



This Month at the WFO

A newsletter from the FBI Washington Field Office

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UBS Securities Japan Pleads Guilty to Wire Fraud for Manipulating Interest Rates

Stemming from an investigation by the WFO, UBS Securities Japan Co., Ltd. (UBS Japan), an investment bank and financial advisory securities firm whose parent company is UBS AG, agreed to plead guilty this month to felony wire fraud and admit its role in manipulating the London Interbank Offered Rate (LIBOR). LIBOR is an average interest rate, calculated based on submissions from leading banks around the world, reflecting the rates those banks believe they would be charged if borrowing from other banks. LIBOR serves as the primary benchmark for short-term interest rates globally and is used as a reference rate for many interest rate contracts, mortgages, credit cards, student loans and other consumer lending products. The criminal complaint charged two senior UBS traders with allegedly colluding to manipulate Yen LIBOR (Japanese currency) interest rates for the purpose of improving trading positions. Coordinating the movement of interest rates even by a very small margin meant higher profits and bigger bonuses for the conspirators at the expense of those that relied on LIBOR as a reference rate. UBS Japan has signed a plea agreement with the government admitting its criminal conduct, and has agreed to pay a \$100 million fine. UBS AG has entered into a non-prosecution agreement with the government requiring them to pay an additional \$400 million penalty and to admit responsibility for its misconduct. [Read more](#) about this investigation.

MS-13 Leader Sentenced to More than 17 Years for Child Sex Trafficking

In September we told you about an Underground Gangster Crips gang member who was sentenced for his role in prostituting underage girls. This month, a member of another gang, MS-13, was sentenced to more than 17 years in prison for his role in a gang-run juvenile prostitution ring. Yimmy Pineda-Penado, of Alexandria, Va., was personally responsible for prostituting at least one juvenile female. His involvement lasted from the fall of 2009 until the spring of 2010 when MS-13 members prostituted the victim at various motels and apartments throughout Northern Virginia and Maryland. The victim was not permitted to leave the prostitution scheme and MS-13 members plied her with drugs and alcohol to make her compliant. This investigation, and others like it, are conducted by the WFO and the Northern Virginia Human Trafficking Task Force, a collaboration of federal, state, and local law enforcement agencies dedicated to combating human trafficking and related crimes. From FY2011 to present, 44 defendants have been prosecuted in 25 cases in the Eastern District of Virginia for human trafficking and trafficking-related conduct involving at least 32 victims.

Former Corporate Controller Sentenced to Two Years in Prison for Embezzling Over \$600,000

This month, Nancy Preston, the former corporate controller at Clyde's Restaurant Group from 1982 to 2011, was sentenced to two years in prison. Preston oversaw the accounting function for Clyde's, which included budget matters, accounts payable and accounts receivable. From 2001 to 2011, Preston embezzled approximately \$647,547 by diverting Clyde's money to pay her personal credit card, charging the corporate credit cards in Clyde's name to pay for her personal expenses, and using a Clyde's vendor to obtain goods for her personal use. Preston attempted to hide her embezzlement by asking a vendor to alter invoices for personal items to reflect that Clyde's purchased the items. She fabricated e-mail messages and categorized credit card expenses as belonging to corporate officers' training when the expenses were for personal matters for Preston. When Preston learned of an audit on the corporate credit cards, she falsified her Clyde's corporate credit card statement to delete those items which she knew were not authorized business expenses.



Cyber Scammers Target Holiday Shoppers

Beware of cyber criminals and their aggressive and creative ways to steal money and personal information. The FBI's Internet Crime Complaint Center (IC3) reminds consumers to be wary of Internet fraud during the holiday shopping season. [Read IC3's latest warning](#) that includes tips to help you avoid being a victim of cyber scams.

FBI Washington Field Office

601 4th Street, N.W., Washington, D.C. 20535

Web: washingtondc.fbi.gov

Twitter: @FBIWFO

(202) 278-2000