



Ex-Fed Staffer Dodges Jail After Leaking Docs To Goldman

By Dani Kass

Law360, New York (March 16, 2016, 2:28 PM ET) -- A former [Federal Reserve Bank of New York](#) staffer was sentenced to probation and community service on Wednesday after pleading guilty to stealing government property by sending confidential documents to his former supervisor, who at the time was a [Goldman Sachs](#) banker.

U.S. Magistrate Judge Gabriel W. Gorenstein said that Jason Gross' crime did betray the public trust, but didn't lead to any harm other than the breach itself and involved no personal gain, so incarceration was unnecessary. He will be on probation for one year, during which he must complete 200 hours of community service and pay a \$2,000 fine.

Judge Gorenstein didn't order Gross to pay any restitution. The parties agreed that a calculated \$88,000 in restitution was unnecessary, as that figure was made by determining the salary and hours worked by employees who created the documents. They agreed that the documents would have been created whether he leaked them or not, so there was no proven financial harm.

"It's an unfortunate situation," Gross' attorney, Bruce Barket of [Barket Marion Epstein Kearon LLP](#), told Law360 outside the courtroom. "I thought the judge's decision was quite thoughtful and appropriate."

In October, Goldman Sachs Group Inc. reached [a \\$50 million settlement](#) with the New York Department of Financial Services to resolve allegations that former Goldman Sachs banker Rohit Bansal received confidential supervisory information from Gross related to a bank that he had formerly overseen. Days later, [Gross](#) and [Bansal](#) each pled guilty to stealing and receiving government property, respectively. Bansal is set to be sentenced on Tuesday.

Judge Gorenstein said that the contents of the documents were not revealed to the court, so it was impossible to determine whether they were potentially harmful or completely "innocuous."

Barket told the judge that Gross thought he was doing a favor for a friend, who had already seen the documents and helped create some of them, rather than understanding that he was committing a federal offense. He has since come to understand both the wrongfulness of the action and why it was illegal, and is remorseful, Barket said.

Assistant U.S. Attorney Drew Johnson-Skinner said that incarceration was necessary to serve as a general deterrence to others considering breaking the same rules. Judge Gorenstein agreed that deterrence was necessary, but that the destruction of Gross' career was deterrence enough. He had been facing up to a year of incarceration.

The judge said there was no risk of recidivism, as Gross will never work for the Fed again, has no criminal history and is genuinely remorseful.

The judge "struck the right balance here" regarding deterrence, Barket told Law360.

A Goldman spokesman said in October that the firm discovered in September 2014 that a "new junior employee" had obtained confidential information from the New York Fed and immediately launched an investigation and notified its regulators. The firm fired the employee, along with a more senior staffer who "failed to escalate the issue" soon after the bank's discovery.

Bansal joined Goldman in mid-2014 as an associate after having spent seven years at the New York Fed. From at least July 2014 to September 2014, Gross leaked confidential documents to Bansal in connection with Goldman's work for client banks, according to court documents.

As part of its settlement with regulators, Goldman agreed to a three-year abstention from consulting work that would require the release of confidential information from the Department of Financial Services, although the effects of that ban will be limited, since Goldman does not do much consulting work.

The bank also admitted that a former staffer stole confidential supervisory information from the New York Fed, and that firm managers did not properly supervise the former employee under the settlement.

A representative for the U.S. Attorney's office declined to comment on Wednesday.

The U.S. is represented by Assistant U.S. Attorneys Drew Johnson-Skinner and Sarah Paul.

Gross is represented by Bruce Barket and Alexander Klein of Barket Marion Epstein Kearon LLP.

The case is U.S. v. Gross, case number [1:15-cr-00766](#), in the U.S. District Court for the Southern District of New York.

--Additional reporting by Evan Weinberger and Stewart Bishop. Editing by Stephen Berg.

<http://www.law360.com/articles/772389/ex-fed-staffer-dodges-jail-after-leaking-docs-to-goldman>