

Reaping the Whirlwind: Measuring Insider Threat after Massive Layoff from the Dark Web

Abstract

The last few decades have seen the collapse of the immediate post-war workplace characterized by lifetime employment and strong bonds of loyalty between employer and employee. In this paper we measure one consequence of that reduction in **reciprocal loyalty** between a business and its workers: the willingness of employees to monetize the private information they obtain from their employment by selling it when they are laid off. Specifically, we treat the unexpected economic shutdown brought about by the coronavirus as a natural experiment which resulted in millions of jobs being lost in a very short period. We measure employee loyalty from the crowd-contributed online platform in which employees provide reviews of their firm and obtain data on sales of firm-related information from marketplaces on the “dark web”—the arena of choice, today, for such sensitive information to be traded. We observe higher darknet market exposure after the layoff announcement date, with that exposure being reduced on the pre-layoff level of employees’ loyalty to their employers.

Keywords: Reciprocal loyalty, coronavirus, layoffs, dark web.