



NACD Northern California Chapter

CYBER RISK OVERSIGHT

Best Practices for Directors

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April 20, 2017



“The ongoing cyber-thefts from the networks of public and private organizations, including Fortune 500 companies, represent the greatest transfer of wealth in human history.”

- General Keith Alexander
Former Director, National Security Agency

Los Angeles Times
L.A. County targeted in
phishing cyberattack; private
information of 750,000
people **compromised**.

-December 17, 2016

CNN.com
Election 2016: **Hackers**
Breach Election System

-CNN.com, August 30, 2016

Sutter County
Courthouse **data**
breach exposes
personal information

-Appeal Democrat, June 13, 2016

USA TODAY
Ransomware attack hit
San Francisco train system

-USA Today, November 28, 2016

USA TODAY
IRS Hack **Far Larger**
Than First Thought

-USA Today, August 17, 2015

The New York Times
Hackers' **\$81 Million Sneak**
Attack on World Banking

-The New York Times, April 30, 2016

CNN tech
The inside story of the **biggest**
hack in history

-CNN Tech, August 5, 2015

The “not me” syndrome



All assets are not created equal



What's at stake? Reputational Damage



“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently.”

– Warren Buffet

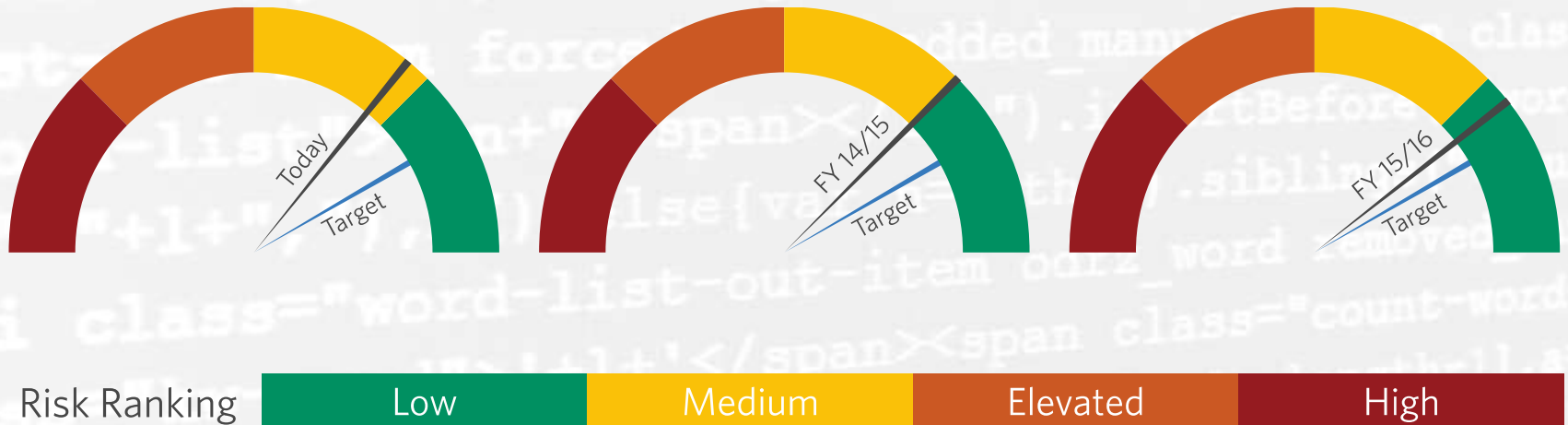


What's at stake?





Are investments moving you closer?





U.S. "cyber" law... a patchwork



Laws imposing civil or criminal liability for **hacking**



Laws requiring implementation of **security measures**



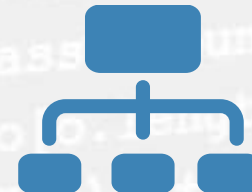
Laws requiring notification of **security breaches**



Contractual duties re: security and/or breach notification



Regulator enforcement **consent decrees** and related requirements



Regulator and industry **standards, guidelines, and frameworks**

Source: Orrick



Accountability...

- Independent assessments
- Pre-established agreements
- Reserve funds
- Cyber insurance
- Cyber warrior culture

Education
Training
Outreach

Cyber
Warriors

Risk
Intelligence



Best
Practices

Threat is
Evolving

Operationalizing
Strategy

Vigilance

Threat
Landscape

Protection

THANK YOU