

STUDY SHOWS CYBERTHEFT REALLY ISN'T THE GREATEST TRANSFER OF WEALTH IN HISTORY

I've long mocked the claim – often wielded by people like Sheldon Whitehouse and Keith Alexander – that cybertheft is the greatest transfer of wealth in history. Sure, cybertheft might be big. But bigger than colonization? Bigger than slavery?

But a new study shows that it is just a fraction of what cyber-boosters have been claiming: \$25 to \$100 billion rather than a \$1 trillion.

The study does still show it is costly – leading to the lost of 508,000 jobs a year. And the study didn't account for something else I often harp on: the unknown role of Chinese hacking into weapons programs in degrading the effectiveness of those programs.

Still unknown, for example, are the unseen costs of military cybertheft, said Mr. Lewis. "A lot of the cost overruns in some of our big programs are because they had to rewrite the code after the Chinese got in—and the real damage won't appear until we see how weapons actually perform," he said.

The study also did not calculate the effect of cybertheft on American competitiveness, which seems like a significant issue.

Ultimately, though, this is a problem that should be fought without the bluster. It is real. It is a threat, in large part, to private companies that don't pay their fair share in taxes. How we combat that problem should account for those factors.