



## PRESS RELEASE

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### **Attorney General Frosh Announces Two Maryland Medical Systems to Receive Nearly \$2 Million in Restitution** *Payments Follow Multi-State Investigation Involving Interest Rate Manipulation*

**BALTIMORE, MD (December 3, 2019)** - Maryland Attorney General Brian E. Frosh announced today that two Maryland medical systems will receive nearly \$2 million in restitution as part of a \$100 million multi-state settlement with [Citibank](#). Bon Secours Health System will receive \$1,130,230.15 and Anne Arundel Medical Center will receive \$580,899.04 following an investigation into fraudulent conduct by major banks involving the manipulation of the LIBOR benchmark interest rate.

LIBOR, which stands for London Interbank Offered Rate is a benchmark interest rate that affects financial instruments worth trillions of dollars and has a widespread impact on global markets and ordinary consumers. The rate is an average interest rate of the rate a panel composed of 16 major banks will lend money to one another and is set on a daily basis with each bank submitting confidentially and independently its true and accurate lending rate for that day.

The LIBOR rate serves as a reference for all types of financial transactions. Citibank was one of the 16 panel banks that sets LIBOR. During the financial crisis of 2008, Citibank at times, made LIBOR submissions calculated to avoid negative publicity, or at the request of Citibank traders, lowered or raised their submissions rather than submit accurate submissions in order to favor the Bank in certain financial transactions. As a result of its fraudulent conduct, Citibank made millions in unjust gains when not-for-profit organizations like Anne Arundel Medical Center and Bon Secours entered into financial contracts with Citibank that were based on LIBOR without knowing that Citibank and other banks were manipulating LIBOR submissions.

“Citibank manipulated the financial system for its own gain and at the expense of Anne Arundel Medical Center and Bon Secours Health System,” said Attorney General Frosh. “I am pleased we were able to obtain restitution for the loss sustained by these two medical systems.”

Citibank is one of four of the LIBOR setting panel banks that has settled with Maryland and the other State Attorneys General to resolve claims of LIBOR manipulation. The other banks are UBS, Barclays and DeutschBank. The States have collected over \$500 million in payments from these banks, almost all of which has been or will be distributed to State and local government entities and not for profits harmed by the banks wrongful conduct.