

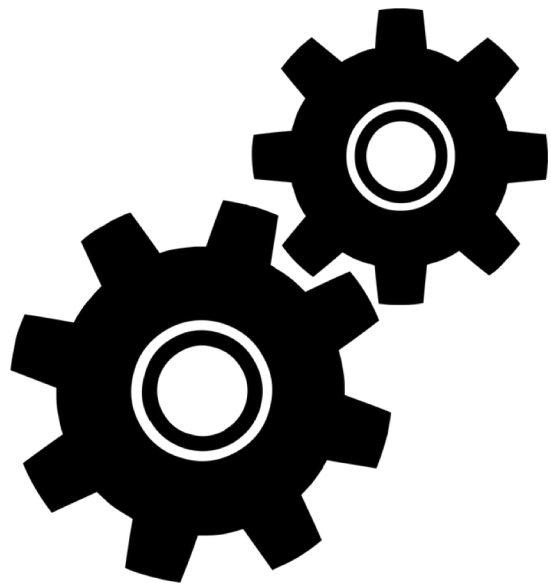
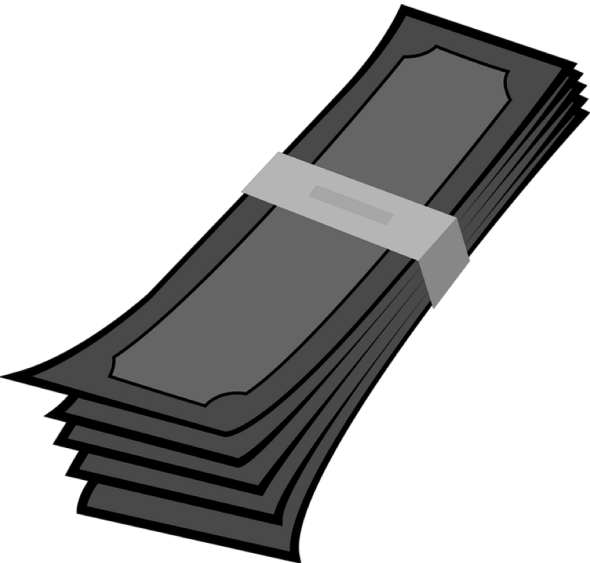


REPUTATION, FINANCE AND CAPABILITY ARE AT STAKE: THE DARK SIDE OF CYBERSECURITY

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3 October 2019

WHAT IS AT STAKE?



IMPACT

FINANCE

GDPR FINES

50t 30t 230M
645t 460t
230t 15t 130t 2,6M
110M 62t 180t

OTHER PENALTIES



Anthem pays out record \$16m over data **breach**

The Daily Swig - Oct 17, 2018

US insurer **Anthem** is set to pay the government \$16 million in fines after suffering the biggest healthcare **breach** in the country's history.

Anthem to pay record \$16M for 2015 data **breach**

SC Magazine - 18 hours ago



Facebook Expects to Be Fined Up to \$5 **Billion** by FTC Over ...

The New York Times - Apr 24, 2019

Facebook also suffered a **data breach** that exposed the personal ... For **Facebook**, a \$5 **billion** fine would amount to a fraction of its \$56 **billion** in ...

Facebook expecting \$5bn fine for privacy violations

The Independent - Apr 25, 2019

SEC issues \$35 million fine over Yahoo failing to disclose ...

<https://www.theverge.com/yahoo-sec-fine-2014-data-breach-35-million> ▼

Apr 24, 2018 - **Yahoo** — or rather, the shell company holding on to its remnants — will have to pay a **\$35 million fine** for failing to disclose a 2014 data breach ...

OTHER PENALTIES



FTC slaps Equifax with a fine of up to \$700M for 2017 data ...

[TechCrunch](#) - Jul 22, 2019

The **Federal Trade Commission** said in a statement Monday that **Equifax** has agreed to initially pay at least \$575 million in fines as part of the ...

Equifax Settlement: What's In It for Consumers

[Highly Cited - ConsumerReports.org](#) - Jul 22, 2019

[View all](#)



Uber to Pay Record \$148 Million Fine for Concealing 2016 ...

[Gizmodo](#) - Sep 26, 2018

Uber will pay a \$148 **million fine** as part of a settlement reached with state law enforcement officials over allegations it attempted to conceal a ...

