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Southern District of New York*

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**FORMER GOLDMAN SACHS ASSOCIATE PLEADS GUILTY TO
MASSIVE INTERNATIONAL INSIDER TRADING SCHEME**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that EUGENE PLOTKIN, a former Associate in the Fixed Income Research Division at Goldman Sachs & Co., pleaded guilty in Manhattan federal court to conspiracy and securities fraud charges. The charges against PLOTKIN arose from his role in an international insider trading network that resulted in more than \$6.7 million in illicit gains.

At today's proceeding before United States Magistrate Judge DEBRA FREEMAN, PLOTKIN pleaded guilty to one count of conspiring to commit insider trading and multiple counts of insider trading. During the proceeding, PLOTKIN admitted his culpability in three insider trading schemes.

According to an Indictment previously filed against PLOTKIN, as well as statements made by PLOTKIN in connection with his guilty plea, PLOTKIN ran a multi-faceted scheme to unlawfully trade on inside information from a number of sources, including: (1) STANISLAV SHPIGELMAN, an analyst at Merrill Lynch who provided information concerning numerous Merrill Lynch corporate deals; (2) NICKOLAUS SHUSTER and JUAN RENTERIA, two employees of a Wisconsin printing plant who stole advance copies of Business Week magazine and provided inside information from the magazine's "Inside Wall Street" column; and (3) JASON SMITH, who, while serving as a federal grand juror in New Jersey, provided information about the investigation of Bristol-Myers Squibb Company. SHPIGELMAN, SHUSTER, SMITH and DAVID PAJCIN, another former Goldman Sachs & Co. employee who played a central role with PLOTKIN in the insider trading schemes, have all since pleaded guilty. The charges against RENTERIA are still pending; the defendant is presumed innocent unless and until proven guilty.

**Scheme To Trade on Inside Information Regarding
Merrill Lynch Merger and Acquisition Deals**

PLOTKIN's plea today related to, among other things, his efforts to obtain inside information from co-conspirator STANISLAV SHPIGELMAN. SHPIGELMAN, who at the time was working as an investment banking analyst in the Mergers and Acquisitions Division of Merrill Lynch, provided PLOTKIN and PAJCIN with inside information concerning numerous pending mergers and acquisitions. In exchange for cash payments and promises of future payments based on a percentage of profits, SHPIGELMAN provided PLOTKIN and PAJCIN with information concerning approximately six different pending mergers or acquisitions being handled by Merrill Lynch, on some of which SHPIGELMAN had worked directly. This allowed PLOTKIN and PAJCIN, and others with whom they shared the inside information, to purchase securities based on knowledge of the deals prior to the public announcement of the transactions. They then liquidated those positions after the public announcement of the transactions, thus locking in the profits resulting from the rise in stock prices caused by the public announcement. With respect to the one acquisition alone - Reebok's acquisition by Adidas -- Reebok's common stock price increased by 30 percent from its closing price the previous day.

**Scheme To Trade on Inside Information Obtained From
Pre-Publication Access to Business Week and
the "Inside Wall Street" Column**

PLOTKIN also pleaded guilty to counts related to a second scheme to gain insider trading information from the "Inside Wall Street" column of Business Week Magazine. At the same time that PLOTKIN was trading on the Merrill Lynch deal information from SHPIGELMAN, PLOTKIN and PAJCIN bribed RENTERIA AND SHUSTER, who worked at the printing plant where Business Week was produced, to assist in obtaining inside information from the unpublished magazines. RENTERIA and SHUSTER provided PLOTKIN and PAJCIN with the names of stocks favorably mentioned in Business Week's "Inside Wall Street" column one trading day before the column was available to the public. As a result, PLOTKIN and PAJCIN traded in approximately 20 different stocks one day before the favorable review of those stocks was mentioned in Business Week. PLOTKIN and PAJCIN then sold the "Inside Wall Street" stocks, after the "Inside Wall Street" article had become public and the article influenced the stock prices of the stocks mentioned in the column.

**Scheme To Trade on Inside Information From a Grand Juror Leaking
Details of Federal Grand Jury Investigation into Bristol-Meyers**

PLOTKIN also pleaded guilty to an insider trading charge relating to a third scheme to gain inside information from SMITH, a grand juror in New Jersey who reported to PLOTKIN and PAJCIN the details of a federal criminal investigation into the Bristol-Myers Squibb Company. SMITH, a former employee of the U.S. Postal Service, learned confidential information while serving as a grand juror during a federal criminal investigation into accounting fraud allegations against Bristol-Myers and several Bristol-Myers executives. SMITH provided this information to PLOTKIN and PAJCIN, who traded and tipped others to trade in Bristol-Meyers securities, betting that the stock price would decline once the outcome of the grand jury investigation was announced.

As a result of the various charges to which he pleaded guilty, PLOTKIN faces a maximum of 165 years in prison.

PLOTKIN, 28, resides in Rockland County, New York.

Mr. GARCIA, a member of the President's Corporate Fraud Task Force, praised the efforts of the Federal Bureau of Investigation for its investigation of this matter. Mr. GARCIA also expressed gratitude to the Securities and Exchange Commission, which filed civil insider trading charges against PLOTKIN and numerous other co-conspirators.

Assistant United States Attorneys HELEN V. CANTWELL and GLEN G. McGORTY are in charge of the prosecution.

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