**Introduction**

1MDB was established in January 2009 and promotes sustainable long-term economic growth and development in Malaysia (Lean & Smyth, 2016). The company priorities of 1MDB include significant improvements in a series of diverse economic sectors, including tourism, agricultural sectors and property development. 1MDB has drawn a number of main players in Malaysia's foreign financial development market who are driving and sustaining socio-economic growth in various strategic sectors of the economy.

In past years, 1MDB has received criticism from whistleblowers, international and domestic mass media, institutions and Malaysian people due to its unscrupulous actions contribute to the infamous corruption probe. Mismanagement of the organization's resources and lack of accountability are some of the problems that trouble the company as well as hinder Malaysia's economic growth in the international ranking of 54 out of 168 nations out of 50 (Yoong, 2018). The organization’s debt levels are soaring at an alarming rate as it is not able to settle its debts with its creditors

**Company Background**

1Malaysia Development Berhad (1MDB) is a corporation that is wholly owned by the Malaysia Government for strategic development (Gomez et al., 2017). Established in 2009, the organization focuses on driving strategic initiatives for the state's sustainable economic growth by establishing global strategic alliances and encouraging foreign direct investment. The key task of 1MDB is to lead market-driven measures to help the government push Malaysia forward to become a developed country in 2020 that is extremely competitive, sustainable and inclusive. 1MDB has a three-tiered management consisting of the Executive Leadership Team, the Advisory Board and the Board members. The Chairman of the Board of Directors, the Chairman of the Board of Advisors, Tan Sri Dato 'Seri Lodin Wok Kamaruddin, and Arul Kanda, the President and Group Executive Officer, the Prime Minister, Dato' Sri Mohammad Najib Tun Abdul Razak.

**Stakeholder Analysis:**

***Corruption scandal:*** 1 MDB's goal is to transform Kuala Lumpur into an international financial institution (Menon, 2017). U.S. to determine if there will be any investigation into the 1MDB scandal. Authorities are collecting information. The country’s government fund, which has been embroiled in corruption allegations, has been overseeing $ 700 million since July and transferring funds from institutional accounts to personal accounts.

The Wall Street Journal (WSJ) reported that Goldman Sachs had advised the company about the three acquisitions. Including assets worth $ 40,740 million purchased in 2012. Goldman paid $ 600 million in commissions to help sell 1MDB $ 6.5 billion worth of bonds. Goldman Sachs, one of the accused in the corruption case, is currently being investigated by the Federal Bureau of Investigation and the U.S. The Department of Justice is investigating.

Misappropriation of funds by the company: Several months after the launch of 1MDB in 2009, the company staged a dispute where 1MDB board representatives began protesting the company's activities and activities. Its subsidiaries will help build hundreds of millions of dollars in debt in Malaysian currency. According to the minutes of the 1MDB board of directors, only 1MDB board members were disappointed that only $ 300 million was transferred directly to the Petro Saudi account, the rest was transferred to the Petro Saudi account, and $ 700 million was transferred to the channel's anonymous account. It is not part of a joint venture.

**Business Ethics Theories**

***Ethical leadership and decision making***

Ethical behavior is an important part of understanding governance. Many expect their leaders to become role models for moral behavior. 1 The rule in MDB is certainly not ethical. It is difficult to understand what motivates leaders to act unjustly until a large organization fails.

There are three main approaches to making moral decisions: utilitarianism, moral pride, and benevolence. Moral pride is the notion that it is better to serve independently from others. Continuity, on the other hand, is the kindness that helps others. 1MDB officials seemed to make ethical decisions based on moral arrogance.

The company should create a code of ethics to prevent unfair behavior and to control the behavior of employees, which is a document that specifies what the organization is and the level of behavior required of employees. For any affiliate, ethics is a must to promote any program. Morality is defined as the standard of conduct that governs human decision-making and actions. Based on this code of ethics, individuals are guided in a way that influences their behavior and the way they do it and the activities in which they participate. Some ethical codes in some companies are very accurate with such standards, recognition and the maximum amount of gifts that can be given to suppliers and customers. On the other hand, some company code of ethics is more abstract, specifying only general rules to consider when making decisions.

