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**ATTORNEY GENERAL MADIGAN REACHES \$100 MILLION SETTLEMENT WITH CITIBANK FOR MANIPULATING INTEREST RATE BENCHMARKS**

*Madigan and Other Attorneys General Have Recovered \$420 Million from LIBOR Settlements*

**Chicago** — Attorney General Lisa Madigan, as part of a working group of 42 attorneys general, today announced a \$100 million settlement with Citibank for fraudulent conduct involving U.S. Dollar (USD) LIBOR, a benchmark interest rate that affects financial instruments worth trillions of dollars and has a widespread impact on global markets and consumers.

“Citibank used an inaccurate interest rate that allowed it to profit at its customers’ expense,” Madigan said. “Any company that defrauds governments and non-profit organizations out of scarce dollars to pad their own profits will be held accountable.”

Madigan and the other attorneys general allege that Citibank misrepresented the integrity of the LIBOR benchmark to state and local governmental, not-for-profit, private and institutional trading counterparties by concealing, misrepresenting and failing to disclose that Citibank, at times, made USD LIBOR submissions to avoid negative publicity and protect the reputation of the bank. In addition, Citibank’s USD LIBOR submitters, on occasion, asked Citibank personnel in other units of the bank to avoid offering higher rates than Citibank’s USD LIBOR submissions. Citibank also expressed belief that other banks, at times, made USD LIBOR submissions that were inconsistent with their borrowing rates and contributed to inaccurate LIBORs.

Given this conduct, Citibank had reason to believe that its and other banks’ LIBOR submissions did not reflect their true borrowing rates in accordance with the established public guidance. Citibank did not disclose this to the government and not-for-profit organizations with which Citibank executed LIBOR-referenced transactions, even though these rates were material terms of the transactions.

As a result of its fraudulent 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 were manipulating LIBOR submissions.

Government and not-for-profit entities with LIBOR-linked swaps and other investment contracts with Citibank will be notified if they are eligible to receive a distribution from a settlement fund of \$95 million. The balance of the settlement fund will be used to pay costs and expenses of the investigation and for other uses consistent with state laws.

Citibank is the third of several USD LIBOR-setting panel banks to resolve claims following investigation by Madigan and state attorneys general. With the Citibank settlement, Madigan and the other attorneys general have collected \$420 million in payments from the three banks, almost all of which will be distributed to state and local government entities and not-for-profits. Pursuant to the settlement agreement, Citibank will continue to cooperate with the states’ ongoing investigation into other USD LIBOR-setting panel banks.

Joining Madigan in reaching the settlement are the attorneys general of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Washington, West Virginia, and Wisconsin.

Assistant Attorneys General Brijesh P. Dave and Elizabeth M. Maxeiner handled the case and settlement for Madigan’s Antitrust Bureau.