

NOT IF BUT WHEN – EFFECTIVELY COUNTERING CYBERSECURITY THREATS

ARE YOU READY?

WELCOME!



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WHY WE'RE HERE



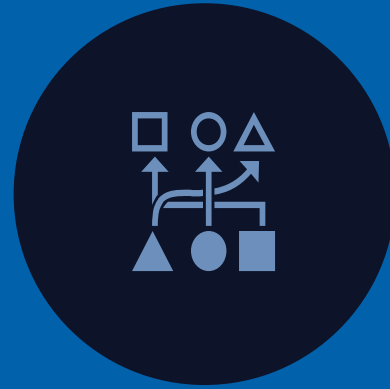
THE WORLD
WE LIVE IN



WHAT KEEPS YOU
UP AT NIGHT?



COMMUNICATION
IMPERATIVES



LEGAL
IMPLICATIONS



Q&A

THE WORLD WE LIVE IN TODAY

Cyberattacks and massive data fraud among top five global risks by perceived likelihood

Top 10 risks in terms of Likelihood

- 1 Extreme weather events
- 2 Natural disasters
- 3 Cyberattacks
- 4 Data fraud or theft
- 5 Failure of climate-change mitigation and adaptation
- 6 Large-scale involuntary migration
- 7 Man-made environmental disasters
- 8 Terrorist attacks
- 9 Illicit trade
- 10 Asset bubbles in a major economy

Top 10 risks in terms of Impact

- 1 Weapons of mass destruction
- 2 Extreme weather events
- 3 Natural disasters
- 4 Failure of climate-change mitigation and adaptation
- 5 Water crises
- 6 Cyberattacks
- 7 Food crises
- 8 Biodiversity loss and ecosystem collapse
- 9 Large-scale involuntary migration
- 10 Spread of infectious diseases

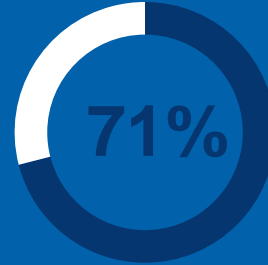
A NEW DRIVER OF REPUTATION & BUSINESS SUCCESS

EDELMAN'S SECURITY STUDY SHOWS:

- A GAP BETWEEN CONSUMER EXPECTATIONS AND WHAT BUSINESSES ARE ACTUALLY DELIVERING
- A RELATIONSHIP BETWEEN EFFECTIVE DATA PROTECTION AND BUSINESS SUCCESS
- THAT DATA SECURITY AND PRIVACY CONSIDERATIONS DO IMPACT PURCHASING DECISIONS

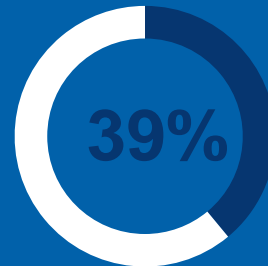


Americans proved most loyal to the companies they do business with, yet ONE in TWO say they are likely to change brands after a data breach

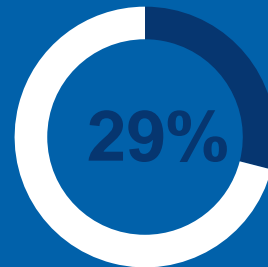


Of global consumers would SWITCH PROVIDERS after a company they rarely used suffered a data breach

ACTIONS TAKEN FOLLOWING DATA BREACH EVENTS



Of global consumers TOLD A FRIEND about their experience



Of global consumers POSTED ONLINE about their experience

WHAT KEEPS YOU UP AT NIGHT?

Krebs, Brian

From: Krebs, Brian

Sent: Thursday, February 22, 2018 10:06 AM

To: McCarthy, Kristen

Subject: Potential breach

Hi Kristen -

My name is Brian Krebs and I run the data security blog, KrebsonSecurity.com. It has come to my attention that an individual on an underground message board is claiming to be in possession of the PHI of about one million of your customers and he is willing to sell the information. Can you confirm if there has been an attack on one of your servers? I'll be posting a story about the potential breach in the next 30 minutes, so I'd appreciate if you could provide me with a statement before I publish it.

WHAT KEEPS YOU UP AT NIGHT?



WHAT KEEPS YOU UP AT NIGHT?

THE WALL STREET JOURNAL. | BUSINESS

Scope of COMPANY breach widens

Company, who confirmed several days ago that it had suffered a data breach exposing the personal health information of about one million customers, now says the breach is much larger than originally thought. A spokesperson told the WSJ today that the company's forensics investigation concluded that the breach likely affects more than three million customers, and may include their personal information as well.

WHAT KEEPS YOU UP AT NIGHT?



The Inevitability...

Cyber breaches recorded by businesses have nearly doubled in five years, from 68 per business in 2012 to 130 per business in 2017.

