


# Cyber Attacks

## What Municipal Attorneys Need to Know

Presented by Brian T. Sniffen  
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### Background – What is a “Cyber Attack”?

- For today’s purposes, anything that makes your electronic systems unavailable or involves unauthorized access by a third party (i.e., not an employee) – either to your systems or your sensitive information.
- Examples:
  - A hacker getting into your network/files on your network.
  - A ransomware attack holding your files hostage.
  - A phishing email that somebody responds to – either by providing credentials or sensitive information.
  - Funds transfer fraud.

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### Background - Headlines

- August 2019. *‘Coordinated Ransomware Attack’ in Texas Hits 23 Local Governments.*
- July 2019. *Louisiana Declares State of Emergency After Cybercriminals Attack School Districts.*
- July 2019. *La Porte County [Indiana] Pays \$130,000 Ransom.*
- June 2019. *Attackers Earn Over \$1 Million in Florida [Municipality] Ransomware Attacks.*
- June 2019. *Baltimore Ransomware Attack Costing City \$18 Million.*

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### Background – What Legal Rules Apply?

- In Oregon
  - **ORS 646A.622:** "Any person that owns, maintains or otherwise possesses, or has control over or access to, data that includes **personal information...shall develop**, implement and maintain reasonable safeguards to protect the security, confidentiality and integrity of the personal information..."
  - **ORS 646A.602(11):** "'Personal information' means...[a] consumer's first name or first initial and last name in combination with any one or more of the following data elements\*:"
    - Social security number, driver license number, passport number, biometric data, financial data, health or health insurance data.

\*Exceptions for encrypted data.

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### Background – Legal Rules Continued

- **ORS 646A.602(1)(a):** "'Breach of security' means an **unauthorized acquisition of computerized data** that materially compromises the security, confidentiality or integrity of personal information..."
- **ORS 646A.604:** Formal breach notification is required to individuals affected. If more than 250 Oregon residents are affected, the Oregon Attorney General must also receive notice. Notice is required within 45 days unless an exception applies.
- **Note:** All 50 states have data-breach notification laws, but no two laws are identical. Your notification obligations likely depend on the state of the person affected.

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### So How Does This Play Out in Real Life?



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### And Then – Public Records Request

- A big difference between incidents in the public v. private sphere.
- Publicly airing communications and reports that are similar in nature to circumstances in litigation.
- Exemptions may apply:
  - ORS 192.345(1): pertaining to litigation or litigation is reasonably likely.
    - See also ORS 192.355(9) – limitations on discovery/attorney-client privilege.
  - ORS 192.345(18): specific operational plans in connection with an anticipated threat to individual or public safety.
  - ORS 192.345(22), (23): records that would allow unauthorized access or disclose vulnerabilities.
  - ORS 192.355(33): security programs re utilities.

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### What Can You Do About It?

- Data inventory/audit: know what you have, where it is, how it's protected, and whether you still need it (purge it if you can).
- Test your systems for vulnerabilities (e.g., outdated software and hardware).
  - Lack of regular, secure backups.
  - Lack of regular software updates.
- Take steps to improve: MFA, wire-transfer processes, training.
- Limit access; segment networks.

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### What Can You Do About It? (Continued)

- Prepare as though you'll have an incident: DSIRP and mock exercises.
- Negotiate your contracts. MSPs as frequent vector.
- Consider "cyber" insurance. Dig into what it actually covers.

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QUESTIONS?

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Seven horizontal lines for taking notes.

Thank you!

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