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DATA BREACH RESOLUTION

Lessons learned from

MEGA BREACHES

April 3, 2015

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COMPREHENSIVE

World's Biggest Data Breaches –updated 3/24/15

Mega Breaches are now the new normal

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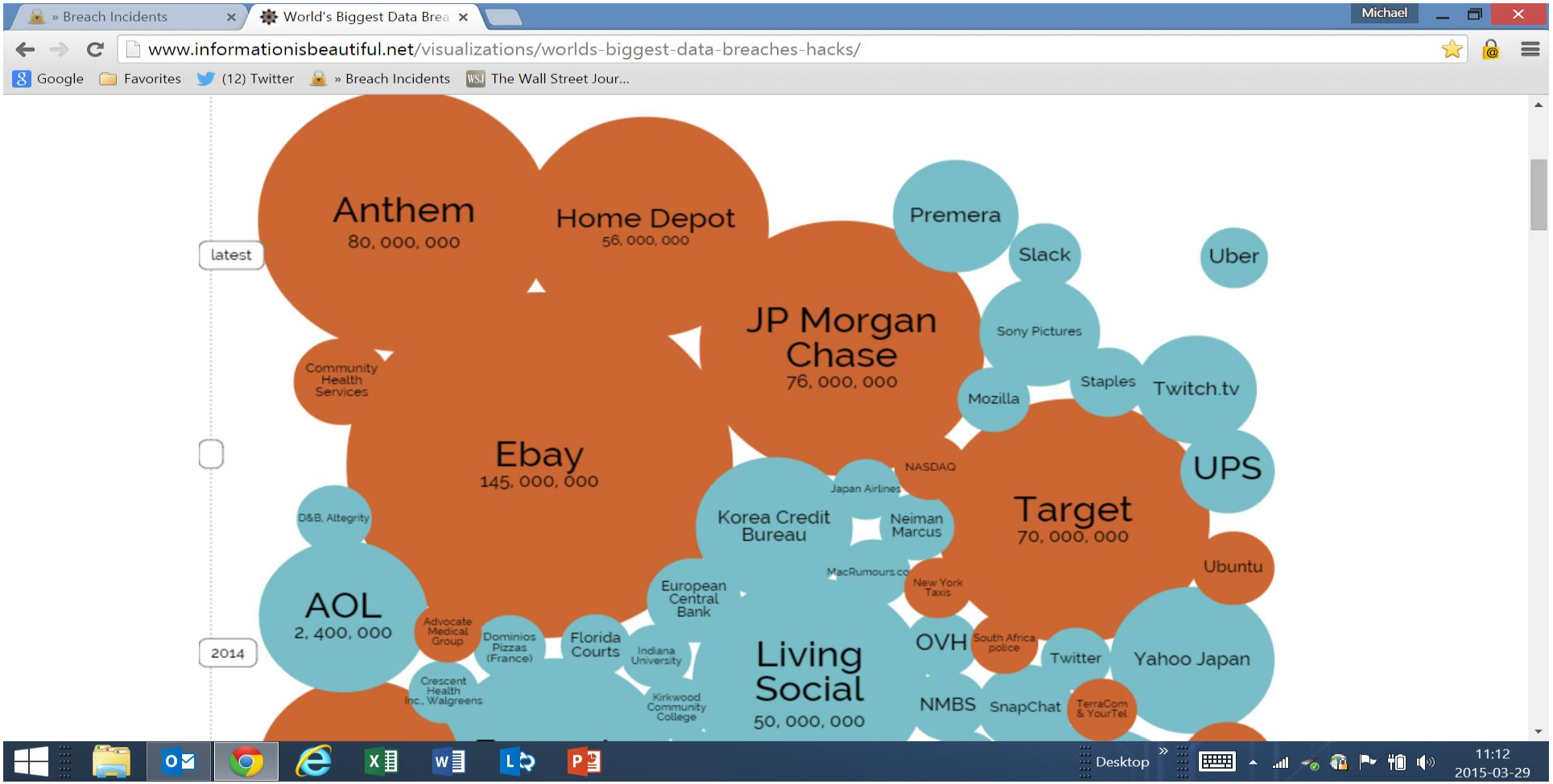


