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Approved:

Sandra L. Moser, Trial Attorney
Criminal Division (Fraud Section)

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(Antitrust Division)

Before: HONORABLE ANDREW J. PECK
United States Magistrate Judge
Southern District of New York

UNITED STATES OF AMERICA	**TO BE FILED UNDER SEAL**
- v. -	**COMPLAINT**
DARRELL READ, DANIEL WILKINSON, and COLIN GOODMAN	18 U.S.C. §§ 1349 & 1343 and 18 U.S.C. § 2
Defendants.	COUNTY OF OFFENSE: New York and elsewhere

SOUTHERN DISTRICT OF NEW YORK, ss.:

MICHAEL J. MCGILLICUDDY, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI") and charges as follows:

COUNT ONE
(Conspiracy to Commit Wire Fraud)

1. From at least in or about July 2006 through at least in or about September 2010, in the Southern District of New York and elsewhere, DARRELL READ, DANIEL WILKINSON, and COLIN GOODMAN, the defendants, along with Tom Alexander William Hayes, and others known and unknown, did knowingly combine, conspire, confederate, and agree to commit certain offenses against the United States, that is: to devise and intend to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and to transmit and cause to be transmitted certain wire communications in interstate and foreign commerce for the purpose of executing the scheme; to wit, the defendants engaged in a scheme to defraud counterparties to interest rate derivative trades of money and property, by the

dissemination, and submission, of false and fraudulent statements intended to influence and manipulate the benchmark interest rates to which the profitability of those trades was tied, and the defendants contemplated, foresaw, and caused use of wires in foreign commerce in carrying out the scheme, in violation of Title 18, United States Code, Section 1343.

Overt Acts

2. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On various dates relevant to this Complaint, including on or about October 24, 2006, and on or about June 25, 2008, Hayes entered into interest rate derivatives trades brokered by READ and others with counterparties located in New York, New York, for which trade confirmations were transmitted in interstate and foreign commerce, including to and from New York, New York on or about the following dates: October 24, 2006; November 9, 2006; July 4, 2008; and July 8, 2008;

b. On various dates relevant to this Complaint, including on or about June 7, 2007, on or about February 21, 2008, and on or about July 22, 2009, READ, WILKINSON, Hayes and others engaged in electronic chats through a server located in New York, New York;

c. On various dates relevant to this Complaint, including on or about November 20, 2008, and on or about November 21, 2008, GOODMAN distributed a "run thru" email message that was received by certain individuals through a server located in New York, New York;

d. On various dates relevant to this Complaint, including on or about May 9, 2007, and on or about July 22, 2008, GOODMAN distributed a "run thru" email message to a colleague located in the United States; and

e. At various times relevant to this Complaint, READ, WILKINSON, GOODMAN, and others known

and unknown, caused and engaged in conduct that contributed to the publication of manipulated benchmark interest rates in New York, New York.

(Title 18, United States Code, Section 1349)

COUNT TWO
(Wire Fraud)

3. On or about November 9, 2006, in the Southern District of New York and elsewhere, DARRELL READ, DANIEL WILKINSON, and COLIN GOODMAN, the defendants, unlawfully, wilfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, in carrying out the scheme to influence and manipulate benchmark interest rates to which the profitability of certain trades was tied, confirmation of a trade brokered by defendant READ and others was transmitted to and from a counterparty based in New York, New York.

(Title 18, United States Code, Section 1343
and Title 18, United States Code, Section 2)

COUNT Three
(Wire Fraud)

4. On or about July 8, 2008, in the Southern District of New York and elsewhere, DARRELL READ, DANIEL WILKINSON, and COLIN GOODMAN, the defendants, unlawfully, wilfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, in carrying out the scheme to influence and manipulate benchmark interest rates to which the profitability of certain trades was tied, confirmation of a trade brokered by defendant READ and others was transmitted to and from a counterparty based in New York, New York.

(Title 18, United States Code, Section 1343
and Title 18, United States Code, Section 2)

Effect on a Financial Institution

5. The scheme alleged in this Complaint had an effect on one or more financial institutions, within the meaning of Title 18, United States Code, Sections 20 and 3293(2).

* * * * *

The bases for my knowledge and the foregoing charges are, in part, as follows:

6. I am a Special Agent with the FBI of the United States Department of Justice. I am thoroughly familiar with the information contained in this Complaint, either through my own direct involvement in investigative work or through conversations with law enforcement agents and others, and my examination of documents, audio recordings, and other records. Because this Complaint is being submitted for a limited purpose, I have not set forth each and every fact that I know about the investigation. To the extent that this Complaint contains assertions concerning dates and numbers, such assertions are often approximations based upon information and evidence gathered to date. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

Relevant Background

A. The London Interbank Offered Rate

During the relevant time period:

7. The London Interbank Offered Rate ("LIBOR") served as a benchmark interest rate used in global financial markets. Futures, options, swaps, forward rate agreements ("FRAs"), and other derivative financial instruments that were traded on worldwide exchanges and off exchanges (or "over-the-counter") referenced, and were settled based on, LIBOR.[1] Financial

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[1] For example, parties to an interest rate swap - often, derivatives traders at financial institutions - agree to exchange interest rate cash flows in connection with a specified notional principal amount denominated in a particular currency.

institutions and other lenders in the United States and elsewhere frequently used LIBOR to set their own reference interest rates for financial instruments and consumer lending products, which included mortgages, credit cards, and student loans, among others.

8. LIBOR was overseen by the British Bankers' Association ("BBA"), a trade association based in London, England representing approximately 200 banks from more than 60 countries.

9. LIBOR was calculated every London business day by averaging the interest rates at which designated banks ("Contributor Panel" banks) estimated that they could borrow unsecured funds from other banks across ten currencies. Contributor Panel banks for each currency submitted their estimated borrowing rates for 15 different borrowing periods ("maturities" or "tenors"), ranging in length from overnight to one year, including maturities of one month, three months, and six months (commonly referred to on paper as "1m," "3m," and "6m"). According to the BBA, a Contributor Panel bank's submission was to be independent and not determined by bank employees responsible for a bank's derivative trading book whose trading positions stood to gain or lose based on LIBOR rates.

