

US arrests man in \$100 mn Fitbit stock manipulation

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Officials claim that Robert Murray profitted at the expense of the public in his fake offer to buy Fitbit shares and then took elaborate steps to hide the fraud he allegedly committed

A US man has been arrested and charged in connection with a \$100 million stock manipulation involving shares of the wearable technology maker Fitbit, federal prosecutors announced Friday.

Virginia mechanical engineer Robert Murray was due to appear before a

Manhattan federal judge Friday. He faces parallel civil charges brought by the Securities and Exchange Commission.

Officials claim Murray submitted a fake offer in November to buy all outstanding Fitbit shares at a premium above their price at the time, manipulating the market by more than \$100 million.

Just minutes before submitting the fake tender offer, Murray allegedly bought call options which he then sold after the [share](#) price temporarily spiked, creating a \$3,100 profit for Murray.

"After profiting at the expense of the public, Murray allegedly took elaborate steps to hide that he was behind the [fraud](#)," Joon H. Kim, the acting United States attorney in Manhattan, said in a statement.

"Our office remains committed to ensuring that the securities markets are fair and free from manipulation."

Shares in Fitbit are down 35 percent on the New York Stock Exchange since November, driven in large part by weaker sales projections.

Investigators say Murray submitted the phony tender while purporting to be the officer of a China-based entity called ABM Capital.

In order to submit the tender, Murray used a fake email account, which IP address logs showed was indirectly connected to him, his family and place of work, according to an affidavit from a US Postal Inspector filed in court.

Murray faces charges of [securities fraud](#) and wire fraud, which carry maximum penalties of 20 years in prison each and fines of \$5 million, or twice the gross gain or loss from the offense.

The SEC has also brought civil fraud charges against Murray.

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