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U.S. v. Grimm

United States Court of Appeals, Second Circuit - December 9, 2013 - F.3d - 2013 WL 6403072

Defendants were convicted in District Court of wire fraud and conspiracy to commit wire fraud in connection with multi-year scheme to fix below-market rates on interest paid by GE to municipalities. The conspiracy between GE employees and brokers depressed the interest rate on the guaranteed investment contracts paid by unindicted co-conspirator GE.

Defendants appealed their convictions on the ground that the indictment was barred by the applicable statutes of limitations. The district court held that the statute of limitations continued to run during the period when GE paid the (depressed) interest to the municipalities, and that the interest payments could constitute overt acts.

The Court of Appeals concluded that those payments did not constitute overt acts in furtherance of the conspiracy, and thus held that the limitations period for charging defendants with conspiracy began to run on the date bids were fixed, rather than on date periodic interest payments were made by institutions to issuers.