Supporting the Aftermath of a Major Cyber Security Incident

10.28.15

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The Identity Theft Landscape

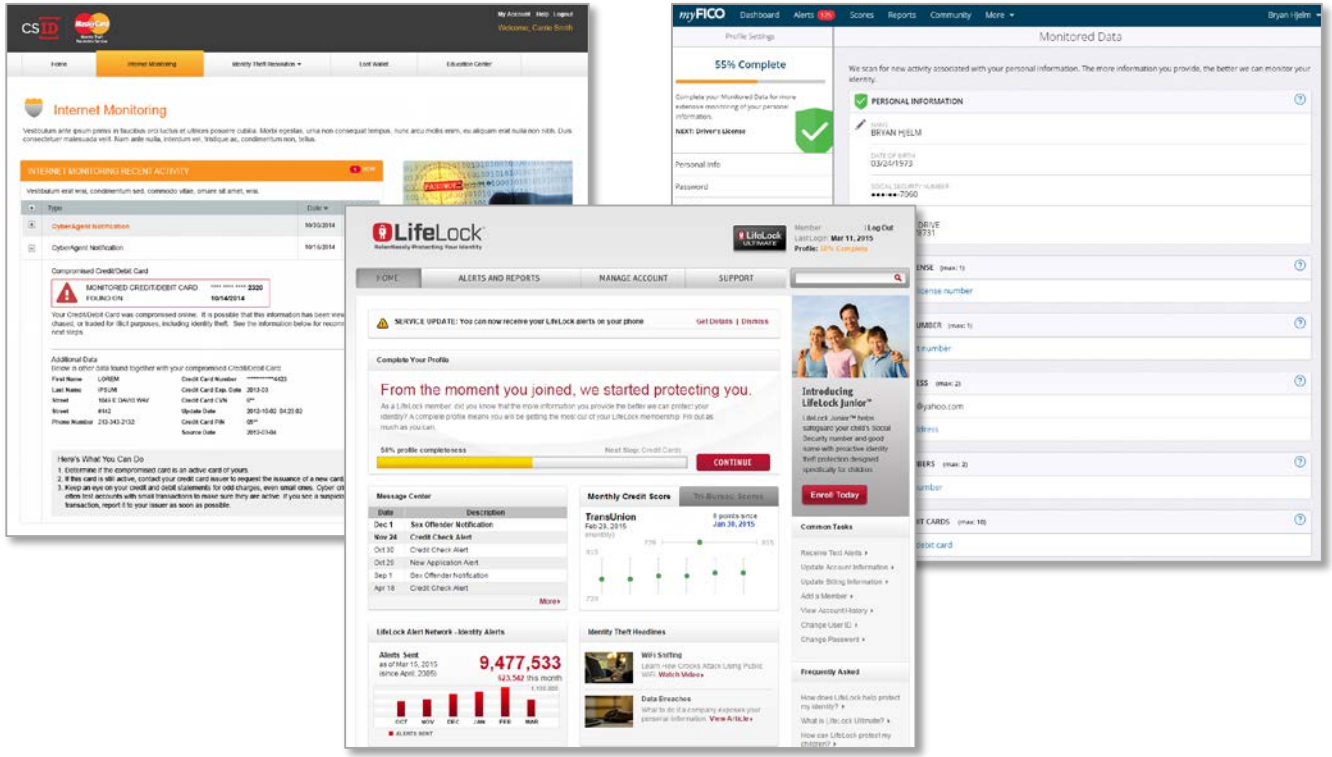
Sources: Javelin Strategy & Research, FTC

That’s Where We Come In

CSID is a leading provider of global enterprise level identity protection, and fraud detection solutions and technologies.

- ✓ Reporting and monitoring of credit data
- ✓ Reporting and monitoring of personal information
- ✓ CyberAgent® - Dark web monitoring
  - o Stolen personal data
  - o Malware
  - o Potential threats
- ✓ Personal identity theft restoration
- ✓ Customer Care

Our Turnkey Platform Powers More than 80% of the Identity Protection Market



Vulnerability Through Third Party Vendors

TARGET – Nov. 2013

70M phone numbers and emails
40M payment card records

- A contractor with a presence in Target's data center was breached
- Perpetrators used contractor's system credentials to gain access to Target's POS systems
- Uploaded malware (BlackPOS) collected Type I & II data
  - unencrypted customer PII and payment card information stolen
- Over 11GB of data from 1797 Target stores breached

