



---

## Protect Your Trade Secrets

---

The Economic Espionage Act (EEA) of 1996 was passed by Congress, at the urging of the FBI. Economic Espionage is defined as “knowing theft, misappropriation, or illegal obtaining or conversion of trade secrets by any person or group.” The EEA now makes economic espionage a federal offense with stiff prison sentences and fines up to \$10 million.

Most companies are unaware of their need to obtain professional help in actively safeguarding their assets. All companies are at risk regardless of the industry they are in. Medium-size companies with a large amount of competitors are at the most risk of having an incident occur. Reports of companies that have had trade secrets stolen are not always made public. The main reason for this is that they are trying to avoid the public scrutiny as well as negative shareholder reaction. Because of this reason, it is not possible to accurately quantify losses from US companies, but most experts estimate it to be around a billion dollars annually.

Per the Association of Certified Fraud Examiners, there are a few recommended measures that companies can take in order to lessen the risk of this occurring.

- 1) Recognize Economic Espionage as a real threat.
- 2) Identify and value trade secrets
- 3) Implement a definitive plan for safeguarding trade secrets.
- 4) Secure physical trade secrets.
- 5) Confine intellectual knowledge.
- 6) Provide ongoing security training to employees.

Economic Espionage is real. It can occur from the inside or out. As a result of current communications technology, these acts can occur across the globe as easily as within your own company. **Be aware of any disgruntled employees that may have access to highly sensitive information. Also be aware of any threats regardless of the perceived relevance. Take the steps to identify and protect any of your pertinent trade secrets.**

---

**Author:**

Mike Viren, GBQ Consulting LLC