

Pastor Convicted of Pocketing Millions Through Insider Trading

A federal jury in Brooklyn, New York on Friday convicted two men for their roles in an international scheme to make millions of dollars by illegally trading on corporate press releases that were stolen by computer hackers before they became public.

Vitaly Korchevsky, a Pennsylvania pastor and former Morgan Stanley vice president, and co-defendant Vladislav Khalupsky were each found guilty on two securities fraud and three conspiracy counts, a spokesman for U.S. Attorney Richard Donoghue in Brooklyn said.

The defendants had been among 10 people, including seven traders and three Ukraine-based hackers, criminally charged in Brooklyn and New Jersey over what U.S. authorities have called the largest known hacking scheme to game financial markets.

Authorities said more than 150,000 press releases were stolen from Business Wire, Marketwired and PR Newswire from February 2010 to August 2015, and used to generated in excess of \$100 million of illegal trading profit.

Traders allegedly gave hackers “shopping lists” or “wish lists” of releases they wanted to see in advance, and traded in such companies as Advanced Micro Devices Inc, Caterpillar Inc, Home Depot Inc, Panera Bread Co, Qualcomm Inc and Weight Watchers International Inc .

Korchevsky, 53, has lived in Glen Mills, Pennsylvania, while Khalupsky, 48, has lived in Brooklyn and Odessa, Ukraine, prosecutors said. Their trial began on June 12.

“It is a sad day for Mr. Korchevsky,” his lawyer Steven Brill said in an email. “But we will fight on and begin preparing for sentencing and a full appeal.”

“We are clearly disappointed in the verdict, but will continue to fight for Mr. Khalupsky through sentencing and appeal,” his lawyer Mildred Whalen said in an email.

Business Wire is owned by Warren Buffett’s Berkshire Hathaway Inc, PR Newswire is owned by Cision Ltd , and Marketwired is owned by West Corp.

None was accused of wrongdoing.

The case is U.S. v. Korchevsky et al, U.S. District Court, Eastern District of New York, No. 15-cr-00381. {eoa}

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