Vulnerability Through Employee Error

The White House – April 2015

Gained access to President's private schedule and some email correspondence

- State Department employee opened a malicious link in an email
- Hackers used that access to conduct another phishing attack in part of the White House network
- Breach discovered in the unclassified network that served the Executive Office of the President

Vulnerability Through Espionage

OPM – June / July 2015

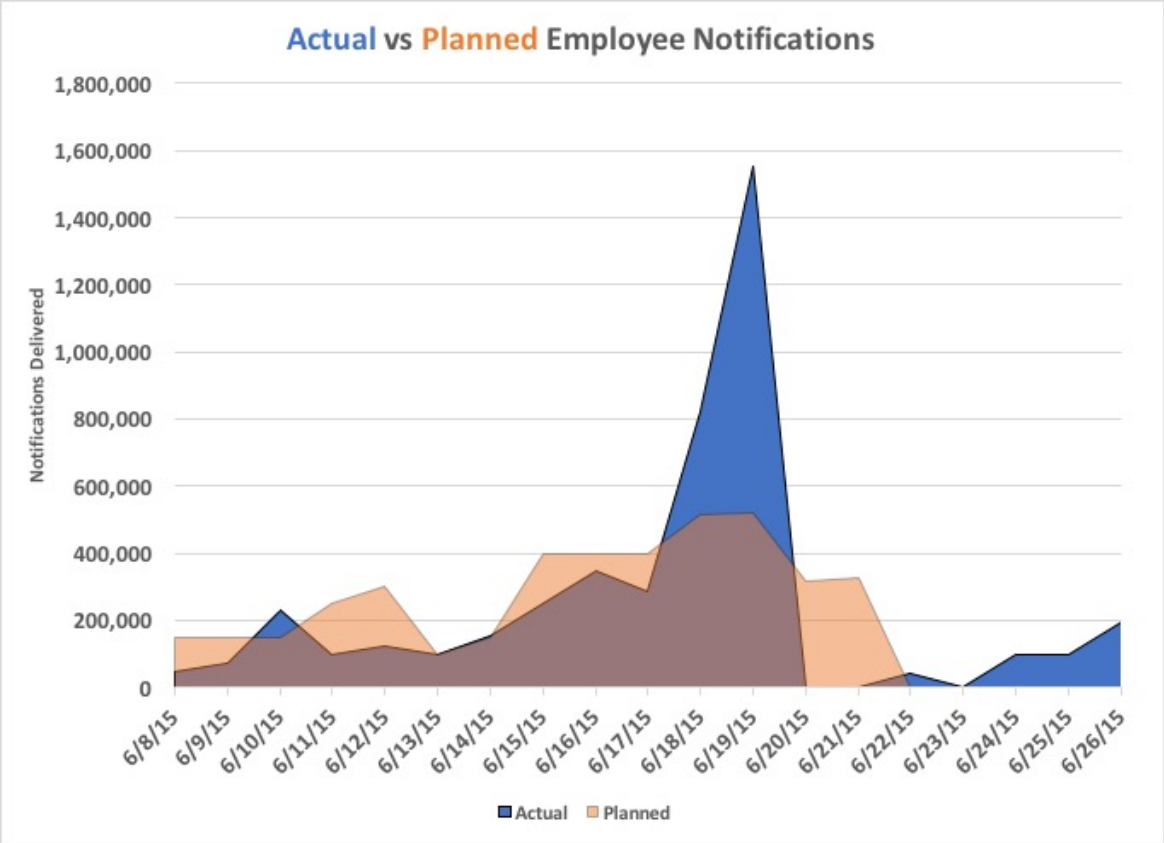
25M+ government employees, retirees, and contractors impacted

- **June 2015**: Office of Personnel Management (OPM) announces cybersecurity incident compromising personnel records for 4.2 million current and retired personnel - ***(OPM1)***
- **July 2015**: OPM announces cybersecurity incident compromising background investigation data for 21.5 million employees and contractors - ***(OPM2)***
  - SF 85, SF 86 forms in place since 2000
  - 19.7 million applicants and 1.8 million SO
  - 5.6 million finger prints

