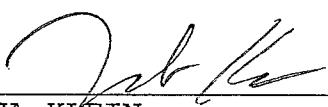


Approved:

  
JOSHUA KLEIN  
JONATHAN STREETER  
Assistant United States Attorneys

ANDREW MICHAELSON  
Special Assistant United States Attorney

09 MAG 2306

Before: THE HONORABLE DOUGLAS F. EATON  
United States Magistrate Judge  
Southern District of New York

- - - - - x

UNITED STATES OF AMERICA

-v.-

RAJ RAJARATNAM,  
RAJIV GOEL, and  
ANIL KUMAR,

Defendants.

COMPLAINT

Violations of  
18 U.S.C. § 371;  
15 U.S.C. §§ 78j(b),  
78ff; 17 C.F.R. §§  
240.10b-5 and  
240.10b5-2

COUNTY OF OFFENSE:  
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

B. J. KANG, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation and charges as follows:

COUNT ONE

(Conspiracy)

1. From at least in or about January 2006 up to and including in or about July 2007, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, the defendant, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

2. It was a part and object of the conspiracy that RAJ RAJARATNAM, the defendant, and others known and unknown,

unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

### Overt Acts

3. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about January 9, 2006, an individual who subsequently became a cooperating witness (the "CW") sent the following instant message to RAJ RAJARATNAM, the defendant, in New York, New York: "donot [sic] buy plcm till i het [sic] guidance; want to make sure guidance OK."

b. On or about January 12, 2006, in New York, New York, RAJARATNAM caused the Galleon Technology Funds to purchase approximately 60,000 shares of Polycom, Inc., which traded under the symbol "PLCM."

c. On or about July 3, 2007, in New York, New York, RAJARATNAM caused the Galleon Technology Funds to purchase approximately 400,000 shares of Hilton Hotels Corp., which traded under the symbol "HLT."

d. On or about July 17, 2007, in New York, New York, RAJARATNAM caused the Galleon Technology Funds to purchase approximately 1,000 put options in Google, Inc., which traded under the symbol "GOOG," and to short approximately 25,000 shares of Google stock.

(Title 18, United States Code, Section 371.)

## COUNT TWO

### (Conspiracy)

4. From at least in or about March 2008 up to and including in or about October 2008, in the Southern District of New York and elsewhere, RAJ RAJARATNAM and RAJIV GOEL, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

5. It was a part and object of the conspiracy that RAJ RAJARATNAM and RAJIV GOEL, the defendants, and others known and unknown, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

### Overt Acts

6. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about March 20, 2008, a call was made from a landline subscribed to RAJIV GOEL, the defendant, to a cell phone used by RAJ RAJARATNAM, the defendant.

b. On or about March 24, 2008, in New York, New York, RAJARATNAM caused the Galleon Technology Funds to purchase approximately 125,800 shares of Clearwire Corporation ("Clearwire"), which traded under the symbol "CLWR."

(Title 18, United States Code, Section 371.)

### COUNT THREE

#### (Conspiracy)

7. From at least in or about July 2008 up to and including in or about October 2008, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, the defendant, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

8. It was a part and object of the conspiracy that RAJ RAJARATNAM, the defendant, and others known and unknown, unlawfully, willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

#### Overt Acts

9. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about July 24, 2008, a co-conspirator not named as a defendant herein ("CC-1") called RAJ RAJARATNAM, the defendant, from New York, New York.

b. On or about July 25, 2008, in New York, New York, RAJARATNAM caused the Galleon Technology Funds to sell short approximately 138,550 shares of Akamai Technologies, Inc. stock, which traded under the symbol "AKAM."

(Title 18, United States Code, Section 371.)

COUNT FOUR  
(Conspiracy)

10. From at least in or about August 2008 up to and including in or about October 2008, in the Southern District of New York and elsewhere, RAJ RAJARATNAM and ANIL KUMAR, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

11. It was a part and object of the conspiracy that RAJ RAJARATNAM and ANIL KUMAR, defendants, and others known and unknown, unlawfully, willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

Overt Acts

12. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about August 15, 2008, ANIL KUMAR, the defendant, spoke with RAJ RAJARATNAM, the defendant, on RAJARATNAM's cell phone.

b. On or about August 15, 2008, in New York, New York, RAJARATNAM caused the Galleon Technology Funds to purchase approximately 2,100,100 shares of Advanced Micro Devices, Inc. ("AMD"), which traded on the New York Stock Exchange under the symbol "AMD."

(Title 18, United States Code, Section 371.)

COUNTS FIVE THROUGH THIRTEEN

(Securities Fraud)

13. On or about the dates set forth below, in the Southern District of New York and elsewhere, RAJ RAJARATNAM, RAJIV GOEL, and ANIL KUMAR, the defendants, unlawfully, willfully and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, RAJARATNAM caused the Galleon Technology Funds to execute the securities transactions listed below in the securities of (1) Clearwire based on material, nonpublic information he obtained from GOEL; (2) AMD based on material, nonpublic information he obtained from KUMAR and CC-1; (3) Akamai, based on material, nonpublic information he obtained from CC-1; and (4) PeopleSupport based on material, nonpublic information he obtained from a source at the company.

COUNT	DEFENDANT (S)	DATE	SECURITY	TRANSACTION
FIVE	RAJARATNAM GOEL	March 24, 2008	Clearwire (CLWR)	purchased 125,800 shares
SIX	RAJARATNAM GOEL	March 25, 2008	Clearwire (CLWR)	purchased 136,000 shares
SEVEN	RAJARATNAM	July 25, 2008	Akamai (AKAM)	sold short 138,550 shares
EIGHT	RAJARATNAM	July 29, 2008	Akamai (AKAM)	sold short 173,300 shares

NINE	RAJARATNAM	July 30, 2008	Akamai (AKAM)	sold short 86,650 shares and purchased 1,400 put options
TEN	RAJARATNAM KUMAR	August 15, 2008	AMD (AMD)	purchased 2,100,100 shares
ELEVEN	RAJARATNAM KUMAR	August 18, 2008	AMD (AMD)	purchased 2,800,100 shares
TWELVE	RAJARATNAM KUMAR	September 30, 2008	AMD (AMD)	purchased 375,000 shares
THIRTEEN	RAJARATNAM	October 7, 2008	PeopleSupport (PSPT)	purchased 30,000 shares

(Title 15, United States Code, Sections 78j(b) & 78ff;  
Title 17, Code of Federal Regulations,  
Sections 240.10b-5 and 240.10b5-2,  
and Title 18, United States Code, Section 2.)

The basis for my knowledge and the foregoing charges is, in part, as follows:

14. I have been a Special Agent with the Federal Bureau of Investigation for approximately five years. I am currently assigned to a squad responsible for investigating violations of the federal securities laws and related offenses. I have participated in numerous investigations of such offenses and I have made and participated in making arrests of individuals for participating in such offenses.

15. The information contained in this affidavit is based upon my personal knowledge, as well as information obtained during this investigation, directly or indirectly, from other sources, including, but not limited to: (a) information provided to me by the United States Securities and Exchange Commission (the "SEC"), which includes information and documents obtained from other entities including Galleon Management, L.P., Intel Corporation ("Intel"), and Polycom, Inc. ("Polycom"), among others; (b) publicly available documents; (c) information provided to me by the CW; and (d) court-authorized wiretaps on

certain telephone lines, as is further described below. Because this affidavit is prepared for limited purposes, I have not set forth each and every fact I have learned in connection with this investigation. Where conversations and events are referred to herein, they are related in substance and in part unless indicated otherwise. Where figures and calculations are set forth herein, they are approximate.

### Relevant Entities and Individuals

16. Based on information obtained from the SEC, documents publicly filed with the SEC, public announcements made by certain of the entities identified below, court-authorized interception of certain wire communications, and information available to the public over the Internet, I am aware of the following:

a. At all times relevant to this Complaint, the Galleon Group ("Galleon") operated a family of hedge funds based in New York, New York, that included, among others, the Galleon Technology Funds. At all times relevant to this Complaint, Galleon Management L.P., of which RAJ RAJARATNAM, the defendant, was a partner, operated as the General Manager of the Galleon Technology Funds. Based on public reports, I believe that the Galleon Group has or has had as much as \$7 billion in assets under management.

b. At all times relevant to this Complaint, RAJARATNAM served as the portfolio manager for the Galleon Technology Funds and was responsible for directing trading in those funds.

c. At all times relevant to this Complaint, RAJIV GOEL, the defendant, was employed by Intel Capital, the investment arm of Intel, as a Director in Strategic Investments.

d. At all times relevant to this Complaint, ANIL KUMAR, the defendant, was employed as a Director by McKinsey & Company, Inc. ("McKinsey"), a global management consulting firm.

