

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

July 23, 2012

Mr. William Dudley
President
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

Dear Mr. Dudley:

Thank you for your prompt response to my letter dated July 9, 2011, regarding the Federal Reserve Bank of New York's (NY Fed) handling of banks' alleged manipulation and suppression of the London Interbank Offered Rate (LIBOR). The documents you provided to the Subcommittee revealed that the NY Fed was made aware that certain financial institutions were "not posting honest LIBOR" rates. Additionally, the documents showed that the NY Fed worked to identify flaws in the way LIBOR was set and subsequently made recommendations for enhancing the credibility of the rate to the Bank of England.

What is less clear in your response is how the NY Fed dealt with admissions of market manipulation by LIBOR contributing banks. As you know, the role of government is to ensure that our markets are run with the highest standards of honesty, integrity, and transparency. Therefore, any admission of market manipulation -regardless of the degree- should be swiftly and vigorously investigated.

The documents you produced to the Subcommittee provide a better understanding of the NY Fed's role in the LIBOR scandal; however there are still many outstanding questions that merit further investigation. To help the Subcommittee get a more complete understanding of the NY Fed's role, please provide the following:

1. All communications and documents (defined in Attachment A), generated between August 1, 2007 and July 20, 2012, between any and all persons employed by the NY Fed and any and all persons employed by any of the sixteen LIBOR contributing banks regarding the reporting and submission of LIBOR rates.
2. All communications and documents (defined in Attachment A), generated between August 1, 2007 and July 20, 2012, between any and all persons employed by the NY Fed regarding the reporting and submission of LIBOR rates.

3. All communications and documents (defined in Attachment A), generated between August 1, 2007 and July 20, 2012, between any and all persons employed by the NY Fed and any and all persons employed by U.S. governmental agencies and instrumentalities, including but not limited to the Federal Reserve Board, the Commodity Futures Trading Commission, the Securities and Exchange Commission, the Department of Treasury and the Department of Justice, regarding the reporting and submission of LIBOR rates. In producing documents responsive to this request, please itemize any documents or communications that depict fraud or any other irregular activity related to the reporting and submission of LIBOR rates by contributing banks.
4. All communications and documents (defined in Attachment A), generated between August 1, 2007 and July 20, 2012, between any and all persons employed by the NY Fed and any and all persons employed by foreign governmental agencies and instrumentalities in the United Kingdom, including but not limited to the Financial Services Authority, the Bank of England, and the British Bankers' Association. In producing documents responsive to this request, please itemize any documents or communications that depict fraud or any other irregular activity related to the reporting and submission of LIBOR rates by contributing banks.

Please provide two sets of the responsive documents in the manner described in Attachment B on a rolling basis, but no later than September 1, 2012. The documents should be delivered to the Majority Staff at B-303 Rayburn House Office Building and the Minority Staff at B371-A in Rayburn House Office building, respectively.

I appreciate your prompt attention to this matter. If you have questions regarding this request, please contact Cliff Roberti at (202) 225-7502.

Sincerely,



RANDY NEUGEBAUER

Chairman

Subcommittee on Oversight and Investigations

cc: The Honorable Spencer Bachus
The Honorable Barney Frank
The Honorable Michael Capuano

ATTACHMENT A

1. The terms "document" or "record" means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, inter-office and intra-office communications, electronic mail (e-mail), contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The terms "communication" or "correspondence" means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, email, regular mail, telexes, releases, or otherwise.
3. The terms "and" and "or" shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.
4. The terms "person" or "persons" mean natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, or other units thereof.
5. The term "identify," when used in a question about individuals, means to provide the following information: (a) the individual's complete name and title; and (b) the individual's business address and phone number.
6. The term "referring," "relating," "relate," or "regarding" as to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with or is pertinent to that subject in any manner whatsoever.

ATTACHMENT B

1. The Committee requests that you send documents in electronic form (e.g. CD, memory stick, or thumb drive).
2. Documents produced in electronic format should also be organized, identified, and indexed electronically.
3. Electronic document productions should be prepared according to the following standard:
 - (a) All documents shall be in searchable .PDF format.
4. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, box or folder is produced each CD, hard drive, memory stick, thumb drive, box or folder should contain an index describing its contents.
5. Documents produced in response to this request shall be produced together with copies of file labels, dividers or identifying markers with which they were associated when they were requested.
6. When you produce documents, you should identify the paragraph in the Committee's request to which the documents respond.
7. If compliance with the request cannot be made in full, compliance shall be made the extent possible and shall include an explanation of why full compliance is not possible.
8. In the event that a document is withheld on the basis of privilege, provide a privilege log (e.g. a Vaughn Index) containing the following information concerning any such document: (a) the privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; and (e) the relationship of the author and addressee to each other.
9. This request is continuing in nature and consists of an on-going obligation. This request applies to any newly-discovered information. Any record, document, compilation of data or information, not produced because it has not been located or discovered by the return date, shall be produced immediately upon subsequent location or discovery.
10. All documents shall be Bates-stamped sequentially and produced sequentially.