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**U.S. FILES CIVIL MONEY LAUNDERING CHARGES AGAINST
LLOYDS TSB BANK PLC AND BANK OF CYPRUS FOR
LAUNDERING MILLIONS IN ILLEGAL PROCEEDS
FROM THE AREMISSOFT SECURITIES FRAUD**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that the United States filed civil money laundering charges today against LLOYDS TSB BANK PLC and the BANK OF CYPRUS, alleging that both banks permitted the laundering of hundreds of millions of dollars generated by the AremisSoft securities fraud. The United States seeks monetary civil penalties totaling at least \$130 million from LLOYDS TSB BANK PLC and at least \$162 million from BANK OF CYPRUS, for the value of the funds involved in the financial transactions relating to AremisSoft. According to the Complaints filed in Manhattan federal court:

LLOYDS TSB BANK PLC ("LLOYDS") and BANK OF CYPRUS violated federal money laundering provisions by allowing LYCOURGOS KYPRIANOU, an international fugitive currently at large in Cyprus, to launder millions of dollars from a massive securities fraud allegedly perpetrated by KYPRIANOU and others. KYPRIANOU was the founder and former Chairman of the Board at AremisSoft -- a company specializing in the development and sale of computer software technology, particularly for the healthcare, hospitality, construction and manufacturing industries. KYPRIANOU allegedly engaged in an insider trading scheme in which he artificially inflated the price of AremisSoft's publicly traded stock, used nominee companies to hold and sell the stock, and misled the investing public into thinking that the sales were genuine arms-length transactions -- transactions in which both parties act independently and have no relationship to one another -- while concealing his illegal conduct. In June of 2002, a federal grand jury indicted KYPRIANOU and others for securities fraud, money laundering, and conspiracy to commit securities

fraud and money laundering, mail fraud and wire fraud.

According to the Complaints, LLOYDS and BANK OF CYPRUS knowingly assisted KYPRIANOU in laundering the proceeds of the AremisSoft fraud through numerous accounts that he beneficially owned or controlled, well after the widely publicized downfall of AremisSoft and the indictment of KYPRIANOU and others for securities fraud. LLOYDS also fraudulently confirmed nonexistent AremisSoft cash holdings, knowing AremisSoft and its auditors would rely on that information when analyzing AremisSoft's financial statements.

Assistant United States Attorneys SHARON COHEN LEVIN and RUA KELLY are handling the case.

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