### Insider Trading Scheme

#### General Overview

17. Based on all of the sources of information referenced herein, including all of the facts and circumstances described in detail below, I have probable cause to believe the following:



a. From at least in or about January 2006 through in or about July 2007, RAJ RAJARATNAM, the defendant, the CW, and others known and unknown, participated in a scheme to defraud by disclosing material, nonpublic information (the "Inside Information") and/or executing securities transactions based on Inside Information pertaining to at least the following three publicly traded companies: Polycom, Hilton Hotels Corp. ("Hilton") and Google Inc. ("Google"). The means by which RAJARATNAM and the CW effectuated the fraudulent scheme were as follows: The CW obtained Inside Information regarding Polycom, Hilton and Google from various sources who disclosed the Inside Information in violation of duties of trust and confidence. The CW communicated this Inside Information to RAJARATNAM, who caused the Galleon Technology Funds to execute securities transactions on the basis of this Inside Information, earning a total profit of more than \$12.7 million from the scheme. In exchange, RAJARATNAM provided the CW with Inside Information regarding other technology companies.

b. From at least in or about March 2008 through in or about October 2008, RAJ RAJARATNAM and RAJIV GOEL, the defendants, and others known and unknown, participated in a scheme to defraud by disclosing Inside Information and/or executing securities transactions based on Inside Information pertaining to at least Clearwire, a publicly traded company. The means by which RAJARATNAM and GOEL effectuated the fraudulent scheme were as follows: GOEL obtained Inside Information regarding investments made by his employer, Intel Capital, including an investment made by Intel Capital in Clearwire in or about the spring of 2008. GOEL provided this Inside Information to RAJARATNAM in violation of duties of trust and confidence owed to Intel Capital. RAJARATNAM then caused the Galleon Technology Funds to execute securities transactions on the basis of this Inside Information, earning a total profit of approximately \$579,000 from the scheme. In exchange, RAJARATNAM placed profitable trades for the benefit of GOEL in a personal brokerage account maintained by GOEL at Charles Schwab. For example, as discussed further below, in or about October 2008, RAJARATNAM executed a profitable trade in PeopleSupport stock in GOEL's personal brokerage account based on Inside Information that RAJARATNAM learned from his colleague at Galleon who sat on PeopleSupport's Board of Directors.

c. From at least in or about July 2008 through in or about October 2008, RAJ RAJARATNAM, the defendant, CC-1 and others known and unknown, participated in a scheme to defraud by disclosing Inside Information and/or executing securities transactions based on Inside Information pertaining to at least

the following two publicly traded companies: Akamai and AMD. The means by which RAJARATNAM and CC-1 effectuated the fraudulent scheme were as follows: RAJARATNAM and CC-1 obtained Inside Information regarding Akamai and AMD from various inside sources who disclosed the Inside Information in violation of duties of trust and confidence. CC-1 communicated Inside Information regarding Akamai to RAJARATNAM. In addition, RAJARATNAM and CC-1 provided one another with Inside Information regarding AMD. RAJARATNAM caused the Galleon Technology Funds to execute securities transactions on the basis of this Inside Information, earning a total profit of approximately \$3.5 million from the scheme.

d. From at least in or about August 2008 through in or about October 2008, RAJ RAJARATNAM and ANIL KUMAR, the defendants, and others known and unknown, participated in a scheme to defraud by disclosing Inside Information and/or executing securities transactions based on Inside Information pertaining to at least AMD. The means by which RAJARATNAM and KUMAR effectuated the fraudulent scheme were as follows: KUMAR obtained Inside Information regarding certain of McKinsey's clients, including AMD. KUMAR communicated the Inside Information regarding AMD to RAJARATNAM in violation of duties of trust and confidence owed to McKinsey and its clients. RAJARATNAM then caused the Galleon Technology Funds to execute securities transactions based on the Inside Information. KUMAR stood to benefit from RAJARATNAM's trading because he was a direct or indirect investor in one or more hedge funds affiliated with Galleon.

#### The CW's Interactions with RAJARATNAM

18. Beginning in or about November 2007, I and other FBI agents have had numerous discussions with the CW, an individual who subsequently began cooperating with law enforcement.<sup>1</sup> As discussed further below, the CW's cooperation included making consensual recordings of four telephone conversations between the CW and RAJ RAJARATNAM, the defendant.

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<sup>1</sup> The CW is an individual who executed securities transactions based on material, nonpublic information. The CW has agreed to plead guilty to charges of conspiracy and securities fraud in connection with this conduct and to cooperate with the Government in the hope of receiving a reduced sentence. The CW has been cooperating with the FBI since in or about November 2007. The information the CW has provided has been corroborated by, among other things, trading records, pen register data, and telephone records.

Based on a review of trading records and other documents, the consensually recorded telephone conversations between the CW and RAJARATNAM, as well as information provided by the CW, I believe that since at least in or about 2006, RAJARATNAM and the CW participated in an insider trading scheme in which RAJARATNAM and the CW provided to one another Inside Information that each of them had received from other sources, to enable one another to execute trades based on that information. The CW provided RAJARATNAM with Inside Information regarding various publicly traded companies, including, among others, Polycom, Hilton and Google. In exchange, RAJARATNAM provided the CW with nonpublic earnings information on a number of companies, including, but not limited to, Intel. After receiving the Inside Information relating to Polycom, Hilton and Google, RAJARATNAM executed trades in the respective securities of those companies.

19. Based on my discussions with the CW, I understand that, beginning in or about mid-2005, the CW contacted RAJ RAJARATNAM, the defendant, to inquire about potential employment at Galleon.<sup>2</sup> During one of their conversations, RAJARATNAM asked the CW to identify the companies concerning which the CW had an "edge." Based on the CW's previous relationship with RAJARATNAM, the CW understood RAJARATNAM to be asking the CW to identify the companies from which, or about which, the CW was able to receive Inside Information. RAJARATNAM had previously told the CW that he had inside sources at various companies including Intel. RAJARATNAM told the CW that he received Inside Information about these companies. In an effort to secure employment at Galleon, the CW told RAJARATNAM that s/he had an edge on Polycom. At that time the CW was associated with a Polycom executive (the "Polycom Executive") who had previously provided the CW with Inside Information about Polycom's quarterly earnings results.

20. Based on my discussions with the CW, I understand that in a series of subsequent conversations with RAJ RAJARATNAM, the defendant, in or about 2006 and 2007, the CW provided RAJARATNAM with Inside Information, including information on Polycom, Hilton and Google. In exchange, RAJARATNAM provided the CW with Inside Information on a number of companies.

#### Interception of Wire Communications

21. In connection with the investigation, on or about March 7, 2008, and on certain dates thereafter, the FBI obtained

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<sup>2</sup> The CW has known RAJARATNAM since in or about the mid-1990s in connection with the CW's prior employment.

court orders authorizing interception of communications over a cell phone used by RAJ RAJARATNAM, the defendant (the "Rajaratnam Cell Phone"). As discussed further below, a number of the intercepted calls consist of RAJARATNAM either providing, receiving, or seeking Inside Information about various publicly traded companies.<sup>3</sup>

22. Also in connection with the investigation, on or about August 13, 2008, and then again on September 12, 2008, the FBI obtained court orders authorizing interception of communications over (i) a landline used by CC-1 ("CC-1 Landline A"); (ii) a second landline used by CC-1 ("CC-1 Landline B"); and (iii) a cell phone used by CC-1 (the "CC-1 Cell Phone;" CC-1 Landline A, CC-1 Landline B and the CC-1 Cell Phone are referred to, collectively, as the "CC-1 Phones"). As discussed further below, a number of the intercepted calls consist of CC-1 either providing, receiving, or seeking Inside Information about various publicly traded companies.

