

FBI Reports: Spies Cost US \$2B Monthly

By Del Jones, USA Today

WASHINGTON - Former FBI Director Louis Freeh said that U.S. companies are under economic attack from 23 countries trying to steal trade secrets and other intellectual property in the most severe threat to national security since the Cold War. Dave McCurdy, former congressman and chairman of the House Intelligence committee, says that the 23 include only industrialized countries. Of 173 countries, 100 are waging economic espionage, he says. "The question is not who steals, it's who doesn't steal."

Even governments of U.S. allies look the other way, or even sponsor the espionage, they say. Seeing the USA thriving in an economically troubled world, they fear falling behind in technology and efficiency. Theft is seen as necessary to level the playing field.

Freeh says foreigners are using the same techniques employed in the past to steal military secrets, such as bribing current and former employees of infiltrating with spies who pose as employees.

In an economy starving for technology workers, U.S. companies increasingly report that employees quit, and within months competing products are being manufactured abroad with no investment in research and development.

Executives are also being warned that hotel rooms and first class sections of foreign airlines are being bugged. Often luggage is secretly searched at airports. Laptop computers are stolen.

Companies are also vulnerable through their computer systems. Jeffery Moss, a 28-year-old hacker nicknamed "Dark Tangent" has been hired by hundreds of companies to see if he can infiltrate their computer systems. He has been unsuccessful only once.

Anyone with about \$5,000.00 can buy equipment to intercept and tape every conversation to and from a cell phone number, says Moss, who doesn't respond to email unless it's encrypted. Laws only lull executives into thinking they have privacy. They don't stop espionage, Moss says.

The FBI and the U.S. Chamber of Commerce announced an initiative Tuesday to work together to coordinate a campaign of education and enforcement.

They say U.S. companies lose about \$2 billion a month to corporate espionage. But that's a loose estimate. About 95% of losses either go undetected or are hushed up by companies that don't want customers to know of their vulnerability or fear they may be forced to reveal even more information in the discovery phase of a criminal action. Its time to bring the activity out of the shadows", says Chamber President Thomas Donohue.