

ATTORNEY GENERAL JOSH STEIN ANNOUNCES \$68 MILLION MULTISTATE SETTLEMENT WITH UBS FOR ARTIFICIALLY MANIPULATING INTEREST RATES

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(RALEIGH) Attorney General Josh Stein today announced a \$68 million, 40-state settlement with UBS for fraudulent conduct involving the manipulation of LIBOR (the London Interbank Offered Rate). LIBOR is a benchmark interest rate that affects financial instruments worth trillions of dollars and has a far-reaching impact on global markets and consumers.

“UBS made millions as it used these rates to defraud government entities and not-for-profit organizations, harming people in the process,” said Attorney General Josh Stein. “My office will continue hold wrongdoers accountable for manipulating interest rates, which is essentially sophisticated cheating.”

[Click here to read a copy of the settlement agreement.](#)

The Attorneys General allege that UBS misrepresented the integrity of the LIBOR benchmark by concealing, misrepresenting, and failing to disclose that UBS at times 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, that were keyed to LIBOR rates, 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.

Attorney General Stein is joined in this work by the Attorneys General of New York, 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, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, Washington, West Virginia, and Wisconsin.

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