***Governance and management***

It should be noted that some activities are not only socially immoral but also illegal. Some professions are legally bound by ethical rules, such as lawyers, accountants and doctors. In these professions, behaving unjustly is called immorality. An example is insider trading, where the investor can earn more than usual with non-public knowledge. Concerns over corruption in Malaysian development are related to the unfair actions of Berhad Fund executives (QA, 2020).

***Consumer safety weighs in***

Customer welfare is an important factor in the evaluation of company ethics theories. These include product protection and liability, promotional policies and distribution or pricing strategies. Unfair marketing practices are likely to cause significant harm to consumers (Ayuba & Aliu, 2018). For example, counterfeit drugs that have not been tested for value are unethical and can cause significant harm to public safety. There are many laws around the world to protect consumers from fraud and other dangers. Unfortunately, vulnerable customers are often targeted by unscrupulous companies for fraud.

***Code of Conduct for Occupation***

only perceived representatives are relied upon to hold fast to high moral guidelines. Numerous mentors cling to moral codes in view of the quintessence of their work. For instance, experts working in the fields of medication, law, money and bookkeeping directing are altogether dependent upon exacting morals. These callings ordinarily manage exceptionally touchy or classified data. Terrible conduct in these regions can prompt dismissal (Harrington, 2019). Knowing the client can prevent the lawyer from practicing the law and showing it incorrectly.

***Employee Relations and Standards***

Labor laws still do not work today. From child labor to working hours every day, a lot of ethical logic is required. Inequality and elimination in employment has gained momentum for today’s important ethical debate. Some have argued that hiring "cultural health" is a form of discrimination, while others say there is nothing wrong with hiring such workers.

Each person has their own opinions about right and wrong. These beliefs lead to individual decision and behavior. According to Kolberg's theory of intellectual moral development, people develop the ability to think right and wrong. In intellectual and moral development, each individual is different (DeTienne et al., 2019). In Kolberg's theory, there are three stages to moral development: rational behavior before tradition, rational behavior at the traditional level, and rational behavior at the traditional level. People at this level of traditional pre-moral thinking have not yet established the ability to accept the opinions of others, which leads to seeing only what is right about themselves.

In the traditional nature of good thinking, what is correct and what's going on for others is useful for other people and what society all in all observe. Besides, in the post-customary good idea stage, individuals choose good and bad not just as far as their own and social duties yet in addition as far as the perplexing good ideas of obligation, equity and rights. Asset Corruption Abusers and degenerate people have an overall degree of good judgment, making a decision about right from amiss with something that feels great to other people and society in general. They have not arrived at the conventional degree of good idea, which partitions good and bad into more inconspicuous good ideas of duty, equity and rights. They are considering discovering more income to help the nation through the unethical exercises of debasement to bring in cash. 1 The improper exercises of the MDB were uncovered by whistleblowing. A worker employs an informant to vanquish the world's 6th biggest energy organization.

**Conditions in the supply chain**

Consumers around the globe are getting more mindful of work and natural conditions. Globalization and the Internet have given straightforwardness in the worldwide appropriation organization. There are consumers who are clearly looking for goods made using reasonable commercial methods. Isms like "Blood Diamond" keep companies from collecting products unethically. Blood diamonds are diamonds that originate from conflict areas where bad actors can benefit from the deal.

Ethical assessments should be developed so that employees in the organization behave well. Ethics audits (Munoco, Brown-Liberd & Washerley, 2020) are a method of assessing an organization's ethical policies by actively reviewing and recording incidents of questionable ethics, resolving them transparently and honestly, and formulating a clear strategy to prevent such activities. In the future. Training in ethical audit to supervise workers is very helpful and necessary, so they should not do anything unethical.

**Recommendations**

There are various ways an organization can address the misuse or corruption of funds. One way to solve problems in the MDB organization is through thorough and effective internal research. The internal investigation reveals the facts and evidence behind the behind-the-scenes corruption crisis. This is expensive work because it is expensive, time consuming and devastating. However, well-functioning internal research can help identify and address suspicious activities, relationships and unexplained corruption in the 1MDB organization.

***Strategy 1***

It requires good preparation, consistent successful implementation, analytical skills and a proper understanding of the legitimacy of being responsible for an investigation. A common aspect of internal investigation is the compilation and analysis of written or collected evidence. Top managements collect and investigate information related to the 1MDB issue, misappropriation and misappropriation of funds. Defendants and witnesses will be included in the trial of the perpetrators of this scandal. In this case, the investigation should proceed in a professional manner, even if the defendant refuses to take funds from 1MDB for personal gain. Internal inquiries of individuals need to examine the personal history and results of individuals within the organization to gather more facts.

***Strategy 2***

In addition, the other responsibility recommended for resolving issues in 1MDB is to develop the working integrity of the Malaysian Anti-Corruption Commission (MICC), the Public Accounts Committee (PAC), Bank Negara and all other agencies. Being responsible in the open mind and activities makes it easier to solve the problems behind 1MDB without third party challenges, fears or interference and helps to restore public confidence in action. However, the Malaysian government is struggling to investigate the 1MDB scandal.

***Strategy 3***

The Malaysian Anti-Corruption Commission's reputation as an autonomous anti-corruption commission must be upheld and not undermined. The Public Accounts Committee, which is responsible for disclosing the preliminary reports of the Auditor General of 1MDB, cites these public concerns over 1MDB issues. Among these concerns, the plight of former Deputy Prime Minister Muhiddin Yassin and other ministers in his place has provoked a widespread response among Malaysians seeking transparency and freedom of action in the 1MDB scandal.

***Strategy 4***

In addition, the prosecution of whistleblowers who drew public attention to 1MDB issues should be stopped to resolve the 1MDB dispute. Whistle blowing is good because it is important to prevent and unleash dangerous activities and expose the people involved, as well as fraudulent behavior and corruption. The 1MDB issue also referred to the corruption of the independent newspapers The Edge Financial Daily and The Edge Malaysia, which also raised the issue of corruption allegations. However, local TV stations distort the facts leading to misunderstanding or confusion among netizens. In addition, the Wall Street Journal and the Sarawak Report, which published 1MDB issues, helped to find out the realities behind the transferred funds. The fact that the problem is relevant should be legal so that Malaysians do not get confused and make their own makeover.

***Strategy 5***

Establishing a final recommendation check and balance system to address allegations of corruption. The justice system needs to be improved and preserved so that any person involved in the activities of the deceased can be tried and tried in court. [1] In MDB problems, poor management of funds occurs when a selfish, greedy and uncompromising individual defrauds the financial institution. An independent audit committee may conduct external and internal audits to determine the misuse or misuse of 1MDB in the control and balance system. The audit team should work on a regulatory and balanced approach to gather information on the financial activities of the MDB organization and to make additional results leading to suspicions of fund corruption and misappropriation.

**Conclusion**

The 1MDB crisis has affected many Malaysians mentally and physically and the support of outsiders is wholeheartedly welcomed. Therefore, Malaysia plays a key role in Malaysian economics. If 70% of Malaysians can join the army in developing the Malaysian economy will definitely compete. However, the investigation into the 1MDB corruption case is consistent with the evidence and testimonies provided by informants through independent news organizations. The case is being closely monitored by Malaysian citizens and individuals and organizations outside of Malaysia. Allegations of corruption involving millions of Malaysian ringgits are negatively affecting Malaysia's profile. Shareholders do not trust the Malaysian market and can avoid investing in Malaysian resources that could cause the Malaysian currency to depreciate, which could adversely affect the economy.

This issue should be tended to as it contains key government dignitaries who are causing doubt and difference in the nation. This issue should be paid attention to as it contains key government dignitaries who are causing doubt and honesty in the nation. Analysts should be snappy, brilliant and gallant in this issue as there are individuals in government who are attempting to make turmoil and obstructions in the examination. The glory and status of different enemy of debasement offices ought to be kept up as they assume a critical function in the administrative and equilibrium framework.

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**Appendices**

**Media exposes**