Attorney General announces $92 million multistate settlement with JPMorgan Chase to resolve bid-rigging allegations

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DENVER — Colorado Attorney General John Suthers announced today $92 million multistate settlement with JPMorgan Chase to settle allegations that individuals working for subsidiaries of the financial holding company engaged in anticompetitive conduct in the municipal bond derivatives industry. The $92 million multistate settlement is one component of a $228 million coordinated law enforcement and regulatory action involving the U.S. Department of Justice, the Securities and Exchange Commission, the Internal Revenue Service, the Office of the Comptroller of the Currency and the Federal Reserve Board.

As a part of the settlement, JPMorgan Chase has agreed to pay $65.5 million that will be used to reimburse certain government and nonprofit organizations across the United States who were injured as a result of the allegedly anticompetitive conduct. JPMorgan Chase has also agreed to pay a $3.5 million civil penalty and $6 million to reimburse the states for fees and costs incurred during the investigation. JPMorgan Chase will also pay $17 million in restitution directly to certain other government and non-for-profit organizations as part of separate agreements it entered into today with the U.S. Securities and Exchange Commission and the Office of the Comptroller the Currency.

The ongoing multistate investigation has revealed allegedly collusive and deceptive conduct by individuals at several financial institutions. The conduct included bid rigging, agreements to refrain from bidding, and fraud. Ultimately the conduct resulted in lower yields, lower rates of return, or less favorable terms for government and not-for-profit organizations.

The number of Colorado government and nonprofit entities affected by this settlement and the amount they will receive will be determined in the coming months.

Attachments:

[JPMorgan Chase bond settlement release]