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June 27, 2013

Mr. Robert Megna
Director- NYS Division of the Budget
Capitol Building
Albany, New York 12224

Dear Mr. Megna:

On June 7, 2013, Alan Lebowitz, General Counsel for the NYS Division of Budget (DOB), submitted an allegation to the New York State Inspector General's Office (NYSIG) stating that DOB employee, [REDACTED] may be advertising the production, sale, and distribution of pirated or copyrighted videos while at work.

NYSIG obtained emails covering a three year period from June 2010 to June 2013. NYSIG also requested and received the following items:

- 1) HP laptop computer containing a 300 gigabytes hard drive;
- 2) All data on shared server drive assigned to subject; and
- 3) Internet Logs pertaining to [REDACTED] Internet usage

The examination of [REDACTED] agency owned computer and DOB email account centered on the allegations regarding production of pirated media. In this effort, NYSIG discovered approximately 30 email strings between [REDACTED] and DOB employees, [REDACTED], [REDACTED], and [REDACTED], discussing the purchase and sale of copyrighted box office movies. These emails took place during the period of December 18, 2012 through April 29, 2013. Evidence from the email account indicates that [REDACTED] sends text messages with the names of the movies for sale from his personal cell phone to his state email. These texts/emails are subsequently forwarded to individuals interested in buying movies.

In one email, [REDACTED] sends a message containing a list of recently released movies and states, "Hey here's my third job." In another email [REDACTED] states that he sells "Screeners".¹

[REDACTED] tells one prospective buyer in an email that he will sell movies at a rate of 2 for \$5 and 5 for \$10.

NYSIG's analysis of the computer, shared server data, and the Internet logs identified nothing related to the allegation.

Based on the above referenced findings, I am referring this matter to you for appropriate action relative to this employee and any of the others identified as participants. Please respond within forty-five (45) days of the date of this letter advising me of what action, if any, you have taken. Should you require any additional information please do not hesitate to contact me.

Very truly yours,

[REDACTED]
Catherine Leahy Scott
Inspector General

cc: Alan Lebowitz

¹ A Screener is a video file generally sent out by production companies to reviewers and critics to help them write opinion pieces and generate publicity for the newly released movie. Screeners are widely available on the Internet through many popular file sharing websites and programs like BitTorrent.