



THE INTERNAL THREAT



TOP PERFORMER TURNED SPY

When a \$3 billion industrial components supplier started losing substantial business and long-term clients to a competitor, who had lured away a top employee, SpearTip was engaged to investigate the possibility of criminal corporate espionage.

Two years prior to contacting SpearTip, the industrial components supplier had lost one of their top performers, who took a lucrative position with a competitor. While small pieces of business will often follow an employee to a new job, the components supplier was noticing a consistent pattern of losing sales to the former employee's new company. Additionally, the former employee was launching a new division of his new employer's operations directly targeting the components company's markets and clients.

Our operatives here at SpearTip recognized the pattern immediately and began investigating the subject's old company computer, communications with current employees and more. What we discovered was a calculated case of corporate espionage and conspiracy.

The former employee stole classified information before leaving the components supplier. He then used the data to gain an unfair advantage in the marketplace, while also using the components supplier's client list and sales data for his new company. To further his cause, the former employee had recruited a current employee of the component supplier to supply him with information in return for the promise of a lucrative new job.

When SpearTip turned up the heat and had the former employee's new computer and laptop subpoenaed and confiscated from his current employer the trail of corporate conspiracy became clear to see.

The two companies, both of which are publicly traded, quickly found themselves embroiled in a potentially costly and potentially damaging court battle. Upon presentation of evidence gathered by SpearTip, the industrial components company's competitor agreed to settle out of court for a sizable, yet undisclosed amount. Additionally, the competitor ceased operations targeting the components company, returned all data and IP, canceled creation of a new company division that would have manufactured components similar to those sold by our client, and terminated the components supplier's former employee.

All actions took place quietly out of court, with no damage to either company's corporate reputation, stock prices, or existing business.

Once again, SpearTip not only confirmed suspicions of wrong-doing, but discovered other threats...all while gathering the necessary data to prove their case and produced the necessary legal documentation for a wronged company to prevail against illegal activity.

(As a matter of privacy and confidentiality, SpearTip never names clients when providing case studies.)