



Federal Bureau of Investigation agents flank Raj Rajaratnam, the billionaire head of Galleon Group, who was arrested and charged with insider trading in October

"At our trading desks, every hedge fund would call to buy the same popular security. We would laugh, and say: 'We just got off the hedge fund conference call'"

Shipwrecked

Federal authorities scupper Galleon Group, a multi-billion dollar hedge fund.

Vanessa Drucker reports from New York on the scandal that rocked Wall Street and examines the extent of insider trading – and the difficulties of proving and winning a case.

As October 16 dawned, agents from the Federal Bureau of Investigation (FBI) handcuffed Raj Rajaratnam, a billionaire, at his Manhattan apartment, launching the largest insider trading case in a generation. The 52-year-old Sri Lankan immigrant had been running Galleon Group since 1997, a hedge fund that oversaw \$7 billion (£4.2 billion) in assets at its peak.

Along with Rajaratnam, federal prosecutors and the Securities and Exchange Commission (SEC) charged five other defendants that Friday. A few weeks later, on November 5, prosecutors swooped again, arresting another nine people for criminal conspiracy and illegal trades allegedly executed over three years, resulting in as much as ▶