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**MADIGAN RECOVERS \$84 MILLION FOR
ILLINOIS' PENSION SYSTEMS, CONSUMERS IN CITIGROUP SETTLEMENT**

***Attorney General Madigan Recoups Full Losses to Pension Funds for Citigroup Mortgage-backed Securities, Obtains
Additional \$40 Million in Consumer Relief***

Chicago — Attorney General Lisa Madigan today announced an \$84 million settlement with Citigroup as a result of the bank's misconduct in its marketing and sale of risky residential mortgage-backed securities (RMBS) leading up to the 2008 economic collapse. The agreement is part of a national settlement forged by the U.S. Department of Justice (DOJ) and also joined by attorneys general from California, Delaware, Massachusetts and New York. The settlement includes \$44 million in relief to fully recover for losses incurred by Illinois' pension systems and \$40 million in consumer relief.

An investigation by Madigan's office revealed that between 2006 and 2007 Citigroup failed to disclose the true risk of RMBS investments to Illinois' pension systems and therefore misled the systems when they invested in the RMBS market.

"This relief will fully restore the losses Illinois' pension systems incurred as a result of Citigroup's fraudulent schemes in the mortgage-backed securities market, and it will provide much-needed aid to Illinois homeowners who are still paying for Wall Street's reckless actions," Madigan said. "This settlement is the latest in my ongoing commitment to recover critical funds not only for homeowners but also for the state as we continue to address Illinois' financial crisis."

The settlement requires Citigroup to pay a total of \$44 million to the Illinois Teachers Retirement System, the State Universities Retirement System, and the Illinois State Board of Investment, which oversees the State Employees' Retirement System, General Assembly Retirement System and Judges' Retirement System.

Citigroup also will provide at least \$40 million in consumer relief, including assistance for homeowners and renters as well as funding for blight reduction. An independent monitor will be appointed to oversee the relief distribution.

Today's settlement is the second agreement Madigan has secured as part of her work on the Residential Mortgage-Backed Securities Working Group under President Obama's Financial Fraud Enforcement Task Force. In 2013, Madigan announced that Illinois' pension systems would receive over \$100 million from JPMorgan Chase & Company to settle similar allegations about its marketing of risky securities investments.

Long before today's settlement announcement, Attorney General Madigan has led the country in taking legal action against banks, lenders and other financial institutions for unlawful financial misconduct that contributed to the country's economic collapse.

Madigan was a lead negotiator in the \$25 billion national mortgage settlement with the country's largest mortgage servicers – Bank of America, JPMorgan Chase, Wells Fargo, Citibank and Ally Bank, formerly GMAC – that addressed allegations of widespread "robo-signing" of foreclosure documents and other fraudulent practices banks employed while servicing mortgages of struggling homeowners. As a result of Madigan's leadership, Illinois borrowers have received over \$2.4 billion in direct relief.

Madigan also was the first attorney general in the nation to sue a national bank for fair lending violations. Madigan and DOJ secured a \$175 million national settlement to resolve allegations that Wells Fargo illegally targeted African American and Latino borrowers for sales of the lender's poorest quality and most expensive mortgages during the height of the subprime mortgage lending spree. Madigan and DOJ also reached a \$335 million national settlement with Countrywide, once the nation's largest mortgage lender, to resolve similar allegations of fair lending violations. The settlement has provided restitution to harmed Illinois borrowers and is the largest settlement of a fair lending lawsuit ever obtained by a state attorney general.

Madigan also reached a landmark \$8.7 billion national settlement in 2008 against Countrywide for deceptively placing thousands of Illinois homeowners into ultra-risky and unaffordable subprime mortgages. The settlement with Countrywide's new owner, Bank of America, established the nation's first mandatory loan modification program.

Currently, Madigan is litigating against the national credit rating agency Standard & Poor's, alleging that the company compromised its independence as a rating agency by doling out high ratings to unworthy, risky investments as a corporate strategy to increase its revenue and market share.

-30-

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