10. Thomson Reuters, acting as an agent for the BBA, received electronically the Contributor Panel banks' estimated interest rate submissions at or before approximately 11:10 a.m. Greenwich Mean Time. By approximately 12:00 p.m. Greenwich Mean Time, Thomson Reuters published the averaged rates - or LIBORs, to servers and counterparties based in New York, New York, among others.

11. Among other currencies, Thomson Reuters received estimated interest rate submissions for the Japanese Yen ("Yen") LIBOR from 16 designated banks, specifically from bank employees referred to as "submitters" or "setters." On receipt of the 16 Contributor Panel banks' Yen LIBOR submissions, Thomson Reuters: (a) ranked the submissions from highest to lowest; (b) excluded

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Typically, the notional principal amount does not change hands; rather, one party agrees to pay a fixed rate of interest, and the counterparty agrees to pay a floating rate of interest. The fixed or floating rate is multiplied by the notional principal amount to calculate the cash flows which must be exchanged on settlement or reset dates. LIBOR is a leading global benchmark used to index the floating rate and is therefore determinative in the amount of cash flowing between swap counterparties.

the four highest and four lowest submissions; and (c) averaged the remaining middle eight submissions to determine the official Yen LIBOR setting (also referred to as the "fix") used to settle trades and as a reference rate for various financial products. This process was repeated for each different maturity or tenor. Contributor Panel banks' Yen LIBOR submissions to between two and five decimal places, and the published Yen LIBOR fix was rounded, if necessary, to five decimal places. In the context of measuring interest rates, one "basis point" (or "bp") was one-hundredth of one percent (0.01%).

B. Individuals and Entities

During the relevant time period, unless otherwise specified:

12. One of the Yen LIBOR Contributor Panel banks was UBS AG ("UBS"), a global financial services company headquartered in Switzerland, with 11 principal offices around the world, including New York, New York.

13. From in or about July 2006 through in or about September 2009, co-conspirator Tom Alexander William Hayes ("Hayes") worked as a senior Yen swaps trader at UBS in Tokyo, Japan. At certain times relevant to this Complaint, he was assisted by a junior trader (the "UBS Junior Trader"). Hayes traded in derivative products that referenced Yen LIBOR with counterparties in New York, New York, among other locations. After leaving UBS, from in or about December 2009 through in or about September 2010, Hayes was employed as a senior Yen swaps trader at Bank E[2] in Tokyo.

14. Hayes routinely engaged the services of inter-dealer brokerage firms, including subsidiaries of ICAP plc ("ICAP"), a brokerage firm headquartered in London,[3] in order to locate counterparties in New York, New York and elsewhere, and to execute derivatives transactions such as interest rate swaps and

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[2] Bank E was a global financial services company headquartered in New York, New York.

[3] ICAP employed both derivative and cash brokers. Derivative brokers tracked bids and offers for trades in the derivatives markets, and assisted derivative traders in locating counterparties and arranging transactions between financial institutions and other market participants, while cash brokers performed the same functions for the cash market.

FRAs. Because these trades were primarily settled based on the published Yen LIBOR, the profitability of Hayes's trading positions depended on the direction in which Yen LIBORs moved. Generally, if Hayes used ICAP to broker a trade, his counterparty to the trade also was a client of ICAP.

15. DARRELL READ, the defendant, worked for ICAP as a derivatives broker on the Yen Medium Interest Rate Swaps ("MIRS") desk in London until in or about June 2007,[4] during which time READ reported to DANIEL WILKINSON, the defendant. READ's primary responsibility at ICAP was to broker interest rate derivatives trades that were settled based on Yen LIBOR rates. A significant portion of READ's compensation was derived from earnings on trades brokered for Hayes, who entered into trades with counterparties in New York, New York and elsewhere.

16. DANIEL WILKINSON, the defendant, worked for ICAP as Director of the Yen MIRS desk in London, where he supervised and assisted DARRELL READ, the defendant, and others on the desk in brokering interest rate derivative trades. A portion of WILKINSON's compensation was derived from earnings on trades brokered for Hayes. Generally, the counterparties to Hayes's trades were clients of other derivatives brokers who worked with READ and were supervised by WILKINSON on the Yen MIRS desk at ICAP. These brokers also derived earnings from counterparties to Hayes's trades.

17. COLIN GOODMAN, the defendant, worked at ICAP as a cash broker on the Euro Yen Cash desk in London. In addition to his cash brokering responsibilities, GOODMAN distributed an email on most business days both to individuals within ICAP, as well as to individuals employed at various Yen LIBOR Contributor Panel banks, some of which were headquartered in New York, New York. Although GOODMAN did not report to DANIEL WILKINSON or DARRELL READ, the defendants, GOODMAN was paid a bonus that flowed through the Yen MIRS desk and regularly communicated, both directly and through others, with READ and WILKINSON about the substance of GOODMAN's daily email and Hayes's trading positions.

18. In addition to UBS, the Yen LIBOR Contributor Panel included, among other banks:

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[4] READ moved to New Zealand in or about June 2007, where he continued his work for ICAP's Yen MIRS desk. READ retired in December 2008, but returned to work at ICAP in New Zealand in or about May 2009.

a. Bank A, a global financial services company headquartered in Düsseldorf, Germany;

b. Bank B, a global financial services company headquartered in Frankfurt, Germany;

c. Bank C, a global financial services company headquartered in New York, New York;

d. Bank D, a global financial services company headquartered in London, England;

e. Bank E, a global financial services company headquartered in New York, New York;

f. Bank F, a global financial services company headquartered in Charlotte, North Carolina;

g. Bank G, a global financial services company headquartered in London, England; and

h. Bank H, a global financial services company headquartered in Tokyo, Japan.

