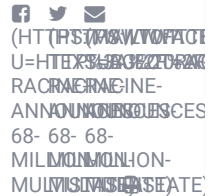




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AG Racine Announces \$68 Million Multistate Settlement With UBS For Artificially Manipulating Interest Rates

December 21, 2018

State AGs Hold UBS Accountable for Fraudulent and Anti-Competitive Conduct During and After Financial Crisis; \$800K+ in Likely Relief for Local Non-Profits, District Government

WASHINGTON, D.C. – Attorney General Karl A. Racine today announced a \$68 million, 40-state settlement, with UBS for fraudulent conduct involving the manipulation of a critical benchmark interest rate during and after the 2007-2008 financial crisis. UBS allegedly manipulated LIBOR (the London Interbank Offered Rate), an interest rate that affects financial instruments worth trillions of dollars and has a far-reaching impact on global markets and consumers. As a result of this manipulation, District government and nonprofit entities paid significantly more than they would have otherwise for UBS investment services. Through this settlement, at least six non-profit and government entities in the District may be eligible to receive restitution totaling more than \$800,000.

The attorneys general allege that UBS misrepresented the integrity of the LIBOR benchmark by concealing, misrepresenting, and failing to disclose actions they took to avoid negative publicity and protect the reputation of the bank. They also allege that UBS acted fraudulently to benefit its derivative trading positions.

As a result of this fraudulent conduct, UBS made millions in unjust gains at the expense of state government entities and not-for-profit organizations. These entities entered into swaps and other financial instruments with the UBS without knowing that the bank was manipulating LIBOR and colluding with other banks to do so.

Governmental and not-for-profit entities with LIBOR-linked swaps and other financial instruments with UBS will be notified if they are eligible to receive a distribution from the settlement fund.

UBS is the fourth of several USD-LIBOR-setting panel banks under investigation by the State Attorneys General to resolve the claims against it and has cooperated with the investigation. The states previously reached settlements with Barclays, Deutsche Bank, and Citibank. Including the UBS settlement, the States have collected \$488 million in payments from four banks, almost all of which will be distributed to state and local government entities and not-for-profits that were harmed by these banks' wrongful conduct.

The settlement agreement requires UBS to cooperate with the States' ongoing investigation, and this cooperation will help facilitate distribution of settlement funds to victims.

The working group was led by New York Attorney General Barbara D. Underwood and includes 40 attorneys general states.

A copy of the settlement agreement is available here: <http://oag.dc.gov/sites/default/files/2018-12/UBS-Settlement-Agreement.pdf> (<http://oag.dc.gov/sites/default/files/2018-12/UBS-Settlement-Agreement.pdf>)

Attachments

[UBS-Settlement-Agreement.pdf](http://oag.dc.gov/sites/default/files/2018-12/UBS-Settlement-Agreement.pdf) (<http://oag.dc.gov/sites/default/files/2018-12/UBS-Settlement-Agreement.pdf>)

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January 8, 2019

[AG Racine Sues Washington Sports Club for Misleading District Consumers About Membership Cancellation Policies, Billing Practices, and Fees](#) (</release/ag-racine-sues-washington-sports-club-misleading>)

January 8, 2019

[AG Racine Announces Neiman Marcus To Pay \\$1.5 Million For 2013 Data Breach](#) (</release/ag-racine-announces-neiman-marcus-pay-15-million>)

January 3, 2019

[AG Racine Announces Career Education Corp. Will Provide \\$2 Million in Debt Relief to District Student Borrowers Over Deceptive Recruiting](#) (</release/ag-racine-announces-career-education-corp-will>)

December 29, 2018

[AG Racine Leads 15-State Coalition Opposing Payday Loan Industry Attempts to Skirt State Usury Laws](#) (</release/ag-racine-leads-15-state-coalition-opposing-payday>)