



Global Media Logistics of Exchange and Expenditure: *The Wolf of Wall Street* (2013) in the Shadow of 1MDB

Peter J. Bloom

Global financial logistics has defined the expansive global pump and loot scheme associated with 1 Malaysian Development Berhad (1MDB) and its investment vehicles, including the 2013 film *The Wolf of Wall Street* (dir. Martin Scorsese, USA). The scandal has become a recurrent international news item as its underlying dynamics continue to unravel. Estimates of the fraud have ranged from \$4.5 to \$7.5 billion and involved the misappropriation of assets held as part of 1MDB, a publicly funded national trust established to promote “sustainable economic development” in Malaysia.¹ The scandal has not only implicated the former prime minister, Najib Razak, his family, and intermediaries as perpetrators, but the global banking system that facilitated the flow of misdirected assets. An ongoing investigation has implicated some of the best-known financial institutions and investment houses, including Credit Suisse, Deutsche Bank, and Goldman Sachs, along with Saudi and UAE sovereign wealth funds.

In the popular press, and in US federal court proceedings, the centerpiece of the 1MDB scandal is the Martin Scorsese film *The Wolf of Wall Street* starring Leonardo DiCaprio. An estimated \$100 million of the production budget was traced to the defrauding of 1MDB via Red Granite Pictures. Though the

financing for this film was only a limited segment of the 1MDB money trail, the film title was named as defendant in the extensive US Department of Justice (DOJ) anti-money laundering 2016 civil indictment. So far, \$60 million has been returned to Malaysia on the basis of this legal action. The 1MDB scandal has become ineluctably tied to *The Wolf of Wall Street* as cinematic allegory. The film's production budget was primarily derived from 1MDB assets, and the film narrative depicts how money laundering and ill-gotten gains serve as fodder for the Wall Street film genre, which functions as a white-collar adaptation of the gangster film.

This essay describes the intersection between financial fraud, Malaysian politics, and Hollywood "bling" through an examination of the 1MDB debacle, framing it within the imagination of developmentalism by reference to global markets and the concept of free expenditure. Free expenditure, adapted from George Bataille's notion of *dépense* [expenditure], thus becomes a context for an internal gift economy of excess and exchange, with its own symbols and agents.² In this case, the tabloid imagination associated with Hollywood actors becomes implicated as acts of free expenditure in opposition to developmentalist assertions of value. Globalized financial institutions were found to have assisted in siphoning off assets from a public trust at the behest of a prime minister who then redistributed them within his own network of enablers and, as Maureen Sioh explains *pace* Jean-François Lyotard, "a libidinal economy" in the developmental imagination.³ The role of representational excess in cinema exhibited in the film narrative itself and through the underlying sources for its production budget leads to a genealogy of expenditure that considers global networks of speculative finance in relation to the exchange economy of potlatch.⁴

The DOJ has claimed that \$4.5 billion was embezzled from 1MDB between 2009 and 2014, but additional estimates and calls for compensation have since increased along with further scrutiny. A more recent 2018 criminal probe in Singapore, for example, has recommended \$7.5 billion for repatriation in a bribery scheme that involved Goldman Sachs senior officers facilitating fraudulent bond offerings as part of the same case.⁵ In the 2016 deposition, the nature of the money laundering and misuse of public funds is described in three discrete phases that involved a wide range of global financial institutions, political officials, and intermediaries that used the resources of 1MDB.⁶ The DOJ filing specifically focused on money laundering that was channeled exclusively through US financial institutions and sought to return these assets to Malaysia.

The July 20th, 2016 civil action was filed under the title, “US Government vs. *The Wolf of Wall Street* Motion Picture.” Several additional assets were named: luxurious real estate holdings in New York and Los Angeles along with a jewelry collection, a Bombardier jet, and a series of artworks by Vincent Van Gogh and Claude Monet purchased at auction. Though these assets amounted to over \$1 billion, it turns out that they were only part of a much larger portfolio. Many personal “gifts” were offered to celebrities such as Leonardo DiCaprio and Miranda Kerr that was later returned as part of the DOJ recovery effort. The civil action did not include the 300-foot Equanimity yacht—later sold for \$130 million—among other extravagant excesses.⁷

