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Cybersecurity-Corporate Espionage

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Cybersecurity: Corporate Espionage

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Corporate Espionage

Description of Corporate Espionage

- ◆ The three types of business information that are most valuable to corporate espionage criminals are trade secrets (which take the form of proprietary code, designs, product lines, chemical recipes, etc.); customer information; and financial data that can help undercut prices or find out about potential acquisitions.
- ◆ The reason for the current increased risk of corporate espionage is due to the following: corporate data is stored in “the cloud”; globalization; interconnectivity and networking; and employee movement both within the company and working remotely
- ◆ Typically trade secrets (intellectual property) are stolen by an insider for a foreign state or for him/herself

Resources:

Stealing chemical recipe from Dupont video:

<https://www.youtube.com/watch?v=nwvwhM54uus>

Article about Dupont’s corporate espionage case:

<https://www.bloomberg.com/features/2016-stealing-dupont-white/>

Corporate Espionage Tools video:

<https://www.youtube.com/watch?v=8b9fYVG1FuY>

A list of cases of Corporate Espionage

<http://tsi.brooklaw.edu/category/legal-basis-trade-secret-claims/economic-espionage-act>

Case of Hilton executives stealing documents relating to Starwood Brand

<https://dealbook.nytimes.com/2010/12/22/hilton-and-starwood-settle-dispute/>

Students work in teams and analyze a case about corporate espionage by answering the following questions in a presentation

Questions

1. Identify and describe the federal law used to criminally prosecute corporate espionage
2. Identify the federal and state (NY not included) law that can be used by a company to obtain civil relief and describe the kind of relief they can obtain (Relief-what the company seeks by suing the criminal)
3. Explain how a cell phone, water bottle and thermostat can be used to steal company secrets
4. Name four ways that companies can protect themselves from corporate espionage
5. Why is corporate espionage on the rise? Identify at least 5 reasons
6. Name two countries which commit the most corporate espionage?
7. Why do companies fail to report corporate espionage?
8. Describe the US federal law was enacted to encourage reporting by industry of corporate theft?
9. Describe the Hilton/Starwood case and their civil settlement provided to Starwood?

Students work in teams and analyze the Dupont corporate espionage case by answering the following questions in a presentation

Questions:

1. What did Walter Kiew steal?
 2. Why so most trade secret thefts go unreported?
 3. How did Dupont discover this corporate espionage?
 4. Identify the directive of the Chinese state council that was the origin of this corporate espionage and describe how Kiew envisioned fulfilling it?
 5. Why did Tim Spitler and Robert Maegerle help Liew obtain stolen corporate documents?
 6. Using the documents and information that Liew had illegally obtained, describe how Liew's developed a relationship with Pangang Corporation and describe what he proposed to Pangang?
 7. How did Dupont find out that Liew had stolen its white formula and production?
 8. Which crimes were Liew and Maegerle charged with committing?
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