

Statement of the Commissioner

On November 12, 2019, former Houston Astros player Mike Fiers publicly alleged in an article published by Ken Rosenthal and Evan Drellich of *The Athletic* that the Astros had engaged in sign-stealing methods in 2017 that violated MLB's rules. The allegations in the article created significant concern among many of our fans and other MLB Clubs regarding the adherence to our rules by those participating in our games, and the principles of sportsmanship and fair competition. As I have previously stated, I treat these allegations with the utmost seriousness, and I instructed our Department of Investigations ("DOI") to conduct a thorough investigation. I believe transparency with our fans and our Clubs regarding what occurred is extremely important, and this report is my attempt to achieve that objective. At the outset, I also can say our investigation revealed absolutely no evidence that Jim Crane, the owner of the Astros, was aware of any of the conduct described in this report. Crane is extraordinarily troubled and upset by the conduct of members of his organization, fully supported my investigation, and provided unfettered access to any and all information requested.

The investigation was led by Bryan Seeley and Moira Weinberg of the DOI, who both have substantial experience investigating baseball operations matters. The investigation covered the period from 2016 through the present. During the investigation, the DOI interviewed 68 witnesses, including 23 current and former Astros players. Some witnesses were interviewed multiple times. The DOI also reviewed tens of thousands of emails, Slack communications, text messages, video clips, and photographs. The Astros fully cooperated with the investigation, producing all requested electronic communications and making all requested employees available for interviews. Upon request, certain Astros employees provided their cellular telephones to be imaged and searched. I afforded the Astros and their employees the opportunity to submit evidence relevant to this matter and present any arguments to me and my staff.

I write now to explain the findings of the investigation, and the basis for my decision to discipline the Astros and certain individuals.

Factual Findings

I. Rules Violations in the 2017 Season

At the beginning of the 2017 season, employees in the Astros' video replay review room began using the live game feed from the center field camera to attempt to decode and transmit opposing teams' sign sequences (*i.e.*, which sign flashed by the catcher is the actual sign) for use when an Astros runner was on second base. Once the sign sequence was decoded, a player in the video replay review room would act as a "runner" to relay the information to the dugout, and a person in the dugout would notify the players in the dugout or signal the sign sequence to the runner on second base, who in turn would decipher the catcher's sign and signal to the batter from second base. Early in the season, Alex Cora, the Astros' Bench Coach, began to call the replay review room on the replay phone to obtain the sign information. On at least some occasions, the employees in the replay review room communicated the sign sequence information by text message, which was received

on the smart watch of a staff member on the bench, or in other cases on a cell phone stored nearby.

Approximately two months into the 2017 season, a group of players, including Carlos Beltrán, discussed that the team could improve on decoding opposing teams' signs and communicating the signs to the batter. Cora arranged for a video room technician to install a monitor displaying the center field camera feed immediately outside of the Astros' dugout. (The center field camera was primarily used for player development purposes and was allowed under MLB rules at the time when used for that purpose.) Witnesses have provided largely consistent accounts of how the monitor was utilized. One or more players watched the live feed of the center field camera on the monitor, and after decoding the sign, a player would bang a nearby trash can with a bat to communicate the upcoming pitch type to the batter. (Witnesses explained that they initially experimented with communicating sign information by clapping, whistling, or yelling, but that they eventually determined that banging a trash can was the preferred method of communication.) Players occasionally also used a massage gun to bang the trash can. Generally, one or two bangs corresponded to certain off-speed pitches, while no bang corresponded to a fastball.

Witnesses consistently describe this new scheme as player-driven, and with the exception of Cora, non-player staff, including individuals in the video replay review room, had no involvement in the banging scheme. However, witnesses made clear that everyone proximate to the Astros' dugout presumptively heard or saw the banging. In addition to players using the monitor installed near the dugout to decode signs, employees in the Astros' replay review room continued to decode sign sequences using the monitors in the room and communicate those sequences to the dugout for use when a runner was on second base. Both methods of sign stealing were used by the team in parallel throughout the 2017 season.