The Fraudulent Scheme

19. From at least in or about July 2006 through at least in or about September 2010, READ, WILKINSON, and GOODMAN, together with Hayes, and others known and unknown, intending to influence and manipulate the benchmark interest rates to which the profitability of Hayes's derivatives trades were tied, engaged in a scheme to defraud Hayes's counterparties of money and property by disseminating false and fraudulent statements regarding predicted Yen LIBORs to Yen LIBOR Contributor Panel banks which, in turn, sometimes relied on the misinformation when making their own respective Yen LIBOR submissions to the BBA for inclusion in the published fix calculation, and further by directly and indirectly causing altered Yen LIBOR submissions to the BBA.

20. Unless otherwise specifically stated, I have learned the following based on: my review of business records from ICAP, UBS, Bank E, and other Yen LIBOR Contributor Panel banks; my participation in interviews, including those of

employees of ICAP and the UBS Junior Trader;[5] my review of memoranda of interviews conducted by other agents; my review of summaries prepared by others, including summaries of UBS trading records; and my review of publicly available information:

a. During the relevant time period, READ's primary responsibility at ICAP was to broker Yen derivative trades for Hayes, a high-volume trader who was the Yen MIRS desk's biggest client and READ's most important client. READ and WILKINSON therefore had incentive to accommodate Hayes's requests and promote Hayes's trading positions.

   i. For example, in an electronic chat[6] on or about August 13, 2007, READ assured Hayes, "if you get hurt its going to hurt me as well, you are not in this relationship on your own."[7]

   ii. On or about May 12, 2009, in an electronic chat, READ told Hayes, "I devote 100% of my time and effort into trying to help you make money."

b. During the relevant time period, GOODMAN distributed an email on most business days both to individuals within ICAP, as well as

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[5] The UBS Junior Trader is cooperating with this investigation pursuant to a non-prosecution agreement stating that, if this individual abides by the terms of the agreement, neither the Criminal Division nor the Antitrust Division of the United States Department of Justice will prosecute the UBS Junior Trader for his role in the scheme alleged in this Complaint.

[6] Hereinafter, all references to electronic chats refer to communications that were routed to and/or from a server maintained in New York, New York.

[7] Except where noted or set off by the use of brackets, the contents of electronic chats and emails excerpted in this Complaint appear in their original form and have not been altered to reflect grammatical, spelling, or punctuation corrections. The closed ellipses frequently appearing in the quoted excerpts either were in the original communication or indicate a line break in the original communication.

to traders at various Yen LIBOR Contributor Panel banks. Referred to as the "run thru," GOODMAN's email included his "SUGGESTED LIBORS," purportedly setting forth GOODMAN's predictions as to where Yen LIBOR ultimately would fix each day across eight specified tenors, including "1m," "3m," and "6m." GOODMAN's "run thru" was emailed out during the early morning hours (Greenwich Mean Time), before Yen LIBOR Contributor Panel banks submitted their Yen LIBORs to the BBA for inclusion in the calculated published rate.

i. Until in or about June 2008, GOODMAN's "SUGGESTED LIBORS" email contained broad language stating, in part, that the information contained in the emails was "given in good faith."

ii. Although Hayes did not receive GOODMAN's "run thru" email containing certain Yen "SUGGESTED LIBORS," Hayes knew that GOODMAN was in direct communication, and sharing purported predictions, with Yen LIBOR Contributor Panel banks regarding Yen LIBORs.

iii. READ and WILKINSON, along with GOODMAN himself, often referred to GOODMAN as "lord libor."

iv. On various dates relevant to this Complaint, including on or about November 20, 2008, and on or about November 21, 2008, GOODMAN sent his "run thru" email message to certain recipients through a server located in New York, New York.

v. On various dates relevant to this Complaint, including on or about May 9, 2007, and on or about July 22, 2008, GOODMAN distributed his "run thru" email message to a colleague at ICAP working in the United States.

c. READ, WILKINSON, and GOODMAN each had direct

communications with, and received direct requests from, Hayes to assist Hayes in attempting to influence and manipulate Yen LIBORs for the purpose of benefitting Hayes's derivative trading positions, thus causing Hayes's counterparties to lose money and be deprived of property.

i. For example, on or about October 23, 2006, in an electronic chat, Hayes told READ, "on libors cd do w 3m staying put and 6m up pls," to which READ responded that he would "go and have another word."

ii. On or about March 23, 2007, in an email message, Hayes explained to GOODMAN, "this may seem strange given my recent requests but really need a high/unchanged 1m libor today, low for everything else. thanks as always tom."[8]

iii. In an electronic chat between READ and Hayes on or about August 12, 2007, READ was informed by Hayes: "i need 1m to plummet!...i have loads of fixings coming up that way." Hayes added, "need 3m off and 6m to hold."

iv. On or about September 28, 2007, in an email exchange, WILKINSON was told by Hayes that Hayes "really need[ed] high 3m and 6m libor pls," and WILKINSON replied, "understood mate."

v. In an electronic chat on or about August 4, 2008, READ was told by Hayes that Hayes "really need[ed] low 1m...pls ask colin...3m sort of neutral...and 6m too," to which READ responded that

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[8] I believe that within the communications set forth in this Complaint: mentions of "Tom" refer to Tom Hayes; mentions of "Darrell" refer to defendant DARRELL READ; mentions of "Dan" and "Danny" refer to defendant DANIEL WILKINSON; and mentions of "Colin," "lord libor," and "lord baliff" refer to defendant COLIN GOODMAN.

