



ANATOMY OF A DATA BREACH

Private and Confidential

Kroll | A Division of
DUFF & PHELPS

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Introduction – Many Eyes are Watching



At the end you should you have a better understanding of how to...

- Prepare for an event before it happens
 - Tailor real help to the real need generated from your event
 - Handle the differences in geographies in terms of your response
 - Provide impacted individuals and interested onlookers the most confidence in a company's ability to set things straight and reduce the likelihood of another breach
 - Understand the implications of Covid 19 (or another Global Pandemic) on the Breach Notification process
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Recent Breach-Related Headlines...



Uber to Pay \$148 Million Penalty to Settle 2016 Data Breach

Settlement relates to \$100,000 payment Uber said it made to hackers to conceal a November 2016 data breach affecting some 57 million riders and drivers

2019 Is A 'Fine' Year: PDPC Has Fined S'pore Firms A Record \$1.29M For Data Breaches

EQUIFAX WILL PAY UP TO \$700 MILLION TO SETTLE DATA BREACH LAWSUITS

Germany fines H&M 35 million euros for data protection breaches

British Airways Faces \$230 Million Fine Over Data Breach as European Privacy Rules Start to Bite

Regulators in Europe have gained increasing authority to fine companies for failing to safeguard customer information

What Do Clients Want To Know?



If we notify, are we accepting responsibility/liability?

What have you done for international clients to help them respond?

How do I deal with different country/state regulations

What do you need to be mindful of as part of the response?

What is the potential impact of doing nothing?

How do you pay for it?

Privacy Regulations Growing Worldwide



By 2023, **65%** of the world's population will have its personal data covered under **modern privacy regulations**, up from 10% in 2020, according to Gartner, Inc.

