



Press Release

Attorney General Frosh Announces \$68 Million Multistate Settlement with UBS AG for Artificially Manipulating Interest Rates

*In Fourth Settlement of Its Kind, Attorneys General Hold UBS Accountable for Manipulation of Benchmark Interest Rates;
To Date, Investigation into USD-LIBOR-Setting Panel Banks Has Recovered \$488 Million*

BALTIMORE, MD (December 21, 2018) – Maryland Attorney General Brian E. Frosh today announced a \$68 million, 40-state [settlement](#) with UBS for fraudulent conduct involving the manipulation of the London Interbank Offered Rate (LIBOR), a benchmark interest rate that affects financial instruments worth trillions of dollars and has a far-reaching impact on global markets and consumers.

“UBS manipulated the financial system for its own gain and at the expense of Maryland state and local agencies and non-profits,” said Attorney General Frosh. “As a result of this settlement, victims will receive compensation for the illegal conduct of one of the world’s largest banks.”

The investigation was conducted by a working group of 40 State Attorneys General offices that includes Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, Washington, West Virginia, and Wisconsin.

The Attorneys General allege that UBS misrepresented the integrity of the LIBOR benchmark by concealing, misrepresenting, and failing to disclose that at times UBS made USD LIBOR submissions to avoid negative publicity and protect the reputation of the bank, and that UBS made Yen LIBOR submissions to benefit its derivative trading positions.

As a result of its fraudulent conduct, UBS made millions in unjust gains when government entities and not-for-profit organizations entered into swaps and other financial instruments with UBS without knowing that UBS and other banks on the USD-LIBOR-setting panel were manipulating their LIBOR submissions.

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. With the UBS settlement, the States have collected \$488 million in payments from the four 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, UBS will continue to cooperate with the States' ongoing investigation; such cooperation helps facilitate civil enforcement efforts, including the distribution of funds to victims of the offense.

Previous settlements can be found here:

<http://www.marylandattorneygeneral.gov/Press/2016/080816.pdf>

<http://www.marylandattorneygeneral.gov/Press/2017/102517.pdf>

<http://www.marylandattorneygeneral.gov/Press/2018/061518.pdf>