In August 2017, the Boston Red Sox were caught transmitting sign information from their replay review room to individuals in the dugout wearing smart watches. The incident received significant media attention, and I issued a press release on September 15, 2017 announcing the fine of the Red Sox (and a fine of the New York Yankees for improperly using the replay review room phone) that stated in relevant part:

At the outset, it is important to understand that the attempt to decode signs being used by an opposing catcher is not a violation of any Major League Baseball Rule or Regulation. Major League Baseball Regulations do, however, prohibit the use of electronic equipment during games and state that no such equipment "may be used for the purpose of stealing signs or conveying information designed to give a Club an advantage." Despite this clear Regulation, the prevalence of technology, especially the technology used in the replay process, has made it increasingly difficult to monitor appropriate and inappropriate uses of electronic equipment. Based on the investigation by my office, I have nonetheless concluded that during the

2017 season the Boston Red Sox violated the Regulation quoted above by sending electronic communications from their video replay room to an athletic trainer in the dugout.

Following the issuance of the press release announcing the results of the Red Sox investigation, I issued a memorandum that same day to all Clubs reiterating the rules regarding the use of electronic equipment to steal signs, and putting all Clubs on notice that future violations would be taken extremely seriously by my office. I specifically stated in the memorandum that the General Manager and Field Manager of Clubs would be held accountable for any violations of the rules in the future. Thus, all Clubs were put on notice as of September 15, 2017 that any use of electronic equipment to steal signs would be dealt with more severely by my office.

Notwithstanding the publicity surrounding the Red Sox incident, and the September 15th memorandum that I sent to all Clubs, the Astros continued to both utilize the replay review room and the monitor located next to the dugout to decode signs for the remainder of the regular season and throughout the Postseason.

II. Rules Violations in Subsequent Seasons

During the 2017-2018 offseason, and following a discussion at the General Managers' Meetings, the Commissioner's Office notified Clubs that the phone connecting the replay review room and the dugout would be monitored to ensure that it was not used for any purpose other than discussing a challenge of a play on the field. In addition, in March 2018, Joe Torre issued a memorandum to all Clubs that expanded upon the prohibition against using electronic equipment to steal signs. The memorandum stated in relevant part:

Major League Baseball Regulation 1-1 prohibits all uniformed personnel, clubhouse staff and equipment staff from using or possessing telephones or similar electronic devices, including any type of walkie-talkies, mobile phones, 'smart watches' (e.g., Apple watches), laptop computers, tablets or other communication devices, in or near the dugout, in the bullpens or on the playing field once batting practice has begun. MLBR 1-1 also prohibits the use of such devices in the clubhouse within 30 minutes of the start of a game. The prohibition includes the use of any electronic equipment that has the capability to receive electronic messages by any person occupying the bench or in the bullpen.

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Electronic equipment, including game feeds in the Club replay room and/or video room, may never be used during a game for the purpose of stealing the opposing team's signs. In this respect, MLBR 1-1 expressly provides that "under no circumstance may electronic equipment or devices be used

for the purpose of stealing signs or conveying other information designed to give a Club a competitive advantage.” **To be clear, the use of any equipment in the clubhouse or in a Club’s replay or video rooms to decode an opposing Club’s signs during the game violates this Regulation.** (Emphasis in original.) Clubs (and Club employees) who are found to have utilized equipment in the replay or video rooms for such purposes during a game will be subject to discipline by the Commissioner’s Office.

Prior to the 2018 season, and with MLB approval, the Astros relocated their replay review system to a video room located much closer to the dugout, as is the case in many ballparks throughout the league. The investigation uncovered no evidence that Astros players utilized the banging scheme in 2018. However, the Astros’ replay review room staff continued, at least for part of the 2018 season, to decode signs using the live center field camera feed, and to transmit the signs to the dugout through in-person communication. At some point during the 2018 season, the Astros stopped using the replay review room to decode signs because the players no longer believed it was effective. The investigation did not reveal any attempt by the Astros to utilize electronic equipment to decode and transmit signs in the 2018 Postseason.