#### Insider Trading in the Securities of Polycom

23. Based on my review of documents provided by Polycom, I have learned that, at all times relevant to this Complaint, the Polycom Executive was employed by Polycom. Polycom's "Insider Trading Policy," which applies to all employees, officers and directors of Polycom, among others, provides that "the disclosure of material nonpublic information to others who then trade in [Polycom]'s securities, is prohibited by the federal and state securities laws." The policy further provides: "No Insider shall disclose ('tip') Material Nonpublic Information to any other person (including family members) where such information may be used by such person to his or her profit by trading in the securities of companies to which such information relates...." The policy provides that information may be "Material Nonpublic Information" if "there is a reasonable likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of the Company's Securities." The policy further provides examples of such information, including: "[f]inancial results" and "[p]rojections of future revenues, earnings or losses, or other earnings guidance."

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<sup>3</sup> The summaries of the intercepted calls that are set forth in this affidavit are based on preliminary draft transcripts prepared from the recordings, which I have reviewed and which are subject to revision.

24. Based on my review of documents obtained from Polycom, I have learned that in late December 2005 and early January 2006, the Polycom Executive obtained Inside Information relating to Polycom's revenue for the quarter ending on December 31, 2005, and the company's sales forecasts of anticipated bookings (the "Polycom Inside Information").

25. Based on conversations with the CW, I have learned that in or about January 2006, the Polycom Executive related Polycom Inside Information to the CW. Specifically, the Polycom Executive informed the CW that Polycom's revenue for the quarter ending December 31, 2005 was strong. When told what analysts' expectations were for Polycom's revenue for the quarter ending in December 2005, the Polycom Executive told the CW that Polycom would beat analysts' expectations.

26. The CW informed me that the Polycom Executive provided the Polycom Inside Information to the CW because the two were friends, and because the Polycom Executive anticipated that the CW would repay the CW for money that the CW had lost executing securities transactions in the Polycom Executive's personal brokerage account.

27. Based on conversations with the CW, I have learned that in or about January 2006, the CW provided the Polycom Inside Information that s/he had obtained from the Polycom Executive to RAJ RAJARATNAM, the defendant. Specifically, the CW informed RAJARATNAM that Polycom's revenue for the quarter ending December 2005 was going to be good and that guidance regarding its performance in the quarter ending in March 2006 would be good. The CW also indicated to RAJARATNAM that s/he had a source at Polycom.

28. Based on my review of documents provided by Galleon, Instinet (an electronic securities market for institutional investors), Galleon's prime broker, and certain telephone records, I have learned the following:

a. On or about January 9, 2006, at approximately 2:47 p.m.,<sup>4</sup> the CW sent the following instant message to RAJ RAJARATNAM, the defendant: "donot [sic] buy plcm till i het [sic] guidance; want to make sure guidance OK." Based on conversations with the CW, I learned that the CW meant that RAJARATNAM should not buy Polycom stock until the CW obtained material, nonpublic

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<sup>4</sup> Unless otherwise noted, all times that appear throughout this Complaint are reflected in Eastern Standard Time.

information regarding the guidance that Polycom planned to announce regarding its anticipated performance for the quarter ending in March 2006.

b. On or about January 10, 2006, at approximately 10:59 a.m., a telephone call was made from a cell phone subscribed to the CW to the Rajaratnam Cell Phone, which lasted one minute.

c. On or about January 10, 2006, at approximately 11:43 a.m., RAJ RAJARATNAM, the defendant, caused the Galleon Technology Funds to purchase 7,500 shares of Polycom stock at an average price of \$16.70 per share.

d. On or about January 11, 2006, at approximately 6:01 p.m. Pacific Time, a telephone call was made from a cell phone used by the Polycom Executive (and subscribed to Polycom) to the CW's home phone, lasting approximately six minutes.

e. On or about January 12, 2006, at approximately 10:30 a.m., the CW sent the following instant message to RAJ RAJARATNAM, the defendant: "hi; u there?"

f. On or about January 12, 2006, at approximately 10:33 a.m., RAJARATNAM sent the following instant message to a trader for the Galleon Technology Funds: "buy 60 PLCM." Based on my review of account records pertaining to the Galleon Technology Funds, and my understanding that "PLCM" is the trading symbol for Polycom, I believe that RAJARATNAM was instructing his trader to purchase 60,000 shares of Polycom for the Galleon Technology Funds.

g. Between on or about January 11, 2006 and on or about January 25, 2006, RAJARATNAM caused the Galleon Technology Funds to purchase approximately 237,500 shares of Polycom stock at prices ranging from \$16.50 to \$16.86 per share, as well as 500 February \$17.50 call options<sup>5</sup> in Polycom for a total price of approximately \$38,000.

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<sup>5</sup> A "call option" gives the purchaser the right to buy a certain number of shares (typically 100 shares) of an underlying security at a specified price, until the specified expiration date of the call option (typically the third Friday of a specified month). Thus, a "February \$17.50 call option" in Polycom gives the purchaser of the option the right to buy 100 shares of Polycom stock from the seller of the option at a price of \$17.50 per share, until the third Friday of February.

29. Based on my review of public records and news reports, I have learned that Polycom announced its quarterly earnings after the market closed on January 25, 2006. Revenue for the quarter was \$156.1 million, which beat analysts' expectations of \$150.9 million. On the following day, Polycom's stock price opened at \$18.30 per share, up approximately 8 percent (\$1.32) over the previous day's close.

30. Based on my review of account records for the Galleon Technology Funds, I have learned that during the period from on or about January 26, 2006 to on or about February 15, 2006, RAJ RAJARATNAM, the defendant, caused the Galleon Technology Funds to sell all of the Polycom shares and call options purchased by RAJARATNAM beginning on or about January 10, 2006, for a total profit of approximately \$700,000.

#### Insider Trading in the Securities of Hilton

31. Based on my training, experience, and review of public articles, I have learned that public companies retain credit ratings agencies ("CRAs") such as Moody's Investors Service, Inc. ("Moody's") to provide credit ratings. I have learned that public companies that retain CRAs entrust the CRAs and their employees with material, nonpublic information.

32. Based on documents provided by Moody's, I have learned that in 2007, an Associate Analyst employed at Moody's (the "Moody's Analyst") was involved in Moody's rating of Hilton. Based on my training, experience, and review of public articles, I believe that as an employee of Moody's, the Moody's Analyst owed duties of trust and confidence not to disclose for personal gain material, nonpublic information regarding Moody's and its clients.

33. Based on documents provided by Hilton and Moody's, I have learned that on or about July 2, 2007, at approximately 2:20 p.m., certain executives of Hilton placed a phone call to a Vice President and Senior Analyst at Moody's who served as Moody's Lead Analyst for its rating of Hilton. During the call, which lasted approximately seven minutes, the Hilton executives informed Moody's that Hilton would be acquired by the Blackstone Group LP ("Blackstone"), and that Hilton would likely announce the acquisition sometime before July 4, 2007 (the "Hilton Inside Information").

34. Based on my conversations with the CW, I have learned that on or about July 2, 2007, the Moody's Analyst told the CW that Hilton was going to be taken private (meaning it would be acquired and thereby become a private company) the following

day at a price substantially above its publicly traded stock price.

35. I have reviewed phone records from a telecommunications company for a cell phone used by the Moody's Analyst at all times relevant to this Complaint (the "Moody's Cell Phone"). Consistent with what the CW told me, these phone records show that on or about July 2, 2007, at approximately 3:06 p.m., a telephone call was made from the Moody's Cell Phone to the CW's home phone, lasting approximately one minute. A second such call was made at approximately 3:10 p.m., lasting approximately two minutes. A third such call was made at approximately 3:14 p.m., lasting approximately one minute.

36. Based on conversations with the CW, I learned that on or about July 2, 2007, the CW provided Hilton Inside Information to RAJ RAJARATNAM, the defendant. Specifically, the CW informed RAJARATNAM that Hilton was going to be taken private and that it was a "sure thing." The CW informed RAJARATNAM that the source of the Hilton Inside Information was very good. The CW further informed me that RAJARATNAM understood that the CW was providing him with Inside Information.

