

Three Men Indicted in Computer-Code Theft Probe

Latest Crackdown by New York Prosecutors Involves Former Traders

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A New York state grand jury indicted three men for allegedly stealing valuable computer source code from an automated-trading firm.

The indictment is the latest development in a broader crackdown by New York prosecutors on alleged theft of proprietary software.

Manhattan District Attorney Cyrus Vance Jr. accused Jason Vuu and Glen Cressman—former traders at Flow Traders US LLC in New York—of emailing themselves lines of computer code that contained secret algorithms at the heart of the firm's high-frequency trading strategy. A third man and college friend of Mr. Vuu, Simon Lu, then worked with Mr. Vuu to build a trading platform for a startup company the pair planned to form, according to the indictment.

Mr. Vuu's lawyer, Jeremy Saland, said the facts of the case weren't "near the magnitude" of what was alleged at the time of his client's arrest and that he "looked forward to further clarifying what, if anything, did happen."

Charles Ross, a lawyer for Mr. Cressman, said his client is innocent and "when the facts are presented in the courtroom, the case against him will completely unravel." Mr. Lu's lawyer declined to comment.

Messrs. Lu and Vuu denied the allegations in statements given to Federal Bureau of Investigation agents when they were arrested on Aug. 1. Mr. Lu said that to best of his knowledge the data he worked on with Mr. Vuu was "freely available publicly or commercially purchased." Mr. Vuu told agents he never took any source code and didn't have access to it, according to court documents.

The Manhattan district attorney's office has prosecuted a handful of cases involving the alleged theft of proprietary computer code from Wall Street firms, and there are more to come, people familiar with matter have said.

"The theft of computer software developed in-house is a serious and growing threat to businesses, one my office will continue to take extremely seriously," Mr. Vance said.

Mr. Vance and other New York prosecutors met in September to examine outdated laws that haven't kept pace with the Internet, technology and increasingly sophisticated frauds. The task force proposed changes to state law to better protect intellectual property, among other steps.

The 20-count indictment of the three men, who are in their 20s, details a series of emails Mr. Vuu allegedly sent to himself in 2012 containing spreadsheets, computer data and computer programs belonging to Flow Traders. The indictment valued the data in many of the messages at more than \$2,500 per email.

In 2012, Mr. Vance charged former [Goldman Sachs Group](#) Inc. [GS -0.78%](#) programmer Sergey Aleynikov with stealing high-frequency trading code from his employer. Mr. Aleynikov had been convicted in federal court for the same offense and was serving an eight-year prison sentence before his case was overturned by a federal appeals court in February 2012. He is awaiting trial in New York State Court on the district attorney's charges.

Mr. Aleynikov's lawyer, Kevin Marino, said his client "did not engage in either unlawful duplication of computer-related material or unlawful use of secret scientific material."