

The New York Times

Former UBS Trader Is Cleared in 'Spoofing' Case

By Emily Flitter

April 25, 2018

A federal jury on Wednesday acquitted a former trader for the Swiss bank UBS of charges related to market manipulation, dealing a blow to a Justice Department effort to crack down on a Wall Street practice known as “spoofing.”

Prosecutors accused the former trader, Andre Flotron, of trying to move market prices for precious metals by making offers on electronic trading systems to buy or sell gold, silver and other financial products and then quickly deleting those offers before anyone could accept them.

But after only a few hours of deliberation, a jury in United States District Court in the District of Connecticut rejected their theory, according to Mr. Flotron’s lawyer Marc L. Mukasey.

Mr. Flotron’s acquittal could spell trouble for similar cases brought by the United States government. In January, federal prosecutors filed criminal charges against seven other people for spoofing, among the first criminal charges brought for suspected financial crimes during the Trump administration. The Commodity Futures Trading Commission simultaneously brought civil cases against a number of the former traders, including Mr. Flotron. The traders’ behavior, a Justice Department official said at the time, reflected “a systemic problem.”

The Connecticut jury decided otherwise.

“It’s a huge setback for the government,” Mr. Mukasey said. “We basically smacked them in the face.”

Mr. Mukasey said he planned to ask the trading commission to dismiss its civil case

against Mr. Flotron.

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"While we are disappointed in the outcome, we respect the jury's verdict," a Justice Department spokeswoman said Wednesday.

A UBS spokesman declined to comment. A spokeswoman for the commission did not immediately respond to requests for comment.

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