

TWIST IN RAJ TRIAL

Feds prep witness

EXCLUSIVE

By KAJA WHITEHOUSE

A whistleblower in the government's high-profile Galleon Group insider-trading case has agreed to testify on behalf of federal prosecutors against his former boss, New York billionaire Raj Rajaratnam, The Post has learned.

The ex-employee of the hedge fund has offered to testify about statements Rajaratnam made internally at Galleon that support the government's allegations that the Sri Lankan native traded on material inside information. The trial is set to begin March 8.

He also agreed to testify concerning statements made by the accused's younger brother, Ragakanthan "R.K." Rajaratnam, a former money manager at Galleon, about what Raj knew about stocks and companies central to the case.

The potential witness, who worked on the money-management side, is currently hammering out a deal with federal prosecutors to take the stand. He appears to be the first former Galleon worker to come forward voluntarily — and without battling allegations of wrongdoing.

Late last month, two Galleon traders confessed to illegal trading and fingered their former boss as being in on the scheme, after they were arrested and charged in connection with the case.

The younger Rajaratnam, 49, was later identi-

fied as a co-conspirator to one of the arrested traders, Michael Cardillo. He has not been accused of any wrongdoing.

Rajaratnam, 53, has been accused of tapping into a nationwide network of traders and corporate executives to obtain confidential information on stocks such as Intel and Advanced Micro Devices, resulting in profits of up to \$45 million.

The elder Rajaratnam has pleaded not guilty and is expected to fight the allegations at the trial, even as many of his peers have copped pleas with the feds.

The whistleblower, whose identity remains under wraps, came forward last November with a complaint to the Securities and Exchange Commission, which has filed separate civil charges against the Galleon boss.

Filed by securities lawyer **Stuart Meissner**, the whistleblower complaint recently led to discussions with lawyers from Manhattan US Attorney Preet Bharara's office, which is pursuing the criminal charges.

Cooperation currently rests on promises that the SEC and the US Attorney's office will provide the witness with immunity from prosecution, said a person with knowledge of the situation.

Meissner and a spokeswoman for Bharara's office declined to comment.

kwhitehouse@nypost.com