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**MANHATTAN U.S. ATTORNEY CHARGES FORMER GOLDMAN SACHS
COMPUTER PROGRAMMER FOR THEFT OF TRADE SECRETS**

PREET BHARARA, the United States Attorney for the Southern District of New York, and JOSEPH M. DEMAREST, JR., the Assistant Director in Charge of the New York Field Division of the Federal Bureau of Investigation ("FBI"), announced that SERGEY ALEJNIKOV was indicted today on charges related to his theft of proprietary computer code concerning a high-frequency trading platform from his former employer, Goldman Sachs. ALEJNIKOV was previously arrested and is expected to be arraigned in Manhattan federal court at a later date.

According to the Indictment filed today in Manhattan federal court:

From May 2007 to June 2009, ALEJNIKOV was employed at Goldman Sachs as a computer programmer responsible for developing computer programs supporting the firm's high-frequency trading on various commodities and equities markets. Goldman Sachs had obtained the high-frequency trading system in 1999, when it acquired Hull Trading Company, the previous owners of the system, for approximately \$500 million. Since acquiring the system, Goldman Sachs modified and maintained the system, and took significant measures to protect the confidentiality of the system's computer programs, including firewalls to limit access to the firm's computer network, and limiting internal access to the high-frequency trading program. Goldman Sachs' high frequency trading system generates millions of dollars per year in profits for the firm. Goldman Sachs takes several measures to protect the system's source code, including requiring all Goldman employees to agree to a confidentiality agreement.

In April 2009, ALEYNIKOV resigned from Goldman Sachs and accepted a job at Teza Technologies ("Teza"), a newly-formed company in Chicago, Illinois. ALEYNIKOV was hired to develop Teza's own version of a computer platform that would allow Teza to engage in high-frequency trading. ALEYNIKOV's last day of employment at Goldman Sachs was June 5, 2009.

Beginning at approximately 5:20 p.m. on June 5, 2009 -- ALEYNIKOV's last day working at Goldman Sachs -- ALEYNIKOV, from his desk at Goldman Sachs, transferred substantial portions of Goldman Sachs's proprietary computer code for its trading platform to an outside computer server in Germany. ALEYNIKOV encrypted the files and transferred them over the Internet without informing Goldman Sachs. After transferring the files, ALEYNIKOV deleted the program he used to encrypt the files and deleted his computer's "bash history," which records the most recent commands executed on his computer.

In addition, throughout his employment at Goldman Sachs, ALEYNIKOV transferred thousands of computer code files related to the firm's proprietary trading program from the firm's computers to his home computers, without the knowledge or authorization of Goldman Sachs. ALEYNIKOV did this by e-mailing the code files from his Goldman Sachs e-mail account to his personal e-mail account, and storing versions of the code files on his home computers, laptop computer, a flash drive, and other storage devices.

On July 2, 2009, ALEYNIKOV flew to Chicago, Illinois, to attend meetings at Teza's offices, bringing with him his laptop computer and another storage device, each of which contained Goldman Sachs's proprietary source code. ALEYNIKOV was arrested on July 3, 2009, as he arrived at Newark Airport following that visit.

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ALEYNIKOV, 40, is charged with one count of theft of trade secrets, one count of transportation of stolen property in foreign commerce, and one count of unauthorized computer access. If convicted on these charges, ALEYNIKOV faces a maximum sentence of 25 years in prison.

Mr. BHARARA praised the investigative work of the FBI in this case. Mr. BHARARA also thanked Goldman Sachs for its cooperation in the investigation.

U.S. Attorney PREET BHARARA added: "Sergey Aleynikov allegedly stole confidential computer code from his employer

before joining a rival company. In today's information age, a theft of valuable intellectual property represents a serious breach of economic security. This Office is committed to working with the FBI to pursue the theft of intellectual property and prosecuting the perpetrators before they can cause further harm."

FBI Assistant Director-in-Charge DEMAREST stated:
"Proprietary information and trade secrets are sometimes the most valuable assets of a business. The computer code Aleynikov copied was worth millions. But the theft of such assets is usually much harder to detect than the theft or embezzlement of tangible assets, because the thing stolen is not physically missing, it's duplicated. The FBI is committed to policing the theft of trade secrets."

This case is being prosecuted by the Office's Complex Frauds Unit. Assistant United States Attorneys JOSEPH FACCIPONTI and REBECCA ROHR are in charge of the prosecution.

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