GOODMAN "was doing his best to hold it, will send him a txt now."

vi. In an electronic chat on or about April 28, 2009, READ was told by Hayes: "have big 6m . . . position fixing at start of july...need 6m up big time when 6m goes over the turn." READ assured Hayes that READ would "get to work on Colin," and was further informed by Hayes that Hayes stood to gain or lose "about 3m usd a bp."[9]

d. The defendants conspired and agreed with Hayes to influence and manipulate Yen LIBORs. Primarily, this was done through GOODMAN's "SUGGESTED LIBORS." On some occasions, READ was the person to directly request that GOODMAN move his "SUGGESTED LIBORS" to accommodate Hayes.

i. For example, on or about October 24, 2006, in an email exchange, READ told GOODMAN, "Realise it might be getting harder but need 6m kept as high as possible....tomorrow I have a massive fix,today just large!! Ta mate Get your curry order ready will send [someone] round tomorrow." GOODMAN asked in response, "How high .....above 552?" and READ replied, "If you can get them up there and keep them there tomorrow reckon the trader from ubs Tokyo will come over and buy you a curry himself!"

ii. On or about September 11, 2007, GOODMAN sent an email message to READ that stated, "Hi Darrell Will be Looking to move these libors up tomorrow. 3m98 and 6m 1.07.. [signed] Mlord libor." READ replied: "Much appreciated Colin...he still seems to have sold everything so

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[9] In this context, I believe that "3m usd a bp" means that Hayes had a trading position which would gain or lose $3 million for each single basis point movement in the 6-month published Yen LIBOR fix.

far but I have warned him and high libors 3m and 6m suit nicely.Make sure you cane the wine bill when out with the UBS boys on the 25th!!"

e. Most often, READ, who relocated to New Zealand in or about June 2007, where he continued almost daily communication with Hayes, used other derivatives brokers on the Yen MIRS desk in London, including WILKINSON in some instances, as conduits to transmit Hayes's requests to GOODMAN.

i. For example, on or about October 30, 2006, Broker D4, who also worked as a derivatives broker on the Yen MIRS desk, sent an email message to READ stating, "we asked colin to keep libors up as high as he could.dont know if tom was pleased with 529 though."

ii. In an electronic chat on or about June 26, 2007, between READ and Broker D2, another derivatives broker on the Yen MIRS desk, READ stated, "need 6 mos libor up,up,up not fussed about the rest.....big push tomorrow as 6mos goes over the turn.Congratulate Colin on yesterdays libors,v pleased."

iii. On or about June 28, 2007, in an email message, READ told WILKINSON: "DAN THIS IS GETTING SERIOUS TOM IS NOT HAPPY WITH THE WAY THINGS ARE PROGRESSING . . . CAN YOU PLEASE GET HOLD OF COLIN AND GET HIM TO SEND OUT 6 MOS LIBOR AT 0.865 AND TO GET HIS BANKS SETTING IT HIGH. THIS IS VERY IMPORTANT BECAUSE [HAYES] IS QUESTIONING MY (AND OUR) WORTH."

iv. In an electronic chat on or about July 6, 2007, READ was asked by Broker D3, another derivatives broker on the Yen MIRS desk, "what do you need libors," to which READ replied, "very high 6mos got a very large fix...86.5."

v. On or about August 15, 2007, in an

electronic chat between READ, WILKINSON, and Broker D2, in response to a request to keep 6-month Yen LIBOR high to benefit Hayes, READ was informed by Broker D2 that GOODMAN was "off today and tomorrow." In response, READ instructed WILKINSON, "oh christ..try and bully [GOODMAN's] colleague if you can dan..Tom hurting today needs all the help he can 6m."

vi. On or about September 20, 2007, READ sent WILKINSON an email message that stated: "TOM HAS AN ENORMOUS FIX IN 6MOS AND WILL BE ON YOUR CASE TO BADGER COLIN.HE WILL BE AFTER LOW 6M AND HIGH 3M."

vii. In an email message dated on or about January 20, 2009, READ told Broker D4, "I hope Tom is not being too painful, he has had a storming start and is very happy with the libors Colin and yourselves are managing to fudge for him (as long as he thinks you are trying!)"

f. READ, WILKINSON, and GOODMAN understood and agreed that, in order to accommodate Hayes's requests, GOODMAN's "run thru" email containing "SUGGESTED LIBORS" would disseminate false and fraudulent statements regarding predicted Yen LIBORs, and that GOODMAN would disseminate predicted Yen LIBORs that did not comport with his good faith predictions concerning such rates.

i. For example, in an electronic chat on or about July 13, 2007, READ and Broker D2 discussed "libors." READ told Broker D2, "when [GOODMAN] tells you what he is sending out can you also ask him where he actually thinks they should be please...many thenks."

ii. In an electronic chat dated on or about July 27, 2007, READ told WILKINSON: "have promised to line Colins pockets with silver to keep 6mos libor up.I need

Colin to give us a genuine opinion of where he reckons . . . these things will be and then send out his run higher than that."

iii. In an electronic chat on or about July 31, 2007, READ told Broker D2, "high 6 mos again today please...good work yesterday," to which Broker D2 replied, "thought you might be happy with those!!!" Later during the same chat, READ asked, "how r theselibors looking please?" READ was told by Broker D2 that GOODMAN "thinks [6m] should be coming lower, he actually thinks it should be around 86 but has sent it all again at 87 so good chances to hold."

iv. In an electronic chat on or about August 9, 2007, READ instructed Broker D2, "i would like everything sent slightly lower thasn Colin sees it please."

v. On or about August 15, 2007, in an electronic chat, READ told Broker D2 that "Tom needs 6m as high as Colin can get away with." Later during the same chat, READ said to Broker D2, "when you speak to Colin can you ask him what he thinks they will come in at (his run he sends out is often skewed to help Tom)."

vi. In an email message dated on or about September 21, 2007, READ made clear to GOODMAN that his "SUGGESTED LIBORS" should be sent out "as low as possible." READ added, "I realise the pressure is on the top side at the moment but if you could send them out lower than you reckon they should be it would be a great help...i have a very large 6mos exposure especially."

vii. On or about November 1, 2007, in an email exchange, READ told WILKINSON: "DAN NEED YOU TO APPLY SOME PRESSURE ON THE CASH GUYS TO TRY AND PUSH THESE LIBORS LOWER...6MOS IS WHAT I REALLY

