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Further 1MDB investigation developments uncover more ties to Malaysian fugitive Jho Low

Add a few more twists to the ongoing 1Malaysia Development Berhad (1MDB) scandal: attempted bribery of U.S. officials, a possible Chinese bailout and testimony from Hollywood actor Leonardo DiCaprio.

The massive embezzlement scheme has brought down former Malaysian Prime Minister Najib Razak; resulted in indictments for several people involved, including top executives of The Goldman Sachs Group, Inc.; and is linked to millions of U.S. dollars in jewelry, a luxury yacht and the hit film The Wolf of Wall Street.

Attempted Bribery

George Higginbotham, a senior congressional affairs specialist at the United States Department of Justice, pleaded guilty in December "for his role in a conspiracy to deceive banks in the United States about the source and purpose of millions of dollars sent from overseas to finance a lobbying campaign on behalf of foreign interests," according to a DOJ press release.

"According to the allegations in the complaint, [Pras Michel, a former member of the rap group Fugees and a famous entertainer,] and Higginbotham defrauded U.S. financial institutions and laundered millions of dollars into the United States as part of an effort to improperly influence the Department's investigation into the massive embezzlement and bribery scheme involving 1MDB," said Assistant Attorney General Benczkowski. "The Criminal Division and our law enforcement partners will do everything we can to trace, seize, and forfeit the proceeds of foreign corruption that flow through the U.S. financial system."

Higginbotham received millions of U.S. dollars from 1MDB scandal ringleader Low Taek Jho, also known as "Jho Low," that were meant to pay off officials who were involved in the investigation into the scandal. The scheme involved several co-conspirators. According to the factual basis for the plea agreement, co-conspirator A, "a United States citizen, businessperson, and entertainer," reached out to Higginbotham on behalf of Jho Low to find a connected law firm or individual who could steer the investigation away from Jho Low. The scheme also involved deporting a vocal critic of "Country Q" — presumably Malaysia, or perhaps China — back to Country Q; an off-shoot of the attempt to influence the 1MDB investigation that, according to DOJ documents, was "potentially more lucrative than their work on the 1MDB issue …"

Higginbotham created multiple shell companies, fake loan documents, investment agreements and consulting contracts to help further the scheme and enable millions of U.S. dollars allegedly embezzled from 1MDB to flow through the U.S. financial system in an attempt to bribe and influence a federal investigation.

Higginbotham pleaded guilty to conspiracy to make false statements to a bank (by far the most minor offense compared to the many potential crimes he committed), and his sentencing may reflect the substantial assistance he is offering the DOJ. The base sentence is a maximum of five years in prison, but the actual sentence is up to the discretion of the court. In exchange for possible leniency, Higginbotham agreed to provide truthful and complete information when called upon, including documents and records. He also agreed to testify, waived his right to have counsel present at all meetings with DOJ officials, and to go undercover if asked to do so.

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