

Computer Security Trends and Related Legal Issues



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Outline

- Database Breaches
- Identity Theft
- VA Computer Crimes Act



2015 DATA BREACH INVESTIGATIONS REPORT

\$400 MILLION

The estimated financial loss from 700 million compromised records shows the real importance of managing data breach risks.

Conducted by Verizon with contributions from 70 organizations from around the world.

70

CONTRIBUTING
ORGANIZATIONS

79,790

SECURITY INCIDENTS

2,122

CONFIRMED
DATA BREACHES

61

COUNTRIES
REPRESENTED¹



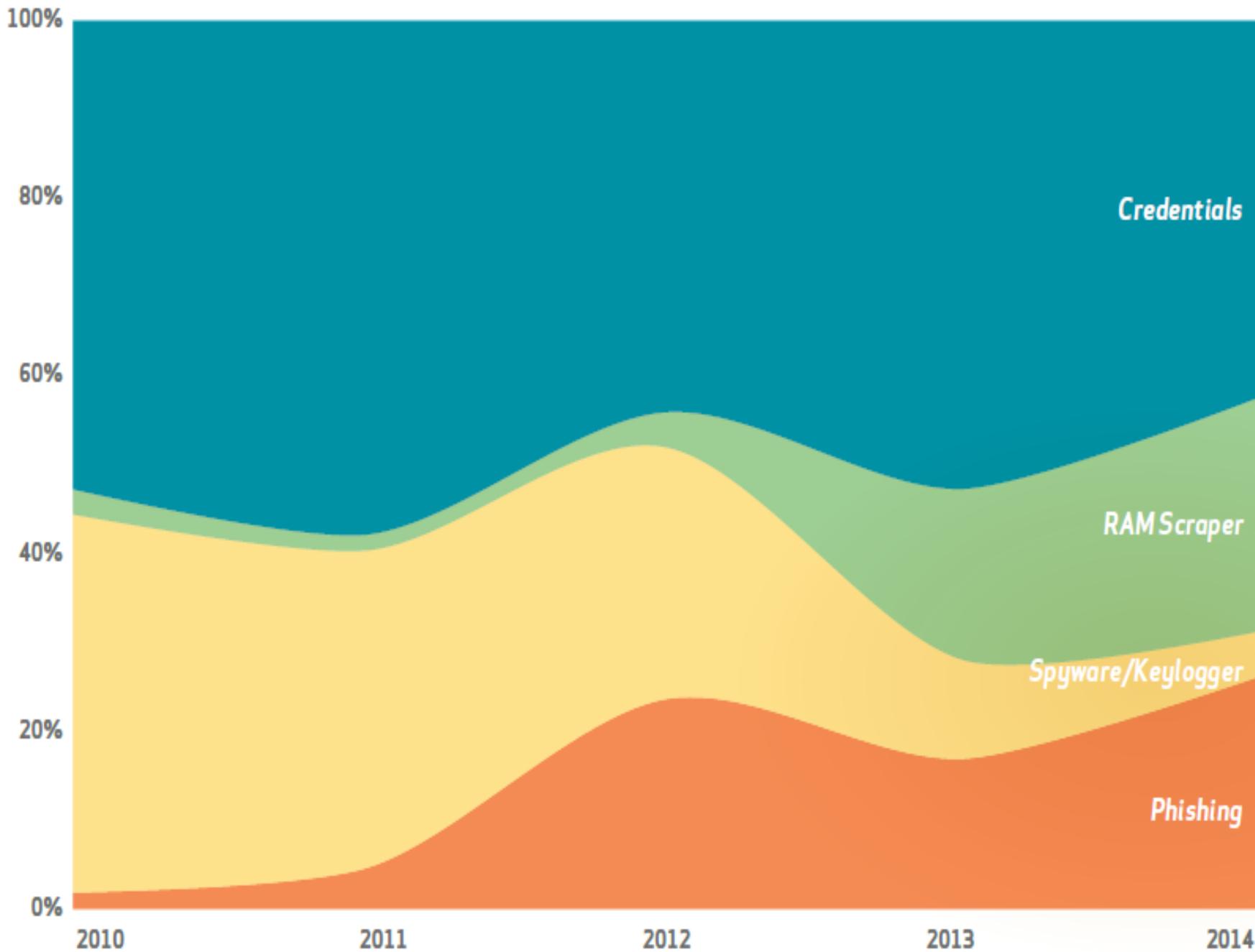
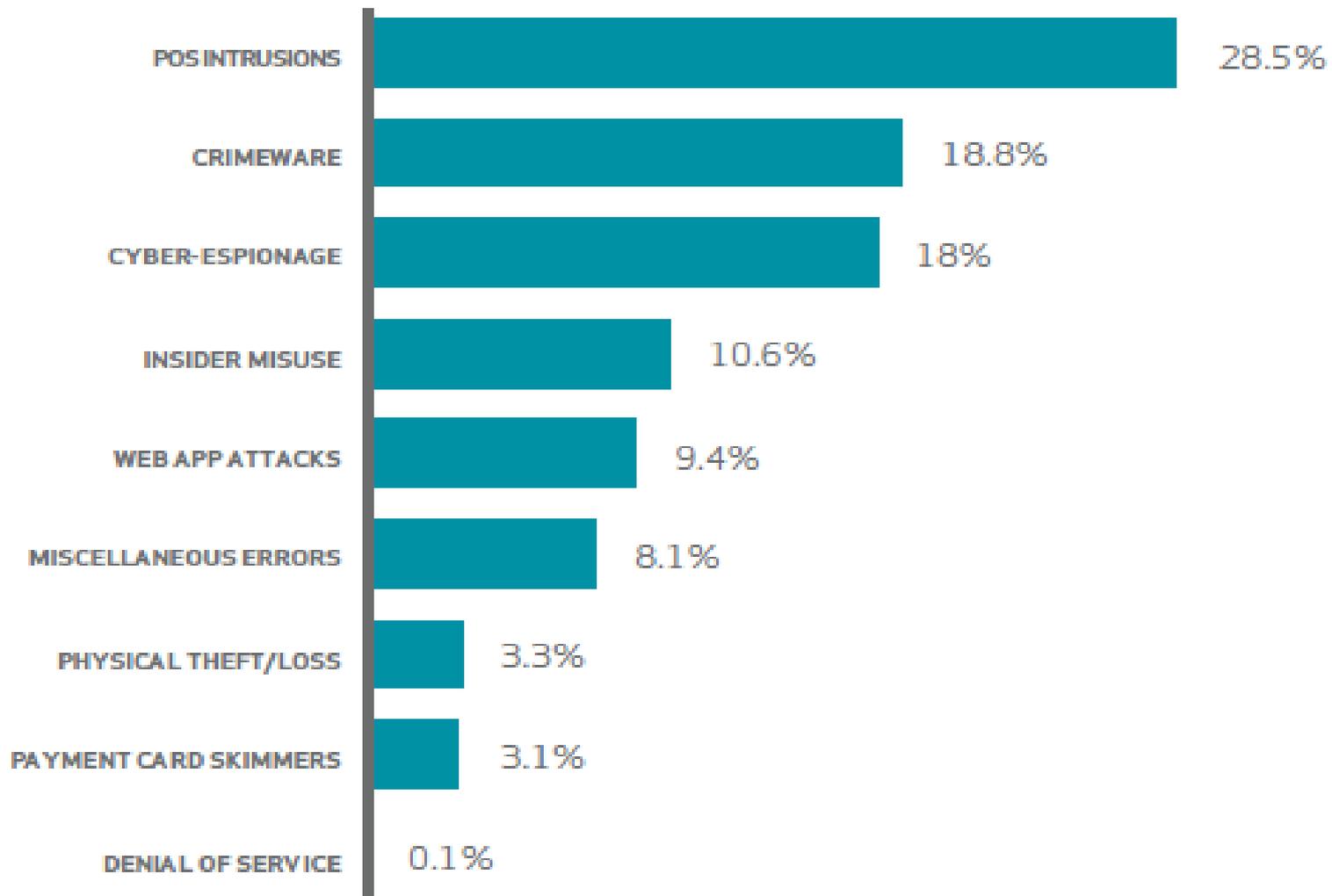


