



AFR Statement on Barclay's LIBOR Manipulation

The finding that Barclays manipulated LIBOR rates, as well as the news that other major banks are under investigation for similar actions, is another vivid demonstration of why we cannot trust the banks to govern themselves. These actions demand additional steps to hold Wall Street, and The City, accountable.

The LIBOR interest rate that Barclay's and other major banks are accused of manipulating governs trillions of dollars in market contracts. The rate affects everything from payments made by ordinary families on their mortgages and credit cards, to payments made by towns and cities on municipal finance, to complex global derivatives markets. The kind of market manipulation at issue here amounts to outright theft from consumers and investors in these markets.

Several top executives of Barclay's bank have resigned. That was the appropriate thing to do, and US bankers should do the same under similar circumstances. But resignations and fines, even large fines, should not be the end of the story. Such fines do not necessarily lead to accountability for the parties involved. Criminal charges should be brought against both individuals and institutions responsible for market manipulation.

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