, DC 20551
- (b) Andrea Vella

With a copy to:

Andrew Levander
Jonathan Streeter
Dechert LLP
Three Bryant Park
1095 Avenue of the Americas
New York, NY 10036

4. Any violation of this Order shall separately subject Vella to appropriate civil or criminal penalties, or both, under sections 8(i) and (j) of the FDI Act, 12 U.S.C §§ 1818(i) and (j).

5. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any other Federal or state agency or department, from taking any other action affecting Vella; provided, however, that the Board of Governors shall not take any further action against Vella relating to the matters addressed by this Order based upon facts presently known by the Board of Governors. This release and discharge shall not preclude or otherwise affect (i) any right of the Board of Governors to determine and ensure compliance with this Order, or (ii) any proceedings brought by the Board of Governors to enforce the terms of this Order.

6. Each provision of this Order shall remain fully effective and enforceable until expressly stayed, modified, terminated, or suspended in writing by the Board of Governors.

By order of the Board of Governors of the Federal Reserve System, effective this 31st day of January, 2020.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

_____/s/_____
Andrea Vella

By: _____/s/_____
Ann E. Misback
Secretary of the Board