LESSONS LEARNED FROM MEGA BREACHES

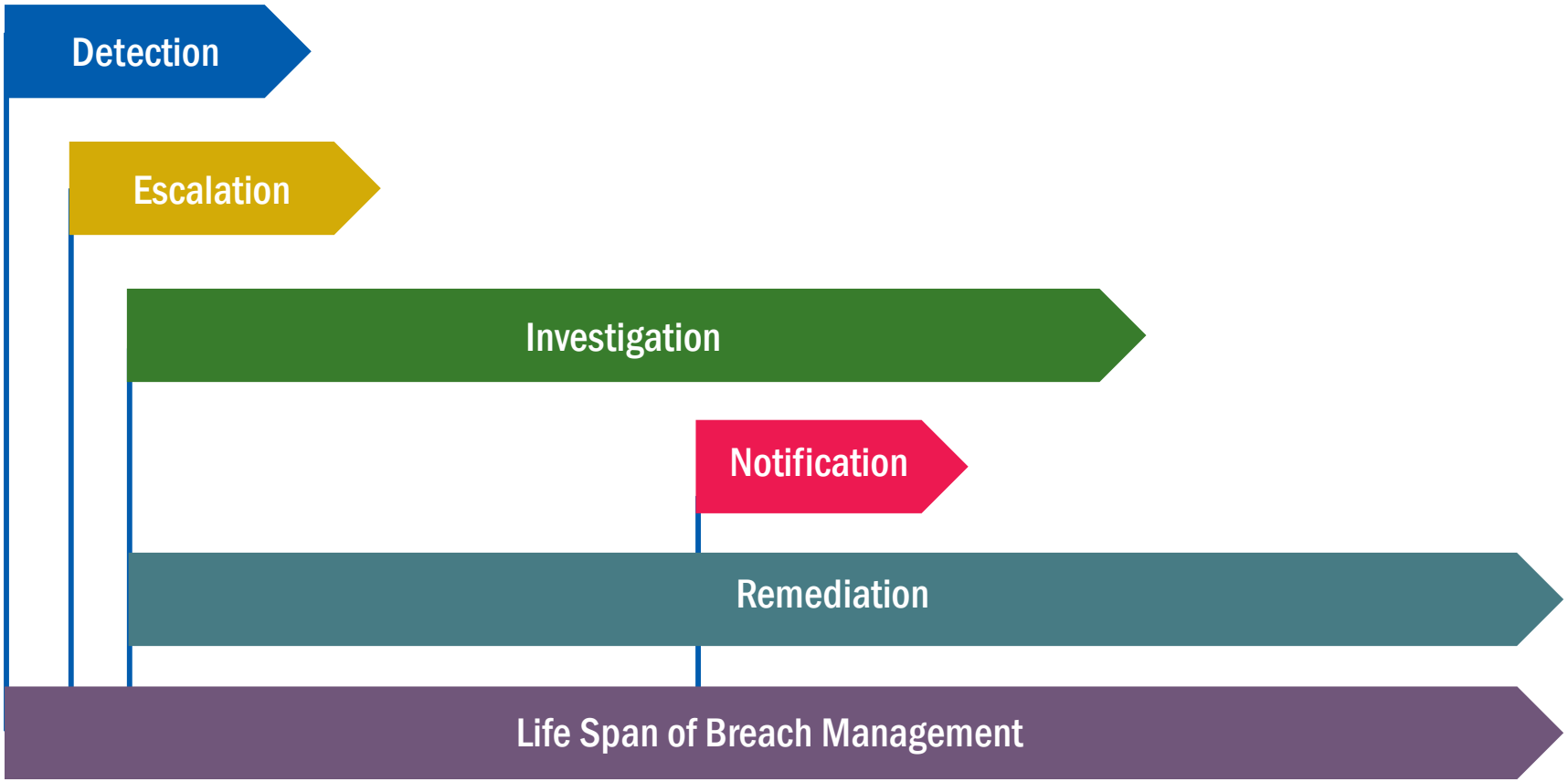
Why it's important to

HAVE A PLAN

- Save 25%
- Don't get shafted
- 7x Rule
- The Media
- Find a friend

Incident/

BREACH MANAGEMENT PROCESS/Stages



Current

REGULATORY ENVIRONMENT

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47 existing laws in States, DC & Puerto Rico