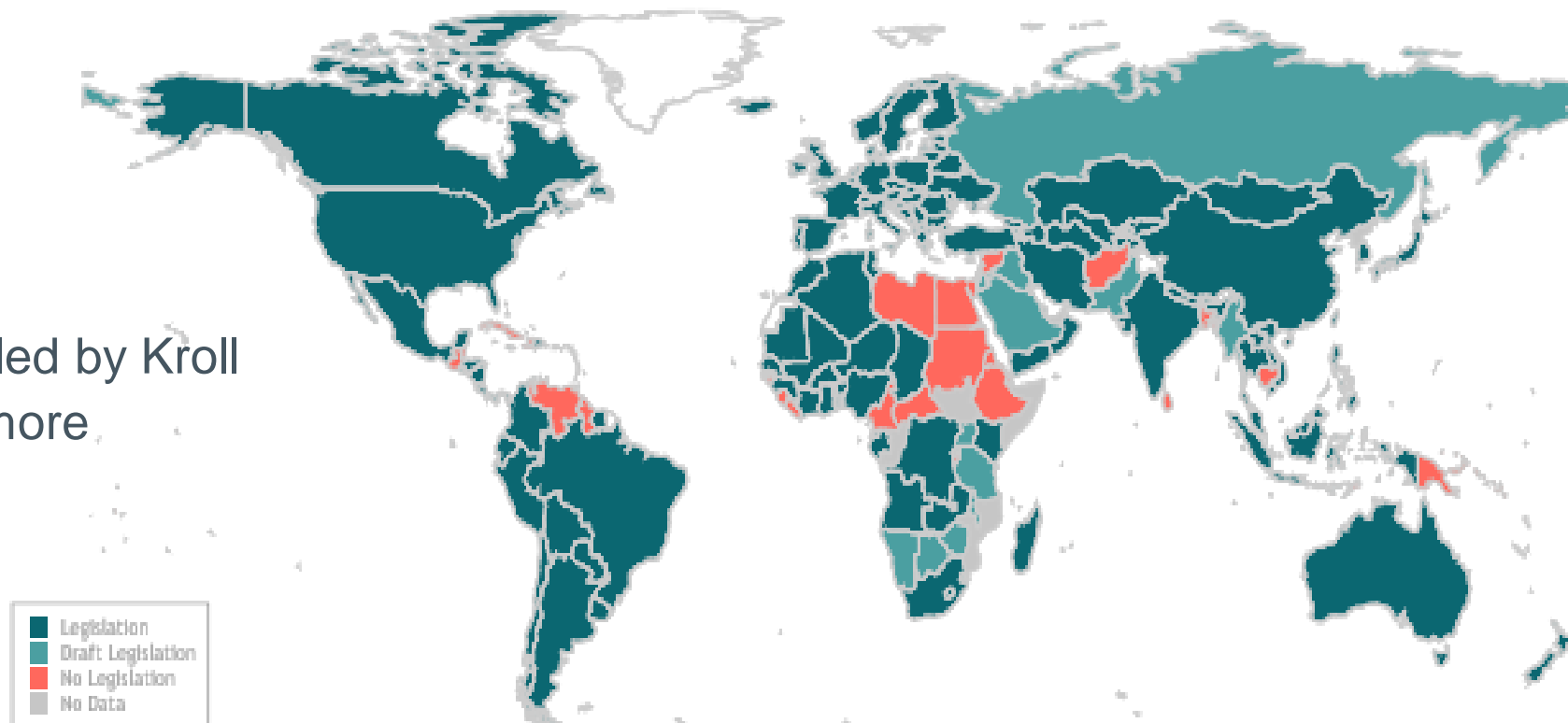
Countries Requiring Notification



Data Protection and Privacy