Privacy and Data Breaches

CLS Compliance Conference

Tuesday, December 1st, 2015

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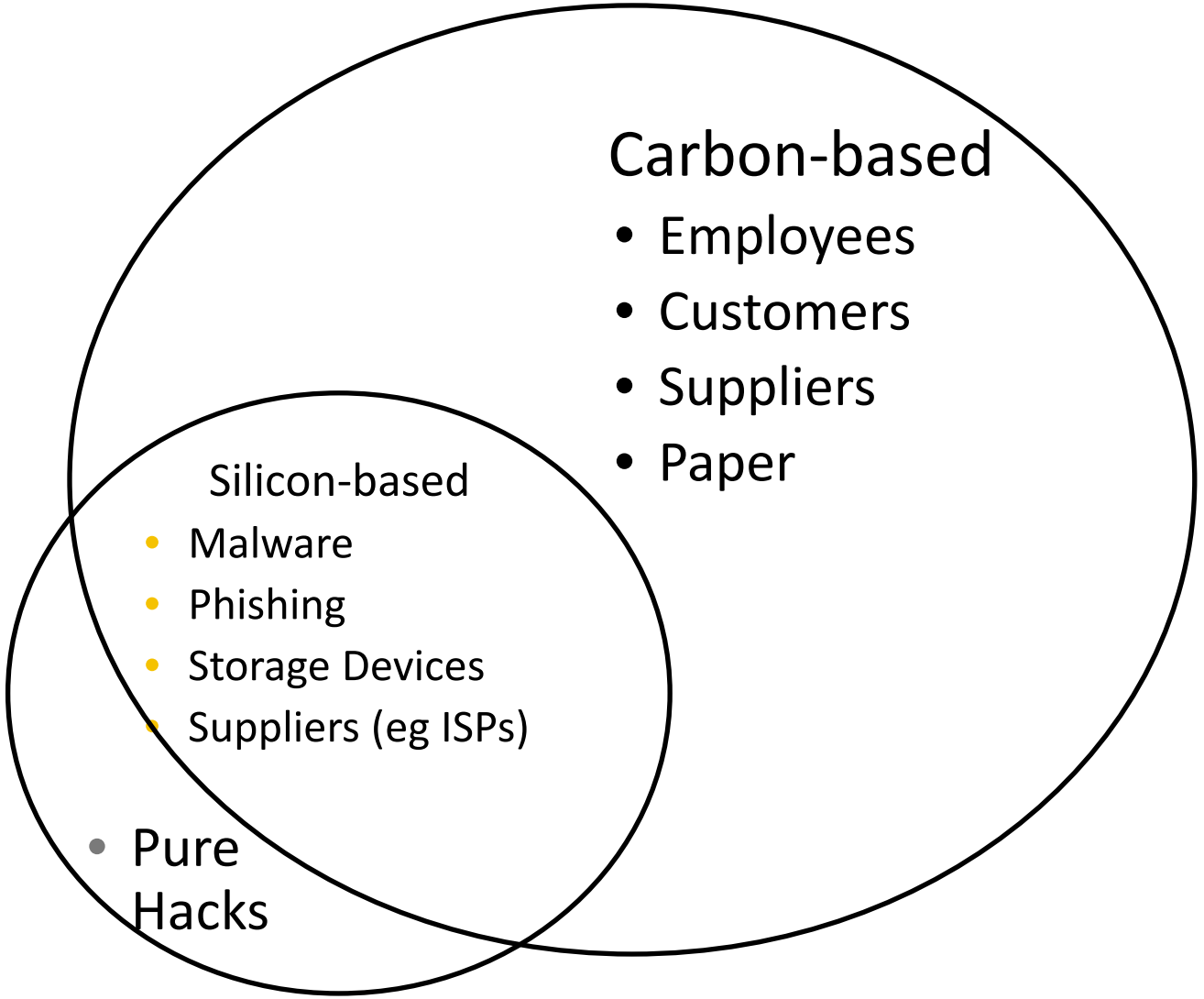
The Risks


