Attorney General Pam Bondi News Release

July 7, 2011
Media Contact: Jennifer Meale
Phone: (850) 245-0150

Attorney General Bondi Announces $92 Million Multistate Settlement with JPMorgan Chase & Co. over Anti-competitive Scheme

TALLAHASSEE, Fla. – Today, Attorney General Pam Bondi announced that Florida, along with 24 other Attorneys General, has reached a $92 million settlement with JPMorgan Chase & Co. for its alleged role in a nationwide scheme to rig bids and engage in other anti-competitive, fraudulent conduct relating to municipal bond derivatives. Florida’s portion of the settlement is undetermined at this time. The victims of the alleged conduct included state agencies, local governments and not-for-profit entities. The multistate settlement is part of a coordinated settlement JPMorgan Chase & Co. is entering into simultaneously with the United States Department of Justice’s Antitrust Division, the Securities and Exchange Commission, and the Office of the Comptroller of the Currency.

The civil and criminal investigations by 25 Attorneys General and federal authorities focus on individuals at JPMorgan Chase & Co., other major financial institutions, and certain brokers in connection with the marketing and sale of municipal derivative investments. These are typically investment contracts that government issuers and not-for-profit entities use to reinvest the proceeds of tax-exempt bond offerings until the funds are needed or to hedge against interest rate risk. The transactions are often awarded after a competitive bidding process or negotiated directly between the financial institution and the issuer.

This is the third settlement of its kind. The Attorney General’s Office reached similar settlements with the Bank of America in December 2010 and the Union Bank of Switzerland in April 2011. Other states joining Florida in the JPMorgan Chase & Co. settlement include: Alabama, California, Colorado, Connecticut, District of Columbia, Idaho, Illinois, Kansas, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Tennessee and Wisconsin.