

ECONOMIC ESPIONAGE CASE: Shalin JHAVERI

Name **JHAVERI, Shalin**

Photo



Employer Bristol - Myers Squibb (BMS) Co.
East Syracuse, New York Facility

Dates of Employment November 2007 - February 2010

Employee Type Civilian

Job Title/Duties Technical Operations Associate

Military Rank N/A

Clearance Level None

Spying For Himself

Codename	N/A
Spying Dates	January 2010 - 2 February 2010
Ages when spying	29
Co-conspirators	None
Methodology	<p>Management training program gave JHAVERI access to the company's most sensitive information</p> <p>Sent stolen trade secrets in three attachments to an email to an investor in a pharmaceutical company JHAVERI was starting in India</p> <p>Trade secrets were for producing a drug, "Anti-Human CD137 Monoclonal Antibody," under development to treat a rare and deadly form of skin cancer; drug could be worth millions for Bristol</p> <p>Stole 1,327 standard operating procedures, all of which were confidential</p>
Timeline	<p>From Shalin Jhaveri's Criminal Complaint:</p> <p>22 December 09: JHAVERI'S actions came to the attention of Bristol 45 gigabytes of Bristol information downloaded onto an external hard drive. Information Security Division, BMS, computer forensic analysts made an image of JHAVERI'S work laptop using forensic software.</p> <p>29 December 2009: BMS review of JHAVERI'S laptop image revealed he had planned and was taking steps to start a bio-pharmaceutical company named Cherish Bio Sciences with his father in India.</p> <p>9 January 2010: FBI investigation, developed into a sting operation.</p> <p>11 January 2010: BMS forensic software connected to JHAVEI'S company laptop determined JHAVERI had attached an external hard drive of at least 600 GB and he had downloaded at least 45 GB of BMS info to that external hard drive</p> <p>15 January 2010: BMS forensic software, including key stroke monitoring, determined JHAVERI had received an email from an individual in India with an attachment concerning a business plan model for what appeared to be cell culture products</p>

26 January 2010: BMS forensics analyst determined that on evening of 26 Jan 2010, between 6 p.m. and 7:45 p.m. JHAVERI made additional downloads onto the external hard drive

Analysis determined he was moving info from BMS server to a "My Documents" folder on his company laptop, then deleting the "My Documents" folder on the laptop after transferring content to his external hard drive

27 January 2010: Again during the evening hours, 6 p.m. to 10 p.m., JHAVERI downloaded BMS SOPs to his external hard drive (BMS forensics monitored this activity)

25 January 2010: JHAVERI telephoned a person he believed to be interested in helping finance a pharmaceutical company in India, whom JHAVERI knew not to be associate in any way with BMS. JHAVERI advised this person about a gmail account with password where he had attached 3 documents

JHAVERI in answering questions revealed he had 4 GMs worth of documents

This person requested a list of documents; JHAVERI replied he had it done in an EXCEL spreadsheet and send via a new email the following day

This person later opened the email and found the 3 documents each labeled "BMS Confidential and Proprietary"

26 January 2010: This person opened gmail account and found new email with attached EXCEL spreadsheet from JHAVERI: list of 1327 BMS SOPs JHAVERI had taken from BMS

27 January 2010: Michael Hausladen, Associate Director of Manufacturing Support and Pilot Plant, BMS, and JHAVERI'S immediate supervisor reviewed the three documents attached to above described email and prepared a report describing significance to BMS.

Hausladen told FBI there was no conceivable or legitimate reason for JHAVERI to send in any fashion these documents outside BMS and was a violation of BMS policy

1 February 2010: BMS forensics analyst determined attachments made to gmail accounts did not come from BMS computer systems, confirming JHAVERI had access to and apparently used another computer outside BMS computer network

2 February 2010: At approximately 6:15 p.m. the person with whom JHAVERI was having the gmail email exchanges sending the EXCEL list of BMS SOPs and three other confidential BMS documents met JHAVERI in a hotel in Syracuse, NY.

This person advised JHAVERI he had told his father about JHAVERI'S business opportunity in India, and this person's father wanted to meet JHAVERI to review BMS items already provide to this person. JHAVERI came prepared with laptop and external hard drive to show this prospective investor the information he had collected.

