

FOR IMMEDIATE RELEASE

January 30, 2017

COMMISSIONER ISSUES DECISION IN CARDINALS-ASTROS ARBITRATION

Major League Baseball announced today that it has completed its investigation regarding the illegal breach of the Houston Astros' baseball operations database by a former baseball operations employee of the St. Louis Cardinals, Christopher Correa. The findings of the review, which was conducted by MLB's Department of Investigations, were submitted to Baseball Commissioner Robert D. Manfred, Jr.

The Commissioner's decision accompanies this press release.

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Office of the Commissioner
MAJOR LEAGUE BASEBALL



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In the matter of the Arbitration))
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between) (**“Astros Systems Intrusions”**)
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HOUSTON ASTROS,))
Claimant,))
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and))
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ST. LOUIS CARDINALS,))
Respondent.))
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Commissioner’s Opinion and Order on Breach of Astros Systems

Background

On January 8, 2016, following an FBI investigation, former St. Louis Cardinals employee Christopher Correa pled guilty in federal court to five counts of Unauthorized Access of a Protected Computer for intruding into the Houston Astros’ email system and analytical scouting database in 2013 and 2014. On July 18, 2016, the court sentenced Mr. Correa to 46 months in prison and ordered that he pay the Astros \$279,038.65 in restitution.

The Office of the Commissioner deferred conducting an investigation into the matter until the completion of the criminal proceedings. Following Mr. Correa’s guilty plea, the Astros filed a claim with my office pursuant to Article VI (“Arbitration”) of the Major League Constitution (“Constitution”) that sought compensation from the Cardinals for the intrusions. I instructed the Department of Investigations to conduct a thorough investigation of the matter both to resolve the dispute for compensation between the Astros and the Cardinals, and to determine whether discipline of the Cardinals and/or Cardinals’ employees was warranted pursuant to my authority under Article II of the Constitution.

The Department of Investigations conducted an investigation into this matter, during which it interviewed more than a dozen witnesses, reviewed hundreds of thousands of documents, and worked with the Information Security Department to

conduct an extensive forensic analysis of the Astros' and Cardinals' electronic systems. I offered both Clubs the opportunity to submit evidence relevant to this dispute and present any arguments to me and my staff.

Both the Cardinals and the Astros, and their respective employees, fully cooperated in the investigation. However, Mr. Correa, who was terminated by the Cardinals in July 2015, declined to answer questions or provide any cooperation.

In light of the volume and complexity of the factual material uncovered in the investigation, and in order to refrain from further disclosing confidential and proprietary information relating to any MLB Club, both the Astros and the Cardinals have agreed that I should set forth my findings and decision in summary form, which I do below.

Findings

1. The evidence did not establish that any Cardinals' employee other than Mr. Correa (who was the only individual charged by the federal government) was responsible for the intrusions into the Astros' electronic systems. Accordingly, no Cardinals' employee (or former employee) other than Mr. Correa will be subject to discipline by my office.

2. Although Mr. Correa's conduct was not authorized by the Cardinals, as a matter of MLB policy, I am holding the Cardinals responsible for his conduct. Mr. Correa held positions in the Cardinals' front office that enabled him to have input into his Club's decisions and processes. As a result, I am holding the Club vicariously liable for his misconduct.

3. I find that the Astros suffered material harm as a result of Mr. Correa's conduct. The type of potential competitive harm the Astros suffered as a result of Mr. Correa's conduct is not amenable to precise quantification. MLB Clubs fiercely compete with each other in their ability to acquire and process player-related information. I am prepared to find as a matter of policy that a Club suffers material harm when an employee of another Club illegally accesses its confidential and propriety information, particularly intrusions of the nature and scope present here. In addition, as a result of Mr. Correa's conduct, the Astros suffered substantial negative publicity and had to endure the time, expense and distraction of both a lengthy government investigation and an MLB investigation.

Order

In order to both resolve the Astros' claim against the Cardinals for compensation, and to sanction the Cardinals and Mr. Correa for the harm caused by Mr. Correa, I issue the following Order.

1. Mr. Correa will be placed on the permanently ineligible list effective immediately.
2. The Cardinals' two highest available selections in the 2017 First-Year Player Draft (i.e., their 2nd Round selection [pick no. 56] and Compensation Round B selection [pick no. 75]) will be awarded to the Astros.
3. The Cardinals will pay the Astros the sum of \$2,000,000 within 30 days of the issuance of this decision.

Dated: January 30, 2017

Robert D. Manfred Jr.

Robert D. Manfred, Jr.
Commissioner of Baseball