37. Based on my review of account records for the Galleon Technology Funds, I have learned that on July 3, 2007, RAJ RAJARATNAM, the defendant, caused the Galleon Technology Funds to purchase 400,000 shares of Hilton stock at an average price of approximately \$35.13 per share.

38. Based on my review of public records and news reports, I have learned that on July 3, 2007, following the close of the market, Hilton announced that it had agreed to be acquired by Blackstone for \$20.1 billion in cash, and that Blackstone had agreed to buy all outstanding shares of Hilton for \$47.50 per share, representing a premium of approximately \$10 per share.

39. Based on my review of account records for the Galleon Technology Funds, I learned that on July 5, 2007 and July 16, 2007, RAJ RAJARATNAM, the defendant, caused the Galleon Technology Funds to sell all 400,000 shares of Hilton stock, collectively, at prices ranging from \$45.25 to \$45.63 per share, for a profit of approximately \$4 million.

40. Based on conversations with the CW, I learned that following the announcement that Blackstone would acquire Hilton, the CW arranged to pay the Moody's Analyst \$10,000 in exchange for the Hilton Inside Information.



### Insider Trading in the Securities of Google

41. Based on my training, experience, and review of public news articles, I have learned that public companies retain third party investor relations firms such as Market Street Partners ("Market Street") to assist in preparing and distributing quarterly earnings announcements and other press releases. I have learned that public companies that retain outside investor relations firms entrust the firms and their employees with material, nonpublic information.

42. Based on conversations with the CW and my review of public information available over the Internet, I have learned that during certain times relevant to this Complaint, the CW was in contact with an employee of Market Street (the "Market Street Employee"). Based on my training and experience, I believe that as an employee of Market Street, the Market Street Employee owed duties of trust and confidence not to disclose for personal gain material, nonpublic information regarding Market Street and its clients.

43. Based on documents provided by Google that I have reviewed, I learned that Google retained Market Street to provide investor relations services with respect to Google's earnings release for the quarter ending June 30, 2007. On or before July 2, 2007, Google communicated to Market Street certain material, nonpublic information regarding its performance for the quarter ending in June 2007 (the "Google Inside Information").

44. Based on my conversations with the CW, I learned that on or before July 12, 2007, the Market Street Employee communicated the Google Inside Information to the CW by telling the CW that Google's earnings per share for the quarter ending in June 2007 would fall below analysts' expectations. The Market Street Employee informed the CW that s/he was able to obtain this material, nonpublic information because Google was one of his/her accounts at Market Street. The Market Street Employee provided the material, nonpublic information to the CW as part of his/her efforts to find hedge funds or other persons or entities willing to pay him/her for Inside Information in the future.

45. Based on conversations with the CW, I have learned that in or about July 2007, the CW provided Google Inside Information to RAJ RAJARATNAM, the defendant, prior to Google's earnings announcement. The CW told RAJARATNAM that Google's earnings per share for the quarter ending June 30, 2007 would be below analysts' expectations. The CW informed RAJARATNAM that the

source of the Google Inside Information was an individual who worked at an investor relations firm.

46. My review of phone records associated with the CW show that on or about July 10, 2007, at approximately 11:44 p.m. Pacific Time, a telephone call was made from CW's home phone to a phone number used by the Market Street Employee, lasting approximately 16 minutes. Other phone records I have reviewed show that or about July 17, 2007, at approximately 7:17 a.m., a telephone call was made from the Rajaratnam Cell Phone to CW's home phone, lasting approximately five minutes.

47. Based on my review of account records for the Galleon Technology Funds, I learned the following:

a. On or about July 17, 2007, RAJ RAJARATNAM, the defendant, caused the Galleon Technology Funds to purchase 1,000 July \$550 put options<sup>6</sup> in Google for a total price of approximately \$984,430, and to sell short 25,000 shares of Google stock at an average price of \$555.84 per share.<sup>7</sup>

b. On or about July 18, 2007, RAJARATNAM caused the Galleon Technology Funds to purchase 1,600 July \$550 Google put options for a total price of approximately \$1,958,045.<sup>8</sup>

c. On or about July 19, 2007, RAJARATNAM caused the Galleon Technology Funds to sell short 100,000 shares of Google at an average price of \$549.44 per share.

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<sup>6</sup> A "put option" typically gives the purchaser the right to sell a certain number of shares (typically 100 shares) of an underlying security at a specified price, until the specified expiration date of the put option (typically the third Friday of a specified month). Thus, a "July \$550 put option" in Google gives the purchaser of the option the right to sell 100 shares of Google stock to the seller of the option at a price of \$550 per share, until the third Friday of July. The put options in Google purchased by RAJARATNAM that are described above expired on Friday, July 20, 2007.

<sup>7</sup> RAJARATNAM also caused the Galleon Technology Funds to purchase Google put options a few days prior to July 17.

<sup>8</sup> RAJARATNAM also sold 500 July \$550 Google put options for the Galleon Technology Funds on July 18, 2007, realizing a profit of approximately \$216,274.

48. Based on my review of public records and news reports, I have learned that on July 19, 2007, following the close of the market, Google announced its earnings for the quarter ending June 30, 2007. Whereas analysts expected Google to earn \$3.59 per share, Google announced earnings of only \$2.93 per share, or \$3.56 per share if not for costs associated with employee stock compensation. On July 20, 2007, Google stock opened at \$511.90 per share, down approximately 7 percent (\$36.69) from the previous day's close.

49. Based on my review of account records for the Galleon Technology Funds, I have learned that following the earnings announcement by Google, RAJ RAJARATNAM, the defendant, caused the Galleon Technology Funds to cover the short positions in Google described above, and to either exercise or sell the put options in Google described above, for a profit of approximately \$8 million.

50. Based on conversations with the CW, I learned that the CW informed RAJ RAJARATNAM, the defendant, that his/her source of the Google Inside Information wanted to be paid for material, nonpublic information going forward. The CW subsequently told RAJARATNAM that his/her source of the Google Inside Information had stopped talking to him/her. On or about January 14, 2008, during a phone call between RAJARATNAM and the CW that was consensually recorded by the CW, RAJARATNAM asked the CW whether s/he had heard anything about Google. The CW replied, "I told you that lady won't speak to me." RAJARATNAM replied, "Idiot."

#### Insider Trading in the Securities of Clearwire

51. As is further described below, I believe that RAJIV GOEL, the defendant, obtained Inside Information in the course of his employment with Intel regarding an investment made by Intel into Clearwire, and that GOEL provided this Inside Information to RAJARATNAM for purposes of executing securities transactions.

52. Based on documents provided by Intel, I have learned that the Intel Code of Conduct provides: "Any Intel employee who possesses material, non-public information regarding Intel or any other company must not... 'tip' others who may buy or sell securities because of the inside information." Intel advises its employees that "material" information may include "financial results" and "news of the disposition or acquisition of significant assets."

53. Based on my review of public records, news reports, telephone records, account records for the Galleon Technology

Funds, and intercepted wire communications occurring over the Rajaratnam Cell Phone, I have learned the following:

a. On or about March 19, 2008, at approximately 7:54 p.m., RAJIV GOEL, the defendant, called the Rajaratnam Cell Phone and left a voicemail for RAJ RAJARATNAM, the defendant, saying: "Hey RAJ. This is RAJIV. Uh, hey, just called to say you're a good man, ok. Give me a call whenever you get a chance." Five minutes later, on or about March 19, 2008, at approximately 8:00 p.m., RAJARATNAM used the Rajaratnam Cell Phone to call GOEL. During the call, GOEL told RAJARATNAM: "I tell you the Sprint thing is not happening in the short term, ok. There is a board meeting... in fact today... it's not happening today at the board meeting." RAJARATNAM replied "ok" and thanked GOEL. Based on my review of information that became public subsequent to this call, and as discussed further below, I believe GOEL's reference to "the Sprint thing" to be a reference to a transaction involving Intel, Sprint, and other companies in which a large investment would be made in Clearwire.