Following above meeting, FBI special agent, who legally and surreptitiously monitored the meeting, interviewed JHAVERI. JHAVERI confessed in a sworn statement that he had taken proprietary and confidential BMS documents and should not have shared them with an unauthorized person.

2 February 2010: JHAVERI is arrested.

Possible
Motivations,
Problems

Financial gain; JHAVERI wanted to start his own drug company, Cherish Bio Services, in his native India.

Finances

Identified/
Investigation

December 2009: "Bristol officials started tracking Jhaveri in December after finding on his laptop computer his application to the government of India to start his own company, court records show. Computer specialists found Jhaveri had downloaded 45 gigabytes of information onto an external drive, the records showed."

Source: The Post Standard

FBI Sting

"FBI informant in two secretly tape-recorded conversations that he'd downloaded the secret files and talked about using them to start his own company.

"I would not have left ... without that, because that is the gold mine," Jhaveri told the informant in a Jan. 23 conversation at a Chicago restaurant. The informant asked how he got past the company's security protections.

"Yeah, but see, because I've done so many projects, I get access to all these directories," Jhaveri said in the recorded conversation...

Later in that conversation, Jhaveri told the informant to keep his name out of it. "I don't want to be in the jail, you understand"...In a phone conversation with the informant two days later, Jhaveri again explained that he had nearly unfettered

access at Bristol.

"Basically, if you are an employee at the Syracuse facility, the manufacturing and everything, you get all user access"...

"You really cleaned them out, huh?" the informant asked. Jhaveri laughed."

Source: The Post Standard

Arrest Date/Location	2 February 2010, Syracuse, New York
Charges	COUNT 1: Title 18, United States Code, Section 1832(a)- Theft of trade secrets.
Court	United States District Court, Northern District of New York (Syracuse) Presiding Judge: US District Judge Norman Mordue
Lawyers	Prosecution: Assistant U.S. Attorney Stephen Green, Assistant U.S. Attorney Gregory West Defense: Attorney Robert Radick
Status	5 November 2010: Pled guilty to stealing Bristol Myers Squibb trade secrets February 2011: Sentencing and possible deportation pending; scheduled for March 11 17 February 2001: Sentenced to time served, which was one year. Fined \$5,000 and ordered to forfeit the computer equipment he used to steal the formulas; subsequently deported to India.
Date/Place of Birth	1981, India
Citizenship	India
Residences	East Water Street, Hanover Square, Syracuse, New York
Education	Ph.D. , Chemistry & Chemical Biology, Materials Science & Engineering , 2002 —

2007

Family	Wife
Other Employment	Former graduate research assistant at Cornell University.
Additional Bio	
Documents	Shalin Jhaveri Criminal Complaint (Department of Justice, 3 February 2010) Syracuse Man Charged With Stealing Trade Secrets (DOJ Press Release, 3 February 2010) Shalin Jhaveri Plea Agreement (Department of Justice, 5 November 2010)
Quotes	"I have failed in my most significant purpose of being on this earth, and I am ashamed." - <i>Shalin Jhaveri</i>
Case Links	
Books, Video, Audio	

News

[Ex-Bristol worker arrested carrying company secrets as well as business plan, Web site for competing business](#)

Until Tuesday, Shalin Jhaveri, who has a Ph.D., was in the management training program at Bristol-Myers Squibb Co. in Syracuse, a position that gave him access to some of the company's more valuable secret processes. On Tuesday night, the 29-year-old Syracuse resident was arrested and faces up to 10 years in jail for stealing company secrets in preparation for starting a competing company in his native India, according to court documents. A criminal complaint filed in U.S. District Court in Syracuse Wednesday shows... (The Post Standard, 3 February 2010)

[FBI: Syracuse man downloaded Bristol-Myers Squibb's process for making cutting-edge cancer drug](#)

Among the trade secrets a Syracuse man took from Bristol-Myers Squibb were steps to produce a multi-million dollar drug under development to treat a deadly form of cancer, FBI agents said. Shalin Jhaveri, 29, was arrested Tuesday after a two-month investigation by the company and the FBI. He was living in

an apartment on East Water Street in Hanover Square. Jhaveri was in a management training program at Bristol's East Syracuse facility, which develops cutting edge drugs known as biologics, federal authorities said. While there, he downloaded confidential procedures for biologics that he e-mailed to a potential business partner in his native India, prosecutors said...(The Post Standard, 5 February 2010)

