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Release Number 8891-24

Federal Court Sanctions Nevada Metals Trader for Spoofing in Gold and Silver Markets

April 11, 2024

Washington, D.C. — The Commodity Futures Trading Commission today announced the U.S. District Court for the District of Nevada entered a consent order on April 9, resolving CFTC charges that **Daniel Shak** of Las Vegas, Nevada engaged in spoofing and in a manipulative and deceptive scheme in the gold and silver futures markets in violation of the Commodity Exchange Act (CEA) and CFTC regulations.

The order imposes a \$750,000 civil monetary penalty, permanently prohibits Shak from trading in commodity interests and registering with the CFTC in any capacity, and a permanent injunction prohibiting Shak from further violations of the CEA's prohibitions on spoofing and manipulative and deceptive schemes to defraud. The consent order resolves the CFTC's complaint filed against Shak on August 5, 2022. [See CFTC Press Release No. [8568-22](#)].

In 2013, the CFTC sanctioned Shak for engaging in attempted manipulation by "banging the close" in the Light Sweet Crude Oil futures contracts on the New York Mercantile Exchange. [See CFTC Press Release No. [6781-13](#)]. Two years later, he was sanctioned by the U.S. District Court for the District of Columbia for violating the terms of the CFTC order related to the 2013 enforcement action. [See CFTC Press Release No. [7146-15](#)].

"Last year, the Division of Enforcement released an advisory that emphasized the Division will 'heavily factor recidivism' into its determination of appropriate civil monetary penalties," said CFTC Director of Enforcement Ian McGinley. "The penalty and permanent trading ban imposed here demonstrate there is no place for recidivism in CFTC regulated markets, and the CFTC will impose substantial penalties to achieve appropriate deterrence." [See CFTC Press Release No. [8808-23](#)].

Case Background

The order finds that from February 2015 through March 2018, Shak repeatedly engaged in manipulative or deceptive acts and practices by spoofing—bidding or offering with the intent to cancel the bid or offer before execution—while placing orders for and trading gold and silver futures contracts on the Commodity Exchange, Inc. On hundreds of occasions, Shak entered large orders for gold or silver futures he intended to cancel before execution, while placing orders on the opposite side of the gold or silver futures market. By placing the spoof orders, Shak intentionally or recklessly sent false signals of increased supply or demand that were designed to trick market participants into executing against orders on the opposite side of the market, which he actually wanted filled. Shak's spoof orders allowed him to fill orders on the opposite side of the market sooner, at a better price, and/or in larger quantities than he otherwise would.

The CFTC acknowledges and thanks CME Group Inc. for their assistance in this matter.

The Division of Enforcement staff responsible for this case are Brian Hunt, James Holl III, Maura Viehmeyer, Erica Bodin, Elizabeth May, Jordon Grimm, and Rick Glaser. The Division of Enforcement's Spoofing Task Force also provided assistance.

-CFTC-

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