b. On or about March 20, 2008, at approximately 9:05 p.m., RAJARATNAM made an outgoing call over the Rajaratnam Cell Phone to GOEL. During the call, RAJARATNAM and GOEL spoke about various ways to calculate the value for the "new entity" (referring to the new Clearwire Corp. that would emerge from a possible business transaction involving Intel, Sprint, Clearwire, and other companies) based on material, nonpublic information discussed during the call concerning the size of the investment that would be made in Clearwire. Specifically, GOEL asked RAJARATNAM if he had digested the information GOEL had given him. RAJARATNAM responded that he had, and then proceeded to articulate how he "would analyze it." RAJARATNAM concluded that Clearwire's "stock is going to trade somewhere between 16 and 20 [dollars per share]." RAJARATNAM and GOEL reached this conclusion by extrapolating the value of Clearwire from the equity stake Intel would be receiving in exchange for its investment in Clearwire. For example, in reaching this conclusion, RAJARATNAM and GOEL discussed, among other things, that Clearwire would receive an infusion of approximately \$1 billion from Intel, that Intel would receive a ten percent stake in the new entity, and that the new entity "will have \$3.5 billion in cash" in addition to the "\$1.2 billion in cash" the entity already had, for a total of "\$4.7 [billion] in cash." GOEL then told RAJARATNAM that there are "gonna be such heavyweights on the Board [of the new entity], it's not even funny." GOEL listed the names of a number of executives at major corporations whom he said would be on the board of the new entity. GOEL then told RAJARATNAM he would call him from a different phone because they had a bad connection. Based on my

review of public information pertaining to a transaction involving Clearwire, Intel, and other companies, the information discussed by RAJARATNAM and GOEL relating to Clearwire's cash position and its dealings with Intel and other entities constituted material, nonpublic information.

c. On or about Thursday, March 20, 2008, at approximately 9:11 p.m., RAJARATNAM received an incoming call on the Rajaratnam Cell Phone from GOEL. GOEL asked RAJARATNAM to get him a job with "one of your powerful friends," adding that he was "tired" of working at Intel. Later, GOEL and RAJARATNAM continued their conversation about the possible business deal involving Intel, Sprint, Clearwire, and other companies. GOEL told RAJARATNAM that if GOEL heard "anything about Intel or, or even about that, you know, the, the deal, I'll give you." RAJARATNAM responded: "April 1<sup>st</sup>, right?" GOEL said, "yeah but you know these deals. Don't hold me to that date because these deals they're so complex and so many parties involved they will all have their say right now. But yesterday our Board approved this deal."

d. On Friday, March 21, 2008, the NASDAQ stock market, on which Clearwire trades, was closed. On or about Monday, March 24, 2008, RAJARATNAM caused the Galleon Technology Funds to purchase approximately 125,800 shares of Clearwire stock at prices ranging from \$10.95 to \$11.74 per share.

e. On or about March 24, 2008, at approximately 7:59 p.m., RAJARATNAM received a call over the Rajaratnam Cell Phone from GOEL. During the call they discussed the transaction involving Intel, Sprint, Clearwire, and other companies, and GOEL told RAJARATNAM he wanted to explain why he thought RAJARATNAM's valuation was incorrect. GOEL told RAJARATNAM to call him in an hour at home because, "I don't like talking over cell phone on this." I believe that GOEL was continuing to discuss with RAJARATNAM Inside Information about the proposed deal involving Intel, Sprint, Clearwire and other companies, but that he did not want to talk to RAJARATNAM on his cell phone because he was nervous about doing so.

f. On or about March 25, 2008, RAJARATNAM caused the Galleon Technology Funds to purchase approximately 136,000 shares of Clearwire stock at \$12.04 per share.

g. On or about March 25, 2008, after the close of the market, news reports indicated that Comcast and Time Warner were in discussions with Clearwire and Sprint regarding the creation of a joint venture to operate a high-speed nationwide wireless network. The news articles indicated that Sprint and

Clearwire "are now trying to raise at least \$3 billion" for the joint venture. The news reports further indicated that "Intel has signaled willingness to put in about \$1 billion or more."<sup>9</sup>

h. On or about March 25, 2008, at approximately 8:22 p.m., RAJARATNAM made an outgoing call over the Rajaratnam Cell Phone to an individual that I believe is employed by or affiliated with Galleon (the "Galleon Employee"). During the call, the Galleon Employee said to RAJARATNAM: "We're fucked man.... It just hit the Wall Street Journal." RAJARATNAM asked the Galleon Employee what s/he was referring to and the Galleon Employee replied: "the Clearwire stuff. It's all over the Wall Street Journal." RAJARATNAM asked, "What price did they say?" The Galleon Employee answered: "They're short on details but they kinda say, you know, they're looking to raise as much as \$3 billion but they don't have any of the equity splits. But they named Comcast, they named Time Warner, Clearwire and Sprint." RAJARATNAM replied, "Okay, shit." The Galleon Employee then said "I don't know how much we got in today...." Based on the statements made during this call by the participants, as well as my training, experience and other intercepted calls I have reviewed during the investigation, I believe that the Galleon Employee and RAJARATNAM were discussing the proposed transaction involving Intel, Sprint, Clearwire and other companies, about which RAJARATNAM had received inside information from GOEL. I also believe that when the Galleon Employee said s/he did not know "how much we got in today," s/he meant that s/he did not know how much stock RAJARATNAM and the Galleon Employee were able to purchase that day in advance of the news of the possible transaction hitting the newspaper.

i. The market for the securities of Clearwire responded positively to the news articles published on the evening of March 25, 2008. On March 26, 2008, Clearwire stock opened at a price of \$15.85 per share, up approximately 18 percent (\$2.46) over the previous day's close.

j. On or about March 26, 2008, RAJARATNAM caused the Galleon Technology Funds to sell 68,000 shares of Clearwire stock at a price of \$15.55 per share. The Galleon Technology

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<sup>9</sup> The transaction would not be announced by the parties involved until several weeks later. Specifically, on or about May 7, 2008, Clearwire announced that it would combine its wireless broadband unit with that of Sprint Nextel. A group of outside investors would infuse \$3.2 billion in the company, which infusion included a \$1 billion investment by Intel.

Funds also purchased additional shares of Clearwire stock on March 26, 2008.

k. On or about April 2, 2008, RAJARATNAM caused the Galleon Technology Funds to sell 44,200 shares of Clearwire stock at a price of \$14.26 per share.

l. On or about April 15, 2008, at approximately 6:40 p.m., RAJARATNAM received an incoming call over the Rajaratnam Cell Phone from GOEL. Referring to the transaction involving Clearwire, GOEL told RAJARATNAM: "Listen... I'm still in the middle of that conversation, we had a break. But, that stuff is not, uhh, happening as planned. [There are] some major bumps on the way. Ok?" RAJARATNAM replied, "Ok." GOEL said he would call RAJARATNAM from home that evening.

m. On or about April 18, 2008, RAJARATNAM caused the Galleon Technology Funds to sell 149,600 shares of Clearwire stock at a price of \$13.25 per share. Profit in the Galleon Technology Funds based on the sales of March 26, 2008, April 2, 2008, and April 18, 2008, as described above, totaled approximately \$579,000.

#### Insider Trading in the Securities of Akamai

54. Based on my review of phone records, public records available over the Internet, and intercepted calls, I believe that during certain times relevant to this Complaint, CC-1 was in contact with an individual who was employed by Akamai (the "Akamai Executive").

55. Based on my review of public records available over the Internet, I have learned that Akamai's Code of Business Conduct and Ethics, which applies to all Akamai employees, provides: "It is a conflict of interest, and illegal, if investment activity that benefits you (or a relative or other person with whom you have a personal relationship), actually is, or appears to be, influenced by material, non-public information that you possess by virtue of your position with Akamai." The code defines "material non-public information" as information "that is not publicly available that could affect the price of our securities." It notes that such information includes, but is not limited to, "financial results, earnings, estimates... or other significant business developments at Akamai." The code further provides: "[Y]ou may not give material, non-public information, or tips based on such information, to family members, friends, or anyone outside the Company."

