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Former N.Y. Fed Employee Avoids Jail After Pleading Guilty to Stealing Secrets

Jason Gross will pay \$2,000 fine and 200 hours of community service as part of probation



Ex-employee of the Federal Reserve Bank of New York Jason Gross as he left the Manhattan U.S. District Courthouse in New York in November. He was sentenced Wednesday to pay a \$2,000 fine and serve a year probation, which must include at least 200 hours of community service. PHOTO: REUTERS

By **KATY BURNE**

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Jason Gross, a former Federal Reserve Bank of New York employee, will not go to jail after pleading guilty to stealing Fed secrets and will instead pay a \$2,000 fine and serve one year of probation, according to details of his sentencing provided by the U.S. attorney's office in the Southern District of New York.

Mr. Gross faced a maximum sentence of one year in prison [after he pleaded guilty in November](#) in Manhattan federal district court to one count of theft of government property. He admitted to passing confidential documents from the New York Fed onto a contact at investment bank Goldman Sachs Group Inc., federal prosecutors said.

Instead, on Wednesday morning he was asked to pay a \$2,000 fine and serve a year's probation with the condition that it must involve 200 hours of community service, a spokeswoman for the U.S. attorney's office said.

She declined to comment further on the case, as did a spokeswoman for the New York Fed. Mr. Gross is in his late 30s and currently unemployed.

“Things went well,” said Bruce Barket, a lawyer for Mr. Gross at Barket, Marion, Epstein & Kearon LLP, in a telephone interview. “He took responsibility for what he did and accepted the punishment.”

Mr. Barket said the defense for Mr. Gross centered on his admission he did something unlawful by providing confidential documents to the Goldman Sachs employee, Rohit Bansal, who had previously been a supervisor at the New York Fed and senior in rank to Mr. Gross.

But the lawyer said Mr. Gross believed Mr. Bansal had already seen the documents when he was at the New York Fed as a supervisor before joining Goldman.

The case underscores a sensitive issue for the Fed following concerns that the regulator is too close to the banks it supervises—criticisms it has tried to curb. The pattern of employees moving between government jobs and Wall Street has become known as a “revolving door” in finance circles.

In November, The Wall Street Journal [reported the Fed was weighing new measures](#) to tighten the restraints it imposes on bank examiners who leave the central bank for jobs on Wall Street.

The Federal Reserve Board of Governors in November [permanently barred Mr. Bansal from the banking industry](#) after he pleaded guilty to obtaining Fed secrets from Mr. Gross in the 2014 incident.

A spokesman for Goldman at the time said the firm fired Mr. Bansal and another employee after discovering the leak, launched its own probe, and reformed its hiring practices concerning government employees.

Last year, Goldman was also fined \$50 million by the New York State Department of Financial Services.

<http://www.wsj.com/articles/former-n-y-fed-employee-avoids-jail-for-stealing-secrets-1458146131>