



GOODWIN

# ANNUAL BANKING SYMPOSIUM

Innovation: The Great Equalizer



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## CHALLENGES IN INNOVATION – NAVIGATING THE UNCERTAIN TERRAIN

***Moderator:***

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***Panelists:***

**Alexander Greenberg, Head of Intellectual Property and Cybersecurity Legal, Americas, Barclays**

**Jim Satterfield, CEO and Co-Founder, Firestorm**

# The Changing Landscape



**Your personal files are encrypted by CTB-Locker.**

Your documents, photos, databases and other important files have been encrypted with strongest encryption and unique key, generated for this computer.

Private decryption key is stored on a secret Internet server and nobody can decrypt your files until you pay and obtain the private key.

**You only have 96 hours to submit the payment. If you do not send money within provided time, all your files will be permanently crypted and no one will be able to recover them.**

Press 'View' to view the list of files that have been encrypted.

Press 'Next' for the next page.

 **WARNING! DO NOT TRY TO GET RID OF THE PROGRAM YOURSELF. ANY ACTION TAKEN WILL RESULT IN DECRYPTION KEY BEING DESTROYED. YOU WILL LOSE YOUR FILES FOREVER. ONLY WAY TO KEEP YOUR FILES IS TO FOLLOW THE INSTRUCTION.**

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## Why Should You Care About Cybersecurity?

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- Costs of breaches/compliance
- Changes in the nature and seriousness of breaches
- Public/investor relations
- Reputation
- Liability
- Government enforcement

## Breaches & Breach Response

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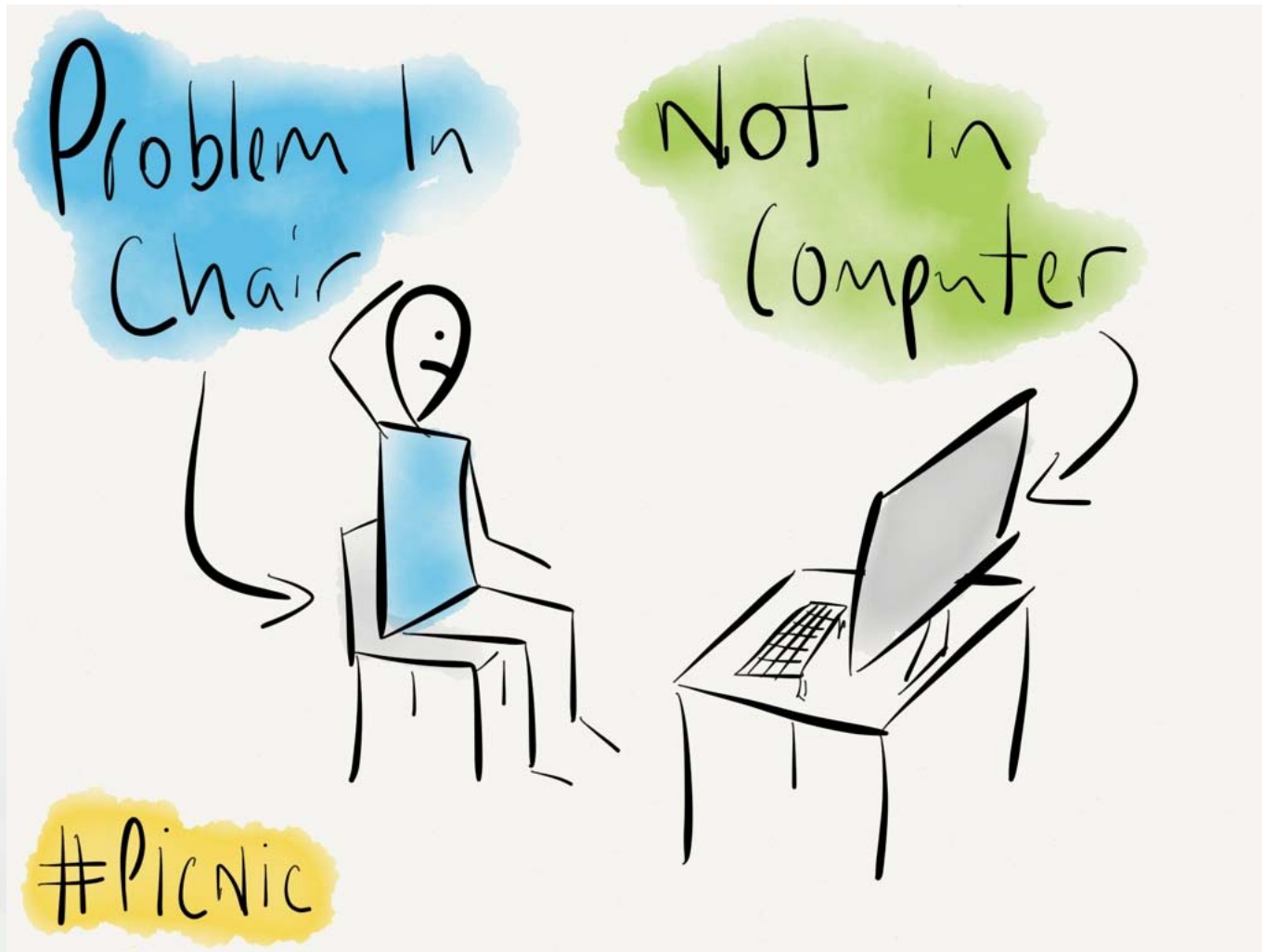
- Changing methods – increasing sophistication and frequency:
  - Nation states
  - Organized crime
  - Ransom/Ransomware
  - Phishing
  - Wire fraud
  - Stock manipulation
  - Corporate espionage/IP
  - AutoForward

## Steps to Take Before a Breach

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- What story do you want to tell?
- Have incident response and communications plans in place
- Have data security and privacy policies in place
- Know your data
- Cyber insurance/analyze existing coverages
- Establish an Open-Source Predictive Intelligence program
- Conduct phishing and other training and institute best practices:
  - Send sensitive information in new emails – not replies
  - Protocols on wires and e-banking
  - Tabletop exercises
  - Call first (out-of-band authentication)
- Assess board composition/engagement
- Set up Bitcoin account

## Picnic



## Cyber-Risk Indicators

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**INDICATORS** are clues, signs or markers that tell you that you may have a business crisis-risk.

They can be **behavioral**, **transaction**, or **process** changes that when trained to recognize, give you an advantage to reacting to an event before it has completely manifested itself.

- System runs slower than normal
- *Emergency* requests which circumvent normal protocol
- Large data transfers from non-routine associates
- Multiple 'portals' for suppliers, customers
- Phone or Email request for personnel names, titles, or email addresses
- Social Media disclosures of leaked information



## What to do During a Breach

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- Don't call it a breach!
- Don't call it an investigation
- Get counsel involved immediately/maintain attorney-client privilege
- Stop the bleeding – ensure the security threat is over
- Notify insurance carrier early
- Determine/preserve facts – forensic firm engaged by counsel
- Have cyber crisis communications/PR plan in place
- Inform the Board as appropriate
- Follow your procedures, but be flexible – every situation is different

## What to do After a Breach

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- Analyze legal reporting obligations
  - Customers/employees
  - Regulators (e.g., notification requirements)
  - Securities disclosures
- Document steps taken to prepare for potential government enforcement action
- Post-mortem/lessons learned – review and update policies & procedures
- Take any remedial action (less forgiveness for second breach)



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