The press conference to announce the legal action was convened during the last few months of the Obama administration by Loretta Lynch, the US Attorney General, who declared that it was the largest single action ever prosecuted by the Kleptocracy Asset Recovery Initiative initiated by Eric Holder, her predecessor, in 2010. It was established to forfeit the proceeds of foreign official corruption, and where possible, to use the recovered assets to benefit the people harmed.⁸ Though the spirit of this initiative may have since lapsed, given that the former deputy finance chairman of the Republican party, Elliott Broidy, and his wife Robin Rosenzweig, attempted to lobby the Trump Administration to abandon prosecuting the 1MDB case, the investigation and court ruling were successfully completed without interference.⁹ The public statements of the DOJ and reporting by *The Sarawak Report*, *The Wall Street Journal*, along with influential articles appearing in the Malaysian press, including *The Edge* and *Malaysiakini*, provided a context for significant protests in Malaysia.

The stream of ill-gotten gains that have since come to light through ongoing investigation demonstrate how icons of value served a clan-based enrichment scheme seeking to extend its prestige and legitimacy in the global market system. The news reports exist somewhere between financial news and tabloid fodder. They involved parties on yachts and in private airplanes featuring expensive champagne and caviar with a cast of American hip-hop and entertainment icons, including Swiss Beats, Paris Hilton, Kerr, Alicia Keys, and Busta Rhymes. A massive party was held at a Las Vegas casino whose profligate scale dwarfs anything imagined by Jordan Belfort in *The Wolf of Wall Street*. Belfort, in fact, was later quoted to have said that the parties and events associated with Red Granite Pictures involved “stolen money” and were clearly a “scam.” It was for this reason, he claims, that he

stayed away from these promotional events, apparently reformed from a previous life of debauchery and swindle.¹⁰

Details of the extravagant parties and personal offerings presided over by the Malaysian financier Jho Low have been described in *Billion Dollar Whale*, a recently published popular book about this unfolding story.¹¹ The authors, Tom Wright and Bradley Hope, are two *Wall Street Journal* reporters who followed the development of the story after it was first uncovered by Clare Rewcastle Brown. She is the founder of the activist anti-corruption website *Sarawak Report*, well known for its muckraking journalism in Sarawak (East Malaysia, located in the northwest of Borneo Island) about the timber industry and its plutocratic kingpin, Abdul Taib Mahmud. *The Sarawak Report* is also the title of a book detailing Rewcastle Brown's own involvement in gaining access to some of the most essential underlying evidence in coordination with a wide cast of characters, including the source for most of the documents, Xavier Justo, head of the London Office of PetroSaudi International, and Tong Kooi Ong, editor of *The Edge Malaysia* newspaper which published many of the initial reports.¹² And yet, another strange twist to the story is that the motion picture rights to *Billion Dollar Whale* have already been optioned and sold to SK Global's Ivanhoe Pictures, the producers of *Crazy Rich Asians*, in a co-producer arrangement with Michelle Yeoh, the Malaysian actress.¹³

At the center of the story in *Billion Dollar Whale* is the role of Jho Low (a.k.a. Low Taek Jho), who is the Malaysian financier that served as intermediary for the so-called "boss," that is Najib Razak, the former Prime Minister (2009-18).¹⁴ Low has been described as a close friend of Najib's stepson, Riza Aziz, and claimed to be the mastermind of this complex money laundering scheme and the one who paid for the junkets and offerings to Hollywood and hip-hop celebrities. While Low's whereabouts and legal status remain unclear, Aziz was recently charged in Malaysia with five counts of money laundering as the principal owner of Red Granite Pictures, which not only produced *The Wolf of Wall Street*, but several other Hollywood films including *Dumb and Dumber To* (dir. Peter and Bobby Farrelly, starring Jeff Daniels and Jim Carrey, 2014) and *Daddy's Home* (dir. Sean Anders, starring Will Ferrell and Mark Wahlberg, 2015).¹⁵ Aziz is the son of Rosmah Mansour from her first marriage, and she is depicted in the popular press as the tyrannical spouse of Najib in a melodramatic sideline that points to a context for exorbitant expenditure. Her penchant for expensive jewelry, Hermès Birkin tote bags which range in price per item from \$11,900 to \$300,000, among other items,

including large sums of cash in US dollars, were catalogued upon her arrest in 2018.¹⁶

