
WIRETAPS DO IN HEDGE FUND TITAN, RAJ RAJARATNAM

Raj Rajaratnam, the billionaire hedge fund titan who built his fortune on a byzantine level of corporate contacts cultivated over decades, was convicted on all 14 counts of securities fraud and conspiracy in the biggest insider trading case in history. On Wall Street Rajaratnam is known as the "Tiger Woods" of insider trading >> <http://www.newyorkshockexchange.com/content/view/119/37/> . The case involved over 40 wiretaps with conversations between the founder of the Galleon Group and his corporate contacts discussing nonpublic information that Rajaratnam eventually traded on and made millions of dollars off of. The 12 member jury deliberated for nearly two weeks on a case that began in March 2010. This was the first insider trading case that employed the use of wiretaps previously reserved for organized crime and drug cases. Rajaratnam's legal counsel tried to have the wiretap evidence dismissed but to no avail. The Wall Street Journal quoted juror Carmen Gomez as saying the wiretaps were the deciding factor in the case:

"It was a very difficult decision, but the recordings showed Mr. Rajaratnam used confidential information and bought stocks based on that" <http://on.wsj.com/k1ZESD> . The counted Rajaratnam were convicted of carry a maximum prison time of 205 years but experts say he will most likely do 15 - 20 years. Instead of sending Rajaratnam to jail immediately the judge allowed him to post a \$100 million bond secured by \$20 million in cash. The verdict was a boon for prosecutors who are expecting to pursue more insider trading cases with the use of wiretaps.