OPM1 Contract Award

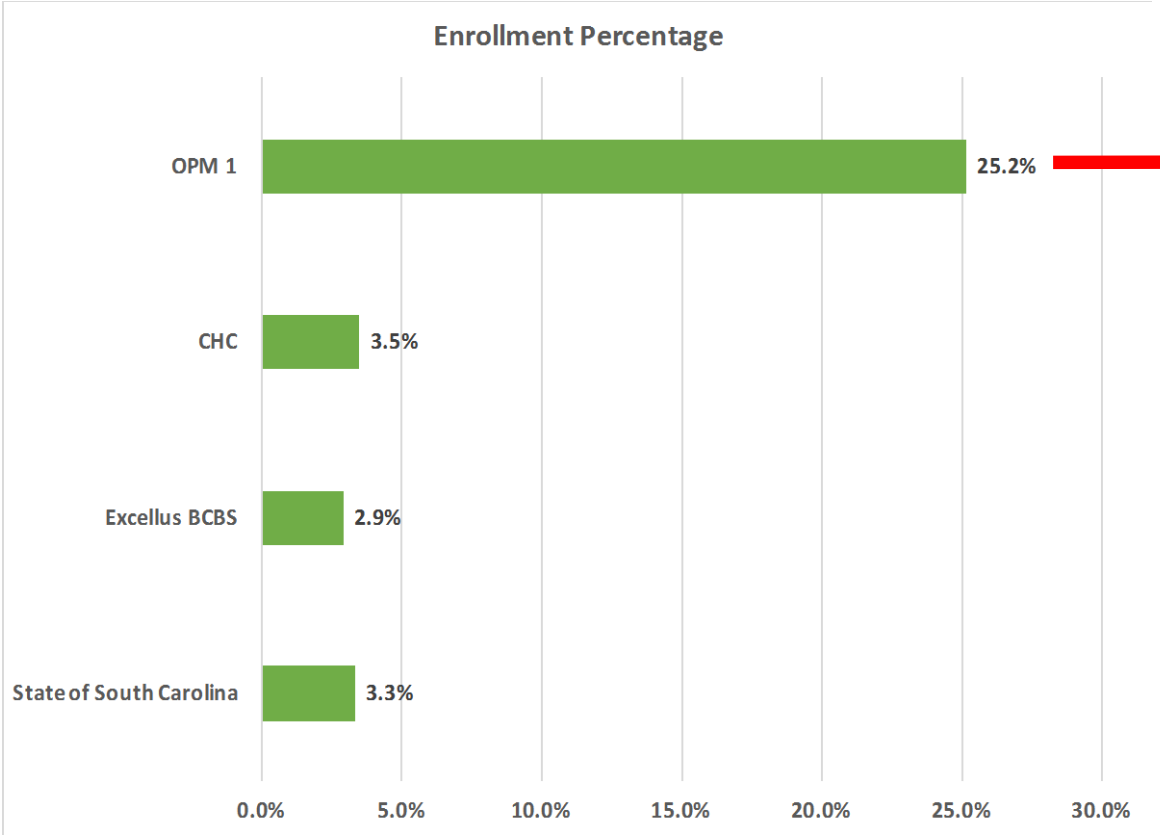
- Winvale/CSID notified of award on June 2
- Portal, Notifications Delivery, and Call Centers to be operational on June 8

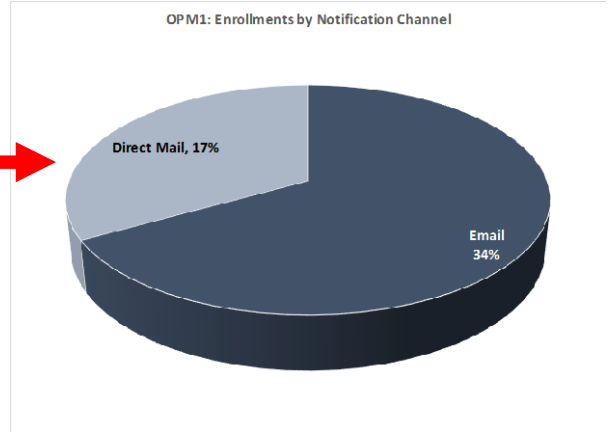
OPM1: Timing and Outcome of Employee Notifications



- ***June 8***: notifications began
  - 2.17 million direct mail
  - 1.98 million email
  - June 21 completion
- ***June 8-17***: **69%** of ***planned*** notifications delivered
  - Emails halted from June 11 - 13
- **June 18 & 19**: **57%** of ***total*** notifications delivered

