

Document 1640

[21640001]

Electronic theft by foreign and industrial spies and disgruntled employees is costing U.S. companies billions and eroding their international competitive advantage .

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[21640002]

That was the message delivered by government and private security experts at an all-day conference on corporate electronic espionage .

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[21640004]

It " may well be " that theft of business data is " as serious a strategic threat to national security " as it is a threat to the survival of victimized U.S. firms .

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said Michelle Van Cleave , the White House 's assistant director for National Security Affairs .

[21640005]

The conference was jointly sponsored by the New York Institute of Technology School of Management and the Armed Forces Communications and Electronics Association , a joint industry-government trade group .

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[21640006]

Any secret can be pirated , the experts said , if it is transmitted over the air .

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[21640009]

" You can have a dozen competitors stealing your secrets at the same time , " Mr. Matchett said , adding : " It 's a pretty good bet they wo n't get caught . "

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[21640010]

The only way to catch an electronic thief , he said , is to set him up with erroneous information .

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[21640011]

Even though electronic espionage may cost U.S. firms billions of dollars a year , most are n't yet taking precautions , the experts said .

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[21640012]

By contrast , European firms will spend \$ 150 million this year on electronic security , and are expected to spend \$ 1 billion by 1992 .

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[21640013]

