

ESPIONAGE IS THE REAL THING, COKE LEARNS

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BACKGROUND CHECKS, fingerprint scans and government-trained security agents manning the doors - welcome to Corporate America 2006.

Roughly \$60 billion a year is lost to industrial espionage because all it takes is one successful spy to alter the fate of a company or even an industry, security experts told the Daily News.

"Something like 70% of a company's value is tied up in proprietary information, and it's also where a company is at its most vulnerable," said John Villines, an Atlanta-based security consultant. "Today, if we had a threat level assigned to this problem, it would be 'red.' "

Last week's arrests of a 28-year-old Bronx man and two alleged accomplices - including an administrator at Coca-Cola - for trying to sell the soft-drink giant's secrets to Pepsi underscored the risks that even the most successful companies face.

In the Coke case, Ibrahim Dimson allegedly convinced one of his accomplices to stash secret documents in a Girl Scout cookie box. They then requested \$1.5 million from PepsiCo to see the confidential files, authorities said. Rather than pay, Pepsi executives called the FBI.

Unlike Dimson, the accused thieves are not always caught.

In February 2005, hackers stole the personal information of 145,000 customers at ChoicePoint, a major supplier of ID and credit verification services. The theft caused ChoicePoint to lose business and pay \$26.4 million in fines and legal fees.

"Espionage is an ever-present problem," Villines said. "And it's not just people hacking in, but current employees, former employees, contractors and vendors who pose the biggest risk."

To prevent a mole from leaking information, consultants urge corporations to set up elaborate background checks that include thorough interviews with former employers.

"Corporations should profile their employees to determine who could be the biggest threat," said James Dallas, president of Dallas Security Investigations, based near Philadelphia. Impressive physical security is encouraged. "If we're talking a formula, like in the Coke case, that is the lifeblood of a company; it must be handled like a piece of gold," Dallas said. "It must be locked in a safe place - or better yet divided into pieces and put in several safe places."

Some companies even hire teams of experts, usually ex-FBI agents, to act as "sneakers" who try to steal the company's own information or assets as the ultimate test of the corporation's defenses.

"No measure is too drastic," Villines said. "The bad guys keep adapting and companies need to, too."

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