Uber to Pay \$148 Million in Settlement Over 2016 Data Breach

[Bloomberg](#) - Sep 26, 2018



Ashley Madison agrees \$1.6m fine for data breach

[Financial Times](#) - Dec 14, 2016

"The global settlement requires **AshleyMadison.com** to implement a range of more robust **data security** practices that will better protect its users' ...

Ashley Madison settles with feds: Extramarital affair website to ...

[AL.com](#) - Dec 14, 2016

Ashley Madison agrees to \$1.7 million settlement

[WPTV.com](#) - Dec 14, 2016

DAMAGES

Marriott's data breach may be the biggest in history. Now it's facing multiple class-action lawsuits.

Marriott is being sued for allegedly failing to protect more than 300 million guests' information from hackers.

COMPO CLAIM British Airways data hack victims 'could get up to £16,000 compensation' as airline launches its own class action lawsuit

Equifax Reaches \$1.4 Billion Settlement in Data Breach Class Action

The civil settlement includes a commitment by the company to spend \$1 billion on cybersecurity measures over the next five years and establish a \$380.5 million fund to pay for four years of credit monitoring and financial help.

Last summer's hack on Ticketmaster has led to compensation seekers claiming damages of up to £5m from the ticket purchasing website.

OTHER CONSEQUENCES

- **M&A**

Marriott bought Starwoods for **\$13.6 billion**. The cost of the breach is around **\$1.5 billion**.

(pymnts.com)

- **Stock price**

Cathay Pacific Airlines Ltd., (9.4 million travelers, “the airline’s shares sank the lowest that they’ve been in almost 9 years—tumbling nearly **7%** and losing more than \$200 million of in market value”).

Marriott breach of 2018, the Equifax breach of 2017 and the Yahoo! breach of 2016: “average drop of **7.5%** in their stock values and a mean market cap loss of \$5.4 billion per company”

- **Bankruptcy**

“AMCA parent company files for bankruptcy amid data breach fallout”

REPUTATION

LOSS OF REPUTATION



[Trying to Get Your \\$125 From **Equifax**? Keep An Eye Out for ...](#)

TIME - Sep 9, 2019

If you opted for the \$125 cash settlement following the **Equifax** data breach, check your email. A message I received over the weekend from ...

[Don't Get Screwed Out of Your **Equifax** Money](#)

In-Depth - WIRED - Sep 9, 2019

[View all](#)



[Equifax Doesn't Want You to Get Your \\$125. Here's What You ...](#)

The New York Times - Sep 16, 2019

Equifax had one job — keep its vast trove of personal financial information on millions of Americans secure. In 2017, the company failed ...



[200K Sign Petition Against **Equifax** Data Breach Settlement](#)

Threatpost - Sep 23, 2019

Consumers are furious over what they view as an unfair settlement between the U.S. government and **Equifax** over the latter's now-infamous ...

LOSS OF REPUTATION



Facebook says Libra is out of its control. But Libra's overseers ...

[CNN](#) - Sep 29, 2019

New York (CNN Business) In its effort to bring the Libra cryptocurrency to life, perhaps the biggest hurdle for **Facebook** is a lack of trust and ...

Will **Facebook's** Libra Overtake Bitcoin Cryptocurrency And ...

In-Depth - [Forbes](#) - 1 hour ago



Facebook is testing hiding like counts to see if that makes ...

[The Verge](#) - Sep 26, 2019

Facebook will begin testing hiding like counts, starting in Australia on September 27th, according to TechCrunch. The test will hide the number ...

Facebook tests doing away with "like" counts

[CBS News](#) - Sep 27, 2019

[View all](#)



