JUSTICE NEWS

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Former Currency Trader Indicted for Participating in Antitrust Conspiracy

A federal grand jury returned an indictment against Akshay Aiyer, a former currency trader at a major U.S. bank, for his alleged role in a conspiracy to manipulate prices in the foreign currency exchange (FX) market, the Justice Department announced today.

The one-count indictment, filed in the U.S. District Court for the Southern District of New York, charges Akshay Aiyer with conspiring to fix prices and rig bids and offers in Central and Eastern European, Middle Eastern, and African (CEEMEA) currencies, which were generally traded against the U.S. dollar and the euro.

According to the indictment, from at least as early as October 2010 through at least July 2013, Aiyer, along with other New York-based CEEMEA traders working for rival banks, participated in a conspiracy designed to suppress competition in order to increase each trader's profits and decrease each trader's losses. Aiyer and his co-conspirators carried out this agreement by engaging in near-daily conversations through private electronic chat rooms, telephone calls, and text messages, in which they exchanged trading positions, confidential customer information, planned pricing for customer orders, and other categories of competitively sensitive information. Aiyer and his co-conspirators then used this information to coordinate their live trading in CEEMEA currencies, including, at times, by certain traders refraining from trading against the others. Throughout the conspiracy, Aiyer and his co-conspirators took affirmative steps to conceal their anticompetitive behavior.

"As today's indictment demonstrates, the Antitrust Division remains committed to holding individuals accountable for anticompetitive conduct that violates the integrity of global financial markets," said Assistant Attorney General Makan Delrahim of the Department of Justice's Antitrust Division.

"Today's indictment charges the defendant with illegally manipulating the foreign currency exchange market in order to boost earnings, squelch free-market competition, and then cover his tracks," said FDIC Inspector General Jay N. Lerner. "This case represents a compelling example of coordination among law enforcement partners, and the FDIC OIG remains dedicated to investigate complex crimes which undermine the integrity of our markets and the financial services sector."

The charge in the indictment carries a maximum penalty of 10 years in prison and a $1 million fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by victims if either amount is greater than $1 million.

This indictment follows the guilty pleas, on Jan. 4 and 12, 2017, of former CEEMEA traders Jason Katz and Christopher Cummins, respectively, who were charged in connection with the same conspiracy in which Aiyer is alleged to have participated. In addition, on Jan. 10, 2017, Richard Usher, Rohan Ramchandani, and Christopher Ashton—former U.K-based traders for major banks—were indicted for conspiring to fix prices and rig bids for the euro-U.S. dollar currency pair. Trial is set in that matter for October 2018.

An indictment is merely an accusation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt.

The Department of Justice has also charged six major banks in the ongoing investigation into antitrust and fraud crimes in the FX market. On May 20, 2015, Citicorp, JPMorgan Chase & Co., Barclays PLC, and The Royal Bank of Scotland PLC pleaded guilty at the parent level and agreed to pay, collectively, more than $2.5 billion in criminal fines for their participation in an antitrust conspiracy to manipulate the price of the euro-U.S dollar currency pair. Additionally, UBS AG pleaded guilty to manipulating the London Interbank Offered Rate (LIBOR) and other benchmark interest rates, and agreed to pay a $203 million criminal penalty after breaching its December 2012 non-prosecution agreement resolving the LIBOR investigation. On January 25, 2018, BNP Paribas USA, Inc., the former employer of Jason Katz, pleaded guilty to violating the Sherman Act based on its participation in a CEEMEA-related conspiracy, and agreed to pay a $90 million fine.

This investigation is being conducted by the Antitrust Division's New York Office with the assistance of the FDIC Office of

Inspector General, and the FBI's Washington Field Office. The Criminal Division's Fraud Section of the Department of Justice also provided substantial assistance in this matter. Anyone with information concerning price fixing or other anticompetitive conduct in the FX market should contact the Antitrust Division's Citizen Complaint Center at (888) 647-3258, or visit https://www.justice.gov/atr/report-violations.

Attachment(s):
Download Indictment

Topic(s):
Antitrust

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