Revelations of the scandal led to Najib's defeat in the 2018 Malaysian elections by none other than the nonagenarian Mahathir Mohamed. Dr. M, as he is known, was also the longest standing Prime Minister in Malaysia since independence, serving from 1981–2003, despite a checkered past involving various self-enriching financial maneuvers. However, his prominence as critic of Najib managed to transform the rallying cry for change into political action. In fact, Najib is currently scheduled to stand trial in Malaysia while campaigning to be exonerated.¹⁷

The Wolf of Wall Street as Context for Expenditure

The unfolding story of 1MDB continues to startle in undermining responsible governance not only in Malaysia but at global centers of financial power. The 1MDB scandal provides a context for symbolic exchange of expenditure that is partially referred to by its spectral doppelgänger, *The Wolf of Wall Street*. A number of critics have placed the film firmly within the Wall Street genre or, as in the case of a recent short book, reads its narrative intent through the prism of Frederic Jameson's writings.¹⁸ It has only been the trade publications and financial news outlets that have reported on how the 1MDB scandal informs its history of production. The reviews and articles about the film describe it through an unperturbed format of aesthetic, narrative, and social criticism. Given its explicit sexual content and display of criminal behavior, the film was banned in Malaysia even though it was passed by the censors with significant cuts. In neighboring Singapore, by contrast, it showed in nine theaters with significant cuts and remained limited to viewers over twenty-one. The reviews upon its release in *The Straits Times* among other English language outlets in Singapore closely paralleled the positive reviews in the US press as part of a well-funded promotional campaign later enhanced by five Oscar nominations in 2014. In addition, DiCaprio was awarded a Golden Globe Award for Best Actor in a Musical or Comedy, and the film itself was named one of AFI's Movies of the Year for 2013.

In the US, the most active commentary about the film was staged in *The New Yorker* magazine, largely because Richard Brody became a strong advocate who dubbed it "wild [and] brilliant." In the first of three reviews, Brody likens watching it to the experience of cocaine, or "mainlining cinema for

three hours.” He fawns over it as one of the most “uninhibitedly pleasure-hungry, appetitive performances in recent history.” Its vulgar self-indulgence and grotesque insensitivity is terrifying, he asserts, and yet it gives rise to “an ecstatic inner force within the petty monster of vanity.”¹⁹ In fact, Brody was so enthralled by the film that he published two long reviews and a voice-over video commentary with clips from the film that is available on the *New Yorker* website.²⁰

David Denby, who also reviewed the film in the *New Yorker* upon its release, describes it as “manic and forced, as though Scorsese is straining to make the craziest, most over-the-top picture ever.”²¹ He describes Leonardo DiCaprio’s performance as a hectoring exercise involving three long, brazenly overacted motivational speeches that depict moral disapproval as squeamish, unimaginative, and frightened. He also points to its extreme quality of aggressiveness overall and describes DiCaprio’s depiction of Jordan Belfort as “a low-rent Richard III.” Finally, he concludes by writing that “...*The Wolf of Wall Street* is a fake. It’s meant to be an exposé of disgusting, immoral, corrupt, obscene behavior, but it’s made in such an exultant style that it becomes an example of disgusting, obscene filmmaking.”²²

The stream of reviews about the film following its general release in the US on December 23, 2013 have generally fallen into variations of these two types that have directly contributed to its financial success. Many have acclaimed the film for its technical mastery and memorable sequences. In particular, Matthew McConaughey’s money chant sequence has been pointed to in its violation of taboos regarding sex, money, and dishonesty. Christopher Orr, writing for the *Atlantic*, implies that it is precisely because *The Wolf of Wall Street* violates social taboos in a stylized manner that it is a work of art, in step with the conventional wisdom that Scorsese is one of the last surviving American auteurs, an endangered species.²³ On the other hand, a number of critics like Joe Morgenstern in the *Wall Street Journal* pick up on the same problem that Denby points to regarding the gleefulness of its embrace of corruption which, in turn, undermines the possibility for social critique.²⁴ Furthermore, its depiction of women throughout the film as merely accessories to exploitation has been widely commented upon. In one of Belfort’s well-known internal diegetic voice-overs, he describes prostitutes by their degree of quality and desirability within the terms of financial markets and stocks, as “Blue Chips,” “NASDAQs,” and “Pink Sheets.”²⁵ Last but not least, we cannot forget David Bordwell’s lengthy article which minutely

describes the narrative construction of the trailer as an exercise in editing and camera technique.²⁶

