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Attorney General Becerra Announces \$68 Million Multistate Settlement with UBS for Manipulating Key Interest Rate

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California's state and local government entities and nonprofits are expected to receive approximately \$9 million

SACRAMENTO – Today, California Attorney General Xavier Becerra announced a \$68 million multistate settlement with UBS for fraudulent conduct involving manipulation of the London Interbank Offered Rate (LIBOR). LIBOR is the rate at which banks lend money to one another and is a key financial tool that determines interest rates for many financial products, including government and corporate bonds. During the financial crisis, large international banks manipulated LIBOR to enhance their financial health, avoid negative publicity, and minimize harm to their reputations. They did so at the expense of investors.

“California is committed to holding powerful international banks like UBS accountable,” **said Attorney General Becerra**. “We will not accept financial institutions breaking the rules and hanging Californians out to dry.”

The settlement follows a multistate investigation, opened in July 2012, that revealed that UBS deliberately suppressed its LIBOR submissions in order to avoid negative media attention and doubts about its creditworthiness. This unlawful strategy resulted in losses to consumers who invested with UBS in LIBOR-linked financial instruments. The settlement announced today is expected to return approximately \$9 million to California governmental and non-profit entities that suffered because of UBS’s conduct.

California serves on the executive committee of the LIBOR multistate group that began investigating LIBOR misconduct in 2012. Including past settlements with Citibank (\$100 million), Barclays (\$100 million), and Deutsche Bank (\$220 million), the coalition has now recovered \$488 million. Over \$50 million of that money has gone to California governmental and non-profit entities.

A copy of the settlement agreement can be found [here](#).

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