WHAT KEEPS YOU UP AT NIGHT?



The Price Tag...

The cost of cybercrime to businesses over the next five years is expected to be \$8 trillion.

WHAT KEEPS YOU UP AT NIGHT?



Being Held Hostage...

Ransomware attacks accounted for 64% of all malicious emails sent between July and September 2017, affecting double the number of businesses compared with 2016.

WHAT KEEPS YOU UP AT NIGHT?



The Shifting Regulatory Landscape...

The EU General Data Protection Regulation (GDPR) becomes enforceable by law on May 25, 2018.

WHAT IS GDPR

(GENERAL DATA PROTECTION REGULATION)?

- Advertised by EUGDPR.org as “the most important change in data privacy regulation in 20 years”
- Approved by EU Parliament in April 2016 after four years of preparation and debate
- Replaces the Data Protection Directive 95/46/EC
- Designed to “harmonize data privacy laws across Europe, to protect and empower all EU citizens data privacy and to reshape the way organizations across the region approach data privacy”



**KEEP
CALM
AND
COMPLY WITH
GDPR**

WHO IS AFFECTED?



Organizations located within the EU



Organizations located outside of the EU if they offer goods or services to, or monitor the behavior of, EU data subjects



All companies processing and holding the personal data of data subjects residing in the EU, regardless of the company's location

THE CLOCK IS TICKING



Gartner predicts only 50% of companies impacted by GDPR will be compliant by the end of 2018 ...

Are You Prepared?

OPERATING REALITIES

- The speed of risk has become 140 characters or less.
- The traditional concepts of containment are no longer possible.
- Facts are negotiable.
- There are no safe havens from digitally empowered agendas and social exposure.
- Data security and privacy has moved from the backroom to the board room.

REPUTATION MATTERS

THE MAJORITY OF CONSUMERS ARE ALREADY CONCERNED ABOUT THE IDEA OF DATA BREACHES, SO MANAGING COMMUNICATIONS EFFECTIVELY IS CRUCIAL TO MAINTAINING A COMPANY'S REPUTATION IN THE AFTERMATH OF A SECURITY INCIDENT.

A WELL-PREPARED COMPANY MAY ACTUALLY ENHANCE ITS REPUTATION DURING A WELL-HANDLED CRISIS.

**Increased
Media
Attention**



**Customer
Concerns**



**Reputation
Risk**

APPROACHING A DATA SECURITY INCIDENT: FAIL TO PLAN...PLAN TO FAIL



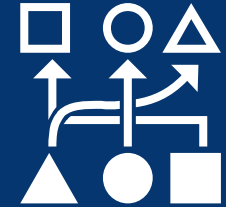
NO organization
is immune to a cyber
attack or data breach



NO amount of
technology can
account for human
error or deception



DON'T WAIT for a
breach to occur



BE PROACTIVE...
create a plan,
practice and develop
muscle memory

PREPARATION IS KEY

PROACTIVE STEPS TO TAKE:

- 1 Identify internal and external crisis team
- 2 Keep the team lean and empower a decision-maker
- 3 Meet your state's legislators, regulators and policy makers
- 4 Determine your lobbying, forensics and legal firm before a crisis
- 5 Conduct a mock crisis situation
- 6 Develop communications chain of command for multiple scenarios

THE EARLY BIRD DOESN'T ALWAYS CATCH THE WORM

MOVE QUICKLY, BUT REMEMBER THAT GOING OUT WITH INFORMATION TOO EARLY CAN HURT AN ORGANIZATION IN A DATA BREACH

- Resist communicating numbers early in the investigation; offer a timetable for additional information
- Be careful of claiming the issue is fully resolved; acknowledge that the situation may change
- Focus initial messages on the steps being taken to investigate the issue

“FACTS” ARE VERY FLUID - SO RUSHING PUBLIC STATEMENTS CAN RESULT IN SEVERAL BAD OUTCOMES FOR A COMPANY:

- Inaccurate dissemination of information
- Compromising more data
- Damaging company reputation further by breaking trust again