Carbon-based
• Employees
• Customers
• Suppliers
• Paper
Silicon-based
• Malware
• Phishing
• Storage Devices
• Suppliers (eg ISPs)
• Pure Hacks

UK Federation of Small Business Survey: SMEs and Cyber Breach

- Security breaches up (scale and cost doubles since 2010)
- 11% changed nature of business due to worst breach
- 71% of SMEs suffered a security breach
- Median number of breaches: 4
- Average cost of worst security breach: £75-311, 000 (£65 – 115,000 in 2010)
- Malicious software is the fastest growing driver of security breaches, 60% of SMEs on the receiving end, up from 36% in 2010

Cyber Sleep

- 66% don’t think they are open to cyber attack
- Only 16% had improving cyber security as top priority
- 22% think small businesses are not a target
- 26% think only those taking payment online are at risk
- 24% think cyber security is too expense
- 22% don’t know where to start

Could it happen to you?

Response of 101 senior Silicon Valley executives to the question:
Could the Sony hack happen to your company?

Yes: 74%

"Anyone who thinks otherwise is deluding themselves"

- Dev Ittycheria, President and CEO, MongoDB

No: 26%

The Atlantic, Nov/15

Top 10 tips

Cybersecurity

- Combination of security protection (anti-virus, firewalls, etc.)
- Regular security updates on software and hardware
- Resilient password policy
- Secure wireless network
- Clear internet, email and mobile procedures
- Staff training and background checks
- Regulatory security risk assessment
- Regular security testing
- Check provider credentials
- Backup and disaster recovery

Privacy

- All of the cybersecurity tips
- Regular inventory updates; software, hardware and hard copy
- Secure destruction process
- Secure wireless network
- Clear access, movement, copying and retention procedures
- Staff training and background checks
- Regular risk assessment
- Regular testing (all locations)
- Check supplier credentials
- Breach management protocol

Breach Preparedness

- Start with an Organizational Review
- Strive for a mature privacy protection framework
- A mature privacy protection framework will make you both more protected from and more prepared for a breach when it does occur

Organizational Review

- Objectives and goals of your data framework, including risk appetite
- Policies and procedures
- Employee training
- Personal information and data, including data classification
- Collection, retention, use, processing and disclosure of personal information
- Systems and processes, including data flows
- Legal requirements that the organization must meet domestically and in other jurisdictions
- Vendor management
- Cloud
- Data Transfer
- Privacy risk identification, measurement, mitigation, monitoring and reporting
- Safeguarding data and personal information
- Gap analysis
- Incident management – breach identification and reporting, impact assessment, breach response team, investigation, stop the breach, breach remediation, breach prevention

Handling a breach
Scenario #1

Customer A received the monthly statement of Customer B, containing personal information of Customer B.

Handling a breach
Scenario #2

A courier bag is stolen, containing hundreds of credit card applications.

After the Breach

Consequences of the Breach:

- Impacted customers
- Regulators
- Media, including social media
- Call centre
- Other offerings, like credit monitoring
- Litigation or class action
- Post mortem and framework improvement
- Others?

Key takeaways

- Integrative approach: review activity relating to data safety should be viewed as key to the organization's larger risk management strategy
- Regulators' perspective: regulators view your suppliers and service providers, as well as their subcontractors, as a mere extension of you
- Modern economic and social context: tension between the rights of individuals to control their personal information and the need of a modern society and economy to function optimally both within and between jurisdictions
- Privilege: Give it proper consideration
- Documentation: Ensure a documented data governance plan with steps for on-going review
- ISO 27018: Code of practice for PII protection in public cloud acting as PII processors
- Digital Privacy Act: Regulations to come on reporting breaches of real risk of significant harm
- CASL: Privacy right of action to come into force in 2017

What's your breach learning or helpful hint?

Q & A

Thank you