Prior to the 2019 season, the Commissioner’s Office issued a revised policy governing sign stealing, which, among other things, included the placement of individuals retained by the Commissioner’s Office in the Club’s replay review rooms to ensure that no rules violations occurred (a practice that began in the 2018 Postseason). The investigation revealed no violations of the policy by the Astros in the 2019 season or 2019 Postseason.

Other than described above, the investigation did not reveal any other scheme or method utilized by the Astros to decode an opposing Club’s signs from 2016 to the present.

III. Culpability of Astros Players and Employees for Rules Violations

The Astros’ methods in 2017 and 2018 to decode and communicate to the batter an opposing Club’s signs were not an initiative that was planned or directed by the Club’s top baseball operations officials. Rather, the 2017 scheme in which players banged on a trash can was, with the exception of Cora, player-driven and player-executed. The attempt by the Astros’ replay review room staff to decode signs using the center field camera was originated and executed by lower-level baseball operations employees working in conjunction with Astros players and Cora. The efforts involving the replay review room staff were mentioned in at least two emails sent to Luhnow, and there is conflicting evidence about conversations with Luhnow on the topic. Regardless of the level of Luhnow’s actual knowledge, the Astros’ violation of rules in 2017 and 2018 is attributable, in my view, to a failure by the leaders of the baseball operations department and the Field Manager to adequately manage the employees under their supervision, to establish a culture

in which adherence to the rules is ingrained in the fabric of the organization, and to stop bad behavior as soon as it occurred.

The Astros Players. Most of the position players on the 2017 team either received sign information from the banging scheme or participated in the scheme by helping to decode signs or bang on the trash can. Many of the players who were interviewed admitted that they knew the scheme was wrong because it crossed the line from what the player believed was fair competition and/or violated MLB rules. Players stated that if Manager A.J. Hinch told them to stop engaging in the conduct, they would have immediately stopped.

Although the Astros' players did not attempt to hide what they were doing from Hinch or other Astros employees, they were concerned about getting caught by players from other teams. Several players told my investigators that there was a sense of "panic" in the Astros' dugout after White Sox pitcher Danny Farquhar appeared to notice the trash can bangs. Before the game ended, a group of Astros players removed the monitor from the wall in the tunnel and hid it in an office. For the Postseason, a portable monitor was set up on a table to replace the monitor that had been affixed to the wall near the dugout.

Some Astros players told my investigators that they did not believe the sign-stealing scheme was effective, and it was more distracting than useful to hitters. I am neither in a position to evaluate whether the scheme helped Astros hitters (who were unquestionably a very talented group), nor whether it helped the Astros win any games. There are so many factors that impact the outcome of games that addressing that issue would require rank speculation. But for purposes of my decision, regardless of whether the scheme was effective or not, it violated the rules and, at a minimum, created the appearance of unfairness, and for that, it necessitates severe discipline.

I will not assess discipline against individual Astros players. I made the decision in September 2017 that I would hold a Club's General Manager and Field Manager accountable for misconduct of this kind, and I will not depart from that decision. Assessing discipline of players for this type of conduct is both difficult and impractical. It is difficult because virtually all of the Astros' players had some involvement or knowledge of the scheme, and I am not in a position based on the investigative record to determine with any degree of certainty every player who should be held accountable, or their relative degree of culpability. It is impractical given the large number of players involved, and the fact that many of those players now play for other Clubs.

But more importantly, the Club's General Manager and Field Manager are responsible for ensuring that the players both understand the rules and adhere to them. Our office issues a substantial number of detailed rules and procedures to Clubs – many of which, including the sign stealing rules, are not sent directly to players. It is the obligation of the Club, and, in this case, the General Manager and Field Manager, to educate and instruct their players on the rules governing play on the field. Here, because the Club's Bench Coach was an active participant in the scheme, and the Club's Manager was aware

of the scheme and did nothing to stop it, I recognize that some players may have understood that their conduct was not only condoned by the Club, but encouraged by it. This was misconduct committed by the team, and with the exception of the individuals whom I will hold personally accountable, my disciplinary action will be directed at the team.