56. Based on my review of public records, news reports, phone records, account records for the Galleon Technology Funds, and intercepted wire communications occurring over the Rajaratnam Cell Phone, I have learned the following:

a. On or about July 24, 2008, at approximately 4:00 p.m., shares of Akamai closed at a price of \$32.18 per share.

b. On or about July 24, 2008, at approximately 8:52 p.m., CC-1 received a call on the CC-1 Cell Phone from a telephone number subscribed to the Akamai Executive. The call lasted approximately 15 minutes.

c. On or about July 24, 2008, at approximately 9:18 p.m., CC-1 used CC-1 Landline B to call RAJ RAJARATNAM, the defendant, on the Rajaratnam Cell Phone. CC-1 said, "Akamai.... I'm trading it tomorrow.... They're gonna guide down. I just got a call from my guy.... I was talking about the family and everything, and then he said people think it's gonna go to 25 [dollars per share]. They print on Wednesday." CC-1 told RAJARATNAM that s/he would explain later how s/he "got this guy to trust me again." CC-1 said that s/he was talking to him "about the family" and how "you're the only person in the family that helps me." CC-1 further explained that the individual then said, "by the way, we're gonna guide down on Wednesday.... we're gonna guide down a lot. People internally are saying it's gonna go to 25 [dollars per share], our stock...." RAJARATNAM said that he would be "radio silent." RAJARATNAM asked when Akamai would report, and CC-1 replied, "Wednesday." RAJARATNAM said that "you got a few more days. Friday, Monday...." CC-1 said, "Just keep shorting every day. We got a lot of days...."

d. On or about Friday, July 25, 2008, RAJARATNAM caused the Galleon Technology Funds to short approximately 138,550 shares of Akamai stock at a price of \$31.69 per share.

e. On or about Tuesday, July 29, 2008, RAJARATNAM caused the Galleon Technology Funds to short approximately 173,300 shares of Akamai stock at a price of \$31.67 per share.

f. On or about Wednesday, July 30, 2008, at approximately 9:28 a.m., RAJARATNAM used the Rajaratnam Cell Phone to call CC-1 on the CC-1 Cell Phone. CC-1 said that they had done a great job maintaining the confidentiality of the information regarding Akamai. Referring to his/her source at Akamai, CC-1 told RAJARATNAM that s/he was going to call his/her source again to "see how much clarity I can get."



g. On or about Wednesday, July 30, 2008, at approximately 12:58 p.m., RAJARATNAM used the Rajaratnam Cell Phone to call CC-1 on the CC-1 Cell Phone. CC-1 said that s/he had made a "calculated decision" to not call his/her source again. S/he told RAJARATNAM that s/he was "afraid" that if the stock price were to fall after the upcoming earnings announcement, he would be "afraid," and "if he loses his job, I'll get blamed for it."

h. On or about Wednesday, July 30, 2008, RAJARATNAM caused the Galleon Technology Funds to short approximately 86,650 shares of Akamai stock at prices ranging from \$31.08 to \$31.12 per share. RAJARATNAM also caused the Galleon Technology Funds to purchase 1,400 put options in Akamai.

i. On or about Wednesday, July 30, 2008, at approximately 4:01 p.m., Akamai announced its quarterly earnings for the quarter ending on June 30, 2008. During an earnings call shortly thereafter, Akamai provided its guidance for the following quarter. Specifically, Akamai announced that it expected earnings per share for the following quarter to be 39 to 40 cents, below analysts' expectations of 42 cents. On the following day, shares of Akamai opened at \$25.06 per share, down approximately 20 percent (\$6.19) from the previous day's close.

j. On or about Wednesday, July 30, 2008, at approximately 5:30 p.m., RAJARATNAM used the Rajaratnam Cell Phone to call CC-1 on CC-1 Landline A. RAJARATNAM thanked CC-1 for the information that CC-1 had provided.

k. Between on or about July 31, 2008 and August 6, 2008, RAJARATNAM caused the Galleon Technology Funds to cover the short positions in Akamai stock described above, and to sell the put options in Akamai described above, for a profit of approximately \$3.5 million.

#### Insider Trading in the Securities of AMD

57. Based on my review of documents provided by the SEC and Galleon, I learned that during all times relevant to this Complaint, ANIL KUMAR, the defendant, was employed by McKinsey as a Director. Based on my training, experience, and review of public records available over the Internet, I believe that as an employee of McKinsey, KUMAR owed duties of trust and confidence not to disclose for personal gain material, nonpublic information regarding McKinsey and its clients.

58. Based on my review of documents provided by

Galleon, I learned that ANIL KUMAR, the defendant, was a direct or indirect investor in certain hedge funds managed by Galleon.

59. Based on my review of public records, news reports, telephone records, documents provided by AMD and the SEC, account records for the Galleon Technology Funds and other accounts managed by Galleon, and intercepted communications occurring over the Rajaratnam Cell Phone and the CC-1 Phones, I have learned the following:

a. In or about June 2008, AMD entered into exclusive negotiations with investors based in Abu Dhabi over a deal pursuant to which AMD would keep its design business but spin off its manufacturing business, referred to as the "fab" business, into a separate entity (the "AMD Reorganization"). Also in or about June 2008, AMD retained McKinsey to provide consulting services in connection with the AMD Reorganization. ANIL KUMAR, the defendant, worked on the AMD Reorganization on behalf of McKinsey.

b. On or about June 6, 2008, at approximately 7:21 p.m., CC-1 called RAJ RAJARATNAM, the defendant, on the Rajaratnam Cell Phone. CC-1 told RAJARATNAM that CC-1 had spoken with an executive at AMD (the "AMD Executive"). Referring to the AMD Reorganization, CC-1 said that the "deal" was "not close."

c. On or about June 6, 2008, at approximately 7:26 p.m., RAJARATNAM used the Rajaratnam Cell Phone to call CC-1. RAJARATNAM advised CC-1 to sell short AMD stock, and then to "go long it before the deal."

d. On or about Friday, August 15, 2008, at approximately 11:04 a.m., KUMAR called RAJARATNAM on the Rajaratnam Cell Phone. Referring to AMD, KUMAR told RAJARATNAM that "yesterday" the relevant parties had "shaken hands and said that they're going ahead with the deal." KUMAR said, "I think you can now just buy [AMD stock]." RAJARATNAM asked how AMD's current quarter was "tracking," and KUMAR replied, "I'm pretty sure I can also check that, but it... will be such a boost from this announcement it'll be fine." RAJARATNAM asked how much "they" were investing. KUMAR replied that they would invest "up to six to eight billion" dollars. KUMAR also told RAJARATNAM that the announcement would not take place "until the week after Labor Day." RAJARATNAM and KUMAR then agreed that RAJARATNAM would buy one million shares of AMD stock "in the India book." RAJARATNAM then asked KUMAR about Spansion. KUMAR replied that he would be meeting the "COO" for lunch next Friday, and that, "I'll know much more after I meet him."

e. On or about Friday, August 15, 2008, at approximately 11:20 a.m., RAJARATNAM called CC-1 on CC-1 Landline A. RAJARATNAM asked CC-1 whether s/he had spoken with the AMD Executive. CC-1 indicated that the AMD Executive was "gonna be here on Monday" to meet with IBM. Based on intercepted wire communications, I learned that IBM was involved in the AMD Reorganization because the new, separate entity containing AMD's fab needed to obtain a license from IBM to use certain IBM technology. CC-1 said that s/he had heard from IBM that the transaction involving AMD "will get done on [September] 9th," but that the AMD Executive had told him/her "mid-September or something like that." RAJARATNAM informed CC-1 that "yesterday they had a shake hands." CC-1 and RAJARATNAM then they discussed buying shares of AMD. RAJARATNAM asked whether the AMD Executive would give CC-1 "the full low down," and CC-1 replied, "Oh yeah. Plus IBM will, too." RAJARATNAM and CC-1 then discussed an IBM executive whom CC-1 knew (the "IBM Executive"). RAJARATNAM indicated to CC-1 that the "Arabs" would invest "six to eight billion" dollars in the fab. CC-1 said that IBM would provide AMD with its technology. At the end of the call, CC-1 said that s/he would call the IBM Executive to "see what he knows."

f. On or about Friday, August 15, 2008, at approximately 12:38 p.m., RAJARATNAM called CC-1 on CC-1 Landline A. RAJARATNAM asked whether it was CC-1 who was buying AMD stock. CC-1 said that s/he was not and that s/he "didn't tell shit to anybody." CC-1 said that s/he left a message for the IBM Executive. RAJARATNAM said that he wanted to buy 10 million shares, and CC-1 said that s/he wanted to buy "a lot," too. CC-1 said, "I don't want anybody else to make money on this but us, 'cuz I don't want to get in trouble for a lot of reasons."