NEED DOWN. CAN YOU ASK [Broker C1, a cash broker who was filling in for GOODMAN] TO SEND THEM OUT LOWER THAN [s/he] RECKONS PLEASE."

viii. On or about November 29, 2007, in an email exchange with the subject line "libors," READ told GOODMAN, "Welcome back M'Lord' Tom has been like a little lost sheep without you!!" READ continued, "I would very much like to see 1m up above 1.00% today. . . . Let me know your thoughts mate and do your best for us!!" GOODMAN responded, "ill go 1.01 for you. . . . Im really comfortable with below 1 pct." As promised, in his "run thru" email that day, GOODMAN disseminated his 1-month "SUGGESTED LIBORS" rate at 1.01%.

g. At times, in order to accommodate Hayes's requests to influence and manipulate Yen LIBORs to benefit his trading positions, it was necessary for READ, WILKINSON, and GOODMAN to reverse course within a single day, which resulted in the defendants causing the dissemination of two emails containing false information on the same day: (1) "SUGGESTED LIBORS," and (2) "REVISED LIBORS.

i. For example, on or about August 9, 2007:

(1) At approximately 5:11 a.m., in an electronic chat, READ requested that Broker D2 have GOODMAN send out low "SUGGESTED LIBORS" consistent with Hayes's requests to READ on the previous day. Specifically, READ stated, "using 0.86 3m and 0.93 6m libors....i would like everything sent slightly lower thasn Colin sees it please."

(2) At approximately 6:49 a.m., GOODMAN distributed his "SUGGESTED LIBORS" email in which both Hayes's requested 3-month Yen LIBOR of 0.86% and 6-month rate of 0.93%

were adopted.

(3) At approximately 6:54 a.m., Hayes told READ in an electronic chat, "mate need high 6m pls," to which READ responded, "high now!! ok be back." One minute later, in a separate chat at approximately 6:55 a.m., READ told Broker D2 to "tell Colin to get 3m and 6 mos up as well then please."

(4) A little over two hours later, at approximately 9:04 a.m., READ again reminded Broker D2 to "make sure Colin ramps those libors to the moon."

(5) At approximately 10:14 a.m., GOODMAN distributed a second email, titled "REVISED LIBORS," setting forth an increased rate of 0.96% for 6-month Yen LIBOR consistent with Hayes's revised request to READ at approximately 6:54 a.m.

(6) On that day, five Yen LIBOR Contributor Panel banks raised their 6-month Yen LIBOR submissions by at least 3.5 basis points to 0.96%, and the published 6-month Yen LIBOR fix rose approximately 3.5 basis points from 0.9175% on the previous day to 0.9525%.

ii. On the following day, on or about August 10, 2007, READ acknowledged GOODMAN's success in influencing the published Yen LIBORs, telling Broker D2, "Fantastic libor calls by Colin yesterday,did me a lot of favours even though the 1m fix cost [Hayes] a fortune!" READ added, "[Hayes] made on 6m and traded like a lord."

h. At times, READ, WILKINSON, and GOODMAN discussed the need to maintain credibility when disseminating false information into the

market to benefit Hayes.

i. For example, in an electronic chat between READ and Hayes on or about August 12, 2007, READ was informed by Hayes, "i need 1m to plummet!...i have loads of fixings coming up that way." Hayes added, "need 3m off and 6m to hold." READ responded, "like Colin said to me last night,he can try and tweak it by a point or 2 when its flying but if he marks too far from the truth the banks tend to ignore him." Hayes told READ, "any help is better than none!"

i. READ, WILKINSON, and GOODMAN were aware, and took notice, of the effects that GOODMAN's false and fraudulent "SUGGESTED LIBORS" had on submissions by Yen LIBOR Contributor Panel banks. The defendants further understood that Yen LIBOR Contributor Panel banks' reliance on GOODMAN's purported predictions was heightened due to market volatility and illiquidity.

i. For example, in an email dated on or about March 9, 2006, WILKINSON told a senior manager at ICAP, "The market at the moment is so volatile that banks are becoming dependant on ICAP for libor calls."

ii. In an electronic chat on or about July 9, 2007, READ told Hayes, "morning mate...seems Colins cover does have some influence,people actually took notice of his 87 libor! will be back on his case again today."

iii. In an electronic chat on or about August 15, 2007, READ was told by Hayes, "need to keep 6m up till tues then let it collapse." READ replied, "doing a good job so far . . . as long as the liquidity remains poor we have a better chance of bullying the fix."

iv. Also on August 15, 2007, in an

electronic chat between READ and a broker at another firm, READ responded to the other broker's complaints about the Yen LIBOR by stating, "think that may have been our doing a bit..Tom needed them high so our boys sent them out high and it seems people copied them."

v. In an electronic chat on or about August 22, 2008, READ touted GOODMAN's influence over other Contributor Panel banks' Yen LIBOR submissions to Hayes, stating, "think Colin is your best broker in terms of value added :-)" Hayes replied, "yeah...i reckon i owe [GOODMAN] a lot more." READ responded that GOODMAN was "ok with an annual champagne shipment, a few pi ss ups with Danny and a small bonus every now and then."

vi. On or about November 11, 2008, in an electronic chat, READ told Hayes that READ had "told Danny all of [Hayes's] concerns about the cash pressure and we have agreed that he will be your point of contact with the cash desk (not [Broker D4]), he has the most influence over Colin and understands the importance of even small moves 'your way'."

vii. On or about November 20, 2008, GOODMAN raised his "SUGGESTED LIBORS" for the 6-month tenor by 11 full basis points from the previous trading day to 1.10%; GOODMAN did not move his "SUGGESTED LIBORS" for any other tenor by more than two basis points. On that day, both Bank A and Bank E's 6-month Yen LIBOR submissions increased by 11 basis points, mirroring GOODMAN's "SUGGESTED LIBORS." Due in part to the movement of Bank A and Bank E's 6-month submissions, the published BBA 6-month Yen LIBOR for November 20, 2008 increased by approximately 2.75 basis points from the

previous trading day.

