# Citigroup faces scrutiny after $81 trillion operational error



Citigroup recently disclosed a significant operational error that occurred last April, when a bank employee inadvertently credited a client’s account with an astonishing $81 trillion instead of the intended transfer of $280. This error highlights ongoing challenges the bank faces in addressing its operational and regulatory issues. The incident was first reported by the Financial Times.

The mistake happened when two employees failed to identify the erroneous input during the processing of the transaction. A third employee spotted the discrepancy in the bank’s account balances approximately 90 minutes after the payment was made, rectifying the situation before any funds were disbursed. The erroneous transaction was subsequently reversed within a few hours. An internal report viewed by the Financial Times indicated that no actual funds left Citigroup, which promptly informed the United States Federal Reserve and the Office of the Comptroller of the Currency about this “near miss.”

In an official statement, a Citigroup spokesperson stated, “Our detective controls promptly identified the inputting error between two Citi ledger accounts and we reversed the entry.” The spokesperson emphasised that the incident underscores the bank's commitment to eliminating manual processes and enhancing automated controls through ongoing transformations.

This operational blunder is part of a broader pattern at Citigroup. Internal reports suggest that the bank experienced ten similar near misses last year, where transactions were processed with erroneous amounts exceeding $1 billion. While this figure reflects a slight decline from the 13 incidents reported the previous year, the bank has been under scrutiny for its operational management, particularly in light of past mistakes. Notably, in 2020, Citigroup famously misdirected $900 million to creditors involved in a protracted legal battle surrounding the debt of the cosmetics giant Revlon, leading to significant fines and the dismissal of then-CEO Michael Corbat.

Jane Fraser, who succeeded Corbat in March 2021, has identified resolving the bank’s regulatory complications as her foremost priority. However, challenges persist. In the previous year, Citigroup was fined $136 million by regulatory bodies for failing to rectify longstanding issues in risk control and data management.

The recent $81 trillion blunder is not the largest in banking history. However, it illustrates the potential for catastrophic mistakes within complex banking systems, where a single input error can lead to significant operational risks. Industry analysts and former regulators have noted that near misses of this magnitude are, while unusual, indicative of broader difficulties within the sector.

Citigroup's operational challenges raise questions about the efficacy of its internal controls and the broader implications for its regulatory standing as it continues to navigate efforts to rectify past failings in operational governance.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://san.com/cc/citigroups-81-trillion-transaction-error-raises-compliance-concerns/> - This article corroborates the $81 trillion transaction error by Citigroup, highlighting how the mistake was caught 90 minutes later and reversed without financial harm. It also discusses the bank's ongoing operational challenges and regulatory issues.
* <https://www.indiatoday.in/business/story/citigroup-employees-typo-nearly-led-to-81-trillion-blunder-details-here-2687054-2025-02-28> - This article provides details on how the $81 trillion error occurred due to a typing mistake and was eventually corrected. It also mentions Citigroup's history of costly mistakes, such as the $900 million Revlon incident.
* <https://unusualwhales.com/news/citigroup-c-credited-a-clients-account-with-81-trillion-when-it-meant-to-send-only-280> - This news piece explains the operational error and its implications for Citigroup's regulatory standing. It highlights the bank's efforts to improve internal controls and risk management systems.
* <https://www.federalregister.gov/documents/2024/04/22/2024-07496/guidance-for-federal-financial-assistance> - While not directly related to the $81 trillion error, this document provides context on federal financial regulations and oversight, which is relevant to Citigroup's compliance challenges.
* <https://www.vacourts.gov/courts/scv/rulesofcourt.pdf> - This document outlines legal procedures and could be relevant in understanding the legal framework under which financial institutions like Citigroup operate, though it does not directly address the $81 trillion error.
* <https://www.noahwire.com> - This is the source of the original article but does not provide additional external corroboration beyond the content presented.
* <https://www.ft.com/content/9921925e-5a32-48cc-a3e3-3f77042477d2> - Please view link - unable to able to access data