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## ATTORNEY GENERAL HERRING JOINS \$68 MILLION SETTLEMENT WITH UBS AG FOR MANIPULATING LIBOR

*~ Manipulation of the London Interbank Offered Rate (LIBOR), one of the key benchmark interest rates in global finance, hurt governments and nonprofits ~*

**RICHMOND (December 27, 2018)** – Attorney General Mark R. Herring today announced a \$68 million 40-state settlement with UBS for fraudulent conduct involving the manipulation of the London Interbank Offered Rate (LIBOR). 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. Virginia state and local government entities and nonprofit organizations are expected to recover approximately \$1.25 million as part of the settlement.

“Investors should never have to worry about whether they are receiving accurate, sound information when making investment and financial decisions that could impact their retirement accounts and the bottom line of a Virginia nonprofit or government entity,” **said Attorney General Herring**. “This settlement sends a strong message that my team and I will not tolerate fraudulent tactics and any business that uses deceitful tactics or manipulation will be held accountable for their actions.”

Attorney General Herring and his colleagues 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 nonprofit 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 nonprofit 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. 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.

Joining Attorney General Herring in the settlement are the attorneys general of 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, Washington, West Virginia, and Wisconsin.

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