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Cyber Security and the Economy

The state of Internet security is eroding quickly. Trust in online transactions is evaporating, and it will require strong security leadership for that trust to be restored. For the Internet to remain the juggernaut of commerce and productivity it has become will require more, not less, input from security.

PWC Global Cyber Security Survey

Obama: What We Need to Do

It is not enough for the information technology workforce to understand the importance of cybersecurity; leaders at all levels of government and industry need to be able to make business and investment decisions based on knowledge of risks and potential impacts.

Obama Administration Cyber Space Policy Review
May 30, 2009 page 15

We need a total risk management approach

The security discipline has so far been skewed toward technology—firewalls, ID management, intrusion detection—instead of risk analysis and proactive intelligence gathering.

PWC Global Cyber Security Survey

We have to shift our focus from considering cybersecurity as a technical-operational issue to a economic-strategic issue

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The Insider Threat

This year marks the first time "employees" beat out "hackers" as the most likely source of a security incident. Executives in the security field, with the most visibility into incidents, were even more likely to name employees as the source. ----PricewaterhouseCoopers 2010 Global Information Security Survey

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Follow the money

- We have –and will continue to have cyber attacks because of the economic incentives
- Attacks are easy/cheap/very profitable
- Defense is hard---successful prosecution 1%
- Perimeter to defend is endless
- Extremely hard to show ROI because enterprises don't analyze their cyber risk correctly

Cost Issues:CSIS 2010

Overall, cost was most frequently cited as "the biggest obstacle to ensuring the security of critical networks. p14

Making the business case for cybersecurity remains a major challenge, because management often does not understand either the scale of the threat or the requirements for a solutions. p14

The number one barrier I think is the security folks who haven't been able to communicate the urgency well enough and they haven't actually been able to persuade the decision makers of the reality of the threat. p14

Making the business case for security could be a challenge – no one wants to pay their insurance bill until the building burns down. p15

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We are not cyber structured

- In 95% of companies the CFO is not directly involved in information security
- 2/3 of companies don't have a risk plan
- 83% of companies don't have a cross organizational privacy/security team
- Less than ½ have a formal risk management plan —1/3 of the ones who do don't consider cyber in the plan
- In 2010 50%-66% of US Companies are deferring or reducing investment in cyber security

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What to do…

- Good News: We know a lot about how to solve this problem--80-90% can be solved by using best practices and standards—most don't due to cost
- Focus on Enterprise Education so companies understand total financial cyber risk
- ISA-ANSI program (which is free) provides a pathway to do this

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Government Participants

NIST

U.S. DEPARTMENT OF HOMELAND SECURITY

U.S. SECURITIES AND EXCHANGE COMMISSION · MCMXXXIV ·

DEPARTMENT OF JUSTICE — QUI PRO DOMINA JUSTITIA SEQUITUR

NATIONAL CREDIT UNION ADMINISTRATION

DEPARTMENT OF TRANSPORTATION — UNITED STATES OF AMERICA

THE UNITED STATES CYBER CONSEQUENCES UNIT

DEPARTMENT OF COMMERCE — UNITED STATES OF AMERICA

PEACE CORPS

ANSI-ISA Program

- Outlines an enterprise wide process to attack cyber security broadly and economically
- CFO strategies
- HR strategies
- Legal/compliance strategies
- Operations/technology strategies
- Communications strategies
- Risk Management/insurance strategies

What CFO needs to do

- Own the problem
- Appoint an enterprise wide cyber risk team
- Meet regularly
- Develop an enterprise wide cyber risk management plan
- Develop an enterprise wide cyber risk budget
- Implement the plan, analyze it regularly, test and reform based on EW feedback

Human Resources

- Recruitment
- Awareness
- Remote Access
- Compensate for cyber security
- Discipline for bad behavior
- Manage social networking
- Beware of vulnerability especially from IT and former employees

Legal/Compliance Cyber Issues

- What rules/regulations apply to us and partners?
- Exposure to theft of our trade secrets?
- Exposure to shareholder and class action suits?
- Are we prepared for govt. investigations?
- Are we prepared for suits by customers and suppliers?
- Are our contracts up to date and protecting us?

Operations/IT

- What are our biggest vulnerabilities? Re-evaluate?
- What is the maturity of our information classification systems?
- Are we complying with best practices/standards
- How good is our physical security?
- Do we have an incident response plan?
- How long till we are back up?---do we want that?
- Continuity Plan? Vendors/partners/providers plan?

Communications

- Do we have a plan for multiple audiences?

--general public

--shareholders

--Govt./regulators

--affected clients

--employees

---press

Insurance—Risk Management

- Are we covered?----Are we sure?????????
- What can be covered
- How do we measure cyber losses?
- D and O exposure?
- Who sells cyber insurance & what does it cost?
- How do we evaluate insurance coverage?

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