

Ex-JPMorgan Trader Pleads Guilty in Six-Year Spoofing Plot

A former precious-metals trader said to have worked at JPMorgan Chase & Co. admitted he engaged in a six-year spoofing scheme that defrauded investors in futures contracts with the help of his colleagues and bosses, Bloomberg Law reports.

Prosecutors said John Edmonds placed hundreds of orders he never intended to execute – orders designed to move the market, but were canceled before being matched. Edmonds and other traders sought to manipulate futures markets for gold, silver, platinum and palladium on the Nymex and Comex exchanges for their own benefit.

The Bloomberg article continues: “Edmonds, who lives in Brooklyn, New York, said he learned the spoofing strategy from more senior traders at the bank and said his immediate supervisors approved of it, according to the Justice Department.”

Read the Bloomberg Law article.