

# The ACR Brief

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## In Win for DOJ's Kleptocracy Initiative, Jho Low Pays Up

Low Taek Jho, or “Jho Low” as he was known in the media, the flamboyant intermediary around which the [1MDB](#) scandal swirls, has [agreed](#) to [forfeit](#) more than \$700 million in assets the DOJ alleges were misappropriated from the Malaysian sovereign wealth fund. The assets subject to forfeiture include high-end real estate in Beverly Hills, New York and London; a luxury boutique hotel in Beverly Hills; and tens of millions of dollars in business investments that Low allegedly made with funds traceable to misappropriated 1MDB monies,” according to the DOJ’s press release.

Combining this case with previous civil settlements, the DOJ has recovered more than \$1 billion in assets associated with the 1MDB bribery, which represents the largest recovery to date for the Criminal Division’s Money Laundering and Asset Recovery Section’s Kleptocracy Asset Recovery Initiative. The Initiative was [founded](#) in 2010, and “is specifically designed to target and recover the proceeds of foreign official corruption that have been laundered into or through the United States,” Acting Assistant Attorney General Kenneth Blanco explained in a 2017 [speech](#).

According to Blanco, the kleptocracy initiative “has proven to be an incredibly valuable tool to fight corruption,” and the results it has achieved “have been outstanding.” Other kleptocracy initiatives include the civil suits seeking funds paid to Gulnara Karimova, the eldest daughter of Uzbek President Islam Karimov, as part of the massive bribery scheme that led [VimpelCom](#), [Mobile Telesystems](#) (MTS) and [TeliaSonera](#) to settle with the DOJ, SEC and other foreign authorities.

In the [press release](#) announcing Low’s civil settlement, the DOJ expressed appreciation for the “significant assistance” provided by enforcers in Malaysia, Singapore, Switzerland and Luxembourg, making this just another example of the important role [international cooperation](#) plays in anti-corruption efforts, despite what the [SEC chairman](#) might think. Now might be a good time for companies to brush up on recent DOJ alumni Fry Wernick’s [suggestions](#) on how companies can respond to the boom in FCPA enforcement fueled by international cooperation.

While the DOJ’s civil pursuit of assets related to the 1MDB scandal has turned out to be a success, wins for the Kleptocracy Initiative appear to be few and far between. We would love to hear what you think of the initiative and its relevance for you and your clients.

Warmly,

Megan Zwiebel