

International Theft of Trade Secret:



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OVERVIEW

THE LAW

BACKGROUND

THE CRIME

UNDERCOVER OPERATION

RESOLUTION / ISSUES

OVERVIEW



THE LAW



BACKGROUND



THE CRIME



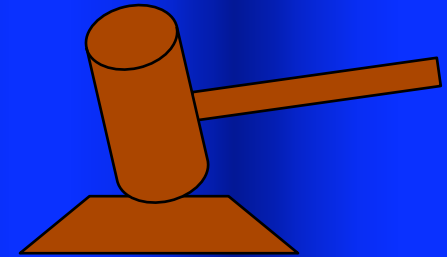
UNDERCOVER OPERATION



RESOLUTION / ISSUES



Economic Espionage Act



 **Put into law in 1996**

 **Economic Espionage**

Title 18 Section 1831

• **Penalty of up to 15 years in prison**

 **Theft of Trade Secrets**

Title 18 Section 1832

• **Penalty of up to 10 years in prison**

 **Provides for fines and forfeiture of property obtained as a result of the theft**

Secret

Confidential

Trade Secret



What's covered: All forms and types of financial, business, scientific, technical, economic or engineering information.



Elements: A) must take reasonable measures to keep such information safe and

B) information must derive independent economic value by being kept secret.

Indian Law



"There is no specific law in India that protects trade secrets and confidential information."

Common Law:

**Breach of Contractual Obligation
Civil Remedy Only**

release

- ➔ **injunction to prevent**
- ➔ **return of trade secret**
- ➔ **compensation for**

losses

Background

❁ **What is source code?**

Hint: Trade Secret!

❁ **SolidWorks 2001 Plus**

\$60 Million in sales

\$85 Million to create

❁ **Outsource Programming**



❁ **Geometric Software Solutions Limited**



Good Security

Non-Disclosure Agreement

The Crime

- Steal Source Code
- Research Competitors
- Establish Alias
- Solicit Competitors via e-mail
- Under estimate ethics of US Company



Undercover Operation



☼ **Notify FBI Legal Attache in India**

☼ **Obtain cooperation of India CBI**

FIRST FBI UCO IN INDIA



☼ **Obtain approval for Undercover Operation from God on down...**

☼ **Establish Agent as Solid Concepts Contactor**

☼ **Victim company assistance**

Once in India...



- ❁ **Spend a lot, and I do mean a lot, of quality time at the CBI**
- ❁ **Establish communications with subject**
- ❁ **Money wired to Verma's Bank**
- ❁ **Meeting with Verma confirmed**

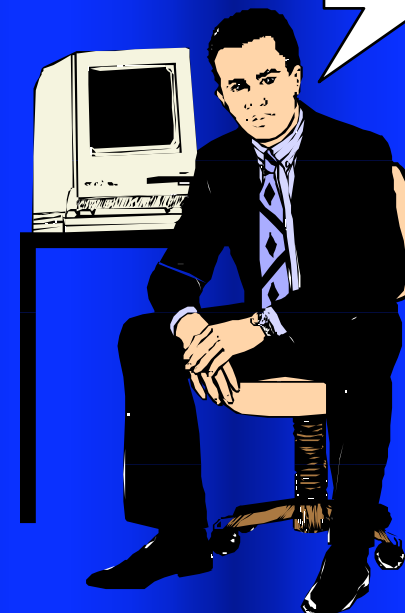


Who is this guy?

- ❁ **Shekhar Verma**
- ❁ **Former GSSL programmer**
- ❁ **Fired for for poor performance**
- ❁ **Master's Student**
- ❁ **Brother is a high ranking Police Official**
- ❁ **27 years old and married to a Doctor**



Insiders
are the
most
dangerous
criminals.



The Meeting



- ❁ **CBI wires room for audio and video**
- ❁ **Meet Independent Observers**
- ❁ **Wait in hotel lobby (what are the odds)**
- ❁ **Meeting commences (Complete with compiling and acknowledgement of wrong doing)**
- ❁ **Verma is arrested**



Resolution and Issues



- ❁ **Verma was charged with Theft and Criminal Breach of Trust**
- ❁ **Search Warrant executed and CD's retrieved**
- ❁ **He is currently on trial**
- ❁ **Extraditable Offense**
- ❁ **Many issues to deal with related to witness statements and international investigations**
- ❁ **Global Business**





And lastly...

☀ **I did get to see...**