viii. After the publication of the Yen LIBOR on November 20, 2008, in an electronic chat that evening, READ told Hayes that READ hoped "that 6m libor has got me back in your good books!!" and added, "used all my powers of persuasion on that one;-)" READ continued, "think [Bank A] and [Bank E] must have looked at colins first suggestion....they both moved up 11bps to 1.10." Later in the same electronic chat, READ confirmed with Hayes, "you have a really big fix tonight I believe? if Colin sends out 6m at a more realistic level than 1.10 i reckon [Bank A] and [Bank E] will parrot him, it might mean 6m coming down a bit."

ix. On the following day, November 21, 2008, consistent with READ's suggestion the prior night to Hayes that GOODMAN would disseminate a "more realistic" view in his "SUGGESTED LIBORS" to help Hayes, GOODMAN moved the 6-month tenor of his "SUGGESTED LIBORS" down by nine basis points, while only moving one other tenor by one-half of a basis point. Bank A and Bank E again mirrored GOODMAN's 6-month "SUGGESTED LIBORS," decreasing their 6-month Yen LIBOR submissions by approximately nine basis points consistent with GOODMAN's "SUGGESTED LIBORS." Again, due in part to the movement of Bank A and Bank E's 6-month submissions, the published 6-month Yen LIBOR fix moved, decreasing approximately four-tenths of a basis point.

x. For certain extended periods of time relevant to this Complaint, other Yen LIBOR Contributor Panel banks - specifically, Bank A, Bank C, and Bank E - made submissions to the BBA that mirrored exactly GOODMAN's "SUGGESTED LIBORS." For example, between January

1, 2008, and December 31, 2009, Bank E submitted to the BBA Yen LIBORs identical to each of those set forth in GOODMAN's "run thru" email on 308 of the 523 total trading days. Similarly, between January 1, 2007, and March 31, 2009, Bank A submitted to the BBA Yen LIBORs identical to each of those set forth in GOODMAN's "run thru" email on 316 of the 587 total trading days.

j. READ, WILKINSON, and GOODMAN agreed that, beginning in or about June 2007, GOODMAN would be paid a bonus through the Yen MIRS desk which was intended, at least in part, to reward GOODMAN for his role in their effort to influence and manipulate the published Yen LIBOR fix.

i. For example, on or about January 24, 2007, GOODMAN sent an email message to WILKINSON that read: "I hear through the vine you have a good month. Hows my bonus pot looking? [signed] Mlord libor" After being told by WILKINSON that WILKINSON would "push one [GOODMAN's] way," GOODMAN replied, "Ok chief....thks. And im pushing 6mos as low as I can!!"

ii. On or about February 22, 2007, GOODMAN sent his "run thru" email to READ. Later that morning, READ responded to GOODMAN over email, "Can you get 1mos and 3 mos lower please . . . UBS said he will try and do a deal with me to pay you!"

iii. On or about April 18, 2007, GOODMAN sent an email message to WILKINSON asking, "With ubs how much does [Hayes] appreciate the yen libor scoop?" and adding, "It seems to me that he has all his glory etc and u guys get his support in other things." GOODMAN complained, "I get the dribs and drabs. Life is tough enough over here without having to double guess the libors every morning

and get zipper-de-do-da." GOODMAN asked, "How about some form of performance bonus per quarter from your b bonus pool to me for the libor service." Minutes later, WILKINSON responded, telling GOODMAN, "As for kick backs etc we can discuss that at lunch and I will speak to Tom about it next time he comes up for a chat."

iv. On or about April 19, 2007, the day after requesting a bonus for the "libor service," GOODMAN sent WILKINSON an email with the subject line "LIBORS NO MORE" in which GOODMAN threatened to discontinue sending out misleading "SUGGESTED LIBORS" after WILKINSON informed him that a brokerage fee paid by Hayes was intended for the Yen MIRS desk brokers and not for GOODMAN. Specifically, GOODMAN stated, "As far as I was concerned tom was paying for the libor assist for my assistance. You have as far as I am concerned have charged him bro on the deal. Happy days for u. fyak all for me again!!" GOODMAN signed the email "Mlord no more mr libor." WILKINSON responded to GOODMAN: "I have been thinking of ways of sorting you out.If the needs be I will look into it on a bigger scale eg your salary package."

v. On or about June 7, 2007, in an electronic chat, WILKINSON and READ discussed UBS's fee arrangement with the Yen MIRS desk at ICAP and a bonus for GOODMAN to ensure his ongoing assistance in the scheme to influence and manipulate Yen LIBOR submissions and fixes:

(1) WILKINSON told READ: "if you could speak to Tom out of hours and hint that Colin had said he would stop giving the libor'flows' then maybe Toim could push [Hayes's UBS Manager in Tokyo] to make the

payment,Tom said if it were down to him it would be paid as Colin makes him loads of money and i had to commit to paying lord baliff a regular bonus because basically while you were off he said it was all over and he would not help anymore if there was not enough money in it for him,ubs can look at is a back payment for the money Colin has made Tom ober the last 6 months."

