Counter-Industrial Espionage for Space Entrepreneurs

Keeping your company's industrial edge in a global environment

Planehook Aviation Services, LLC

Securing aviation one airport at a time

Overview

- Who is this guy?
- Why focus on space entrepreneurs?
- What is the difference between competitive business intelligence and industrial espionage?
- What can you do to protect your business from Industrial Espionage?
- What Counter-Industrial Espionage programs can you initiate right now?
- What are the biggest challenges?
- Questions & Answers

Chat Room “Rules of Engagement”

- It will be recorded for the benefit of those who couldn’t make it today.
- Please be professional and kind
- Reveal only what you want the whole world to know

Who is this guy?

Dave Hook

- USAFA Graduate (Astro Engineering)
- Webster Graduate (Acquisition & Procurement Mgt)
- 20+ years in US Air Force as pilot
  - US Air Attaché to West Africa
  - USAF Special Ops Air Commando
- ASIS Int'l Physical Security Professional
- AAAE Airport Security Coordinator
- FBI *InfraGard* member
- ***IASE Member***

Why focus on space entrepreneurs?

- "Dual-Use" Military Technologies…high profitability
- The ***U.S. Military Critical Technologies List*** as a tool for deciding what technologies need protection
  - Information Systems
  - **Aeronautics Systems**
  - **Sensor & Laser Technology**
  - Electronics Armaments and **Energetic Materials**
  - Marine Systems
  - **Space Systems**

Why focus on space entrepreneurs?

- 2002 Proprietary Information Loss*: $53 billion/year
- 2005 Estimate of Information Loss**: $300 billion/year
- Survey of Trade Secret Theft*…most common targets
  - Business volume and [client] preferences
  - New product information
  - Financial data
  - Manufacturing process information

*American Society of Industrial Security (ASIS) International, ***2002 Survey—Loss of Proprietary Information***

Ira Winkler, ***Spies Among Us* (Wiley, 2005)

What is the difference between competitive business intelligence and industrial espionage?

- Competitive business intelligence
  - Legal
  - Actions that “you” take
    - Sale of product or services and reverse engineering
    - Elicitation
    - Joint or international ventures
    - Open source information
    - Hiring away of employees

What is the difference between competitive business intelligence and industrial espionage?

- Industrial espionage
  - Illegal
  - Defined by US Law
    - Economic Espionage Act of 1996
    - 18 USC 1832

"Whoever steals, or without authorization, appropriates, sketches…receives, buys, communicates or conspires with one or more persons…."

Occurs when a trade secret is acquired for economic benefit of someone other than the owner of the trade secret

  - Actions that "others" take
    - Traditional "insider" operations
    - Technical "insider" operations
    - "Outsider" operations

What is the difference between competitive business intelligence and industrial espionage?

If an industrial spy were an Ice Cream Flavor…

…they would be VANILLA

- Goes with just about anything
- Can become just about anything
- Is accepted by just about everyone

The UNIVERSAL FLAVOR

…makes the best INSIDER or PENETRATOR

What is the difference between competitive business intelligence and industrial espionage?

Common Characteristics of an Industrial Spy:

- They always appear polite
- They don’t dress extravagantly or “over the top”
- They don’t gossip or hang around break areas
- They don’t talk about their love life or after-hours activities
- They don’t socialize with or date coworkers
- They don’t ask probing personal questions about others
- They avoid arguments or discussions dealing with sports, religion, politics, & sex

AND THEY ARE VERY GOOD AT THEIR JOB

What can you do to protect your business from industrial espionage?

> *"Our message is: There's risk here. You could be giving away the future. The threat's in-house."*
>
> Special Agent Thomas Mahlik
> Chief of FBI's Domain Program

- The first step:

  Admit that it can happen to you.

- The second step

  Admit that everyone is human

  …even your most trusted employee

What can you do to protect your business from industrial espionage?

