

Financial Institutions Enforcement Update

January 13, 2020 | Client Update

To assist legal and compliance officers of financial institutions, this memorandum summarizes key recent developments in criminal prosecutions and regulatory enforcement actions involving financial institutions during November and December 2019.

Among the significant matters and trends:

- The last two months saw substantial activity on the insider trading front, and of note the U.S. Court of Appeals for the Second Circuit held in *United States v. Blaszczyk* that the government need not satisfy the “personal-benefit” test for insider trading when proceeding under a Title 18 theory.
- There was additional enforcement activity relating to “spoofing,” including a record-setting fine by the CFTC and DOJ.
- DOJ also had success using a deferred prosecution agreement to recover a considerable penalty from a major financial institution in the “Swiss tax” related matter.
- DOJ suffered a setback in its loss at trial in a heavily-watched loan fraud case.

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