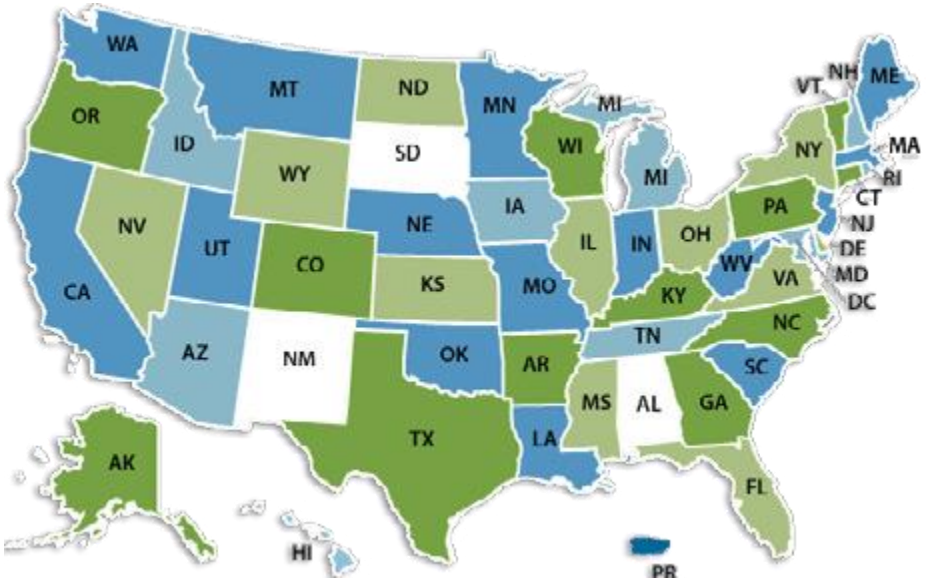
- Alabama, New Mexico and South Dakota are only ones without breach law

Two federal sectoral laws

- Health related data - Health Information Portability and Privacy Act (HIPPA)
- Financial data - Gramm Leach Bliley Act (GLBA)

FTC has well-established role in enforcement actions

- Over 50 cases taken since 2001



Will there ever be a NATIONAL STANDARD?

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High-profile breaches have increased scrutiny from lawmakers

- Several hearings in both House and Senate earlier this year
- Over seven breach notification bills have been introduced

Administration supports national breach standard

- U.S. Attorney Eric Holder video message
- White House Big Data report

But, pitfalls remain that prevent consensus

- Pre-emption of state laws
- Definition of personal information
- Congressional Committee turf battles

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The first

24 HOUR CHECKLIST

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One out of four organizations do not have a formal incident response plan in place.[1]

1. Record the date & time
2. Alert & activate everyone
3. Secure the premises
4. Stop additional data loss
5. Document everything
6. Interview those involved
7. Review protocols
8. Assess priorities and risks
9. Bring in your forensics firm
10. Notify law enforcement

1. Is Your Company Ready for a Big Data Breach?, Ponemon Institute, September 2014

RESPONSE STEPS

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- Form Internal Response Team
- Secure third party vendors for forensic investigation, data breach resolution support, etc.
- Perform investigation
- Develop detailed investigation report
- Create Public Relations/Communications strategy

Continued

RESPONSE STEPS

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- Assess NYSE/NASDAQ, SEC disclosure requirements
- Assess notification requirements, determine timing, sequencing
- Establish call center resources
- Remediate and mitigation
- Post-response review, risk remediation, and process