Legislation Worldwide

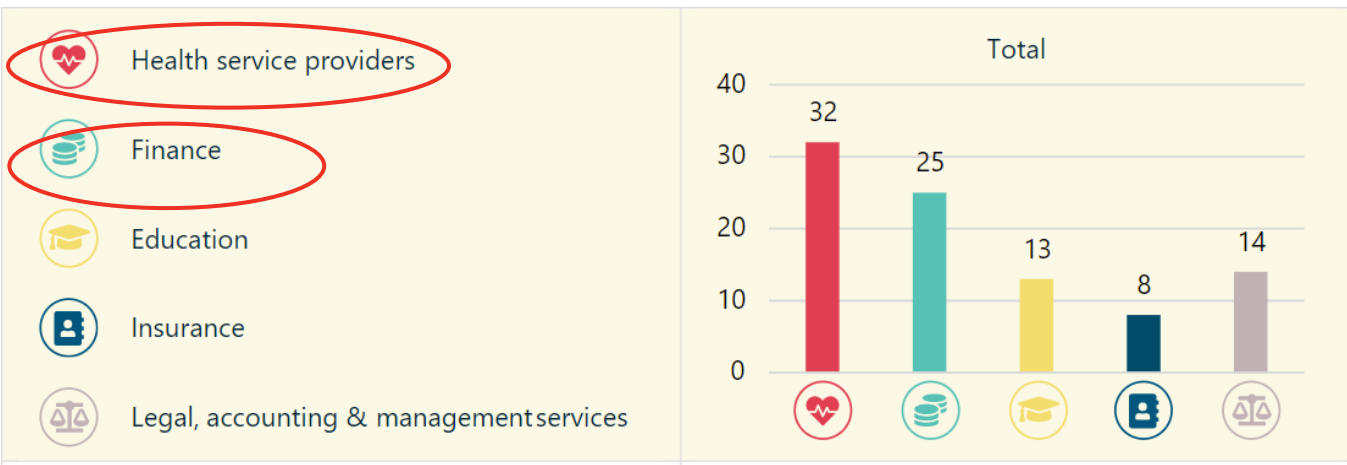
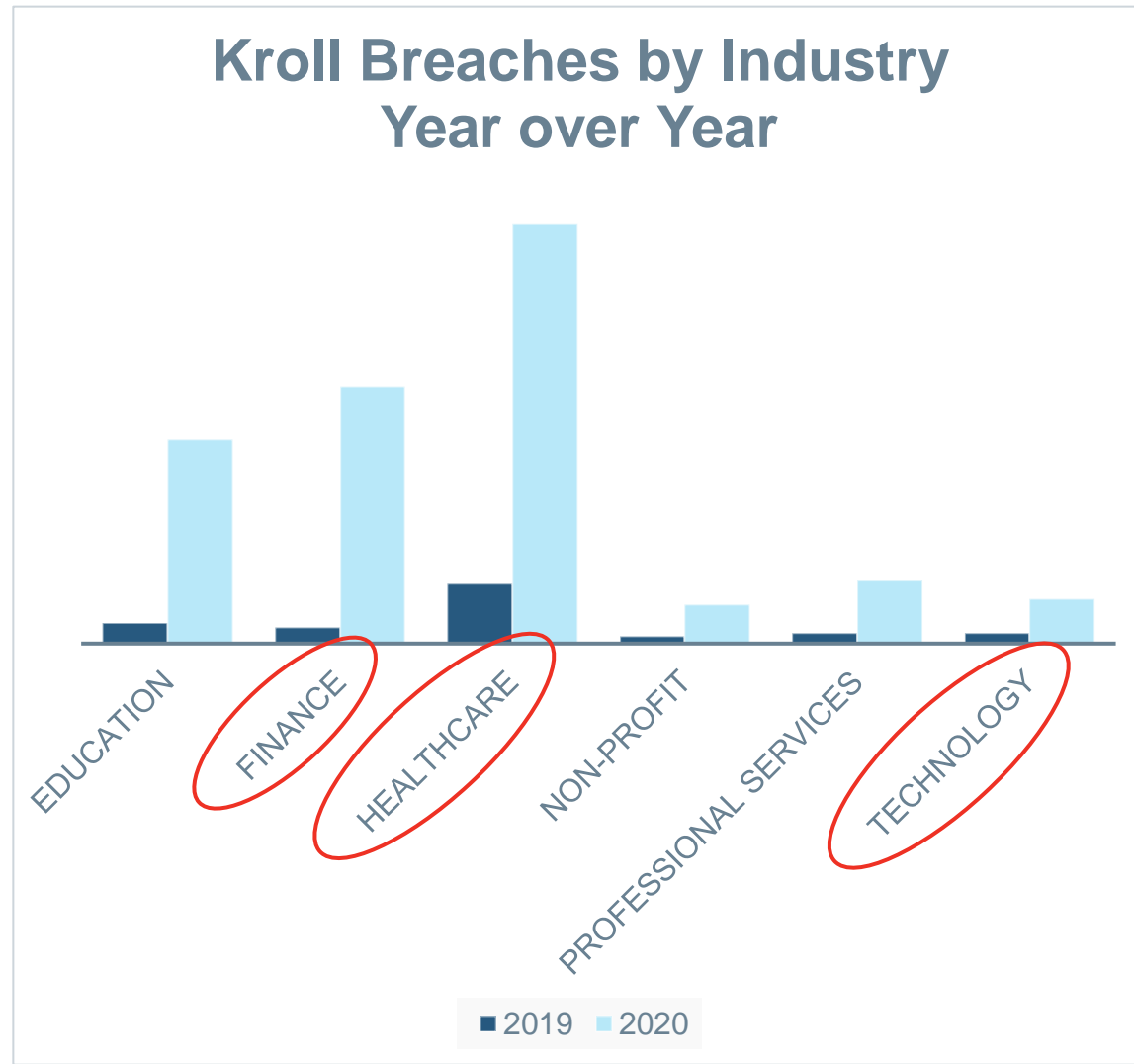
In 2020...