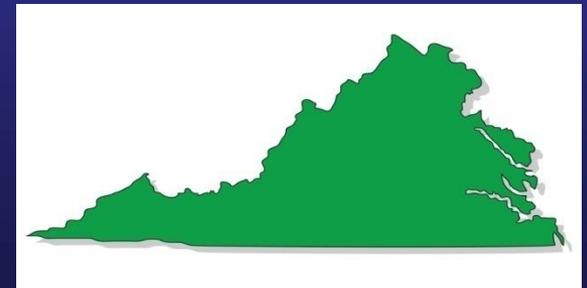
Figure 25.

Frequency of incident classification patterns with confirmed data breaches (n=1,598)



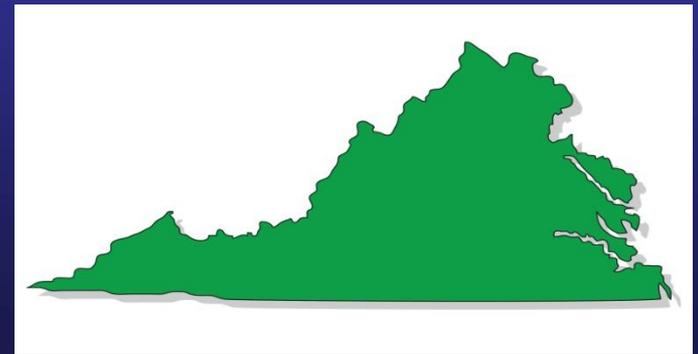
Enforcer's Perspective

- 316 database breach notices received in VA In 2015
- Broad cross-section of industry
- Lost equipment, theft, intrusion are most common occurrences
- Small breaches dominate



Enforcer's Perspective

- From 1 resident to over 1 million residents affected in a single breach
- Work with your attorneys
- Contact law enforcement
- Work with our office



Database Breach Laws

- State laws vary (47 of them)
- Virginia Code Section 18.2-186.6
 - Took effect July 1, 2008
 - Crafted from Governor's consortium of national business and consumer advocates
 - Attempts to strike a balance
 - Allows Graham Leach Bliley compliance

Database Breach Laws

- Fairly standard provisions
- Pertinent Provisions
 - Applies to any legal entity; broad application
 - Unencrypted data accessed or acquired by unauthorized person
 - Must have caused or *reasonably believe* will cause fraud or identity theft to resident
 - Must notify OAG and affected resident without *unreasonable delay*

Database Breach Laws

- Pertinent Provisions
 - Law enforcement delay acceptable
 - Provisions also apply to encrypted data acquired in an unencrypted form or if person has access to the encryption key
 - If more than 1,000 affected residents, must also notify consumer reporting agencies

Database Breach Laws

- Pertinent Provisions

- Data = “personal information” to include name, SSN, financial acct/credit card numbers along with access code, driver’s license number
- Notice = written, electronic, telephone or substitute
- Substitute Notice = over \$50K in cost, over 100,000 residents, or no sufficient contact info...can then post conspicuously on website, or notify statewide media

Database Breach Laws

- Pertinent Provisions
 - Notice must include:
 - Incident in general terms
 - Type of information accessed
 - The general acts of entity to prevent further unauthorized access
 - Telephone number for affected persons to call
 - Advice directing person to remain vigilant of accounts and monitor free credit reports