Breach Enrollments as a Percentage of Notifications

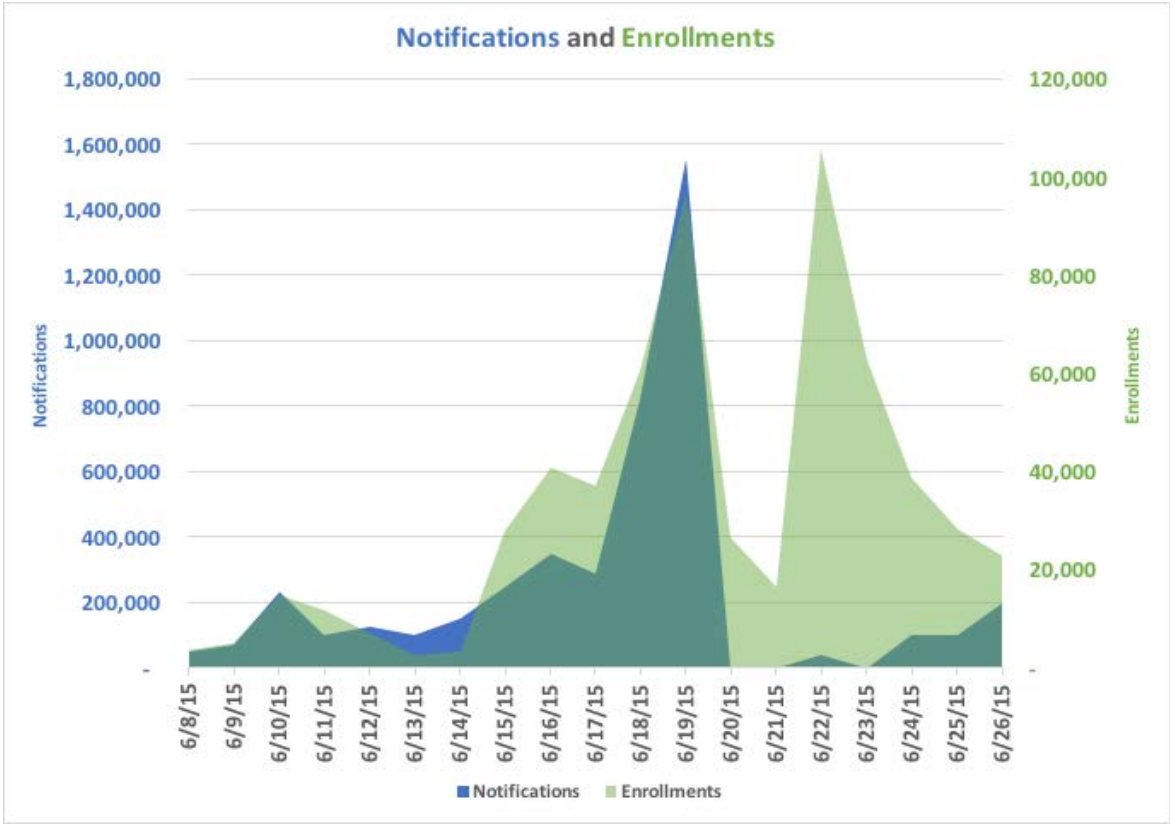




Why?