- A third of breaches handled by Kroll involved at least two or more countries



Source: UNCTAD, 02/04/2020

Breached Sector Trends

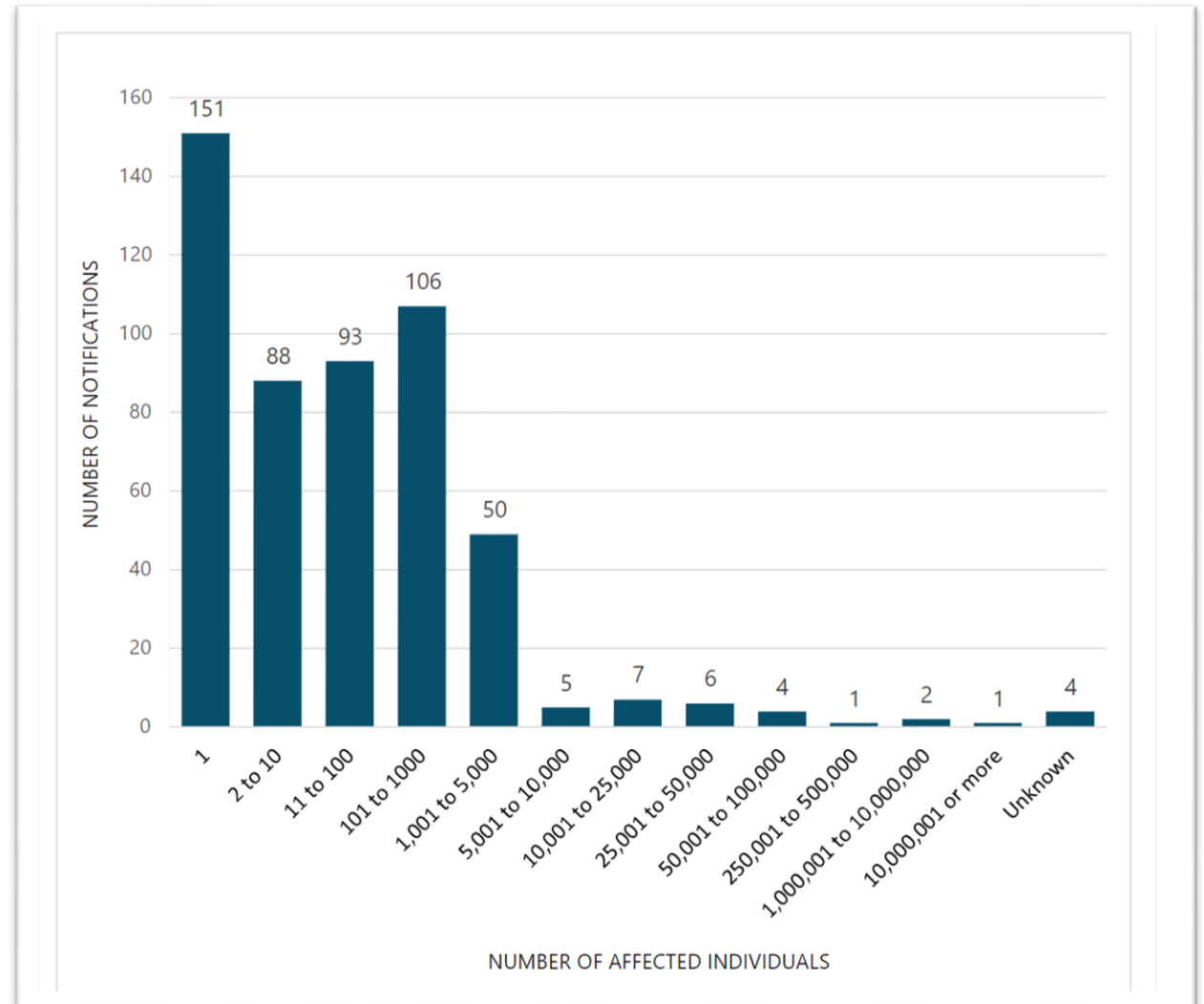


Size may not matter



The biggest breach isn't always the costliest...