Database Breach Laws

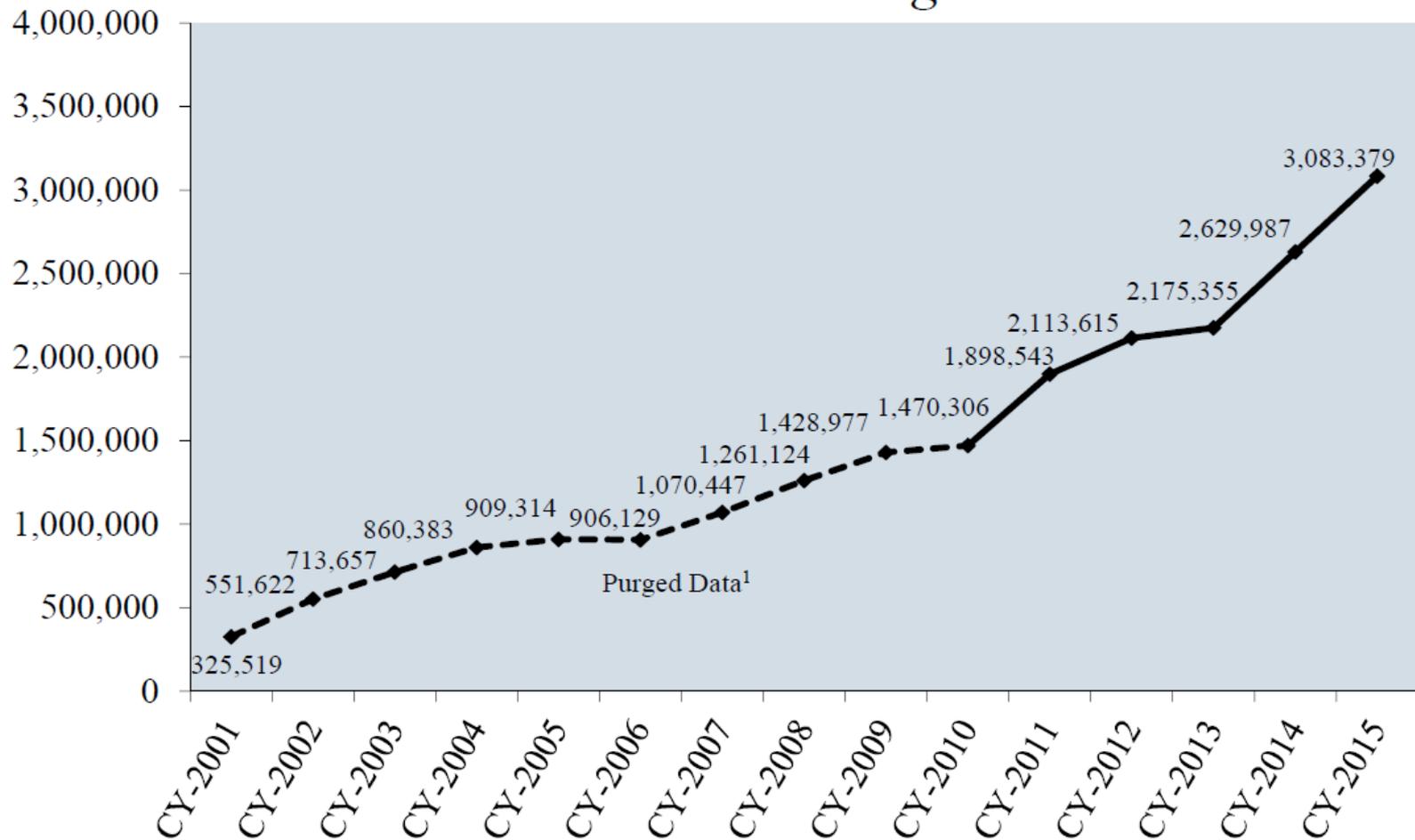
- Pertinent Provisions
 - Attorney General's Office can bring civil enforcement action for failure to comply with notice provisions
 - \$150,000 penalty per breach
 - Does not prohibit affected residents from filing individual claims



