

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	No. 18 CR 00035
	)	Judge John J. Tharp, Jr.
v.	)	
	)	
JAMES VORLEY and	)	
CEDRIC CHANU,	)	
	)	
Defendants.	)	

**MEMORANDUM OPINION AND ORDER**

This case presents the question of whether a scheme to defraud commodities traders by placing “spoofing” orders—orders that the trader intends to withdraw before they can be filled—can constitute wire fraud. The defendants say no, because wire fraud requires the making of a false statement—an express misrepresentation—and the indictment alleges none. That is not the law. The Seventh Circuit, moreover, has already held that spoofing can constitute a “scheme to defraud” under the commodities fraud statute. As there is no material difference between a scheme to defraud under either statute, the answer to the question presented is, yes: the alleged spoofing scheme alleged in the indictment adequately charges violations of the wire fraud statute. And given that the statute has long been recognized to reach implied misrepresentations, and also requires proof of intent to defraud, the defendants’ contention that the statute is unconstitutionally vague as applied to the scheme alleged also fails. The defendants also mount a vigorous challenge to whether the defendants’ spoofing orders were, in fact, misleading and material, but those are questions for trial. Accordingly, the defendants’ motion to dismiss the indictment is denied.