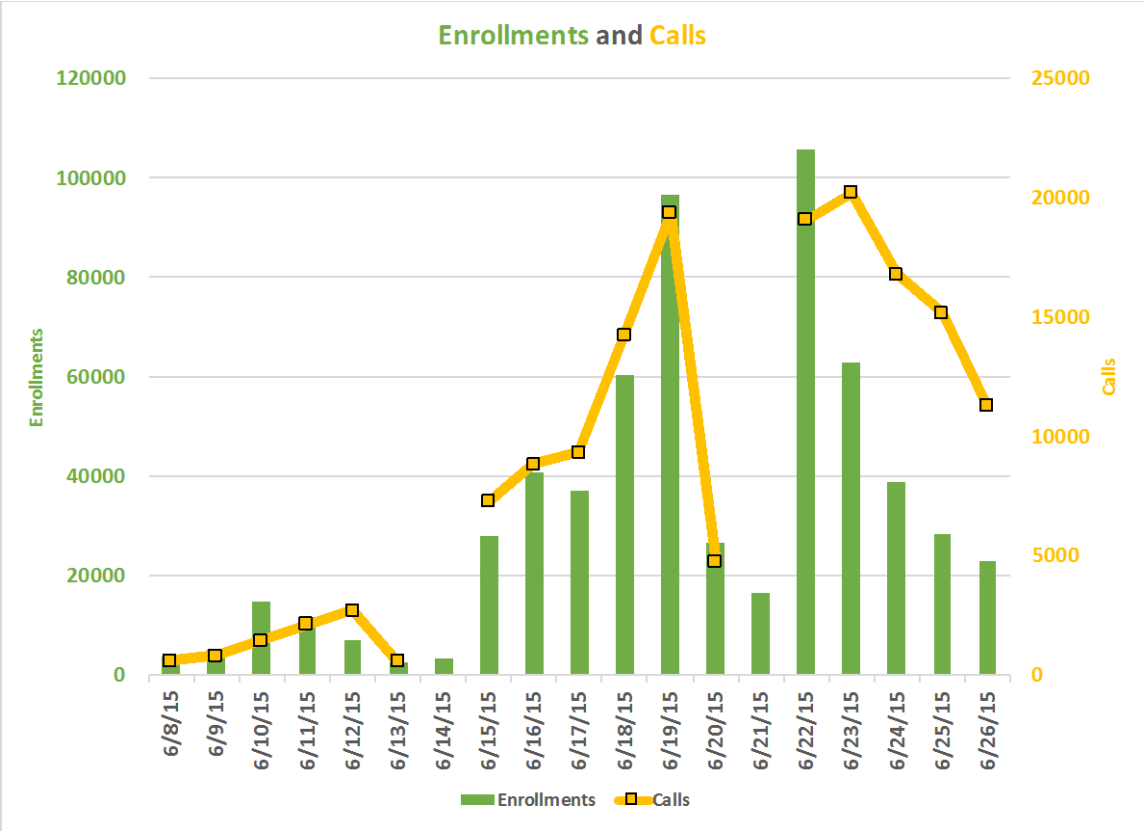
1. Type of breach
2. Employer/Union involvement
3. Email sent to agency domain
4. Media

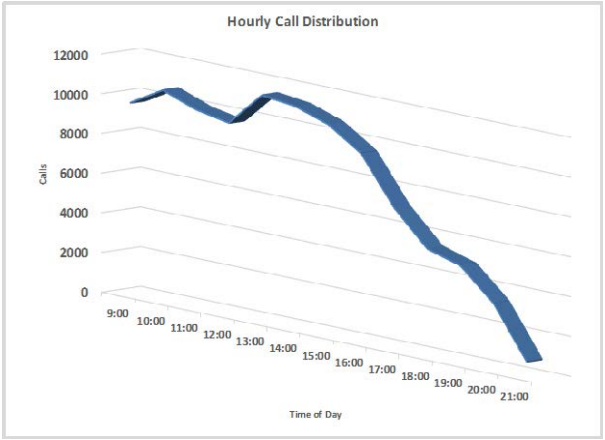
OPM1: Timing of Notifications and Enrollments



- ***Factor 1***: short notification period
- ***Factor 2***: high enrollments to notifications ratio
- ***Factor 3***: notification plan not executed
  - email notifications plan changed the most and had the most impact
  - Notifications delivery shortened from 14 days to 12

OPM1: Timing of Enrollments and Call Center Activity





- Forecasted 5000 calls per day over 1st three weeks
  - 10% take rate
  - 25% calls to enrollments
- Actual average calls per day over 9000
  - ***Factor 4***: Informational calls routed to enrollment number

OPM1 vs OPM2

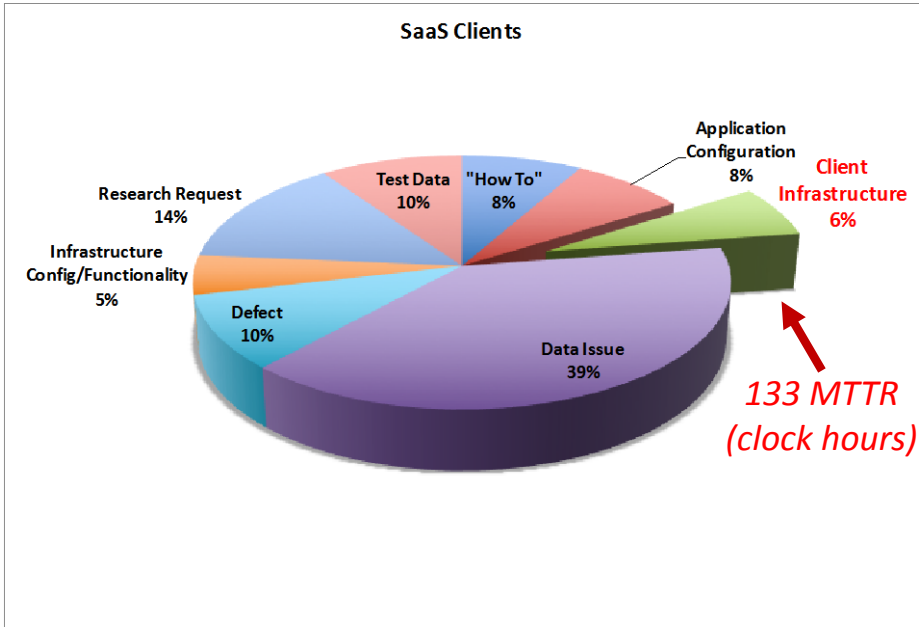
OPM1	OPM2
Largest employee breach – 4.2M affected	Largest employee/contractor breach – 21.5M
Highest known breach percentage enrollment 25% - over 1.1 million	?
5 days from award to live	1) 6 weeks requirements definition prior to release of BRD 2) 2 months from award to live
12 day notification period for affected	60 day notification period for affected
Email and Direct Mail notification	Direct Mail notification only