CONSUMER
SENTINEL NETWORK
DATA BOOK
for January – December 2015



Consumer Sentinel Network Complaint Count¹ *Calendar Years 2001 through 2015*



Consumer Sentinel Network State Complaint Rates

January 1 – December 31, 2015

Fraud & Other Complaints

Rank	Consumer State	Population ¹	Complaints Per 100,000	Complaints
1	Florida	1,510.2	306.133	306,133
2	Georgia	1,208.3	123.429	123,429
3	Michigan	1,143.6	113.474	113,474
4	Texas	941.3	258.579	258,579
5	Nevada	836.9	24.194	24,194
6	Delaware	807.8	7.641	7,641
7	Rhode Island	764.7	8.078	8,078
8	California	750.2	293.662	293,662
9	Maryland	749.0	44.985	44,985
10	Alabama	738.1	35.865	35,865
11	Tennessee	670.3	44.241	44,241
12	Louisiana	663.7	30.999	30,999
13	Virginia	645.3	54.093	54,093
14	New Jersey	626.5	56.121	56,121
15	Pennsylvania	626.3	80.180	80,180
16	Arizona	623.5	42.575	42,575
17	Missouri	609.3	37.068	37,068
18	Ohio	606.8	70.470	70,470
19	New Mexico	594.1	12.387	12,387
20	Colorado	592.6	32.333	32,333
21	New Hampshire	572.0	7.611	7,611
22	Massachusetts	557.6	37.884	37,884
23	Connecticut	554.1	19.898	19,898
24	South Carolina	553.3	27.091	27,091
25	North Carolina	550.3	55.266	55,266
26	New York	524.9	103.918	103,918
27	Illinois	517.2	66.510	66,510
28	Mississippi	516.3	15.450	15,450
29	Indiana	511.1	33.836	33,836
30	Oregon	506.0	20.387	20,387