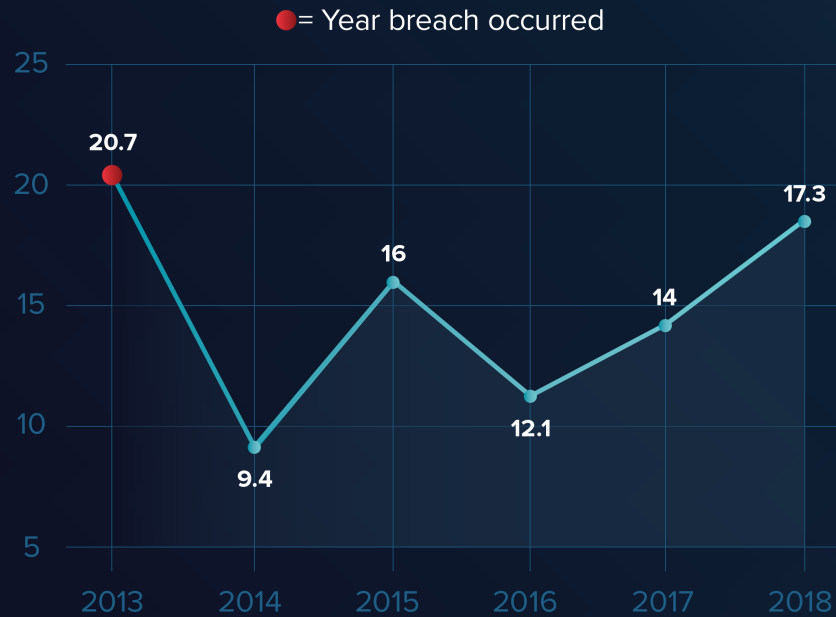
Soon, **Facebook** Will Know What You're Thinking

[Forbes](#) - 19 hours ago

It might seem like science fiction, but a team of researchers funded by **Facebook** were able to do it, according to a research paper published ...

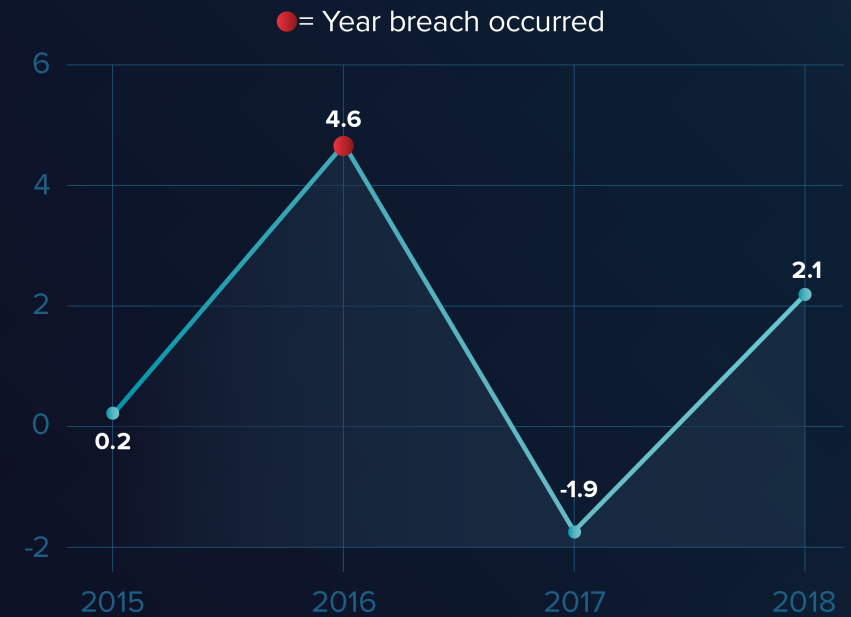
LOSS OF REPUTATION

Target Brand Index Rating: Buzz (consumer perception)



Source: BrandIndex

Uber Brand Index Rating: Buzz (consumer perception)



Source: BrandIndex

Source: Varonis.com

LOSS OF REPUTATION

- **65%** of data breach victims **lost trust** in an organization
- **80%** of consumers will **defect from a business** if their information is compromised
- **85%** **tell others** about their experience (+33.5% use **social media** to complain about their experience and 20% **comment directly on a company's website**)
- **52%** would consider switching to **a safer service provider**
- **52%** consider security is **important or main consideration** when purchasing services or products

Source: Varonis.com

PERFORMANCE

46% of cyberspecialists note a constant rise of attacks

ISACA – State of Cybersecurity

Likelihood of cyberattack:
34% - very likely
26% - likely

ISACA – State of Cybersecurity

2 M cyberincidents =
45B USD in losses in 2018

Internet Society's Online Trust Alliance

Only **2** of **15** top cyberthreats became less popular in 2018

ENISA Threat Landscape

48% of cyberspecialists consider their team is falling behind

Symantec – ISTR

63% of cyberspecialists are thinking about leaving the industry entirely

Symantec - ISTR

50% of organizations believe attackers can infiltrate their networks each time they try

