International Theft of Trade Secret:

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OVERVIEW

THE LAW

BACKGROUND

THE CRIME

UNDERCOVER OPERATION

RESOLUTION / ISSUES
Economic Espionage Act

- Put into law in 1996
- Economic Espionage
  - Penalty of up to 15 years in prison
- Theft of Trade Secrets
  - Penalty of up to 10 years in prison
- Provides for fines and forfeiture of property obtained as a result of the theft

Title 18 Section 1831
Title 18 Section 1832
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.
There is no specific law in India that protects trade secrets and confidential information.

Common Law:
Breach of Contractual Obligation
Civil Remedy Only

injunction to prevent release
return of trade secret
compensation for losses
Background

What is source code?

SolidWorks 2001 Plus

Outsource Programming

Geometric Software Solutions Limited

Hint: Trade Secret!

$60 Million in sales

$85 Million to create

Good Security

Non-Disclosure Agreement

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The Crime

- Steal Source Code
- Research Competitors
- Establish Alias
- Solicit Competitors via e-mail
- Underestimate 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

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Who is this guy?

- Shekhar Verma
- Former GSSL programmer
- Fired 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...

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