# JPMorgan trader unfairly dismissed despite likely involvement in spoofing, tribunal rules



In a ruling that reflects the complex interplay of market regulations and employee rights, Phil Remillard, a former commodities trader at JPMorgan Chase, was deemed unfairly dismissed by an employment tribunal. This decision came despite the judge’s conclusion that Remillard likely engaged in "spoofing," a controversial trading practice aimed at manipulating market conditions.

The tribunal found that Remillard’s dismissal in December 2022 was tainted by procedural flaws, notably the bank’s failure to provide him with all necessary documents during the disciplinary investigation, as well as unreasonable delays in the process. The judge noted that these factors rendered the dismissal procedurally unfair. However, the court also highlighted Remillard’s trading behaviour as "suspicious and unusual," strongly suggesting he was indeed attempting to manipulate market perceptions—a claim that aligns with JPMorgan’s historical issues with regulatory practices.

In fact, JPMorgan had previously faced significant repercussions for its involvement in similar activities. In 2020, the bank agreed to a record $920 million settlement following investigations by the Commodity Futures Trading Commission (CFTC) and the U.S. Department of Justice. The settlement was the largest ever imposed for spoofing, which involves placing and quickly withdrawing buy or sell orders to mislead other market participants about actual market demand. Over an eight-year period, JPMorgan traders exploited this tactic, impacting market liquidity and distorting price discovery and competition in financial markets.

Remillard's activities came to light in connection with a broader effort by JPMorgan to enhance its surveillance mechanisms after concerns arose about unmonitored transactions. His trading patterns, particularly those executed in 2018, led to scrutiny, prompting an internal investigation. The judge acknowledged that there was a "95 per cent chance" Remillard would have faced dismissal regardless of the procedural issues present in the case.

Remillard contended that his actions were mischaracterised, arguing he was merely testing market liquidity rather than attempting to deceive other traders. The tribunal's findings suggest a nuanced view of wrongdoing; while his dismissal was procedurally unjustified, his culpability in the alleged market manipulation cannot be overlooked. The judge indicated that a future hearing would address compensation, factoring in Remillard’s contributory wrongdoing.

JPMorgan's longstanding issues with market manipulation bring to light the challenges posed by high-frequency trading practices that can obscure transparency in financial markets. The fallout from the bank’s earlier misconduct continues to resonate, as regulators ramp up efforts to ensure fairness in an increasingly automated trading environment, where strategies like spoofing can threaten the integrity of market operations.

While neither JPMorgan nor Remillard has offered further comment following the tribunal's decision, the ruling underscores the delicate balance between enforcing regulations and ensuring fair treatment of employees in what is often regarded as a fiercely competitive and high-stakes industry. The case illustrates the ongoing struggle within financial markets to maintain ethical conduct amidst the rapid growth of technology-driven trading practices.

In the wake of this ruling, the financial sector remains vigilant, highlighting the need for robust compliance measures to prevent manipulation and protect market integrity, even as it navigates the evolving landscape of trading technologies and practices.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.ft.com/content/e7782476-30dd-4884-869e-9d7f5e97dcc0> - Please view link - unable to able to access data
2. <https://www.ft.com/content/e7782476-30dd-4884-869e-9d7f5e97dcc0> - An employment tribunal found that Phil Remillard, a former JPMorgan Chase commodities trader, was unfairly dismissed despite likely engaging in spoofing—a practice involving placing and quickly withdrawing orders to mislead market participants. The tribunal ruled that Remillard was not provided with necessary documents during the bank's disciplinary investigation and faced unreasonable delays in receiving the outcome, rendering the dismissal procedurally unfair. However, the judge also concluded that Remillard's trading behavior was 'suspicious and unusual,' indicating probable spoofing. The dismissal occurred in December 2022, following JPMorgan's $920 million settlement in 2020 related to similar misconduct. Remillard denied the allegations, arguing he was testing market liquidity, but the judge found a 95% chance he would have been dismissed even without procedural issues. Compensation will be considered in a future hearing, and neither JPMorgan nor Remillard provided further comment.
3. <https://www.cftc.gov/PressRoom/PressReleases/8260-20> - The Commodity Futures Trading Commission (CFTC) issued an order against JPMorgan Chase & Company and its subsidiaries for manipulative and deceptive conduct, including spoofing, spanning at least eight years. The CFTC found that JPMorgan's illegal trading significantly benefited the bank while harming other market participants. The bank was required to pay a total of $920.2 million, including restitution, disgorgement, and civil monetary penalties—the largest amount ever imposed by the CFTC in a spoofing case.
4. <https://www.justice.gov/archives/opa/pr/ex-wall-street-trader-convicted-fraud-precious-metals-spoofing-scheme> - A federal jury in the Northern District of Illinois convicted Christopher Jordan, a former trader at JPMorgan Chase and Credit Suisse, of fraud in connection with a spoofing scheme in the gold and silver futures markets. Between 2008 and 2010, Jordan placed thousands of spoof orders to manipulate market prices. In September 2020, JPMorgan admitted to committing wire fraud related to unlawful trading in precious metals and U.S. Treasury futures markets, entering into a three-year deferred prosecution agreement and paying over $920 million in criminal monetary penalties, disgorgement, and victim compensation.
5. <https://www.axios.com/2020/10/01/spoofing-jpmorgan-commodoity-markets> - JPMorgan was fined a record $920 million for 'spoofing' in commodity markets and Treasury bonds. Spoofing involves placing fake orders to deceive high-frequency traders about market conditions, aiming to gain a better price for actual trades. While spoofing might appear to be a victimless crime, it impacts market liquidity and price discovery by deterring trading institutions. The substantial fine serves as a deterrent to prevent other institutions from engaging in similar practices, yet the presence of high-frequency traders continues to complicate trading for large institutions.
6. <https://apnews.com/jpmorgan-to-pay-920m-for-manipulating-bond-metals-markets-5d1b244d07e440795a6b41b37d20f3a7> - JPMorgan Chase admitted to manipulating the markets for precious metals and U.S. Treasuries, agreeing to pay $920 million in fines and penalties for the illegal behavior. U.S. financial regulators and the Department of Justice stated that traders at JPMorgan used a tactic known as 'spoofing' over an eight-year period. Spoofing involves sending trading signals into a market, with no intention of buying or selling at those prices, to move a market in one direction or another.
7. <https://www.washingtonpost.com/business/2020/09/29/jpmorgan-settlement-spoofing/> - JPMorgan Chase agreed to pay more than $920 million to settle investigations with multiple federal agencies after admitting to a multiyear scheme to manipulate market prices through illegal trading practices. The settlement, the largest ever imposed for this type of fraudulent activity known as spoofing, resolves investigations by the Justice Department, the Securities and Exchange Commission, and the Commodity Futures Trading Commission. For years, JPMorgan traders initiated orders to buy or sell precious metals, Treasury notes, and Treasury futures only to quickly cancel the trades before they were executed.