MANAGING THE MESSAGE

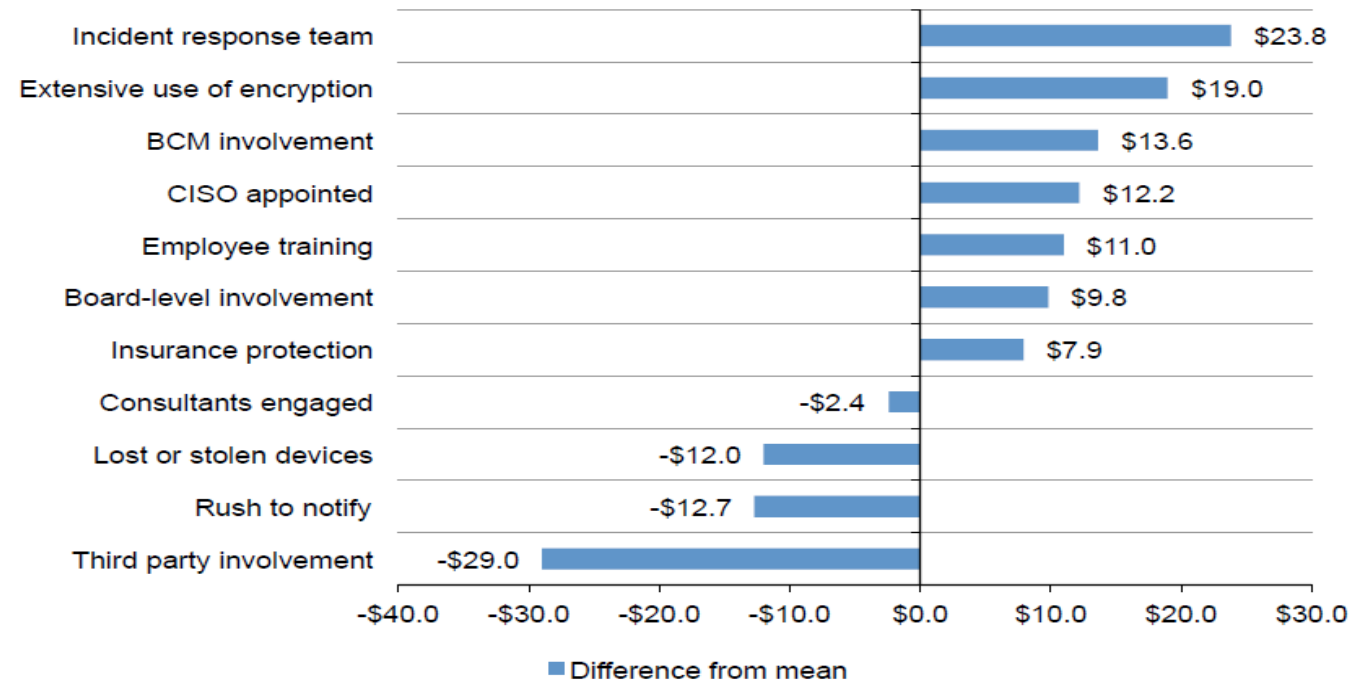
Customers (B2B or B2C) must be your north star, so make sure that you communicate with them clearly and effectively through traditional and digital channels.

- However, don't neglect the wide variety of stakeholders interested in breaches including policymakers, regulators (state and federal) and industry stakeholders (e.g., payment brands)
- Be accountable. Take ownership and don't play the victim. Express regret.
- Be lean, but integrate legal, IT, PR and business group into communications planning
- Think through what you push out via social media
- Set up the appropriate media/social monitoring and listening posts
- Media-train executives
- Develop a long-term reputation recovery strategy, versus treating it as an isolated incident

