

## CLIENT ALERT

### SEC Warns Against Insider Trading Risks from Pandemic Fallout

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On March 23, 2020, the co-directors of the SEC's Division of Enforcement, Stephanie Avakian and Steve Peikin, issued an unambiguous warning against insider trading and other illegal practices stemming from the COVID-19 fallout. In their [joint statement](#), the co-directors explained that "[i]n these dynamic circumstances, corporate insiders are regularly learning new material nonpublic information that may hold an even greater value than under normal circumstances." Those with such access "should be mindful of their obligations to . . . comply with the prohibitions on illegal securities trading."

The SEC's co-directors emphasized that the Enforcement Division is committing "substantial resources" to combat fraud and illegal practices in these unprecedented times. Their warning comes amid extreme market volatility resulting from the pandemic, and similar [statements](#) from the DOJ about ramping up COVID-19 related enforcement efforts.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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