(2) Later in the same electronic chat, WILKINSON assured READ that, while READ had been away, WILKINSON had spoken with Hayes, but "did not drop the bomb that colin was happy to pull the plug and am pretty sure tom would have kittens at that possible scenario." READ told WILKINSON that he understood and asked, "How much do you have to wing to Colin 5k a quarter?"

vi. Beginning in or about June 2007, UBS agreed to increase their monthly fixed fee payment to the Yen MIRS desk at ICAP by approximately £5,000. Approximately £5,000 per quarter of the additional money was paid to GOODMAN at the direction of WILKINSON.

k. On certain occasions, READ consulted with, and advised, Hayes regarding how to most effectively influence and manipulate published Yen LIBOR - both through the submission of false rates to the BBA, and the dissemination of misinformation to Yen LIBOR Contributor Panel banks - and how to do so without raising suspicion of manipulation.

i. For example, READ repeatedly conferred with and counseled Hayes regarding his aim to elevate and then depress the published 6-month Yen LIBOR in or about July and August 2009, by influencing the Yen LIBOR submissions of UBS, Bank B,

and Bank D to the BBA:

(1) In an electronic chat on or about July 22, 2009, Hayes told READ that "11th aug is the big date...i still have lots of 6m fixings till the 10th." READ told Hayes, "if you drop your 6m dramatically on the 11th mate, it will look v fishy, especially if [Bank D] and [Bank B] go with you. I'd be v careful how you play it, there might be cause for a drop as you cross into a new month but a couple of weeks in might get people questioning you." Hayes responded, "don't worry will stagger the drops...ie 5bp then 5bp," and READ told him, "ok mate, don't want you getting into sh it." Hayes again assured READ, "us then [Bank B] then [Bank D] then us then [Bank B] then [Bank D]." READ concluded, "great the plan is hatched and sounds sensible."

(2) In an electronic chat on or about July 23, 2009, READ counseled Hayes, "you ought to start moving your 6m down a little now as you won't affect the fix, then if you jump down 5bps thereafter it will have more of an impact." Later in the same chat, READ told Hayes, "nice knowing you have the 3 top fixers all onside in the 6m it can really shift it if the arbi kicks in."[10] READ continued, providing Hayes with additional advice, "looking closely at that 6m panel there are only 5 banks over 66 so you'll need to start getting down below that to have a decent impact,

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[10] As discussed later in this Complaint at paragraphs 20(n)(i)-(iii), "arbi" was a code word sometimes used by READ and other co-conspirators to refer to the scheme to influence and manipulate Yen LIBOR to benefit Hayes.

thats why a 3 or 4bp gradual move next week will not look conspicuous before the date the arbi really needs to shift."

(3) On or about August 10, 2009, in an electronic chat conducted while Hayes was out of the office, READ advised the UBS Junior Trader regarding the Hayes plan to elevate and then depress the published 6-month Yen LIBOR that summer. Specifically, READ stated, "you really need to move yours 3bps and [Bank D] 2 bps to have a decent impact tomorrow...if you move down 1bp tonight it won't affect this fix but will make a move tomorrow look less obvious." The UBS Junior Trader replied, "yep...thats what we are trying to do." READ added, "yeah have seen it edging lower, think its the right tactics, don't want to draw attention."

(4) Between on or about July 15, 2009, and on or about August 11, 2009, the approximate duration of Hayes's plan in relation to the 6-month tenor as described in paragraph 20(k)(i), the published BBA 6-month Yen LIBOR fix did, in fact, decrease according to the plan - by approximately 3.25 basis points. The published rate was affected by the respective 6-month Yen LIBOR submission drops of approximately 8, 11, and 15 basis points by UBS, Bank B, and Bank D.

l. Most often, Hayes expected his requests to be accommodated through the dissemination of false information in GOODMAN's "run thru" emails containing "SUGGESTED LIBORS"; however, on occasion, the defendants agreed with requests from Hayes to contact other Yen LIBOR Contributor Panel banks to ask that those banks alter their Yen LIBOR submissions

to the BBA.

i. For example, on or about October 17, 2006, in an email exchange, Hayes asked READ, "hi mate, can you get your mate at [Bank A] to put 6m libor up!" to which READ replied, "BEEN OFF IN GERMANY FOR THE PAST WEEK NOT SURE WHEN BACK." Hayes then told READ, "ok lets hope its before next weds i have 350b 6m fix then!" and READ replied, "GOTCHA."

ii. On or about November 1, 2007, in an email exchange, READ told WILKINSON: "TOM WOULD LIKE YOU TO ASK [RBS Trader] IF HE'S NOT FUSSED TO TRY AND KNOCK HIS LIBOR A BIT LOWER. HE HAS SOLD A LOAD OF 1Y WITH ME TODAY AND HE HAS A LOT OF FIXES COMING UP. THANKS DAN." WILKINSON responded to READ, "ok mate,will do my best."

iii. On or about May 27, 2008, in an electronic chat, READ discussed with Hayes how to lower the published BBA Yen LIBOR fix by influencing the submission of another Yen LIBOR Contributor Panel bank. READ stated, "morning mate..sorry we didn't get those libors off a bit.Need someone to work on [Bank G] he can swing it a fair bit at the mom." Hayes replied to READ, "yeah have asked [a broker at another firm] but [that other broker's colleague] is off." READ then stated that "Colin already has his libors very low," adding "i think we need to target individuals [at other banks]."

iv. On or about May 12, 2010, during a telephone call between READ and Hayes, Hayes asked, "You know my mate [Broker D1[11]], he used to work on the cash desk

[11] As of in or about September 2009, Broker D1 worked as a derivatives broker on the Forward Sterling Short Date desk in London. Prior to that, Broker D1 worked as a trader at RBS.

at RBS?" and READ said, "Yeah, yeah, yeah." Hayes continued, "Well, RBS is going to move its 3-month Yen LIBOR down to 23 today," to which READ replied, "Ah perfect. Perfect. . . . Okay, well Colin's sending his out as well so that might help. He might get one or two. [Unintelligible] [H]andy man to know, this [Broker D1]."

(1) On or about May 12, 2010, in accordance with what Hayes told READ during their telephone call, RBS lowered its 3-month Yen LIBOR submission to the BBA by one basis point - to 0.23% - from the previous day.

