

# CASE STUDY

## Economic Espionage

### WHAT HAPPENED

Yuan Li was a research scientist at Sanofi-Aventis' (Sanofi) United States headquarters in Bridgewater, New Jersey from October 2006 to June 2011. Sanofi is a global company that develops and manufactures healthcare products and pharmaceuticals.

While employed at Sanofi, Li was also a 50 percent partner in Abby Pharmatech, Inc. (Abby), which purported to sell and distribute chemical compounds for the pharmaceutical industry. Abby was a subsidiary of Xiamen KAK Science and Technology Co. Ltd, located in Xiamen, China.

Li signed several confidentiality documents with Sanofi that gave her access to Sanofi's internal research data and proprietary information. Li also signed a "Conflict of Interest" statement regarding herself and her husband's dealings with Sanofi in which she indicated that there was no conflict of interest. Li was directly involved in the development of several proprietary Sanofi compounds for future pharmaceutical applications. Li accessed and downloaded information about the Sanofi compounds from an internal database into a Sanofi-issued laptop computer. She then transferred the information to her personal computer by email or through a USB thumb drive.

Li would then try to sell the Sanofi compounds in an Abby catalog through its websites and an online database. She even assigned Abby part numbers to the chemical structures of the Sanofi compounds before offering them up for sale. In May 2011, Sanofi representatives discovered that Abby was selling their chemical compounds, including those that were in development and not disclosed to the public.

### INDICATORS

- **Access Attributes** – Li used her privileged access to Sanofi's internal and proprietary data to download files into her Sanofi-issued laptop. Li also had access to Sanofi's lab notebooks containing proprietary data.
- **Foreign Considerations** – Li was a 50 percent partner in Abby, a subsidiary of a company in the People's Republic of China. It posed a conflict of interest with Li's responsibilities at Sanofi.
- **Technical Activity** – Li utilized an unauthorized USB thumb drive to transfer Sanofi's proprietary data to her personal computer.



## Yuan Li

- Citizen of the People's Republic of China.
- 30 years old at the time of sentencing.
- Research Scientist at Sanofi-Aventis.



## CDSE

Center for Development  
of Security Excellence

## IMPACT

- Sanofi estimated that the cost associated with developing the Sanofi proprietary chemical compounds that Li and Abby misappropriated, including potential revenue losses, amounted to millions of U.S. Dollars.
- Sanofi representatives informed the FBI that over 6000 Sanofi proprietary chemical structures appeared in the SciFinder online database as registered under Abby.
- In May 2012, Li pled guilty to one count of Thefts of Trade Secret and was sentenced to 18 months in prison. In addition to her prison term, Li was sentenced to serve two years of supervised release and ordered to pay \$131,000 in restitution.

## ADDITIONAL INFO

- Sanofi's internal investigation revealed that at least five of the Sanofi proprietary chemical structures listed for sale by Abby were specifically researched and prepared by Li at Sanofi. These were Sanofi trade secrets that were not yet disclosed to the public. Li also had access to, and signed the lab notebooks that included notes on research and preparation of the Sanofi compounds.
- Li admitted that she made the stolen compounds available for sale on Abby's website.
- Other records recovered from Li's Sanofi-issued laptop computer revealed that she had a document entitled "AbbyPharmatech," which included a listing of 144,000 compounds. Among those compounds were Sanofi compounds with Sanofi internal control numbers, which were not publicly available, and could have only been discovered through unauthorized access to Sanofi's computer systems.

### Resources for further exploration:

- [Insider Threat Potential Risk Indicators](https://www.cdse.edu/Portals/124/Documents/jobaid/insider/INTJ0181-insider-threat-indicators-job-aid.pdf?ver=_HedcDtQk9sSEZItNMLQzA%3d%3d)  
([https://www.cdse.edu/Portals/124/Documents/jobaid/insider/INTJ0181-insider-threat-indicators-job-aid.pdf?ver=\\_HedcDtQk9sSEZItNMLQzA%3d%3d](https://www.cdse.edu/Portals/124/Documents/jobaid/insider/INTJ0181-insider-threat-indicators-job-aid.pdf?ver=_HedcDtQk9sSEZItNMLQzA%3d%3d))
- [Insider Threat Indicators in User Activity Monitoring](https://www.cdse.edu/Portals/124/Documents/jobaid/insider/Insider-Threat-Indicators-in-UAM.pdf?ver=7CdsYbSyw-n-qN7H3c6nGA%3d%3d)  
(<https://www.cdse.edu/Portals/124/Documents/jobaid/insider/Insider-Threat-Indicators-in-UAM.pdf?ver=7CdsYbSyw-n-qN7H3c6nGA%3d%3d>)
- [Insider Threat Program \(ITP\) for Industry](https://www.cdse.edu/Portals/124/Documents/jobaid/insider/insider-threat-job-aid-for-industry.pdf?ver=oEckuoY_dTgGBV0cSE6_bA%3d%3d)  
([https://www.cdse.edu/Portals/124/Documents/jobaid/insider/insider-threat-job-aid-for-industry.pdf?ver=oEckuoY\\_dTgGBV0cSE6\\_bA%3d%3d](https://www.cdse.edu/Portals/124/Documents/jobaid/insider/insider-threat-job-aid-for-industry.pdf?ver=oEckuoY_dTgGBV0cSE6_bA%3d%3d))
- [Insider Threat Resources for Industry Senior Professionals](https://www.cdse.edu/Portals/124/Documents/jobaid/insider/insider-threat-program-for-senior-officials.pdf)  
(<https://www.cdse.edu/Portals/124/Documents/jobaid/insider/insider-threat-program-for-senior-officials.pdf>)
- [Understanding Espionage and National Security Crimes](https://www.cdse.edu/Portals/124/Documents/jobaid/ci/ci-jobaidseries-understandingespionage.pdf?ver=BBKwTvmDXsNC0wb_6vl0GQ%3d%3d)  
([https://www.cdse.edu/Portals/124/Documents/jobaid/ci/ci-jobaidseries-understandingespionage.pdf?ver=BBKwTvmDXsNC0wb\\_6vl0GQ%3d%3d](https://www.cdse.edu/Portals/124/Documents/jobaid/ci/ci-jobaidseries-understandingespionage.pdf?ver=BBKwTvmDXsNC0wb_6vl0GQ%3d%3d))

## IF YOU SEE SOMETHING, SAY SOMETHING!

Contact the appropriate POC to report any observed potential risk indicators:

Name: \_\_\_\_\_ Agency/Department: \_\_\_\_\_  
Title: Supervisor/Security Officer/ITP Senior Official/ITP Manager