commercial purposes. Corporate espionage targets a public or private organization to determine its activities and to obtain market-sensitive information such as client lists, supplier agreements, personnel records, research documents, and prototype plans for a new product or service. This information, if leaked to competitors, can adversely affect the business and market competitiveness of the organization.

It is widely believed that corporate espionage is a high-tech crime committed by highly skilled persons. On the contrary, corporate penetration is accomplished with simple and preventable methods. Corporate spies do not depend on computer networks alone for information; they look for the easiest ways to gather information. Even trash bins and scrap bits of papers can be of great help in collecting sensitive information. Spies look for areas that are generally ignored. For example, they take advantage of people’s negligence, such as forgetting to close doors or leaving scrap or waste paper around that contains sensitive information.

Market research and surveys show the severity of corporate espionage. According to the FBI and other similar market research organizations, U.S. companies lose anywhere from $24 billion to $100 billion annually due to industrial espionage and trade secret thefts, whereas technical vulnerabilities are responsible for just 20% or less of all losses.

Motives Behind Spying

The motives behind spying include the following:

- **Financial gain**: The main purpose of corporate espionage is financial gain. Any company’s trade secrets can be sold for millions of dollars. Competitors can use the stolen information to leverage their market position and obtain great financial benefits.

- **Professional hostilities**: Professional hostilities are also a result of market competition. Competitors often resort to negative publicity of an organization’s issues, which otherwise may have been kept secret and sorted out in time. There have been many instances when a rival company has disclosed secret information collected through corporate espionage of an organization, resulting in plummeting stocks and drastic decrease in market capitalization.

- **Challenge and curiosity**: People sometimes indulge in corporate espionage just for fun and to test their skills. Students of security programs and researchers often try to reenact corporate espionage. Though not disastrous, it compromises corporate information security.

- **Personal relations**: Many times, a corporate spy is motivated by personal or nonideological hostility toward the country or organization. Personal hostilities of disgruntled employees and job seekers toward an organization play a major role in almost all corporate espionage cases. The offenders reveal important, sensitive information to others out of spite.

Information That Corporate Spies Seek

The following are some of the types of information that corporate spies seek:

- Marketing and new product plans
- Source code of software applications: It can be used to develop a similar application by a competitor or to design a software attack to bring down the original application, thus causing financial losses to the original developer.
- Corporate strategies
- Target markets and prospect information
- Business methods
- Product designs, research, and costs: Huge investments will be in vain if the product design and related research is stolen, because the competitor can also develop the same product and offer it for less.
- Alliance and contract arrangements: delivery, pricing, and terms
- Customer and supplier information
- Staffing, operations, and wages or salaries
- Credit records or credit union account information