[BMS's "Information Security Department" Has Spyware for Employee Laptops](#)

Perhaps the most interesting aspect of the case of Shalin Jhaveri — the Bristol Myers Squibb (BMY) management trainee arrested for allegedly stealing 45 gigabytes of confidential biologics info to start his own company in India — is the fact that BMS has an Information Security Department which has forensic software to monitor anything that occurs on employee laptops. The criminal complaint describes how BMS caught Jhaveri: They made an image of his laptop using forensic software and remotely monitored everything he did on it...(BNET, 8 February 2010)

[Defense attorney says accused Bristol-Myers worker victimized by FBI sting](#)

A federal judge is expected to decide today whether to release from jail a man accused of stealing trade secrets from Bristol-Myers Squibb Co. Assistant U.S. Attorney Gregory West argued in a detention hearing Tuesday that Shalin Jhaveri would pose a danger to the community if he's released because he may have access to more stolen computer data that he could send to business partners in his home country of India. West also argued that Jhaveri posed a risk of fleeing the country because he had no ties to the community and might run to avoid prison...(The Post Standard, 16 February 2010)

[United States: DOJ Creates Thirty-Five New Positions to Combat Intellectual Property Crime](#)

On April 26, 2010, the Justice Department announced that it is devoting significant new resources to its ongoing initiative to combat domestic and international intellectual property crimes, including theft of trade secrets, computer hacking, digital piracy, and counterfeit goods. The Department is creating 15 new AUSA positions in the Computer Hacking and Intellectual Property (CHIP) program. They will work closely with the Criminal Division's Computer Crime and Intellectual Property Section (CCIPS) to aggressively pursue high-tech crimes. The new AUSA positions will be located in California, the District of Columbia, Maryland, Massachusetts, Michigan, New Jersey, New York, Pennsylvania, Texas, Virginia, and Washington...(O'Melveny & Myers LLP, 29 April 2010)

[Former Bristol worker admits stealing trade secrets](#)

A former employee of Bristol Myers Squibb Co. admitted this morning that he stole the company's secret formulas so he could start his own drug company in his native India. Shalin Jhaveri, 30, pleaded guilty in U.S. District Court to stealing the company's trade secrets and sending them in three attachments to an email to a man he thought was an investor in a pharmaceutical company Jhaveri was starting in India. Jhaveri, who has a doctorate in chemistry from Cornell University, was a technical operations associate at Bristol Myers Squibb and was going through a management training program when he devised the scheme to steal the secrets, Assistant U.S. Attorney Stephen Green said in court. The training program gave Jhaveri access to the company's most sensitive information, Green said...(The Post Standard, 5 November 2010)

[Former Bristol Worker Sentenced For Stealing Secret Formulas](#)

A former Bristol-Myers Squibb worker was sentenced today to the year in jail he's already served for stealing the company's secret multimillion-dollar cancer-treating formulas. U.S. District Judge Norman Mordue imposed the sentence on Shalin Jhaveri, 30, who admitted last year that he stole the more than 1,300 secret procedures and e-mailed a sampling of them to a man he thought was an investor in a pharmaceutical company Jhaveri was starting in his native India. The purported investor was an undercover informant for the FBI. Jhaveri sobbed in court as he apologized to the company, the U.S. government and his family for betraying their trust. He said he'd let go of the lessons he learned growing up, that his top priority should be to help others over himself...(Syracuse Post-Standard, 17 February 2011)

[Indian sentenced to year in prison for stealing secrets](#)

An Indian ex-employee of Bristol-Myers-Squibb , who admitted stealing trade secrets from the drug manufacturer for his planned business venture in India, was awarded a year in jail today, a sentence he has already served. Shalin Jhaveri, 30 is expected to be deported to India soon. US District Judge Norman Mordue sentenced Jhaveri to his time served in a New York jail. Mordue also imposed a USD 5,000 fine and ordered Jhaveri to forfeit the computer equipment he used to steal the formulas...(Economic Times, 18 February 2011)