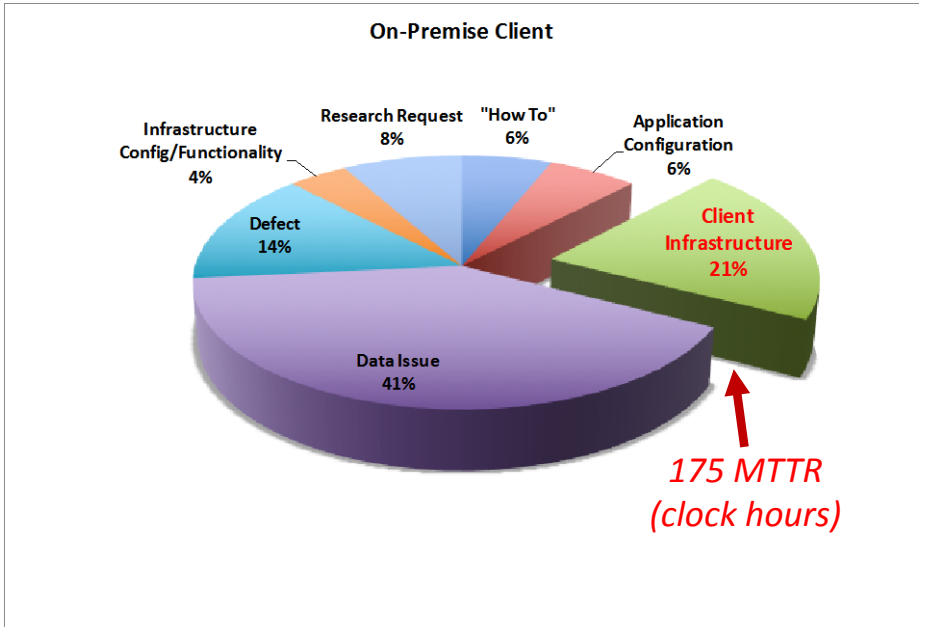
A Vendor Perspective: Saas/PaaS vs. On-Premise Software

- CSID is a B2B2C company (exception - some breaches)
- Business environment has a high cost
  - connecting to data sources
  - governmental and commercial data access and security certifications
- SaaS/PaaS allows a focus on functionality rather than infrastructure

Benefit	Outcome
Faster delivery of features	User productivity/revenue
Real time application monitoring	Continuous service improvement
Real time remediation & scalability	Application availability and performance
More control over application delivery	More responsibility: support, business continuity

A Support Example: SaaS vs. On Premise





Client Infrastructure incidents are the 2nd highest MTTR of any incident type

Closing Thoughts

- Follow IT rules and regulations.
- Carefully consider the impact of changes to project deployment plans.

  Use data!

- Cost and incidence of identity theft are increasing.

- Identity restoration is costly and highly impactful.

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QUESTIONS?

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What Are the Affected Receiving?

	OPM1	OPM2
Credit Monitoring	3 bureau	3 bureau
Credit Reporting	1 bureau	3 bureau
Non-credit Monitoring	Change of Address/Court Records/Sex Offender/SSN Trace/Non Credit Loan	Change of Address/Court Records/Bookings/Sex Offender/SSN Trace/Non Credit Loan
Cyber Monitoring	yes	yes
Identity Theft Insurance	$1mm	$1mm
Early Warning System	no	Bank Account
Full Service Restoration	yes	yes
Child Coverage	no	Cyber/SSN Trace
Coverage Expires	12/8/2016	12/31/2018