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Ex-Citadel engineer arrested on code theft charges

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We would certainly hope that young code-jockeys at financial services firms, newly flush with fat salaries and perhaps high on their own ambitions, would understand that they cannot play fast and loose with company code.

The trial of Sergey Aleynikov stands as a reminder of how high the stakes are. Recall that Aleynikov was convicted for stealing code from his former employer Goldman Sachs and was sentenced to eight years in prison. There was a time when the ethos in the software industry was lax on code appropriation--*Hey, everybody does it. No big deal.* But no more.

Which bring us to the case of Yihao Ben Pu, who has emerged as a huge story in Chicago, where he has been arrested for allegedly stealing code from Citadel, which once employed him. This is quite a caper. According to the complaint, Pu was confronted at work and asked to retain information he had downloaded. Later, Pu tried to wipe the hard disks clean at the home of an unnamed friend, who later dumped the evidence into a sanitary canal. The friend has cooperated with prosecutors. He led investigators to the canal, where divers recovered six hard drives, one of which is said to include java code that appeared to be a fully functional automated trading system.

"The information led the private forensic firm to access a Web site containing text files, written in the months before Pu started working at Citadel, which allegedly appeared to outline a plan for him to obtain 'execution data' from a computer network and use it to start a hedge fund in China," according to *Finextra*. Pu remains in custody and faces 10 years in prison.

You can bet that prosecutors will go for the maximum. It's pretty clear that given the strategic significance of algorithms, companies will go to the mat to protect them. Prosecutors will as well, as there is often plenty of evidence to convict.

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