

Attorney General Pam Bondi News Release

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\$220 Million Settlement with Bank for Manipulating Interest Rates

TALLAHASSEE, Fla.—Attorney General Pam Bondi today announced a \$220 million multistate settlement with Deutsche Bank for fraudulent conduct involving the manipulation of LIBOR. LIBOR is a benchmark interest rate that affects financial instruments worth trillions of dollars and has a widespread effect on global markets and consumers. By manipulating LIBOR, Deutsche Bank defrauded government entities and not-for-profit organizations in Florida and throughout the U.S. out of millions of dollars.

The investigation, conducted by a working group of 45 state attorneys general, revealed that Deutsche Bank manipulated LIBOR in a number of ways. Deutsche Bank employees improperly made internal requests for LIBOR submissions to benefit Deutsche Bank's trading positions. Deutsche Bank also attempted to influence other banks' LIBOR submissions in a manner intended to benefit their trading positions. Lastly, Deutsche Bank received communications from inter-dealer brokers and external traders attempting to influence Deutsche Bank's LIBOR submissions. At times, Deutsche Bank LIBOR submitters and supervisors expressly acknowledged and indicated they would work to implement the requests received.

Deutsche Bank employees had strong reason to believe that these LIBOR submissions did not reflect the true borrowing rates pursuant to published guidelines. Additionally, the LIBOR rates the bank submitted did not reflect the actual borrowing costs of Deutsche Bank and other panel banks. Even though these rates are material terms of LIBOR-referenced transactions, Deutsche Bank employees did not disclose these facts to the governmental and not-for profit counterparties who executed the transactions with the bank.

Governmental and not-for-profit entities with LIBOR-linked swaps and other investment contracts with Deutsche Bank will be notified if they are eligible to receive a distribution from the settlement fund of more than \$213 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.

As part of the settlement, the Florida State Board of Administration is receiving more than \$10 million and other Florida counter-parties are receiving a total more than \$5 million.

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

Deutsche Bank is the second of several USD-LIBOR-setting panel banks under investigation by the state attorneys general to settle. In August, 2016, the states settled with Barclays Bank PLC and Barclays Capital Inc. Deutsche Bank is cooperating with the investigation. The investigation into the conduct of several other USD LIBOR-setting panel banks is ongoing.