Jeff Luhnow (General Manager). Luhnow adamantly denies knowledge of both the banging scheme and the efforts by the replay review room staff to decode signs and transmit them to the dugout. The investigation revealed no evidence to suggest that Luhnow was aware of the banging scheme. The investigation also revealed that Luhnow neither devised nor actively directed the efforts of the replay review room staff to decode signs in 2017 or 2018. Although Luhnow denies having any awareness that his replay review room staff was decoding and transmitting signs, there is both documentary and testimonial evidence that indicates Luhnow had some knowledge of those efforts, but he did not give it much attention.

Irrespective of Luhnow's knowledge of his Club's violations of the rules, I will hold him personally accountable for the conduct of his Club. It is the job of the General Manager to be aware of the activities of his staff and players, and to ensure that those activities comport with both standards of conduct set by Club ownership and MLB rules. Despite his knowledge of the Red Sox incident in September 2017, and receipt of both my September 15, 2017 memorandum and Joe Torre's March 2018 memorandum, Luhnow failed to take any adequate steps to ensure that his Club was in compliance with the rules. Luhnow did not forward the memoranda and did not confirm that the players and field staff were in compliance with MLB rules and the memoranda. Had Luhnow taken those steps in September 2017, it is clear to me that the Astros would have ceased both sign-stealing schemes at that time.

Finally, I will make some general observations regarding the Astros' baseball operations department that were gleaned from the 68 interviews my investigators conducted in addition to the nine interviews conducted regarding a separate investigation into former Assistant General Manager Brandon Taubman's conduct during a clubhouse celebration. Like many Clubs with very experienced individuals running their baseball operations departments, Astros owner Jim Crane and his senior executive team spent their energies focused on running the business side of the Club while delegating control and discretion on the baseball side to Luhnow. And it is difficult to question that division of responsibilities in light of the fact that Luhnow is widely considered to be one of the most successful baseball executives of his generation, credited with ushering in the second "analytics" revolution in baseball and rebuilding the Houston Astros into a perennial Postseason contender. But while no one can dispute that Luhnow's baseball operations department is an industry leader in its analytics, it is very clear to me that the culture of the baseball operations department, manifesting itself in the way its employees are treated, its relations with other Clubs, and its relations with the media and external stakeholders, has been very problematic. At least in my view, the baseball operations department's insular culture – one that valued and rewarded results over other considerations, combined with a

staff of individuals who often lacked direction or sufficient oversight, led, at least in part, to the Brandon Taubman incident, the Club's admittedly inappropriate and inaccurate response to that incident, and finally, to an environment that allowed the conduct described in this report to have occurred. The comments in this paragraph relate only to the baseball operations department. This aspect of our investigation did not extend to the business side of the Club that functioned independently of baseball operations.

A.J. Hinch (Field Manager). Hinch neither devised the banging scheme nor participated in it. Hinch told my investigators that he did not support his players decoding signs using the monitor installed near the dugout and banging the trash can, and he believed that the conduct was both wrong and distracting. Hinch attempted to signal his disapproval of the scheme by physically damaging the monitor on two occasions, necessitating its replacement. However, Hinch admits he did not stop it and he did not notify players or Cora that he disapproved of it, even after the Red Sox were disciplined in September 2017. Similarly, he knew of and did not stop the communication of sign information from the replay review room, although he disagreed with this practice as well and specifically voiced his concerns on at least one occasion about the use of the replay phone for this purpose. As the person with responsibility for managing his players and coaches, there simply is no justification for Hinch's failure to act. If Hinch was unsure about how to handle the situation, it was his responsibility to bring the issue to the attention of Luhnow. Hinch expressed much contrition both to me and my investigators for allowing the conduct to continue. Although I appreciate Hinch's remorsefulness, I must hold him accountable for the conduct of his team, particularly since he had full knowledge of the conduct and chose to allow it to continue throughout the 2017 Postseason.

Alex Cora (Bench Coach). Cora was involved in developing both the banging scheme and utilizing the replay review room to decode and transmit signs. Cora participated in both schemes, and through his active participation, implicitly condoned the players' conduct. I will withhold determining the appropriate level of discipline for Cora until after the DOI completes its investigation of the allegations that the Red Sox engaged in impermissible electronic sign stealing in 2018 while Cora was the manager.

