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SEC Charges New Jersey Man with Insider Trading

Litigation Release No. 25431 / June 29, 2022

Securities and Exchange Commission v. Daniel J. Moscatiello, No. 1:22-cv-04323 (D.N.J. filed June 29, 2022)

The Securities and Exchange Commission today filed insider trading charges against New Jersey resident Daniel J. Moscatiello for illegally trading in advance of the September 10, 2020 public announcement that Baring Private Equity Asia had agreed to acquire Virtusa Corporation in an all-cash transaction. To settle the charges against him, Moscatiello has agreed to pay disgorgement, prejudgment interest, and civil penalties totaling more than \$180,000.

➤ [SEC Complaint](#)

According to the SEC's complaint, filed in federal district court in New Jersey, Moscatiello misappropriated material, nonpublic information about the impending corporate acquisition from his domestic partner, who was a Virtusa employee teleworking from their shared home at the time. Using the information he learned, Moscatiello purchased 250 out-of-the-money Virtusa call options one day before the acquisition announcement. As alleged in the SEC's complaint, Virtusa's stock price increased nearly 25% after the deal was announced, and Moscatiello sold the call options for nearly \$90,000 in unlawful profits.

The SEC's complaint charges Moscatiello with violating the antifraud provisions of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Without admitting or denying the allegations in the SEC's complaint, Moscatiello has agreed to the entry of a final judgment that would permanently enjoin him from violating the charged provisions and order him to pay \$89,904 in disgorgement plus \$3,878.74 in prejudgment interest and a civil penalty of \$89,904. The settlement is subject to court approval.

The SEC's investigation was conducted by Megan S. Ryan, Han Nguyen, and Julia C. Green of the Division of Enforcement's Market Abuse Unit in the Philadelphia Regional Office. The investigation was supervised by Market Abuse Unit Chief, Joseph G. Sansone. The SEC appreciates the assistance of the Financial Industry Regulatory Authority.

Modified: June 29, 2022