A reader with a counter-intelligence (COINTEL) background who wishes to remain anonymous contributed the following comments, which have been edited in collaboration with the author. The first person pronoun refers to him.

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Industrial and economic espionage are not the same in US government parlance. Federal agencies define _industrial_ espionage as economic espionage carried out by or for foreign intelligence service (FIS) personnel. If the economic espionage is carried out by non-state FIS personnel it is defined as corporate _economic_ espionage. The statistics for each are recorded and correlated separately. Sometimes congressional or civilian agencies will issue deceptive reports where the economic espionage is listed as industrial espionage. Factually the figures are all for economic espionage but the figures for industrial espionage are usually classified because of the involvement of a FIS. The FBI treats both industrial and economic espionage the same, as criminal acts. Therefore gross under-reporting of all types of economic espionage is the norm.

In the national security organizations (e.g., DoD and CIA, but not the FBI), we do not care about criminal acts, we care about poaching on our turf and threats to national security. So involvement of a FIS in any manner will bring in national assets for counter-intelligence. Unfortunately, those assets and people were nearly wiped out (70% downsized) in President Clinton’s administrations and it takes five to ten years to reconstruct those units by training new personnel to meet adequate levels of skill and experience.

From 1993 to 2005, four nations have dramatically increased their economic and industrial espionage against the USA: the People’s Republic of China, Russia, France and Israel (ranked in order of magnitude by the number of agents and the number of incidents). Israel and France are by far the more brazen, audacious and successful, especially given their smaller pools of manpower.

[In the second part of this two-part insider report, our correspondent tells us of just how brazen the French INTEL services can be.]

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For further reading:


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