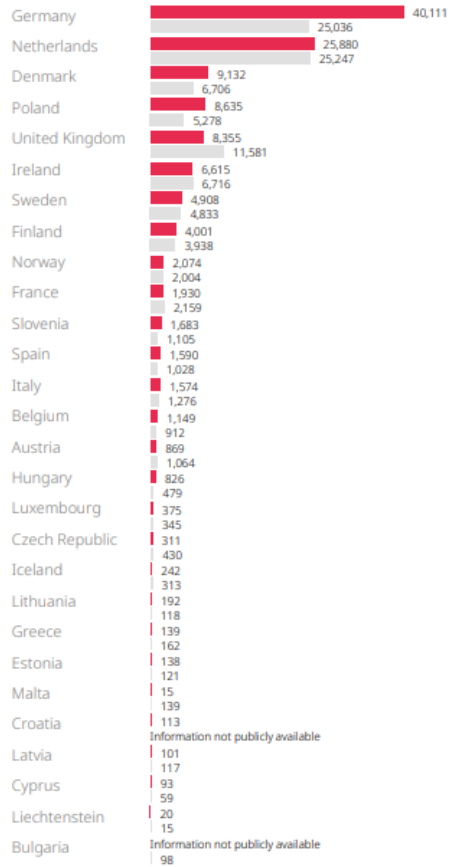
- Organizations of all sizes are targets
- By preparing for smaller breaches could save your organizations from numerous fines
- Complexity is the challenge



EU - Numbers

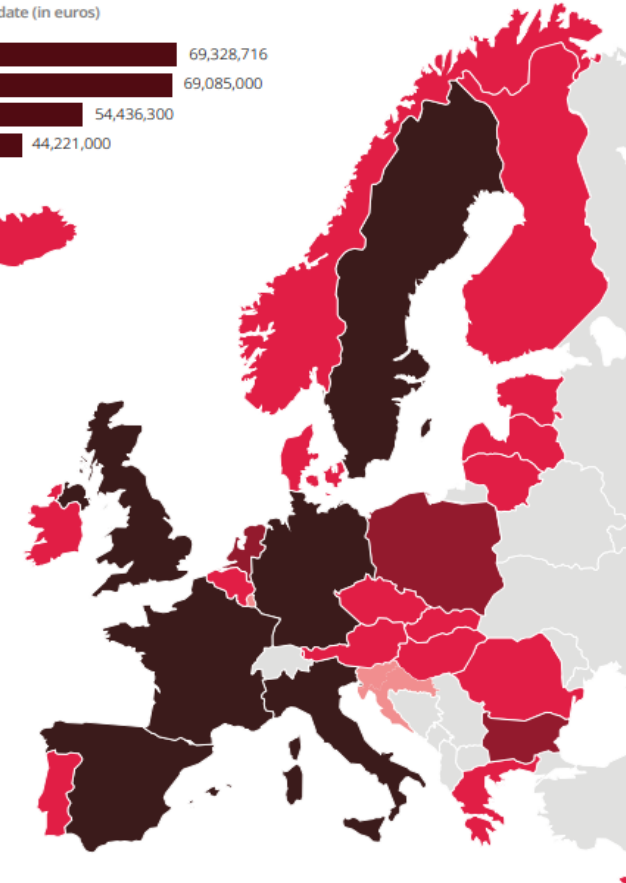
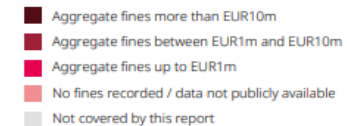
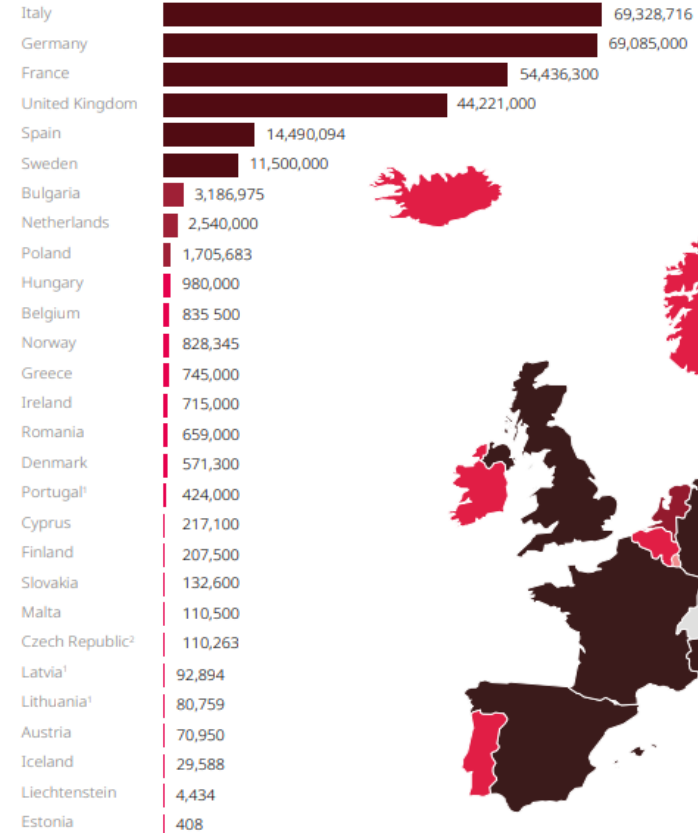


