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Former BP Trader Paul Kelly Agrees to Pay \$400,000 Civil Penalty to Settle U.S. Commodity Futures Trading Commission Charges of Attempted Manipulation of the NYMEX Unleaded Gasoline Futures Contract

CFTC Order Finds that Kelly Attempted to Manipulate the Price Spread Between the November and December 2002 Futures Contracts

Washington, DC – The U.S. Commodity Futures Trading Commission (CFTC) announced today the issuance of an order filing and simultaneously settling charges against **Paul K. Kelly**, a former gasoline trader for BP Products North America Inc. (BPPNA), for attempting to manipulate the price spread between the November and December 2002 unleaded gasoline futures contracts traded on the New York Mercantile Exchange (NYMEX) on October 31, 2002, the last day of trading for the November 2002 unleaded gasoline futures contract.

The October 25, 2007 order imposed a \$400,000 civil monetary penalty. The order also imposed a prohibition on Kelly from applying for registration, engaging in any activity requiring registration, or acting as a principal of any registered entity or person.

The order finds that Kelly was primarily responsible for obtaining physical, finished gasoline as well as components for gasoline for BPPNA's northeast commercial needs. According to the order, unleaded gasoline was in short supply in October 2002 and early November 2002, and Kelly was aware of the shortage. The order finds that despite the fact that BPPNA held a long position of 1,352 November 2002 unleaded gasoline contracts – 52 more than its stated commercial need of 1,300 contracts – Kelly bought an additional 720 November 2002 unleaded gasoline contracts through the course of the day on October 31, 2002. The Commission found that Kelly engaged in this conduct with the intent to affect the price spread between the November and December 2002 NYMEX unleaded gasoline futures contracts.

The Commission wishes to thank the New York Mercantile Exchange for its support and assistance with this matter. The following CFTC Division of Enforcement staff members are primarily responsible for this case: John W. Dunfee, Paul G. Hayeck, Joan M. Manley, Lael Campbell, Mary Kaminski, and Ed Riccobene.

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