U. S. Department of Justice

United States Attorney
Northern District of Illinois

Patrick J. Fitzgerald
United States Attorney

Federal Building
219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300

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PRESS CONTACTS:

AUSA Barry Jonas	312-886-8027
AUSA Paul Tzur	312-697-4032
Randall Samborn	312-353-5318

FORMER CME GROUP SOFTWARE ENGINEER INDICTED FOR THEFT OF GLOBEX COMPUTER TRADE SECRETS WHILE ALLEGEDLY PLANNING BUSINESS TO IMPROVE ELECTRONIC TRADING EXCHANGE IN CHINA

CHICAGO — A former senior software engineer for Chicago-based CME Group, Inc., was indicted today for allegedly downloading and removing computer source code and other proprietary information while at the same time pursuing business plans to improve an electronic trading exchange in China. The defendant, **Chunlai Yang**, who was arrested in July, was charged with two counts of theft of trade secrets in an indictment returned by a federal grand jury, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

Yang, 48, of Libertyville, was released on a $500,000 secured bond following his arrest on July 1 after being charged in a criminal complaint. He will be arraigned on a date to be determined in U.S. District Court. The indictment seeks forfeiture of computers and related equipment that were seized from Yang.

"This case is an excellent example of how law enforcement and corporations can work together to protect trade secrets. CME Group brought this matter to the attention of federal

authorities and fully cooperated with the investigation. Economic espionage is a crime that effects both the interests of corporations and our national interest in protecting intellectual property. We will continue to working collaboratively with the private sector to investigate and prosecute trade secret theft," Mr. Fitzgerald said.

According to the indictment, Yang began working for CME Group in 2000 and was a senior software engineer at the time of his arrest. His responsibilities included writing computer code and, because of his position, he had access to the software programs that supported CME Group's Globex electronic trading platform. Globex allowed market participants to buy and sell exchange products from any place at any time. The source code and algorithms that made up the supporting programs were proprietary and confidential business property of CME Group, which instituted internal measures to safeguard and protect its trade secrets.

Between Dec. 8, 2010, and June 30, 2011, Yang allegedly downloaded more than 1,000 computer files containing CME computer source code from CME's secure internal computer system to his CME-issued work computer; he then transferred many of these files from his work computer to his personal USB flash drives; and then transferred many of these computer files from his USB flash drives to his personal computer located at his home. During the same time, Yang also downloaded and printed numerous CME internal manuals and guidelines describing how many of the computer files that comprise Globex operate and how these computer files interact with each other, the indictment alleges.

Yang and two unnamed business partners, identified as Individuals A and B, allegedly developed business plans to form a business referred to as the Tongmei (Gateway to America) Futures Exchange Software Technology Company (Gateway), with the purpose of increasing the

trading volume at the Zhangjiagang, China, chemical electronic trading exchange (the Zhangjiagang Exchange). The indictment alleges that Yang was to become Gateway's president, and he allegedly engaged in contract negotiations on behalf of Gateway with the Zhangjiagang Free Trade Board for Gateway to provide computer source code to the Zhangjiagang Exchange.

Yang allegedly expected that Gateway would provide the Zhangjiagang Exchange with technology to allow for high trading volume, high trading speeds, and multiple trading functions. To help the Chinese exchange attract more customers and generate higher profits, Gateway proposed to expand the capabilities of Zhangjiagang's software by providing customers with more ways of placing orders; connecting the exchange's database storage system and matching systems; rewriting the trading system software in the JAVA computer programming language; raising the system's capacity and speed by modifying communication lines and structures; and developing trading software based on the FIX computer coding language, the indictment alleges.

CME Group has fully cooperated with the investigation.

Each count of theft of trade secrets carries maximum penalty of 10 years in prison and a $250,000 fine. If convicted, the Court must impose a reasonable sentence under the advisory United States Sentencing Guidelines.

The government is being represented by Assistant United States Attorneys Barry Jonas and Paul Tzur.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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