While it is to be expected that the 1MDB scandal and reception of the film exist in separate spheres, they coexist in an overlapping economy of expenditure. A context for exchange is at work, on the order of potlatch, that implies an opposition between productive and nonproductive expenditure so well described in George Bataille's influential essay "La dépense" (1933) ["The Notion of Expenditure"]. Bataille's essay was initially written as a rejoinder to Marcel Mauss's well known "Essai sur le don" (1925) [*The Gift*]. While Mauss's essay has often been described as a functional discussion of potlatch or gift exchange associated with primitive societies in the history of anthropology, more recent work has reconsidered Mauss's intent by focusing on how gift exchange is always implicated in a market economy, and conversely market economies are always implicated in gift exchange. That is, they are mutually defining systems of exchange not easily disentangled from the other, and this has become a significant feature of global market exchange. Jane I. Guyer, in particular, has developed this theme over many years in her writing about the logics and logistics of exchange in global markets.²⁷

The Potlatch of Global Media Logistics

The ongoing representational context for the 1MDB scandal in relation to *The Wolf of Wall Street* may then be best framed through a reconsideration of potlatch as not merely a reference to primitive economies in the history of anthropology and its comparative categories in the colonial library, but directly relevant to contemporary acts of exchange in global markets. The German-born American anthropologist Franz Boas (1858–1942) borrowed the term "potlatch" from Chinook Jargon (a.k.a. Chinuk Wawa) during his ethnographic work in the Pacific Northwest, among the Kwakiutl.²⁸ As Marcel Mauss explains, potlatch refers to a context for nourishment and consumption that is not mutually exclusive. It is, as he writes citing Boas, a "place of being satiated."²⁹ The resonance of this philological reference point in Mauss's description of the gift is not merely a context for giving and receiving but a culturally inscribed process of social exchange. It points to a totalizing social system, implicating religious, mythological, and shamanistic modalities that go beyond a legal framework.

Bataille's writing on the notion of expenditure is derived from this comparative ethnographic articulation of the social structure for exchange. However, Bataille seeks to reconsider assertions about utility in exchange relationships by specifying unproductive expenditure, or expenditure without an end in and of itself. Bataille emphasizes the role of loss by drawing on Mauss's reference to symbolic destruction in order to emphasize the function of social constraints. This then leads Bataille to consider how "free expenditure" may be enabled in spite of it being insubordinate to its productive or nonproductive function. He uses the example of "glory" as being among the most rapacious in this category.

In the case of 1MDB and *The Wolf of Wall Street*, we are led into the extended field of prestige and value, in the act of redirecting national assets for personal gain and a network for gift exchange. The irony being that the gifts being granted—including production funding along with the lavish parties and offerings given out along the way—may not have been intended to be a good investment. However, the income generated by the film, reputedly Scorsese's most financially successful, grossing \$392 million in domestic and international box office sales, more than adequately paid for its initial investment. Needless to say, the point is not the issue of profitability, however, but rather the fraudulent use of public funds for personal gain. In other words, "free expenditure" is transformed into an unregulated space of luxury and excess that serves an extended clan. It is an internal network that not only includes Najib, his family, intermediaries like Jho Low, and bankers who enabled the transactions, but crucially, entertainment figures whose iconic status makes them eligible for "gifts," and a libidinal context for financial and psychological investment. It functions as a context that reclaims the colonial imagination. Gifts to Hollywood stars or icons legitimize their value. By extension, it is a conceptual inversion under which the statist category of developmentalism covers over the stripping of public assets that benefits an inner circle invested in private gain who, consciously or not, participated in a network that benefitted from the misappropriation of public assets.