Incident

RESPONSE TEAM

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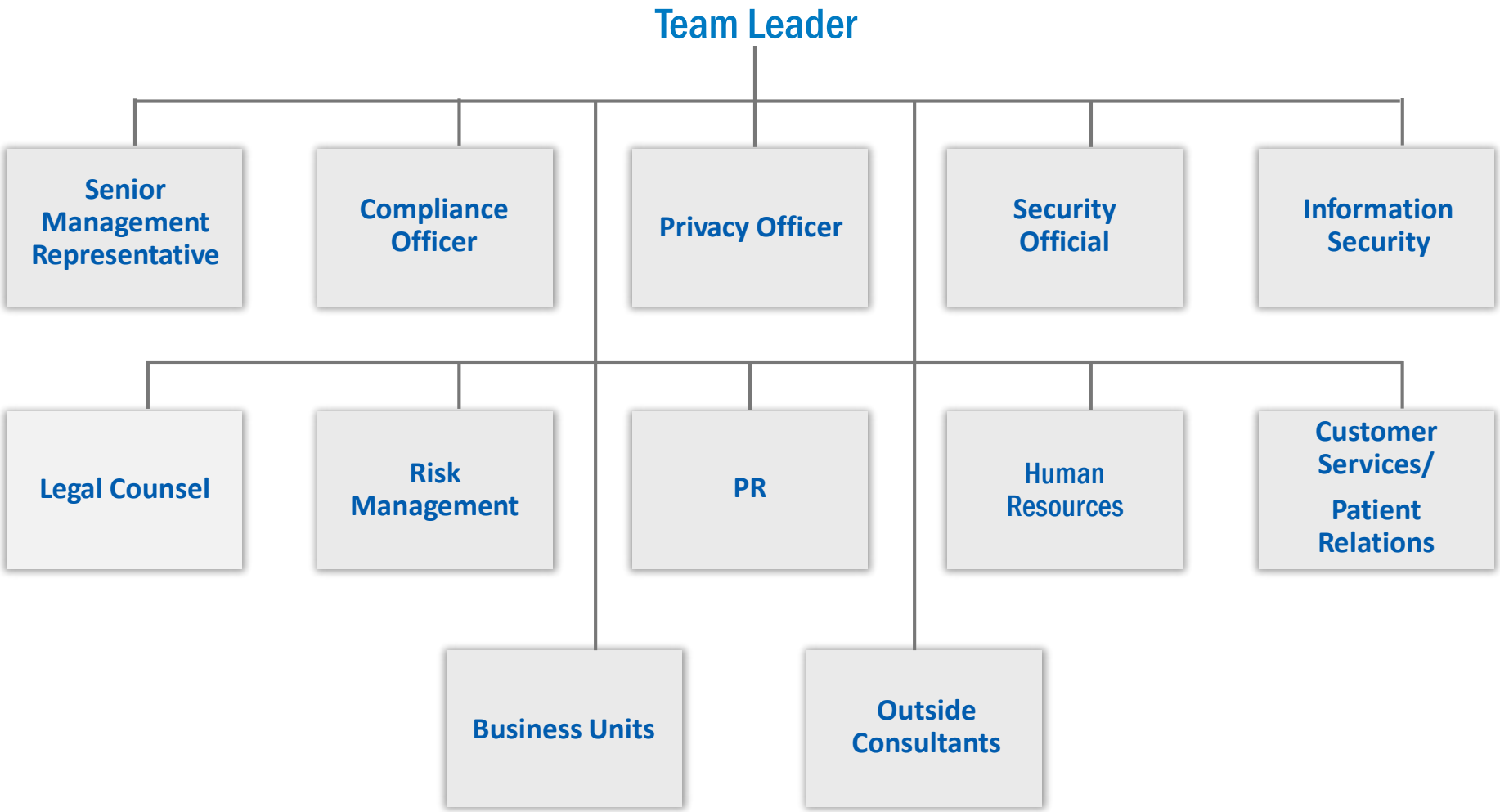

Selecting the RIGHT PARTNERS

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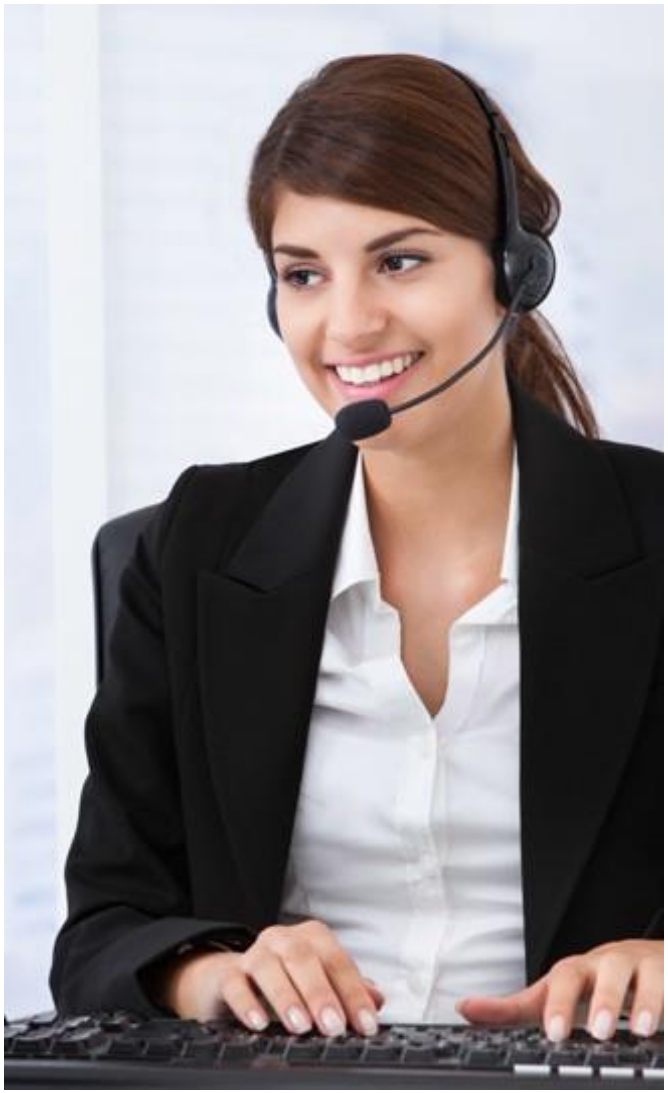
Don’t settle for less than a COMPREHENSIVE APPROACH

