

Engineer Accused of Using Sophisticated Techniques to Misappropriate Trade Secrets

AUGUST 15, 2018

Federal prosecutors in New York charged an engineer of a power company with violating the Defend Trade Secrets Act (DTSA) by using elaborate and sophisticated means to steal trade secrets that relate to computations for sealing and optimizing turbines.

According to the criminal complaint, the engineer used “steganography,” which is a process that allows data to be concealed in another file, to hide confidential files within the code of an innocuous-looking photograph of a sunset. The engineer then attached the image containing the company’s trade secrets to an email that he sent from his work email account to his personal account. The company was able to detect this conduct because it had started monitoring the engineer’s electronic conduct after discovering that the engineer used software not utilized by the company to encrypt and then save approximately 400 files on his computer, which was inconsistent with his job activities.

The sworn affidavit supporting the charges also noted that the engineer holds positions at two Chinese businesses, one of which was developing turbine sealing technology and could be a competitor of the power company.

TIP: Companies should be aware that even innocent-looking emails and attachments may be used to steal confidential information, and without mechanisms to monitor or be alerted of suspicious behavior, such behavior may go undetected.

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