

Will Johnston Speaks to Bloomberg Law About Social Media-Driven Securities Fraud Case

Partner Will Johnston weighed in on a pivotal case before the U.S. Court of Appeals for the Fifth Circuit, *United States v. Constantinescu*, which could reshape how market manipulation is prosecuted. The case involves allegations against seven social media influencers accused of orchestrating a pump-and-dump scheme. Speaking to Bloomberg Law, Mr. Johnston noted that the case diverges from traditional schemes, which typically involve company insiders or misrepresentations about the securities themselves.

Mr. Johnston explains these allegations, where influencers made statements over social media to their followers about their intent to buy or sell certain securities, are more akin to spoofing, a form of market manipulation where traders place orders they intend to cancel to distort supply and demand. He emphasized that while fraud convictions for spoofing have been upheld in other circuits, the current appeal could turn on how the Fifth Circuit interprets a recent Supreme Court decision, *Koussisis v. United States*, which broadened the definition of fraud.

The outcome of *United States v. Constantinescu* may have far-reaching implications for the future of securities fraud enforcement, especially in the age of social media-driven trading.

Mr. Johnston is a former federal prosecutor who previously served as Assistant Chief in the Fraud Section of the Criminal Division of the U.S. Department of Justice. A respected trial lawyer, he represents clients in government enforcement matters and high-stakes business litigation in state and federal court.

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