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Ex-Programmer Avoids Jail Time In NY Fed Code Theft

By Chad Bray

A former contractor for the Federal Reserve's New York branch avoided jail time on Tuesday after he admitted to secretly copying a proprietary computer code used to track the U.S. government's finances.

Bo Zhang is the third computer programmer to face criminal charges in the recent years over the alleged theft of source code for government and business systems. Former programmers at [Goldman Sachs Group Inc.](#) and [Societe General SA](#) separately have been accused of stealing the code for the banks' high-speed trading systems.

Federal prosecutors in Manhattan alleged that Mr. Zhang, 33 years old, illegally copied code for the Government-wide Accounting and Reporting Program while working as a contract employee for the Fed in summer 2011. The software, which is owned by the U.S. Department of Treasury, cost about \$9.5 million to develop, prosecutors said.

His lawyer, Jeffrey Lichtman, said Mr. Zhang wasn't motivated by a desire to make money and attributed his client's conduct more to naivety.

"I'm terribly sorry," Mr. Zhang said at a hearing in Manhattan federal court.

Mr. Zhang, a Chinese national living in Queens, pleaded guilty in May to theft of government property and immigration fraud.

He was sentenced to six months home confinement as part of a sentence of three years supervised release. He will likely be deported after completing his sentence.

Earlier this year, Manhattan prosecutors brought criminal charges against Sergey Aleynikov, a former Goldman programmer, for allegedly stealing the investment bank's computer code.

Mr. Aleynikov was previously convicted in December 2010 of federal charges related to the alleged theft, but a federal appeals court threw out his conviction in February. He has denied wrongdoing.



Associated Press
Federal Reserve Bank of New York

Samarth Agrawal, a former SocGen programmer, was sentenced to three years in prison in February 2011 for his alleged theft of the French bank's computer code.

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