Number of data breaches notified per jurisdiction between 28 January 2020 and 27 January 2021 inclusive*



- Over 118,000 breaches in the EU in 2020
- Over 277M Euro Imposed fines

Total value of GDPR fines imposed from 25 May 2018 to date (in euros)



* From 28 January 2020 to 27 January 2021
 From 28 January 2019 to 27 January 2020

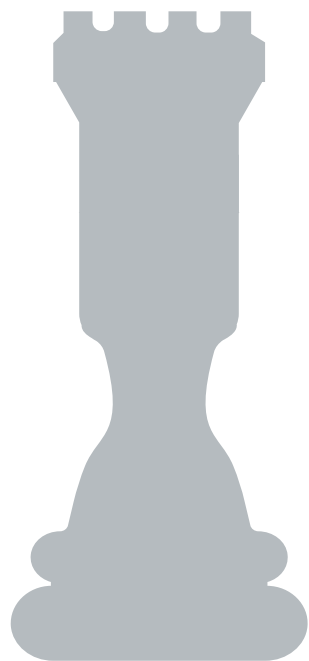
Poll Question 1



Within your organization, does your customer base, stakeholder mix and legal entity structure cross multiple jurisdictions?

- **One Country**
- **Multiple Countries**

The Players



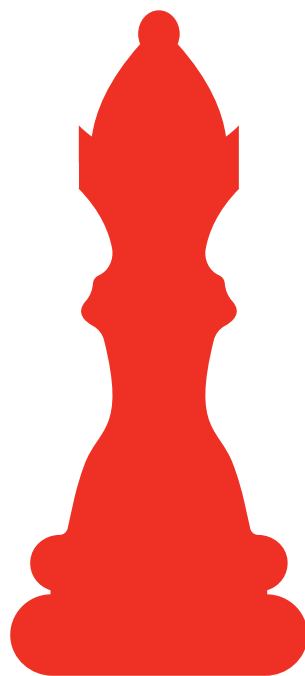
Impacted Entity

This will usually include:
Senior management, IT,
PR etc



Counsel

Counsel will provide
guidance on what
response is required



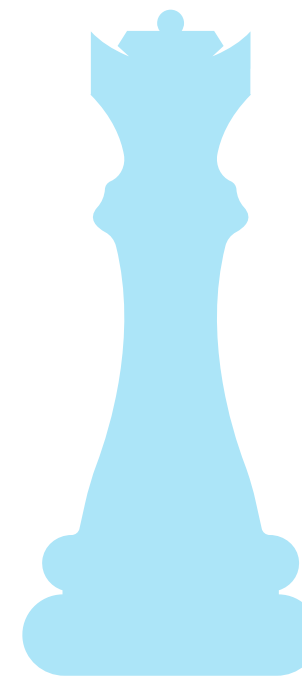
Breach Response Partner

The company that will
support your breach
response



Insurance Carrier

The insurance carrier may
set some parameter
around the response



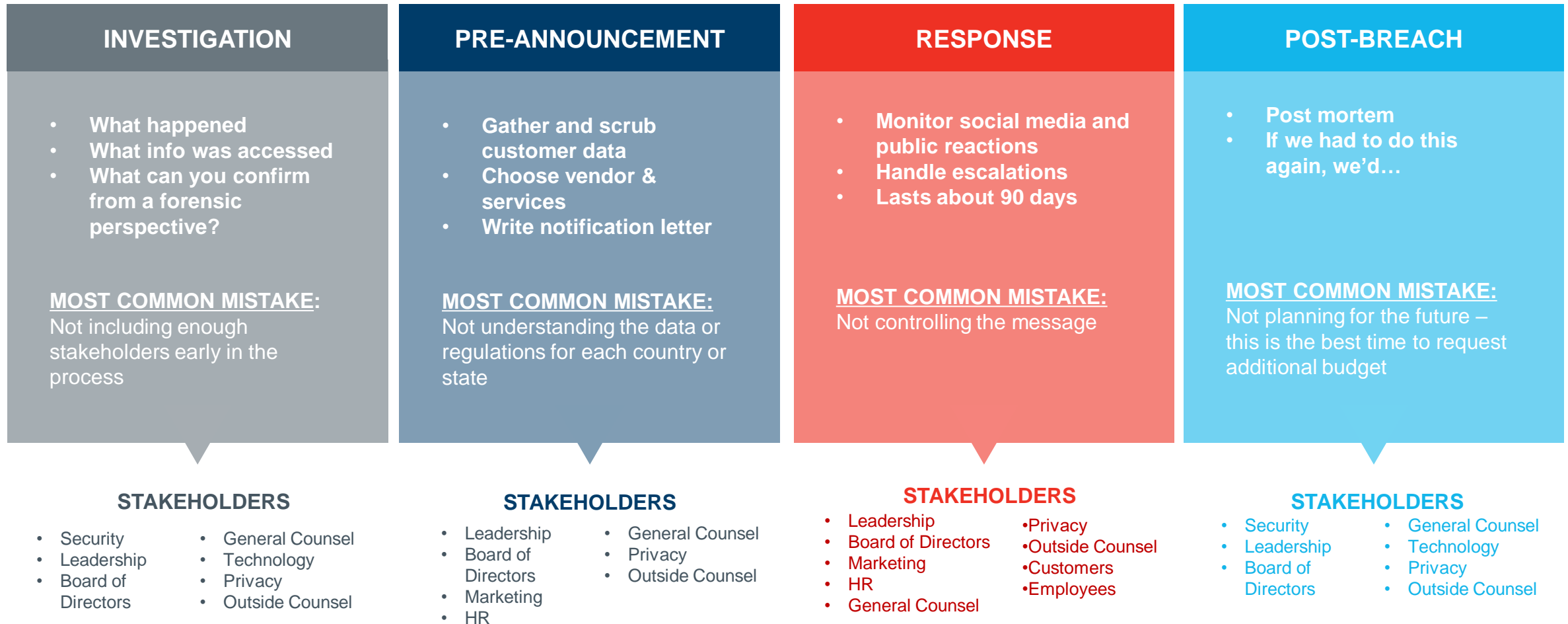
The Consumers

Ultimately the group who
will be impacted by the
event.