Notes

- 1 The now defunct 1MDB website has been archived at archive.org from October 27, 2009– July 22, 2018: web.archive.org/web/20180405072838/http://1mdb.com.my (accessed July 17, 2019).
- 2 See Georges Bataille, "The Notion of Expenditure," in *Visions of Excess: Selected Writings*,

- 1927–1939, ed. Allan Stoekl (Minneapolis: University of Minnesota Press, 1985), 116–29.
- 3 For further discussion of libidinal investment in developing economies, see Maureen Sioh, “Manicheism Delirium: Desire and Disavowal in the Libidinal Economy of an Emerging Economy,” *Third World Quarterly* 35, no. 7 (2014): 1162–1178. She develops several of these themes further in Maureen Sioh, “The Logic of Humiliation in Financial Conquest,” in *Psychoanalysis and the Global*, ed. Ilan Kapoor (Lincoln: University of Nebraska Press, 2018), 25–27.
 - 4 The thematization of potlatch as nourishment and consumption in Marcel Mauss, *Essai sur le don* (1924) is the key text in understanding the functionality of the gift economy as cultural circuit of exchange. See the most recent translation by Jane I. Guyer, *The Gift: Expanded Edition* (Chicago: HAU Books, 2016).
 - 5 Stefania Palma, “Malaysia Snubs Goldman’s Apology over 1MDB Scandal; Minister Demands \$7.5 bn Compensation? Pressure Mounts on US Banks,” *Financial Times* European Edition, January 19, 2019.
 - 6 For a more explicit description of the three phases of this particular event, see Lee Long Hui, “‘Stolen’ 1MDB Funds: The DOJ Lawsuit Revisited,” *Malaysiakini*, March 31, 2018, pages.malaysiakini.com/1mdb/en.
 - 7 Jay A. Fernandez, “A Tug of War, with Scorsese as Rope,” *The Los Angeles Times*, October 3, 2007, www.latimes.com/archives/la-xpm-2007-oct-03-et-scriptland3-story.html.
 - 8 US Department of Justice website, Money Laundering and Asset Recovery Section (MLARS), www.justice.gov/criminal-mlars, July 17, 2019.
 - 9 Bradley Hope, Tom Wright, and Rebecca Balhaus (with Aruna Viswanatha), “Trump Ally Was in Talks to Earn Millions in Effort to End 1MDB Probe in US,” *The Wall Street Journal*, 1 March 2018, <https://www.wsj.com/articles/trump-ally-was-in-talks-to-earn-millions-in-effort-to-end-1mdb-probe-in-u-s-1519919321>.
 - 10 Katharina Bart, “Jordan Belfort: ‘I Knew 1MDB was a Scam,’” *Finews*, 26 January 2017, www.finews.com/news/english-news/25957-jordan-belfort-wolf-of-wall-street-switzerland-speeches-donald-trump-greg-coleman-3. *Finews* is a popular financial news website based in Zurich, Switzerland. It features “...breaking news, feature stories, industry developments, opinions plus the latest on people, trends and gossip.” More recently, Jordan Belfort has sued Red Granite picture for \$300 million in damages. Ryan Faughnder, “Company Town: ‘The Wolf of Wall Street’ told the story of his fraud. Now he’s suing for fraud.” *Los Angeles Times*, January 23, 2020, <https://www.latimes.com/entertainment-arts/business/story/2020-01-23/the-wolf-of-wall-street-told-the-story-of-his-fraud-now-hes-suing-the-company-that-made-it-for-fraud>.
 - 11 Tom Wright and Bradley Hope, *Billion Dollar Whale: The Man Who Fooled Wall Street, Hollywood, and the World* (New York: Hachette Books, 2018).
 - 12 Claire Rewcastle Brown, *The Sarawak Report: The Inside Story of the 1MDB Exposé* (London: Lost World Press, 2018).
 - 13 Etan Vlessing, “Billion Dollar Whale Film Rights Nabbed by SK Global,” *The Hollywood Reporter*, 27 September 2018, www.hollywoodreporter.com/news/billion-dollar-whale-film-rights-nabbed-by-sk-global-1147521.
 - 14 In the most recent court proceedings against Najib, it has been revealed that various members of Najib’s inner circle referred to him as “OP,” or Optimus Prime from the *Transformers* franchise. Tashny Sukumaran, “1MDB Trial: Jho Low’s Code Name for Najib Razak was ‘Optimus Prime,’ Malaysian Court Hears,” *South China Morning Post*,