LEGAL IMPLICATIONS FOR A CYBER SECURITY INCIDENT

WATCH THE CLOCK...BUT DO NOT RUSH NOTIFICATION

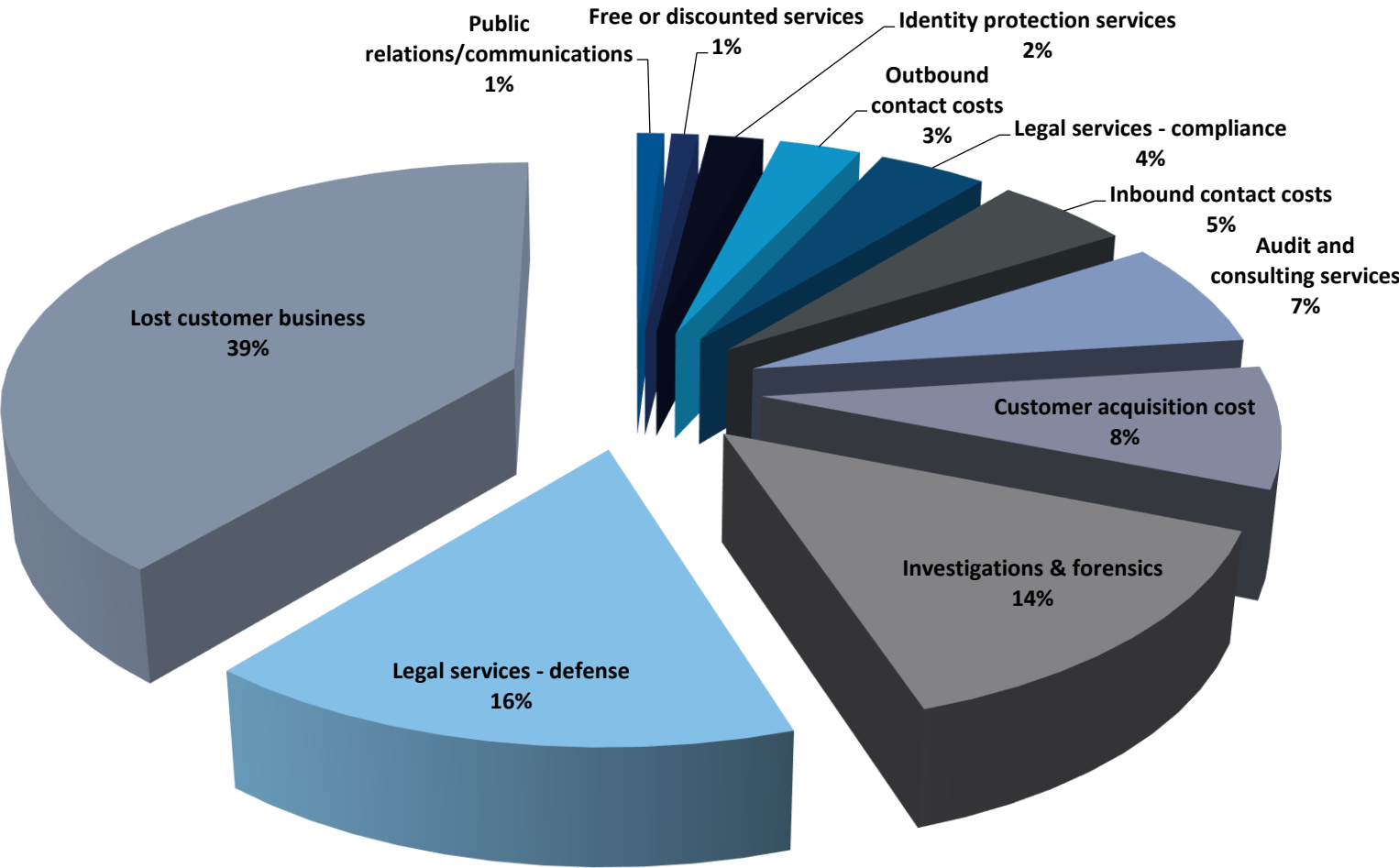
IMPACT OF 11 FACTORS ON THE PER CAPITAL COST OF A DATA BREACH



SOURCE: PONEMON INSTITUTE 2015 COST OF DATA BREACH STUDY: UNITED STATES

COST OF A CYBER SECURITY INCIDENT

OUTSIDE OF LOST CUSTOMER BUSINESS, LEGAL DEFENSE IS HIGHEST COST FROM DATA BREACH.



KEEP AN EYE TOWARDS LITIGATION

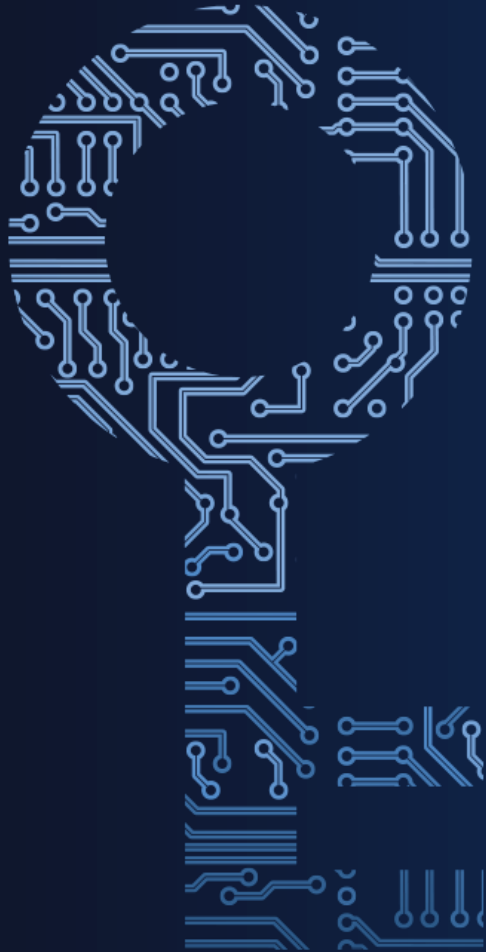
- **PRESERVE ATTORNEY-CLIENT PRIVILEGE.**
- **USE DISCRETION IN BOTH INTERNAL AND EXTERNAL COMMUNICATION.**
- **CONSIDER HOW ACTIONS MAY AFFECT POTENTIAL LITIGATION.**



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QUESTIONS?



THANK YOU

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