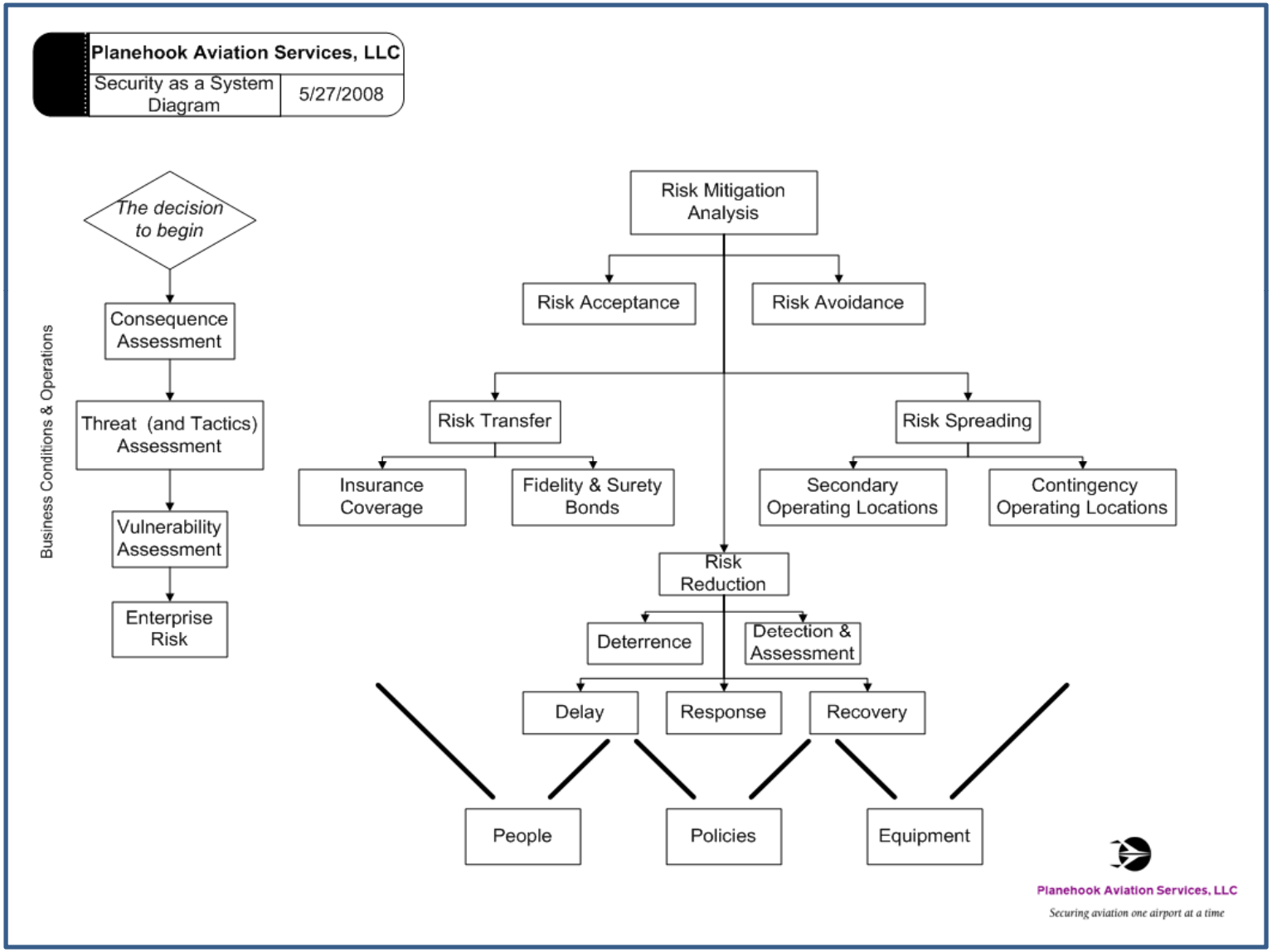
- The next set of steps:

- *Empower your security manager to establish a "counter-insider" program*
- *Educate your employees, vendors, and service providers*
- *Have company senior leadership publicly embrace the program*
- *Enforce the program regardless of position*
- *Audit the compliance of personnel*
- *Monitor the performance of the program*

What can you do to protect your business from industrial espionage?

- Security Programs
  - Must be a business enabler, not a programmatic money pit
  - Must be able to show a Return-on-Investment (ROI)
- Examine your security program against your business plan's SWOT chart because it should show
  - Enhances **S**trengths
  - Mitigates **W**eaknesses
  - Increases **O**pportunities, and
  - Manages **T**hreats

What can you do to protect your business from industrial espionage?