Brandon Taubman (former Assistant General Manager). Taubman's employment was terminated by the Astros on October 24, 2019 for his inappropriate conduct toward one or more female reporters at the American League Championship Series post-game celebration. On November 15, 2019, I told Taubman that he would be placed on the ineligible list for that conduct pending completion of this sign-stealing investigation. My investigators interviewed Taubman regarding the sign-stealing allegations, and like Luhnow, Taubman denied knowledge of both the banging scheme and the use of the replay review room to transmit signs. I find it unnecessary to determine Taubman's culpability for the Astros' rules violations because, as described below, I am imposing significant discipline on him for his inappropriate conduct in the clubhouse.

Astros Owner and Chairman Jim Crane. Jim Crane was unaware of any of the violations of MLB rules by his Club. In fact, Crane told Luhnow after the Red Sox discipline was announced that Luhnow should make sure that the Astros did not engage in similar conduct.

Some lower-level Astros employees were aware of the rules violations or participated in the violations at the direction of others. I will defer to the Astros whether the conduct of these more junior employees merits discipline or other remedial action.

Discipline

I find that the conduct of the Astros, and its senior baseball operations executives, merits significant discipline. I base this finding on the fact that the Club's senior baseball operations executives were given express notice in September 2017 that I would hold them accountable for violations of our policies covering sign stealing, and those individuals took no action to ensure that the Club's players and staff complied with those policies during the 2017 Postseason and the 2018 regular season. The conduct described herein has caused fans, players, executives at other MLB Clubs, and members of the media to raise questions about the integrity of games in which the Astros participated. And while it is impossible to determine whether the conduct actually impacted the results on the field, the perception of some that it did causes significant harm to the game.

Astros Team Discipline

1. The Club will forfeit its regular first and second round selections in the 2020 and 2021 First-Year Player Drafts. To the extent that the Club does not have a regular first or second round selection in either of those years by operation of the Basic Agreement or Major League Rules, the Club shall forfeit the applicable selection in the next First-Year Player Draft in which it possesses such selection. For the purpose of clarity, the Club will forfeit two regular first round selections and two regular second round selections in total. The forfeited draft selections will be removed from the selection order and all other selections will move up.
2. The Club will pay to my office a fine of \$5 million, which is the highest allowable fine under the Major League Constitution.

Individual Discipline

1. Jeff Luhnow shall be suspended without pay for the period beginning on January 13, 2020 and ending on the day following the completion of the 2020 World Series. During the period of his suspension, Luhnow is prohibited from performing any services for or conducting any business on behalf of the Astros or any other Major League Club. Luhnow must not be present in any Major League, Minor League, or Spring Training facilities, including stadiums, and he may not travel with or on

behalf of the Club. During the period of his suspension, my office will discuss with Luhnow an appropriate program of management/leadership training to ensure that no incidents of the type described in this report occur in the future. If Luhnow is found to engage in any future material violations of the Major League Rules, he will be placed on the permanently ineligible list.

2. A.J. Hinch shall be suspended without pay for the period beginning on January 13, 2020 and ending on the day following the completion of the 2020 World Series. During the period of his suspension, Hinch is prohibited from performing any services for or conducting any business on behalf of the Astros or any other Major League Club. Hinch must not be present in any Major League, Minor League, or Spring Training facilities, including stadiums, and he may not travel with or on behalf of the Club. If Hinch is found to engage in any future material violations of the Major League Rules, he will be placed on the permanently ineligible list.
3. Based on his inappropriate conduct in the clubhouse on October 19, 2019, Brandon Taubman shall be ineligible to perform services on behalf of any Major League Club, either as an employee or independent contractor, through the day following the completion of the 2020 World Series, at which time he will be eligible to apply to me for reinstatement. If Taubman is found to engage in any future material violations of the Major League Rules, he will be placed on the permanently ineligible list.

Dated: January 13, 2020

Robert D. Manfred, Jr.
Commissioner of Baseball