(2) On or about May 12, 2010, GOODMAN lowered his "SUGGESTED LIBOR" for the 3-month tenor by one quarter of a basis point from the previous day.

m. The defendants at times discussed the need to conceal, and use alternative methods to communicate about, their scheme.

i. On or about November 1, 2007, in an email message, READ told Hayes: "HI MATE,JUST HAD DAN BACK ON RE-LIBORS,HAD A LOT OF COMPLIANCE PRESSURE RECENTLY DUE TO THE CREDIT PROBLEMS,WE BOTH NEED TO BE A LITTLE MORE SUBTLE IN OUR 'VIEWS'...IE' I THINK THE FWDS ARE SUGGESTING THIS 6MOS LIBOR SHOULD BE LOWER....ETC. MY E-MAILS ETC. NEED TO BE WORDED MORE CAREFULY."

ii. Consistent with READ's November 1, 2007 email to Hayes, in an email message dated on or about November 13, 2007, READ attempted to employ more veiled language in requesting that GOODMAN keep his 6-month "SUGGESTED LIBORS" low: "Hi Colin, in these days of 'political correctness' is it true that there is a fair bit of pressure holding 6mos libor

down today? I think this will probably suit. Thanks for your opinions." In accordance with READ's email, on November 13, 2007, GOODMAN decreased his 6-month "SUGGESTED LIBORS" by a full basis point from the previous day. GOODMAN's "SUGGESTED LIBORS" in every other tenor remained unchanged.

iii. In an electronic chat on or about January 10, 2008, READ told Hayes that READ "had a call from Dan..Colin getting concerned about how we are approaching him re-libors.It is nearly all the e-mails i send him,i will have to phrase my requests a lot more subtley but Danny also said that you sometimes call down their box telling them to make sure Colin moves certain periods certain ways.Compliance is a big thing in London now and Colin wants himself covered. . . . No body has siad anything but he wants to cover his backside."

iv. On or about April 10, 2008, in an electronic chat, READ told Hayes that READ "spoke to Danny last night to find out libors and got a boll ocking for sending ib chats etc. regarding libors ...compliance still coming down heavy in london.All my requests will have to be phone calls or texts....don't send anything yourself or call down any requirements over the line."

n. The defendants sometimes employed the term "arbitrage" or "arbi" as a code word to refer to their scheme to influence and manipulate Yen LIBOR.

i. For example, in an electronic chat on or about February 21, 2008, Hayes asked READ, "[you] know what ineed arbitrage wise?" to which READ responded, "high 3m low 6m." Later in the same chat, Hayes answered, "ok lets hope the arby works!"

ii. In an email exchange on or about

February 27, 2008, GOODMAN told READ, "Have moved 6m up today!! Arbi move." READ replied, "Thanks Colin...you will have to work your magic for me!"

iii. In an electronic chat on or about October 3, 2008, READ told Hayes, "Right i have done all i can re Colin, i have spoken to both Danny and [Broker D4] also everyone knows which way the 'arbi' needs to go."

o. On or about June 25, 2009, WILKINSON spoke over the telephone with Trader C, a derivatives trader at Bank C. During the conversation, Trader C told WILKINSON that Hayes had called Trader C "asking about LIBOR," and that Hayes had requested that Trader C help Hayes by talking to Bank C's submitters about moving LIBOR submissions because "[Hayes] wants LIBOR a certain place." Trader C told WILKINSON that Trader C "had no intention of doing" what Hayes wanted and added that Hayes "shouldn't be phoning up another bank asking." Reacting to Trader C's account of Hayes's request for assistance in moving LIBOR to benefit Hayes's own trading positions, WILKINSON stated, "Oh mate that's so illegal, it's ridiculous."

21. Based on previously identified sources, I have learned that:

a. At certain times relevant to this Complaint, READ, WILKINSON, and others that WILKINSON supervised on the Yen MIRS desk brokered derivatives trades tied to Yen LIBOR for Hayes with counterparties based in the United States, including in New York, New York, causing the transmission of wire communications in interstate and foreign commerce.

i. For example, on or about October 24, 2006, Hayes entered into a FRA trade on behalf of UBS with a wholly-owned United States subsidiary of Bank H ("Swap Dealer H"), with a floating rate

referencing 6-month Yen LIBOR.

(1) On or about October 24, 2006, UBS sent a facsimile from London to Swap Dealer H in New York, New York confirming its understanding of the terms of the FRA brokered by ICAP.

(2) On or about November 9, 2006, Swap Dealer H sent a facsimile from New York, New York to UBS in London confirming its understanding of the terms of the FRA brokered by ICAP.

ii. Also, on or about June 25, 2008, in his capacity as a derivatives broker for ICAP, READ brokered a swap trade between Hayes on behalf of UBS and a United States subsidiary of Bank I[12] ("Swap Dealer I") with a floating rate referencing 6-month Yen LIBOR.

(1) On or about June 25, 2008, READ sent an email message to Hayes confirming the terms of this and other trades undertaken on Hayes's behalf that trading day, including transactions with Bank E and Bank F.

(2) On or about July 4, 2008, Swap Dealer I sent a facsimile from New York, New York to UBS in London confirming its understanding of the terms of the trade brokered by READ.

(3) On or about July 8, 2008, Swap Dealer I sent a facsimile from New York, New York to UBS in London amending its understanding of the terms of the trade brokered by READ.

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[12] Bank I was a global financial services company that was headquartered in New York, New York until in or about September 2008.

WHEREFORE, deponent prays that arrest warrants be issued for the above-named defendants and that they be imprisoned or bailed as the case may be.

MICHAEL J. MCGILLICUDDY
SPECIAL AGENT
FEDERAL BUREAU OF INVESTIGATION

SEP 13 2013

Sworn to before me this
_____ day of September, 2013

HONORABLE ANDREW J. PECK
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK

Given the confidential nature of this investigation, the Government respectfully requests that the Court order that this Complaint and accompanying arrest warrants be filed under seal.

Respectfully submitted,

JEFFREY KNOX
Chief, Fraud Section
Criminal Division

By: _____
Sandra L. Moser
Trial Attorney, Fraud Section
Criminal Division

Respectfully submitted,

MARC SIEGEL
Acting Chief
Antitrust Division, New York Office

By: _____
Eric L. Schleef
Trial Attorney
Antitrust Division

SO ORDERED: _____
HONORABLE ANDREW J. PECK
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK