

Attorney General Pam Bondi News Release

June 15, 2018
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Attorney General Bondi Announces Settlement with Citibank for Manipulating Interest Rate Benchmarks

TALLAHASSEE, Fla.—Attorney General Pam Bondi today announced a multistate settlement with Citibank. Based upon the business they conducted with Citibank, Florida governmental entities and nonprofits will receive approximately five million dollars from the settlement, which resolves allegations of unlawful conduct involving the U.S. Dollar LIBOR. The LIBOR is a benchmark interest rate that affects financial instruments worth trillions of dollars and has a widespread impact on global markets and consumers financial transactions.



The investigation, conducted by a working group of 42 state attorneys general and spearheaded by a group of eight lead states that include Florida, revealed that Citibank manipulated LIBOR in several ways. First, Citibank employees improperly made internal requests for LIBOR submissions to benefit Citibank's trading position. At times, Citibank's USD LIBOR submitters also asked Citibank personnel in other units of the bank to avoid offering higher rates than Citibank's USD LIBOR submissions. Lastly, Citibank, on occasion, expressed belief that other banks made USD LIBOR submissions inconsistent with the banks borrowing rates and contributed to inaccurate LIBORs.

Citibank employees had strong reason to believe that Citibank's as well as other banks' LIBOR submissions did not reflect true borrowing rates pursuant to published guidelines. However, Citibank did not disclose this to the governmental and not-for-profit counterparties with which Citibank executed LIBOR-referenced transactions, even though these rates represented material terms of the transactions.

As a result of its unlawful conduct, Citibank made millions in unjust gains when government entities and not-for-profit organizations entered into swaps and other financial contracts with Citibank without knowing that Citibank and other banks on the USD-LIBOR-setting panel manipulated LIBOR submissions.

Florida counterparties that participated in these manipulated transactions will receive a portion of Florida's approximately five-million-dollar share of the multistate settlement. Those counterparties include the State Board of Administration and other governmental agencies and nonprofits that invested in these instruments. Once the individual entity amounts are finalized, entities affected by Citibank's unlawful conduct will be notified of their eligibility to receive a distribution.

To view a copy of the settlement, click [here](#).

Citibank is the third of several USD-LIBOR-setting panel banks under investigation by the state attorneys general to settle. The two previous multistate settlements were with Barclays and Deutsche Bank. The investigation into the conduct of other USD-LIBOR-settling panel banks is ongoing.