

Securities Regulation Daily Wrap Up, FRAUD AND MANIPULATION—S.D.N.Y.: Guilty verdicts in first U.S. Libor manipulation trial, (Nov. 9, 2015)

By [R. Jason Howard, J.D.](#)

A jury verdict handed down in the Southern District of New York has found two former Rabobank employees guilty of fraud and conspiracy for their efforts in manipulating U.S. dollar and Yen Libor rates to gain an unfair advantage trading derivatives linked to the benchmark rate ([U.S. v. Allen](#), November 6, 2015).

Background. Anthony Allen, Rabobank's former global head of liquidity and finance, and Anthony Conti, a former senior trader, were identified in the [superseding indictment](#) as participating in a five-year conspiracy to manipulate and attempt to manipulate the benchmark interest rates referenced by derivative products within the financial industry and engaged in a scheme to obtain money and property by making false and fraudulent U.S. Dollar and Yen Libor submissions to the British Banker's Association for inclusion in the calculation of the U.S. Dollar and Yen Libor rates.

The indictment lists the instances when the rigging occurred and excerpts from conversations by the defendants requesting submissions of various Libor rates to benefit the positions they had taken. As a result of the scheme, Rabobank counterparties in the U.S. that had taken financial positions that would be negatively affected by the Libor rate manipulation experienced financial losses or were susceptible to substantial risk of loss.

Jury instructions and verdict. The [jury instructions](#) summarized the charges against both Allen and Conti. Count one charged both defendants with conspiracy to commit wire fraud and bank fraud. Counts two through 19 charged defendant Allen with individual (or "substantive") acts of wire fraud. Eight of the counts also charged defendant Conti with individual substantive acts of wire fraud.

The jury verdict found Allen guilty of all 19 counts and Conti guilty of all nine counts of conspiracy and wire fraud. Allen and Conti will have to forfeit all of the right, title and interest in any property constituting or derived from proceeds obtained directly or indirectly as a result of the violations.

The case is [No. 14 Cr. 272](#).

Attorneys: Brian Young, U.S. Department of Justice, Criminal Division, for the United States. Michael Steven Schachter (Willkie Farr & Gallagher LLP) for Anthony Allen.

Companies: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

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