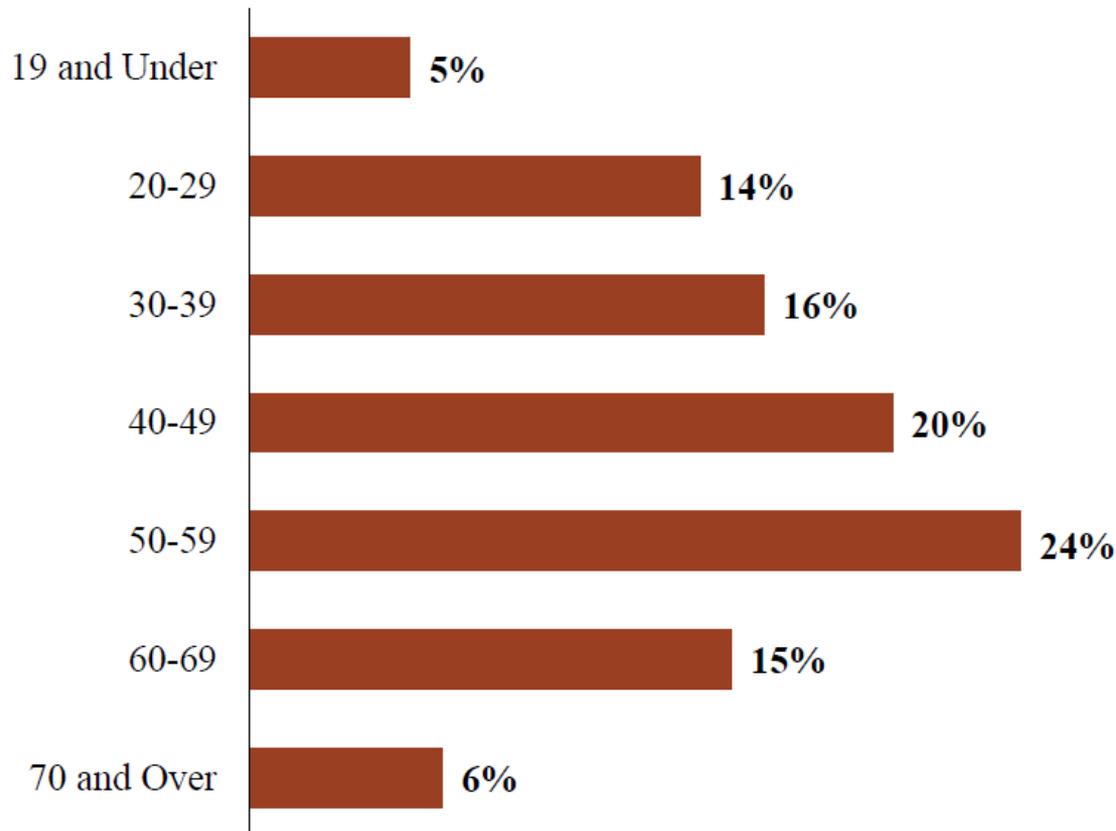
Identity Theft Complaints

Rank	Victim State	Population ¹	Complaints Per 100,000	Complaints
1	Missouri	364.3	22.164	22,164
2	Connecticut	225.0	8.078	8,078
3	Florida	217.4	44.063	44,063
4	Maryland	183.2	11.006	11,006
5	Illinois	158.7	20.414	20,414
6	Michigan	158.1	15.684	15,684
7	Georgia	149.1	15.230	15,230
8	Texas	144.3	39.630	39,630
9	New Hampshire	142.0	1.890	1,890
10	California	141.3	55.305	55,305
11	Rhode Island	141.2	1.491	1,491
12	Ohio	134.4	15.611	15,611
12	Wisconsin	134.4	7.756	7,756
14	Arizona	133.8	9.136	9,136
15	Washington	126.1	9.043	9,043
15	Oregon	126.1	5.081	5,081
17	New Jersey	125.8	11.266	11,266
18	Massachusetts	125.5	8.530	8,530
19	Nevada	125.0	3.613	3,613
20	Delaware	124.9	1.181	1,181
21	Colorado	123.2	6.724	6,724
21	Virginia	123.2	10.329	10,329
23	New York	122.0	24.157	24,157
24	Oklahoma	120.0	4.695	4,695
25	Pennsylvania	116.2	14.877	14,877
26	Maine	113.9	1.514	1,514
27	Kansas	112.7	3.282	3,282
28	Tennessee	107.9	7.121	7,121
29	North Carolina	106.0	10.646	10,646
30	Alabama	102.3	4.973	4,973





Consumer Sentinel Network Identity Theft Complaints by Victims' Age¹ *January 1 – December 31, 2015*



Fraud and Other Complaints Count from Virginia Consumers = 54,093

Top 10 Fraud and Other Complaint Categories Reported by Virginia Consumers

Rank	Top Categories	Complaints	Percentage ¹
1	Debt Collection	14,176	26%
2	Impostor Scams	9,648	18%
3	Telephone and Mobile Services	4,740	9%
4	Banks and Lenders	3,839	7%
5	Prizes, Sweepstakes and Lotteries	2,548	5%
6	Auto-Related Complaints	2,221	4%
7	Shop-at-Home and Catalog Sales	2,210	4%
8	Credit Bureaus, Information Furnishers and Report Users	1,404	3%
9	Credit Cards	1,185	2%
10	Television and Electronic Media	1,167	2%

¹Percentages are based on the total number of CSN fraud and other complaints from Virginia consumers (54,093).

Identity Theft Complaints Count from Virginia Victims = 10,329

Identity Theft Types Reported by Virginia Victims

Rank	Identity Theft Type	Complaints	Percentage ¹
1	Government Documents or Benefits Fraud	5,465	53%
2	Credit Card Fraud	1,408	14%
3	Phone or Utilities Fraud	1,029	10%
4	Bank Fraud	619	6%
5	Loan Fraud	261	3%
6	Employment-Related Fraud	130	1%
	Other	1,921	19%
	Attempted Identity Theft	281	3%

¹Percentages are based on the 10,329 victims reporting from Virginia. Note that CSN identity theft complaints may be coded under multiple theft types.

