

Citi fined \$2 mn over Facebook IPO leak

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Citibank is the consumer banking arm of US banking giant Citigroup. The company paid a \$2 million fine to a state regulator and fired a junior analyst over a probe into leaks of confidential information on Facebook's public offering, officials said Friday.

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A senior tech analyst also left Citi Friday, the banking group confirmed, after the Massachusetts investigation uncovered "prohibited contact" with a French business journalist on nonpublic estimates for [Google's](#)

[YouTube](#).

"We are pleased to have this matter resolved," Citi said in a statement after the fine was announced by Massachusetts Commonwealth Secretary William Galvin.

"We take our internal policies and procedures very seriously and have taken the appropriate actions."

According to an agreement filed by the regulator, Citi terminated the employment of an unnamed junior analyst in September for disclosing research on Facebook which came from underwriters and was to remain confidential until 40 days after the IPO.

The document said the analyst released the [confidential information](#) to the news website TechCrunch, a unit of AOL. The leaked data included an analysis of "investment risks" and "investment positives" for Facebook ahead of the IPO in May.

The state official said the fine was for "improper disclosures of nonpublic information," including the Facebook IPO.

Citi also confirmed the "departure" of star tech analyst Mark Mahaney, who was the "senior analyst" cited by regulators.

The document said the senior analyst provided confidential revenue estimates for YouTube to a reporter for the French business publication Capital in April.

The regulator said the analyst violated company guidelines which prohibit discussion of an outlook for a company if this has not been published in a report.

Citi said Mahaney's departure "was not linked to [Facebook](#)."

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