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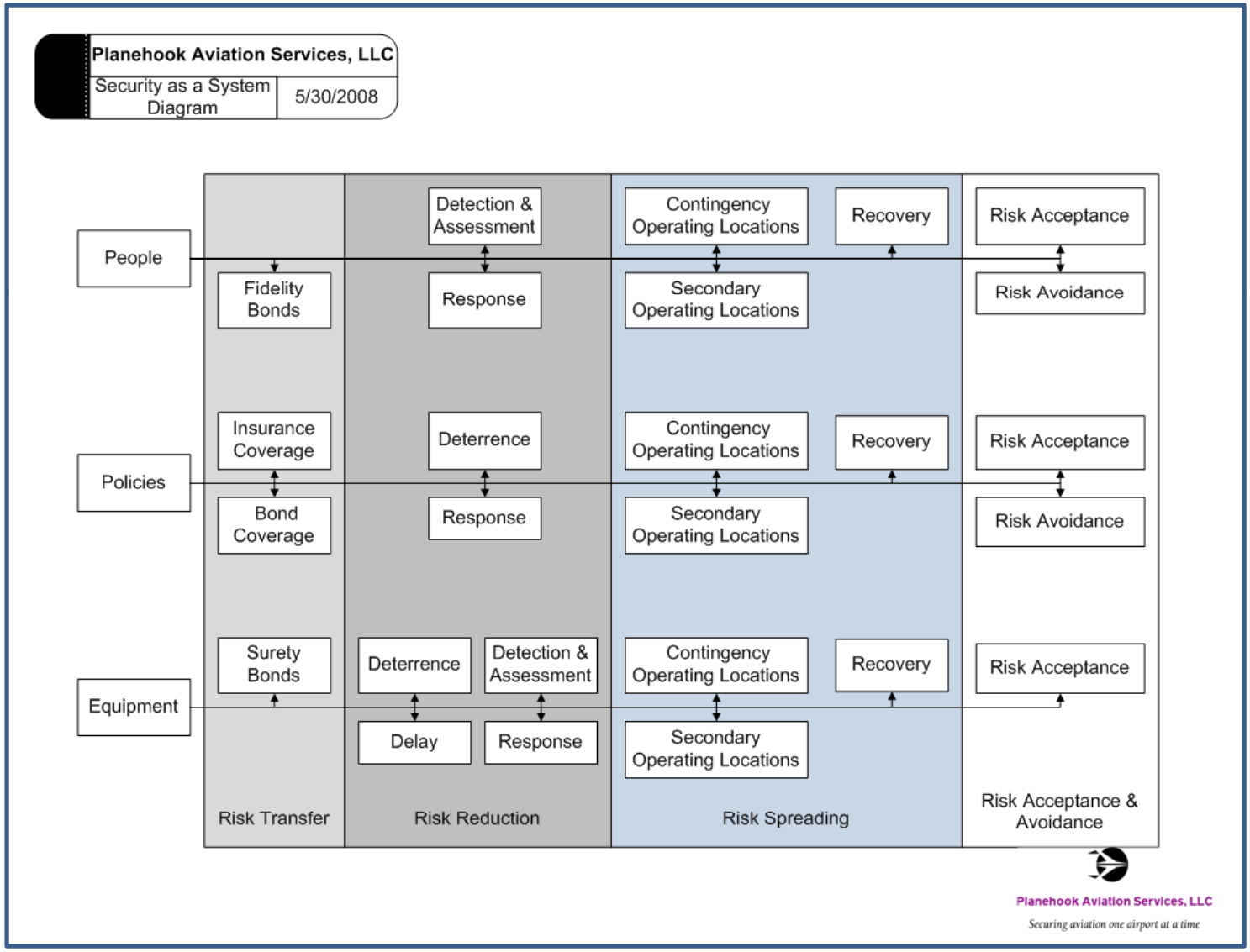

What Counter-Industrial Espionage programs can you initiate right now?

- Counter-Break In

"Take away the low hanging fruit"

  - Clean Desk Policy at Close of Business
  - "Clean" Computer Policy at Close of Business
  - Key and Access Media Audit Program
  - 100% Paper and CD Shred Policy
  - Lock all lockable doors and file cabinets at Close of Business

What Counter-Industrial Espionage programs can you initiate right now?

- Counter-Insider

Removing their small operational actions hidden within their large non-threatening movements

  - "Visitor" Escort
  - Guest "off-site" meetings
  - No "unannounced or no-notice" meetings with outsiders (clients or otherwise)
  - Only authorized personnel to send attachments via e-mail, faxes and mail
  - Designate a clearance authority for all briefing slides and e-documents (decompose and check)

What Counter-Industrial Espionage programs can you initiate right now?

- Counter-Outsider

> *What enables the wise and good leader to win and achieve victory beyond the ordinary is foreknowledge (intelligence).*
>
> *Knowledge of the opponent's disposition can only be obtained from other people (their workers).*
>
> *Be subtle and use your spies for every kind of business*
>
> Section 13, The Use of Spies
> Sun Tzu's ***The Art of War***

  - Never accept last-minute personnel substitutions for meetings involving any sensitive and/or proprietary information
  - Always validate identities by checking photo IDs
  - Always contact outsider's parent company to ensure that the person in front of you is the person they sent

What are the biggest challenges?

- Admitting that it can happen to you
- Admitting that everyone is human…even your most trusted employee
- Getting senior leadership buy-in
- Challenging and changing corporate culture

Questions & Answers

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