



Department of Justice

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(202) 514-2007
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FORMER U.K. RABOBANK TRADER APPEARS IN U.S. COURT TO FACE LIBOR INTEREST RATE MANIPULATION CHARGES

WASHINGTON – The former global head of liquidity and finance for Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) has waived extradition and appeared in U.S. federal court today for an arraignment on charges related to his alleged role in a scheme to manipulate the U.S. Dollar (USD) and Yen London InterBank Offered Rate (LIBOR), a benchmark interest rate.

Assistant Attorney General Leslie R. Caldwell of the Justice Department’s Criminal Division, Assistant Attorney General Bill Baer of the Justice Department’s Antitrust Division and Assistant Director in Charge Andrew G. McCabe of the FBI’s Washington Field Office made the announcement.

Anthony Allen, 43, of Hertsfordshire, England, appeared in the Southern District of New York and pleaded not guilty to a superseding indictment charging him with conspiracy to commit wire and bank fraud and substantive counts of wire fraud. The court released Allen on a \$500,000 bond and set a trial date for Oct. 5, 2015.

According to the superseding indictment, at the time relevant to the charges, LIBOR was an average interest rate, calculated based on submissions from leading banks around the world, reflecting the rates those banks believed they would be charged if borrowing from other banks. It serves as the primary benchmark for short-term interest rates globally and is used as a reference rate for many interest rate contracts, mortgages, credit cards, student loans and other consumer lending products. LIBOR was published by the British Bankers’ Association (BBA), a trade association based in London. LIBOR was calculated for 10 currencies at 15 borrowing periods, known as maturities, ranging from overnight to one year. The published LIBOR “fix” for U.S. Dollar and Yen currency for a specific maturity was the result of a calculation based upon submissions from a panel of 16 banks, including Rabobank.

According to allegations in the superseding indictment, Allen, who was Rabobank’s Global Head of Liquidity & Finance and the manager of the company’s money market desk in London, put in place a system in which Rabobank employees who traded in derivative products linked to USD and Yen LIBOR regularly communicated their trading positions to Rabobank’s LIBOR submitters, who submitted Rabobank’s LIBOR contributions to the BBA. Rabobank traders entered into derivative contracts containing USD or Yen LIBOR as a price component

and they allegedly asked others at Rabobank to submit LIBOR contributions consistent with the traders' or the bank's financial interests, to benefit the traders' or the banks' trading positions.

The charges in the superseding indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

The investigation is being conducted by special agents, forensic accountants and intelligence analysts in the FBI's Washington Field Office. The prosecution is being handled by the Criminal Division's Fraud Section and the Antitrust Division. The Criminal Division's Office of International Affairs has provided assistance in this matter.

The Justice Department expresses its appreciation for the assistance provided by various enforcement agencies in the United States and abroad. The Commodity Futures Trading Commission's Division of Enforcement referred this matter to the department and, along with the U.K. Financial Conduct Authority, has played a major role in the investigation. The Securities and Exchange Commission also has played a significant role in the LIBOR series of investigations, and the department expresses its appreciation to the United Kingdom's Serious Fraud Office for its assistance and ongoing cooperation. The department has worked closely with the Dutch Public Prosecution Service and the Dutch Central Bank in the investigation of conduct at Rabobank. Various agencies and enforcement authorities from other nations are also participating in different aspects of the broader investigation relating to LIBOR and other benchmark rates, and the department is grateful for their cooperation and assistance.

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