

## **Charge: Ratings firms improperly aid China**

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TUCSON, Oct. 4 (UPI) -- Major credit rating firms improperly help China avoid debt obligations by issuing false sovereign credit ratings, a complaint filed with regulators alleges.

Sovereign Advisers, an investment management firm based in Tucson that develops fixed income strategies for individual and institutional investors, filed the complaint with the U.S. Justice Department Antitrust Division and the European Commission Directorate General for Competition, iStockAnalyst reported Friday.

The complaint alleges Standard & Poor's and Moody's Investors Service distribute false sovereign credit ratings that omit China's defaulted sovereign debt, allowing the Chinese government to maintain investment grade credit ratings despite its refusal to repay some creditors.

The [complaint](#) says Standard & Poor's and Moody's seek to profit by the alleged distribution of improper credit rating information, and that the ratings firms have gone from being publishers of information to being actors in the market process.

The iStockAnalyst report did not indicate whether the publication sought comment from Standard & Poor's and Moody's.