g. On or about Friday, August 15, 2008, at approximately 2:04 p.m., RAJARATNAM received a call on the Rajaratnam Cell Phone from the Galleon Employee. RAJARATNAM told the Galleon Employee that "AMD had a handshake with the, the Arabs," and that the "Arabs" were going to invest "six billion dollars." RAJARATNAM told the Galleon Employee, "I'm buying some... I'm buying 250 [thousand shares] for you."

h. On Friday, August 15, 2008, RAJARATNAM caused the Galleon Technology Funds to purchase approximately 2,100,100 shares of AMD stock for \$5.55 per share. RAJARATNAM also caused the Galleon Technology Funds to purchase call options in AMD.

i. On Monday, August 18, 2008, RAJARATNAM caused the Galleon Technology Funds to purchase more than 2.8 million additional shares of AMD stock for \$5.75 per share. On or about

the same day, an additional one million shares of AMD stock were purchased in an account held in the name of "Galleon International Master Fund, SPC Ltd., Asia Spec. Ops.," for \$5.81 per share.

j. On or about August 19, 2008, at approximately 2:52 p.m., RAJARATNAM received a call on the Rajaratnam Cell Phone from CC-1. CC-1 indicated that s/he had spoken with the AMD Executive, who told him/her that "Wall Street will be shocked," and that AMD will "definitely make the announcement... before they print [quarterly earnings], but it'll be end of September, probably." Later RAJARATNAM said, "Between my guy and your guy we can nail this." CC-1 and RAJARATNAM discussed the importance of keeping the information confidential. CC-1 said that "if it leaks, I think I'm out of business . . . because . . . who knows IBM? And who, who's in bed with AMD? Put [CC-1]'s name on the fuckin' ticket."

k. On or about August 26, 2008, at approximately 10:47 a.m., RAJARATNAM called CC-1 on CC-1 Landline B. CC-1 and RAJARATNAM discussed certain details regarding the transaction involving AMD. RAJARATNAM said that he had heard that the investors would pay \$1.2 billion to increase their ownership in AMD to 20 percent, and then would invest six to eight billion dollars in the "fab," which will be owned "50/50" by AMD and the investors. RAJARATNAM also told CC-1 that AMD is anticipating quarterly revenue for the current quarter to be "1560" (which I believe refers to \$1.56 billion), whereas analysts were expecting revenue of only "1480" (which I believe refers to \$1.48 billion). CC-1 later asked, "If the two of us weren't close to the company as we are, would you be long the stock?" RAJARATNAM replied, "Yeah, no. I wouldn't." CC-1 said that s/he "wouldn't of touch[ed] it with a fucking 10-foot pole."

l. On or about August 27, 2008, at approximately 9:08 a.m., CC-1 used CC-1 Landline B to call RAJARATNAM. CC-1 said that s/he had spoken with the AMD Executive, who told him/her that AMD could be left with less than \$3 billion in debt.

m. On or about August 27, 2008, at approximately 1:11 p.m., RAJARATNAM called CC-1 on CC-1 Landline B. CC-1 said that s/he "could get fucked if [AMD stock] is up 30 percent." Based on my experience and my review of other intercepted communications, I believe that CC-1 meant that s/he was afraid that if AMD were up 30 percent, s/he would make so much money that his/her trading might attract the attention of regulators. CC-1 asked RAJARATNAM if s/he should be "showing a pattern of trading" AMD stock. RAJARATNAM said, "I think you should buy and sell, and buy and sell." He also emphasized the importance of remaining

quiet: "On Akamai or IBM, anything, be radio silent. Like, you know, I get shit on lots of companies." CC-1 replied, "I'm radio silent."

n. Between on or about August 27, 2008 and September 9, 2008, RAJARATNAM caused the Galleon Technology Funds to purchase more than four million shares of stock in AMD.

o. On or about September 11, 2008, at approximately 7:30 p.m., RAJARATNAM used the Rajaratnam Cell Phone to call KUMAR. KUMAR said that the announcement is "gonna be October, first week. But it's all on track."

p. On or about September 17, 2008, at approximately 10:38 a.m., CC-1 used CC-1 Landline B to call RAJARATNAM on the Rajaratnam Cell Phone. S/he told RAJARATNAM that the AMD Executive said that the deal would be announced during the first week of October. CC-1 also said that the AMD Executive described the deal as "unbelievable."

q. On or about September 23, 2008, at approximately 1:25 p.m., RAJARATNAM called CC-1 on CC-1 Landline A. RAJARATNAM and CC-1 discussed the timing of the announcement of the AMD Reorganization. Later, RAJARATNAM told CC-1, "I have their numbers." Based on my experience and on other intercepted wire communications, I believe that RAJARATNAM meant that he had obtained material, nonpublic information regarding AMD's revenue for the quarter ending in September 2008. RAJARATNAM proceeded to tell CC-1 that AMD's quarterly revenue was "1600" (which I believe refers to \$1.6 billion), that "processors" accounted for "1040" (\$1.04 billion), and that "graphics" accounted for "315" (\$315 million). RAJARATNAM told CC-1 that s/he "came to the right place to get that information. Tell me I'm the best in AMD.... You might know [the AMD Executive] or whoever... I wanted to compete with you in your home yard, in your backyard.... I must defer to you on IBM." CC-1 replied, "And Akamai, too." RAJARATNAM replied, "Akamai, too. But AMD? Bring it on baby."

r. On or about September 29, 2008, at approximately 7:15 p.m., KUMAR called RAJARATNAM on the Rajaratnam Cell Phone and left a voicemail. KUMAR said, "I have the information you wanted."

s. On or about September 30, 2008, at approximately 2:21 p.m., RAJARATNAM called CC-1 on CC-1 Landline A. Referring to the announcement of the AMD Reorganization, RAJARATNAM told CC-1, "the date is October 7th." CC-1 later said that s/he was "glad that we talk on a secure line, I appreciate

that." CC-1 said that s/he was "nervous" about being investigated. RAJARATNAM advised CC-1 to buy shares of AMD stock and then to sell half before the announcement.

t. In or about September 2008, RAJARATNAM caused the Galleon Technology Funds and other affiliated hedge funds to purchase millions of shares of stock in AMD. For example, on September 30, 2008, RAJARATNAM caused the Galleon Technology Funds to purchase 375,000 shares of AMD at a price of \$4.98 per share. At the end of September 2008, the Galleon Technology Offshore Fund alone held approximately eight million shares of AMD.

u. On October 7, 2008, at approximately 8:00 a.m., AMD announced plans to spin off its manufacturing operations in the form of a multibillion-dollar joint venture with the Advanced Technology Investment Company of Abu Dhabi ("ATIC"). In exchange for 56 percent of the fab (50 percent voting rights), ATIC would pay \$700 million to AMD, and the fab would assume \$1.2 billion of AMD debt. In addition, a different entity (also based in Abu Dhabi) would increase its investment in AMD to 19.3 percent. ATIC committed to putting in to the fab at least \$3.6 billion, and as much as \$6 billion, of additional funds over five years.

v. On October 7, 2008, at approximately 9:30 a.m., AMD stock opened trading at a price of \$5.27 per share, up approximately 25 percent (\$1.04) over the previous day's closing price of \$4.23 per share.

60. Based on my review of account statements and news articles, as well as on intercepted wire communications, I believe that the Galleon Technology Funds did not profit much, if at all, from the trading in AMD stock described above due in part to the global financial crisis that precipitated a broad decline in stock markets in or about September and October 2008. Between the date on which the Galleon Technology Funds began to acquire shares of AMD stock (August 15, 2008), and the eve of the announcement of the AMD Reorganization (October 6, 2008), shares of AMD stock fell from approximately \$5.87 per share to \$4.23 per share (28 percent). The announcement of the AMD Reorganization caused the share price to open up approximately 25 percent (at \$5.27 per share), but the value of AMD stock subsequently declined again along with the broader market sell-off. By the end of in or about October 2008, the price of AMD stock was approximately \$3.50 per share. RAJ RAJARATNAM, the defendant, caused the Galleon Technology Funds to sell a relatively small portion of their shares of AMD stock immediately following the announcement. Specifically, on October 7, 2008, RAJARATNAM caused the Galleon Technology Funds to sell approximately 1,326,150 shares of AMD at

a price of \$5.07 per share. Most of the shares, however, were held until at least later in October 2008, by which time the value of AMD stock had fallen below the prices at which the Galleon Technology Funds had acquired the stock.

