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SEC Charges Israeli Corporate Insider and Friend with Insider Trading

Litigation Release No. 25373 / April 20, 2022

Securities and Exchange Commission v. Moshe Strugano and Rinat Gazit, No. 1:22-civ-03216 (S.D.N.Y. filed April 20, 2022)

The Securities and Exchange Commission today charged Israeli citizens Moshe Strugano and Rinat Gazit with insider trading ahead of the January 24, 2018 public announcement that Ormat Technologies, Inc. had signed a definitive agreement to acquire U.S. Geothermal Inc., a geothermal energy company based in Boise, Idaho.

[► SEC Complaint](#)

According to the SEC's complaint, filed in federal district court in New York, Gazit, the former head of mergers and acquisitions at Ormat and resident of Tel Aviv, Israel, tipped her close friend, Strugano, an attorney and resident of Caesarea, Israel, with material, nonpublic information she had obtained concerning Ormat's potential acquisition of U.S. Geothermal. The SEC alleges that based on Gazit's tip, Strugano purchased more than 740,000 shares of U.S. Geothermal stock from December 19, 2017 through January 18, 2018. In the months following the merger announcement, Strugano sold all of these shares for a total profit of over \$1.2 million.

The SEC's complaint charges Strugano and Gazit with violating the antifraud provisions of Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5 thereunder, and it seeks a permanent injunction, civil penalties, and disgorgement with prejudgment interest against Strugano, and a permanent injunction, civil penalties, and an officer and director bar against Gazit.

The United States Attorney's Office for the Southern District of New York today also announced criminal charges against Strugano.

The SEC's investigation, which is ongoing, has been conducted by Frank Goldman and Ann Marie Preissler of the Division of Enforcement's Market Abuse Unit, with assistance from John Rymas and Patrick McCluskey in the Market Abuse Unit's Analysis and Detection Center and Sunny Kim and Marlee Miller of the Office of International Affairs. The case has been supervised by Joseph Sansone, Chief of the Market Abuse Unit, and Danielle Voorhees. The SEC's litigation will be led by Terry Miller of the SEC's Denver Regional Office, with the assistance of Mr. Goldman and Ms. Preissler. The SEC appreciates the assistance of the United States Attorney's Office for the Southern District of New York, the Federal Bureau of Investigation, the Israel Securities Authority, and the Swiss Financial Market Supervisory Authority.

Modified: April 20, 2022