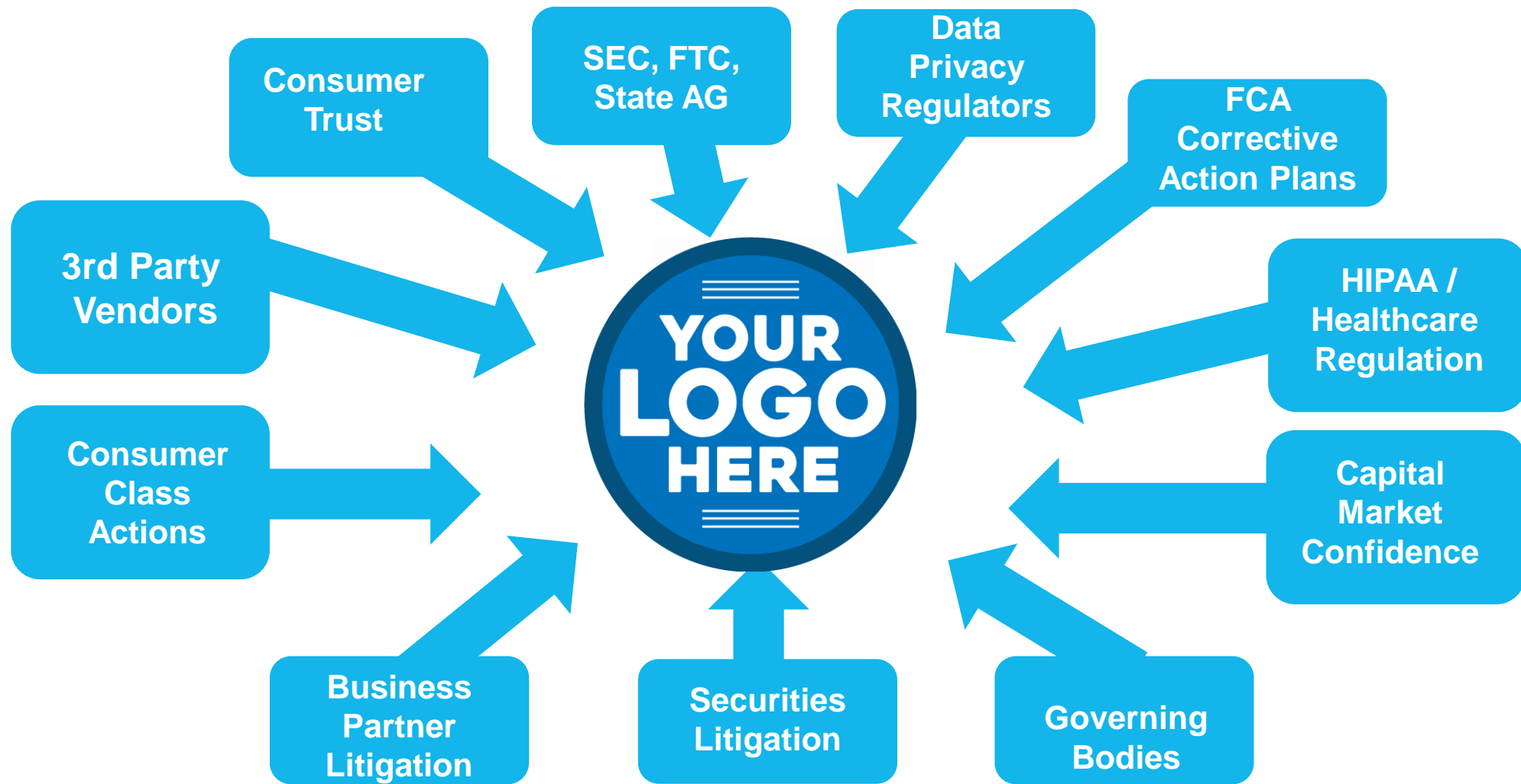
Breach Schedule & Stakeholders



What to expect when you're not expecting a breach



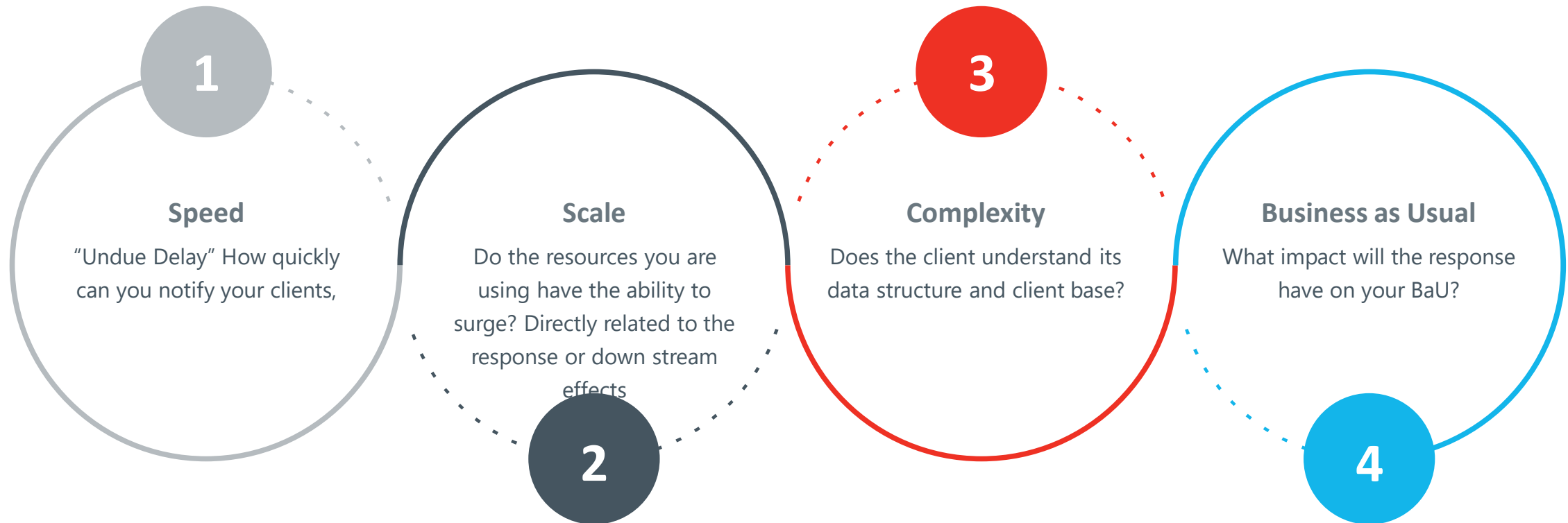
Implications of a Data Breach



The Challenge



As a client facing a data breach, you have to make tough decisions and each one has an impact. The wrong decision at any given point could cause issues down the road.



Poll Question 2



Do you have vendors and legal partners selected with existing contracts in place should you have a data breach?

Yes

No

The Art and Science of Breach Notification



Match remedy to risk

- Credit monitoring has its place, but can't spot someone's **personal information** being offered for sale on the black web. Offer meaningful help.



Avoid the blame game

- To someone whose data was lost by your firm, it doesn't matter if the HVAC supplier or a disgruntled employee was involved. They trusted *you*.



Be thoughtful and clear

- Crisis communications and Legal counsel can guide notification and media statements, to help ensure a consistent message across all channels.



Apologize

- People don't expect you to be perfect, but they do expect you to be sorry. Empathy goes a long way.

