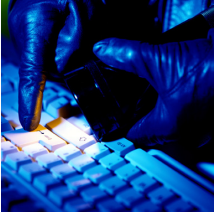


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By: Lucian Constantin, Web News Editor



Goldman Sachs  
ex-programmer steals  
proprietary code  
U.S. Courts

## **Programmer Arrested for Stealing Stock Trading Software Code**

*Days before leaving his job at a financial institution involved in high-volume stock trade*

Sergey Aleynikov, a Russian computer programmer, was arrested by the FBI and charged with theft of trade secrets and transportation of stolen property in foreign commerce. According to the authorities, he uploaded software code belonging to the financial institution he was working for to a computer server in Germany.

Citing sources involved with the case, news agencies have pointed to the financial organization, unnamed in the complaint, as being Goldman Sachs, one of the biggest players on the investment management market.

For the past few years, the company has spent millions of dollars developing proprietary software to automatically perform stock transactions based on early market predictions. Sergey Aleynikov is said to have been employed as a programmer working on this software since May 2007.

Earlier this year, a new company planning to enter the high-volume automated stock trade business offered Aleynikov a position that payed three times more than the nearly \$400,000 a year he was earning at the time.

Up to June 5, during his last few days as a Goldman Sachs employee, the programmer connected to the company's network from his home computer and transferred code to a remote server on several occasions. Files containing source code that totaled 32 megabytes were copied, compressed, merged, then encrypted, renamed and uploaded to a website hosted in Germany, with the use of a specially crafted script.

The company discovered the breach while monitoring unusually large data transfers from its network via HTTPS. Aleynikov allegedly made efforts to erase his tracks, but commands extracted from the backup logs pointed to his desktop computer.

On June 3, Sergey Aleynikov, who is also a U.S. naturalized citizen, was arrested by an FBI team while he was getting off a flight Newark Airport in New Jersey. Aleynikov subsequently admitted, in writing, to copying files from Goldman Sachs' network. Furthermore, he claimed that his intention had been to copy open source code, but accidentally included more files.

He also stressed that the code was not shared with anyone else, let alone his new employer, with whom he had signed an agreement preventing him from using unlicensed software. According to [Wired](#), the bail for his release has been set at \$750,000.