Insider Trading in the Securities of PeopleSupport

61. Based on my review of public records, news reports, telephone records, account records for the Galleon Technology Funds and RAJIV GOEL, the defendant, and intercepted wire communications occurring over the Rajaratnam Cell Phone, I have learned the following:

a. On or about March 3, 2008, Galleon Management, L.P. filed an Amended Statement of Beneficial Ownership (Form SC 13D/A) with the SEC regarding its ownership of stock in PeopleSupport. The filing indicated that Galleon Management, L.P. and affiliated entities owned more than 5.7 million shares (25 percent) of the outstanding common stock of PeopleSupport.

b. Included as an exhibit to the filing of March 3, 2008 was a letter from PeopleSupport to certain Galleon entities dated February 29, 2008. The letter confirmed that, subject to certain conditions, PeopleSupport would undertake to increase the number of directors constituting its Board of Directors from seven to eight, and to elect a "Galleon Designee" to fill the vacancy created by such increase.

c. On or about March 5, 2008, PeopleSupport elected an employee of Galleon (the "Galleon Designee") to its Board of Directors.

d. Beginning on or before March 12, 2008, the Galleon Designee provided RAJ RAJARATNAM, the defendant, with Inside Information regarding PeopleSupport. For example, on or about March 12, 2008, at approximately 8:49 p.m., the Galleon Designee called RAJARATNAM on the Rajaratnam Cell Phone to discuss PeopleSupport's stock buyback. The Galleon Designee indicated that PeopleSupport had purchased 200,000 shares in the past two days.

e. On or about May 2, 2008, the Galleon Designee discussed PeopleSupport with RAJARATNAM on the Rajaratnam Cell Phone. The Galleon Designee told RAJARATNAM that PeopleSupport had previously announced that it expected annual revenues of \$160-170 million, but that the company could probably achieve only \$158 million. The Galleon Designee estimated that, based on what PeopleSupport planned to announce the following week, "the stock

will not go down that much. It's gonna go down a little bit, but it's gonna hold between \$9 and \$11...." The Galleon Designee and RAJARATNAM then discussed a potential acquisition of PeopleSupport, and whether Galleon would make money on its investment in PeopleSupport were PeopleSupport to be acquired for approximately \$12 or \$13 per share. Later, RAJARATNAM shared with the Galleon Designee Inside Information regarding Spansion, among other companies, and discussed with the Galleon Designee the creation of an "email trail" to "protect ourselves."

f. On or about August 4, 2008, PeopleSupport announced that it had agreed to be acquired by Aegis BPO, a subsidiary of India's Essar Group ("Essar"), for \$250 million. Pursuant to the terms of the transaction, shareholders of PeopleSupport would receive \$12.25 per share, a premium of approximately 29 percent over its previous closing price, on August 1, 2008, of \$9.53 per share.

g. On or about August 26, 2008, at approximately 4:52 p.m., the Galleon Designee called RAJARATNAM on the Rajaratnam Cell Phone. The Galleon Designee discussed SirF Technology Holdings, Inc., and then the Galleon Designee told RAJARATNAM that "we had a Board meeting today in PeopleSupport." The Galleon Designee and RAJARATNAM discussed whether RAJARATNAM would support Essar's proposed buyout of PeopleSupport, and if so, whether the Galleon Designee could announce such support at a PeopleSupport Board meeting the following week.

h. On or about October 6, 2008, at approximately 3:50 p.m., the Galleon Designee called RAJARATNAM on the Rajaratnam Work Phone. The call lasted approximately 11 minutes.

i. On or about October 7, 2008, at approximately 8:30 a.m., PeopleSupport announced that it had received a request from Essar to delay the closing of its acquisition of PeopleSupport to a date not later than October 31, 2008. At 9:30 a.m., PeopleSupport stock opened at \$11.33 per share, down approximately 9 percent over the previous day's closing price (\$12.01) due to investors' concerns that deal with Essar might fall apart. The stock price reached an intra-day low of \$8.95 per share before closing, at approximately 4:00 p.m., at \$9.25 per share.

j. On or about October 7, 2008, at approximately 1:09 p.m., RAJARATNAM logged into GOEL's personal account at Charles Schwab using an IP address assigned to Galleon and purchased 30,000 shares of PeopleSupport stock for GOEL at a price



of \$9.50 per share. At approximately 1:46 p.m., GOEL called RAJARATNAM on the Rajaratnam Cell Phone. RAJARATNAM explained to GOEL that the acquisition of PeopleSupport by Essar was "supposed to close on Tuesday," but that the date was now being moved to October 31. Referring to the Galleon Designee, RAJARATNAM said, "We know - because one of our guys is on the Board - we know that they're gonna put 41 million dollars in escrow. It's a 250 million dollar deal, right? And I know they're gonna close before October 31<sup>st</sup>." RAJARATNAM said that it was "an opportunity for me to buy for you." RAJARATNAM then explained to GOEL that he had logged into GOEL's account at Charles Schwab to purchase 30,000 shares of PeopleSupport stock.

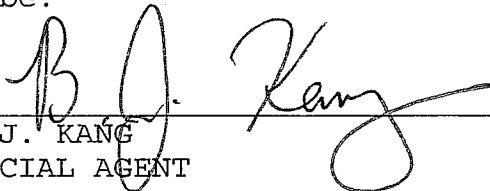
k. On or about October 7, 2008, at approximately 7:48 p.m., PeopleSupport and Essar announced a schedule for completion of the merger transaction. Essar confirmed its intention to complete the acquisition of PeopleSupport, and also reaffirmed that the transaction was not subject to financing. On the following day, PeopleSupport stock opened at \$11.21 per share, up approximately 21 percent over the previous day's closing price (\$9.25 per share).

l. On or about October 9, 2008, 30,000 shares of PeopleSupport in GOEL's personal account were sold at a price of approximately \$11.23 per share, yielding a profit of approximately \$50,000.<sup>10</sup>

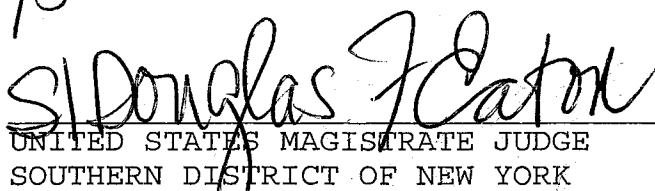
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<sup>10</sup> In addition to the foregoing, I spoke to another agent who had reviewed a consensually recorded conversation involving two individuals, one of whom had previously spoken to RAJ RAJARATNAM, the defendant. That individual said that RAJARATNAM was told to be careful and that RAJARATNAM, in response, had expressed the view that a former employee of the Galleon Group was likely to be wearing a "wire." Furthermore, I learned, during the early morning hours of October 15, 2009, from conversations with an individual at the Office of Customs and Border Protection, that a plane ticket had been purchased in the name of RAJARATNAM on October 14, 2009, for travel, on October 16, 2009, from John F. Kennedy airport, New York, New York, to Heathrow airport in London, England. I further learned that a plane ticket had been purchased in the name of RAJARATNAM for a return flight to New York, New York from Geneva, Switzerland on or about October 22, 2009. I also learned through pen register data that a phone call was placed from the Rajaratnam Cell Phone to a telephone number that I believe to be used by one of RAJARATNAM's family members at approximately 3:00 a.m. this morning.

WHEREFORE, deponent prays that arrest warrants be issued for the above-named defendants and that they be imprisoned or bailed as the case may be.

  
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B. J. KANG  
SPECIAL AGENT  
FEDERAL BUREAU OF INVESTIGATION

Sworn to before me this  
15 day of October, 2009

  
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UNITED STATES MAGISTRATE JUDGE  
SOUTHERN DISTRICT OF NEW YORK