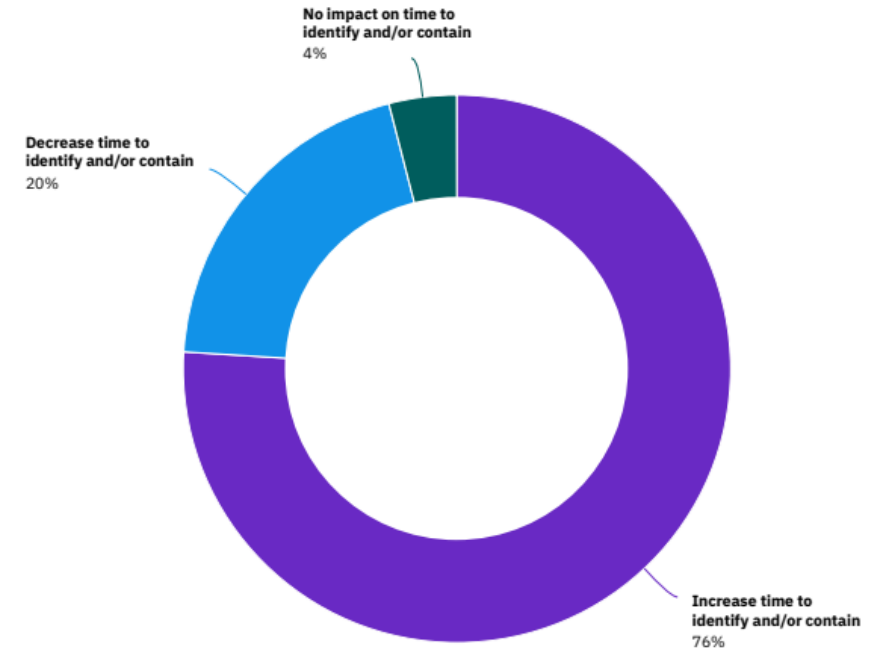
Data Breach in the Time of Covid



- **More difficult to plan when not in a room**
- **Dealing with Virtual Work – Globally**
- **Law is the Law, and the timelines are important and non-negotiable**
- **Effective communication using channels and strategies that reach the consumer – How do you cut through the noise**
- **How do you instill customer confidence – even when things appear to be falling apart everywhere else!**

Figure 44

How would remote work impact your ability to respond to a data breach?



Three-quarters of participants expected a data breach would take longer to identify and contain.

So What Could I Do Now To Prepare?



- Know what your customer data is, where it is and who will/can retrieve it
 - Pre-Determine and agree stakeholders
 - Who will contact your lawyer, breach vendors and cyber insurance agent?
 - Contingency planning for stakeholders who may be unavailable
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So you know what to do

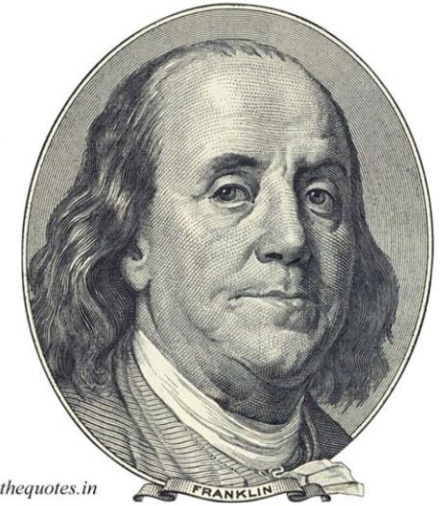


Every battle is going to surprise you.
No plan ever survives contact with
the enemy.

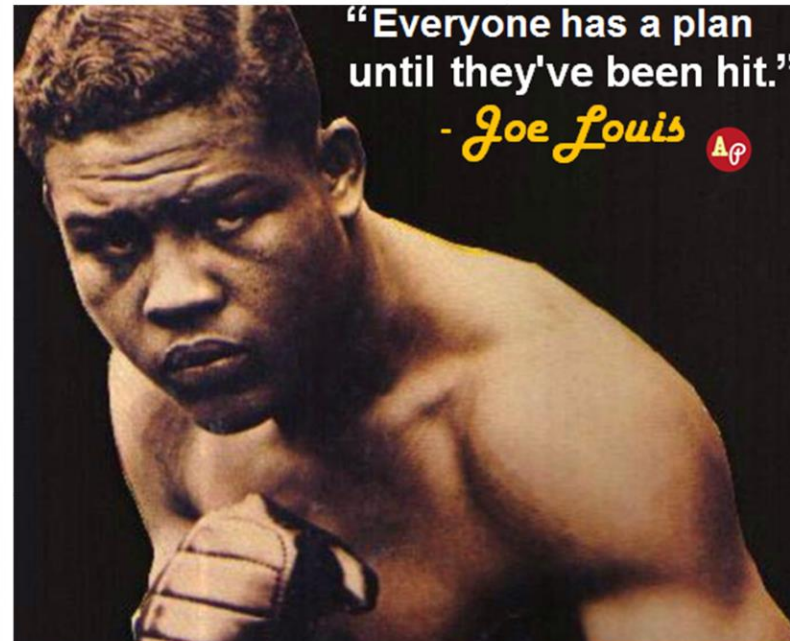
— *Dwight D. Eisenhower* —

By failing to prepare, you
are preparing to fail.

Benjamin Franklin



www.thequotes.in



Questions



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