- August 6, 2019, www.scmp.com/news/asia/southeast-asia/article/3021673/1mdb-trial-jho-lows-code-name-najib-razak-was-optimus.
- 15 Sharon Tan and Richard C. Paddock, "Wolf of Wall Street Producer, Riza Aziz, Is Charged in Malaysia Fund Scandal," *The New York Times*, July 4, 2019, www.nytimes.com/2019/07/04/world/asia/wolf-wall-street-malaysia.html.
 - 16 Austin Ramzy, "Tiaras, Purses and Cash: Malaysia Seizes Record Haul from Ex-leader Najib," *The New York Times*, June 27, 2018, www.nytimes.com/2018/06/27/world/asia/malaysia-najib-razak-police-seizure.html.
 - 17 Kate Mayberry, "Malaysia's Najib Tones Down the Bling Ahead of 1MDB Fraud Trial," *Al Jazeera News*, February 11, 2019, www.aljazeera.com/news/2019/02/malaysia-najib-tones-bling-1mdb-graft-trial-190208033503503.html.
 - 18 Clint Burnham, *Frederic Jameson and 'The Wolf of Wall Street'* (New York: Bloomsbury, 2016).
 - 19 Richard Brody, "The Wild, Brilliant *Wolf of Wall Street*," *The New Yorker*, December 23 and 30, 2013, www.newyorker.com/culture/richard-brody/the-wild-brilliant-wolf-of-wall-street.
 - 20 Richard Brody, "The Front Row: *The Wolf of Wall Street*," *The New Yorker*, February 17, 2016, www.newyorker.com/culture/richard-brody/the-front-row-the-wolf-of-wall-street. See the online video on this page for Brody's voice-over commentary.
 - 21 David Denby, "Martin Scorsese's *The Wolf of Wall Street*," *The New Yorker*, December 16, 2013, www.newyorker.com/culture/culture-desk/martin-scorseses-the-wolf-of-wall-street.
 - 22 Ibid.
 - 23 Christopher Orr, "The Vulgar Genius of *The Wolf of Wall Street*," *The Atlantic*, December 25, 2013, www.theatlantic.com/entertainment/archive/2013/12/the-vulgar-genius-of-em-the-wolf-of-wall-street-em/282611.
 - 24 Joe Morgenstern, "Wolf of Wall Street Skims the Surface of the Skin," *The Wall Street Journal*, December 24, 2013, www.wsj.com/articles/8216wolf-of-wall-street8217-skims-the-surface-of-sin-1387910228.
 - 25 Noam Yuran, "Finance and Prostitution: On the Libidinal Economy of Capitalism," *differences* 28, no. 3 (2017), 146.
 - 26 David Bordwell, "Understanding Film Narrative: The Trailer," *Observations on Film Art*, January 12, 2014, <http://www.davidbordwell.net/blog/2014/01/12/understanding-film-narrative-the-trailer/>.
 - 27 Bataille, "The Notion of Expenditure." See Jane I. Guyer's introduction to her 2016 edited translation of Marcel Mauss's *The Gift*.
 - 28 "Chinook Jargon" originated as a pidgin trade language in the Pacific Northwest that is partially based on the Chinook language.
 - 29 Marcel Mauss, "Essai sur le don, forme et raison de l'échange dans les sociétés archaïques," *L'Année Sociologique* [Nouvelle Série 1, 1923-24] (Paris: Librairie Félix Alcan, 1925): 38.

Peter J. Bloom is Associate Professor and Vice Chair in the Department of Film and Media Studies at UC-Santa Barbara. His recent work focuses on film and radio in late colonial Ghana and Malaya. He has published extensively on British, French, and Belgian colonial media including *French Colonial Documentary* (University of Minnesota Press, 2007), *Frenchness and the*

African Diaspora (co-editor, Indiana University Press, 2009), and *Modernization as Spectacle in Africa* (co-editor, Indiana University Press, 2014). His current project, entitled *Onomatopoeia and Empire*, addresses the unifying context for radio-cinema modernity by reference to counterinsurgency and Pan-Africanism.