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Schuette: Michigan to Receive \$3 Million from Citibank for Manipulating Interest Rates

Contact: Andrea Bitely, Megan Hawthorne; 517-373-8060

Agency: Attorney General

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LANSING – Michigan Attorney General Bill Schuette today announced a \$100 million-dollar settlement with Citibank for fraudulent conduct involving the manipulation of U.S. Dollar (USD) LIBOR, of which Michigan will receive \$3 Million. LIBOR, or London Interbank Offered Rate, is a benchmark interest rate that affects financial instruments worth trillions of dollars and has a widespread impact on global markets and consumers.

“Trust in our financial institutions is key to ensuring our economy continues moving forward,” said Schuette. “Today’s settlement with Citibank is about trust and following the law with financial transactions.”

This investigation has been conducted by 42 State Attorneys General offices, led by the Office of the Attorney General of New York. The State 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, and as a result of its fraudulent conduct, made millions in unjust gains. Proceeds from the \$100 million settlement will be distributed to governmental entities and non-profit corporations that entered into swaps and other financial contracts with Citibank.

Citibank is the third of several USD-LIBOR-setting banks under investigation by the State Attorneys General to resolve the claims against it.



With the Citibank settlement, the States 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 that have been harmed by these banks’ wrongful conduct. Pursuant to the settlement agreement, Citibank will continue to cooperate with the States’ ongoing investigation. The Attorney General’s Office benefits from the information and evidence provided by corporations that timely cooperate with the Attorney General’s investigations. Such cooperation can facilitate civil enforcement efforts, including the distribution of funds to victims of the offense.

Other states joining Michigan in the Citibank settlement include: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri,

Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Washington, West Virginia and Wisconsin.

The investigation into the conduct of other USD LIBOR-setting banks is ongoing.

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