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FRENCH DOCTOR SENTENCED IN MANHATTAN FEDERAL COURT FOR INSIDER TRADING SCHEME

Preet Bharara, the United States Attorney for the Southern District of New York, announced that YVES BENHAMOU, a French doctor who served as an adviser on a clinical drug trial, was sentenced today to time served and three years of supervised release for his participation in a scheme to commit securities fraud, conspiracy to engage in insider trading, obstruction of justice, and for making false statements to the FBI related to the scheme. BENHAMOU provided material, non-public information ("Inside Information") that he received in the course of his work on a clinical drug trial to Joseph F. Skowron III, a/k/a "Chip Skowron," a former portfolio manager in the health care unit of a hedge fund group (the "Hedge Fund"). Skowron then used the Inside Information to avoid approximately $30 million in trading losses. In addition, BENHAMOU agreed with Skowron to lie to the U.S. Securities and Exchange Commission ("SEC") during an investigation into Skowron's trading. BENHAMOU was sentenced today by U.S. District Judge George B. Daniels. In sentencing BENHAMOU, Judge Daniels granted the Government's motion to depart downward from the U.S. Sentencing Guidelines based on the substantial cooperation BENHAMOU provided in this investigation.

According to the Information to which BENHAMOU pled guilty, other court documents filed in the case, and statements made during the guilty plea and sentencing proceedings:

During the period of the insider trading scheme, BENHAMOU was a medical doctor with an expertise in hepatitis treatment. He served on a steering committee that oversaw a clinical trial of a drug called Albuferon conducted by the biopharmaceutical company Human Genome Sciences, Inc. ("HGSI"). At the same time, BENHAMOU also worked as a consultant for an expert networking firm that, for a fee, put him in contact with portfolio managers and other investors at hedge funds, including Skowron, who purchased and sold securities in the healthcare sector. Skowron was responsible for the Hedge Fund's investment decisions in public companies, including HGSI, that were involved in the development of drugs to treat hepatitis C.

Beginning in April 2007, BENHAMOU and Skowron developed a personal and financial relationship independent of the expert networking firm. For example, Skowron gave BENHAMOU 5,000 euros in cash during a meeting in Barcelona, Spain. Skowron also paid some of BENHAMOU's expenses, including $4,624.83 in September 2007 for a New York City hotel room for him and his wife. SKOWRON also offered to hire BENHAMOU as a consultant or permanent adviser to a new hedge fund. He gave these benefits to BENHAMOU to encourage him to provide Inside Information about the Albuferon clinical drug trial. BENHAMOU understood that Skowron would buy or sell HGSI stock on the basis of the Inside

Information. Indeed, as a result of a series of communications between BENHAMOU and Skowron in January 2008 about a decision to discontinue a portion of the clinical trial, Skowron caused the Hedge Fund to sell more than 6 million shares of HGSI, thereby avoiding approximately $30 million in losses.

In addition, BENHAMOU and Skowron undertook efforts to conceal the insider trading scheme from regulatory authorities. Specifically, after the SEC began investigating the Hedge Fund's trading in HGSI stock, Skowron lied to the SEC, and induced BENHAMOU to lie to the SEC by falsely denying that they had discussed the serious adverse events in the trial before they were made public.

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In addition to his term of supervised release, BENHAMOU, 51, of Paris, France, was required to forfeit $52,138 and ordered to pay $5.96 million in restitution.

Skowron was sentenced on November 18, 2011 to five years in prison, $5 million in forfeiture, and at least $5.96 million in restitution for his participation in the conspiracy to engage in insider trading and obstruction of justice.

Mr. Bharara praised the investigative work of the Federal Bureau of Investigation. He also thanked the SEC for its assistance.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, on which Mr. Bharara serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

This case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorneys Pablo Quiñones, Reed M. Brodsky, and David B. Massey are in charge of the prosecution.

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