Engineer admits stealing software for China exchange

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A former software engineer for Chicago-based CME Group pleaded guilty Wednesday to stealing computer code and other proprietary data for an electronic trading exchange in China, officials said.

The Justice Department said Chunlai Yang admitted that he downloaded more than 10,000 files containing CME computer source code from the operating systems of the Globex electronic trading platform.

Officials estimated the potential loss at between $50 million and $100 million.

The Libertyville, Illinois man pleaded guilty to two counts of theft of

trade secrets. He had worked for CME Group for 11 years.

Yang, 49, faces a maximum penalty of 10 years in prison and a $250,000 fine on each count. His plea agreement calls for a sentencing guideline of 70 to 87 months in prison.

He was arrested in July 2011 and released on a $500,000 secured bond. Chicago District Judge John Darrah scheduled sentencing for February 20.

Yang also agreed to forfeit computers and related equipment seized from him during the arrest.

"This case and similar prosecutions demonstrate that law enforcement and corporations can work together to protect trade secrets," acting US Attorney Gary Shapiro said.

Prosecutors said that between late 2010 and June 2011, Yang downloaded more than 10,000 computer files containing CME computer source code and then transferred many of these files from his work computer to his personal USB flash drives.

Officials said he and two unnamed business partners developed plans to form a business referred to as the Tongmei (Gateway to America) Futures Exchange Software Technology Company (Gateway), to boost trading volume at the chemical electronic trading exchange in Zhangjiagang, China.

CME is the parent of the Chicago Mercantile Exchange and a major platform for commodities and derivatives.

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