Identity Theft

A. Unlawful for any person, without authorization....to:

1. Obtain, record or access identifying information which is not available to the general public that would assist in accessing financial resources...;
2. Obtain money, credit, loans, goods or services through the use of identifying information of such other person;
3. Obtain identification documents in such other person's name

Identity Theft

A. Identifying Information

- (i) name;
- (ii) date of birth;
- (iii) social security number;
- (iv) driver's license number;
- (v) bank account numbers;
- (vi) credit or debit card numbers;
- (vii) personal identification numbers (PIN);
- (viii) electronic identification codes;
- (ix) automated or electronic signatures;
- (x) biometric data;
- (xi) fingerprints;
- (xii) passwords; or
- (xiii) any other numbers or information that can be used to access a person's financial resources, obtain identification, act as identification, or obtain money, credit, loans, goods, or services.

Identity Theft

- Penalties

- Up to 12 months jail
- If over \$200, 1-5 years imprisonment
- If 50 or more person's identifying info stolen, 1-5 years
- 1-10 years if information is used to commit another crime

Identity Theft

WHAT CAN YOU DO?

- Protect your social security number
- Use caution when giving out personal info (phishing)
- Treat your trash carefully
- Protect your postal mail
- Check your bank statements often

Identity Theft

WHAT CAN YOU DO? cont...

- Check your credit reports (1 free report annually)
 - Annualcreditreport.com (recommended by FTC)
- Protect your computer (firewall, anti-virus, lock wireless networks)
- Use some plain common sense (i.e. too good to be true)

Identity Theft

HOW TO SPOT IT...

- You see withdrawals from your bank account that you can't explain
- You don't get your bills or other mail
- Debt collectors call you about debts that aren't yours
- You find unfamiliar accounts or charges on your credit report

Identity Theft

WHERE TO REPORT IT...

- Creditors (Card Issuers & Utilities)
- Credit Bureaus
- Federal Trade Commission (FTC)
- Local/State Law Enforcement
- Office of the Attorney General

VA Computer Crimes

- Virginia Computer Crimes Act
 - Computer Fraud
 - SPAM
 - Computer Trespass
 - Computer Invasion of Privacy
 - Theft of Computer Services
 - Harassment by Computer
 - Using Computer to Gather ID Info (Phishing)
 - Civil Provision

VA Computer Crimes

- Computer Trespass

- Unlawful, with malicious intent, to:
 - Remove, halt, or disable computer data or program
 - Cause a network to malfunction
 - Alter, disable, or erase computer data, programs, or software
 - Effect the creation or alteration of financial instruments
 - Use a computer to cause physical injury to property
 - Use a computer to make unauthorized copy
 - Install keystroke logger
 - Install software to take control of computer in order to cause damage or disrupt transmissions

VA Computer Crimes

- Computer Trespass, cont.
 - Penalties:
 - Up to 12 months jail
 - Damage over \$1K, 1-5 years imprisonment
 - Installs software on more than 5 computers, 1-5 years
 - Keystroke logger violation, 1-5 years
 - Exception for ISPs

VA Computer Crimes

- Computer Fraud

- Use a computer without authority to:
 - Obtain property or services by false pretenses
 - Embezzle or commit larceny
 - Convert the property of another
- Value is \$200 or more – 1-10 years imprisonment
- Otherwise up to 12 months in jail

VA Computer Crimes

- Phishing

- Using a computer to gather identifying information
- A. Unlawful to use a computer to obtain, access, or record, through the use of material artifice, trickery or deception, any identifying information – 1-5 years imprisonment
- B. Distribution of material – 1-10 years
- C. Uses such information to commit another crime – 1-10 years

VA Computer Crimes

- Civil Remedy

- Any individual wronged by any violation of aforementioned prohibitions may bring suit
- For any damages sustained and cost of suit
- Loss of profits
- Malicious intent NOT required

RESOURCES

VA Office of the Attorney General

<http://www.ag.virginia.gov>

Internet Crime Complaint Center

<http://www.ic3.gov>

Federal Trade Commission (FTC)

<http://www.ftc.gov>

Thank You

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DISCLAIMER: The information provided in this presentation does not represent, nor is intended to represent legal, advice, but rather highlights the current state of the law in these areas.