- Outside legal counsel
- Forensics
- Public Relations
- Incident management
- Notifications
- Identity theft protection
- Call center support
- Incident reporting



INVESTIGATE

- **Perform investigation**
- **Develop detailed chronological and analytical report/incident report**
  - Security Rule requires covered entities and business associates to document security incidents and their outcomes
  - A best practice

Communication:

REACH OUT

- **Contact the appropriate regulatory and law enforcement agencies**
- **Communications Plan**
- **Identification of external resources and support**

Communication and DOCUMENTATION

- Establish internal notification/ reporting process
- Checklists of steps
- Document all actions considered and/ or taken and reasons for decisions
- Documentation is a key requirement for all HIPAA Rules

External communication

STRATEGY

- **Develop/Implement Public Relations/ Communications strategy**
- **Establish call center resources**
- **Develop effective, efficient notification process**

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Consumer

EXPECTATIONS

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Identity Theft Protection

MINIMUM STANDARD

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- Credit Report
- Fraud detection alerts Internet scanning
- National change of address
- Insurance coverage
- Full service fraud resolution

Going above

AND BEYOND

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Regaining the trust of the consumer is your TOP PRIORITY

The cost of lost business increased from $3.03 million to $3.2 million last year.

- Abnormal customer turnover
- Increased customer acquisition activities
- Reputation losses & Diminished goodwill

Consumer RESPONSE

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Most consumers continue to believe that organizations should be obligated to provide

- Identity theft protection (63% of respondents)
- Credit monitoring services (58% of respondents)

The top two ways that would have prevented them from discontinuing the relationship

- A sincere apology
- Offer of free identity protection & credit monitoring services

-Aftermath of a Mega Data Breach, Ponemon Institute, May 2014

Continued, Consumer RESPONSE

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Data breaches among incidents that have the greatest impact on brands

A data breach is among the top three choices of occurrences that affect:

- Reputation
- Poor customer service
- Environmental incident

These incidents were selected ahead of publicized lawsuits, government fines, and labor or union disputes

Consumers' fear about becoming an identity-theft victim increases after a breach

- 24% said they were very concerned about becoming a victim of identity theft
- Increases significantly to 45% following the data breach
- Almost half of respondents feel their identity is at risk for years or forever

-Aftermath of a Mega Data Breach, Ponemon Institute, May 2014

If you experience a "MEGA"

- Chances are good that it is not as bad as you think
- Remember you have a plan
- Follow it
- Listen to your experts
- Murphy's law
- There is always an end and you can look forward
- Continuous improvement

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THANK YOU

For more information or questions about Experian Data Breach Resolution, please contact us.

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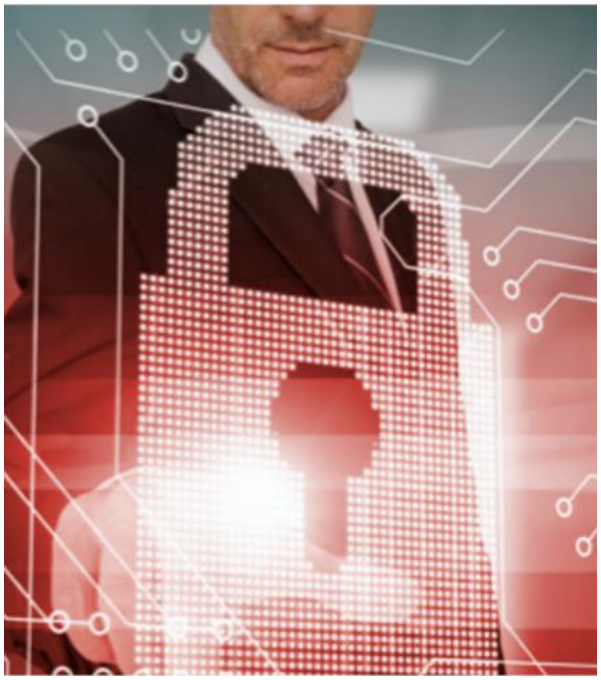

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