CyberArk - Global Advanced Threat Landscape

PERFORMANCE

- **Problems with carrying out main activity and necessity to introduce new services**
 - WannaCry: shutting down hospitals in Ukraine and radio stations in California
 - SamSam: shutting down the Colorado Department of Transportation, the City of Atlanta, and numerous health care facilities
 - Equifax: “fraud alert,” “security freeze,” and “credit report lock.”
 - Legal proceedings
- **Financial impacts**

IS IT POSSIBLE TO REDUCE NEGATIVE IMPACT?


PROACTIVE STEPS

Technical
measures

Organizational
measures

Legal
measures

PROACTIVE STEPS – TECHNICAL AND ORGANIZATIONAL STEPS

- State of the art
 - Costs of implementation
 - Nature, scope, context and purposes of processing
 - **Risk of varying likelihood and severity for the rights and freedoms of natural persons**
- 

• **Technical solutions**

- Pseudonymisation
- Encryption
- Confidentiality
- Integrity
- Availability and access
- Resilience
- Testing, assessing and evaluating

• **Organizational solutions**

- Risk analyses
- Policies
- Implementation mechanisms
- Trainings
- Control mechanisms -> Revisions



- State of the art
- Costs of implementation a
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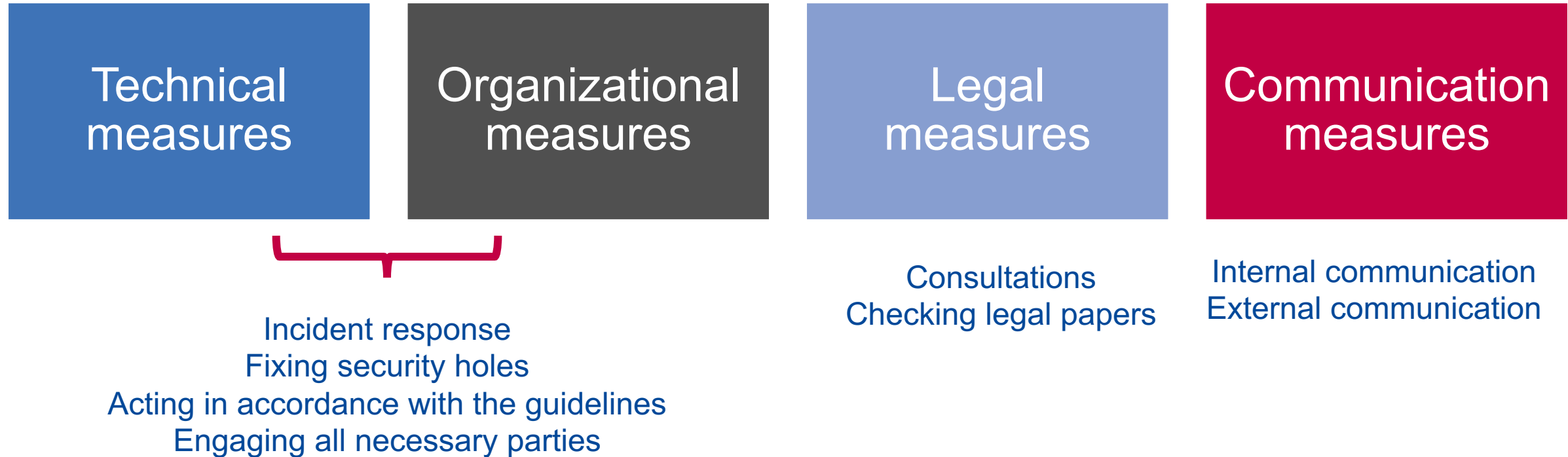
PROACTIVE STEPS – TECHNICAL AND ORGANIZATIONAL STEPS



PROACTIVE STEPS – LEGAL MEASURES

- **GDPR** compliance and compliance with **other legal acts** (whole cycle)
- Contracts with **employees**
- Contract with **third parties**
- **Consultations** with security and data protection **authorities**
- Clear **internal procedures** for engaging third parties, security rules and incident response

REACTIVE STEPS



DATA NEWS

<https://www.subscribepage.com/g2s0o2>

Thank you!

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