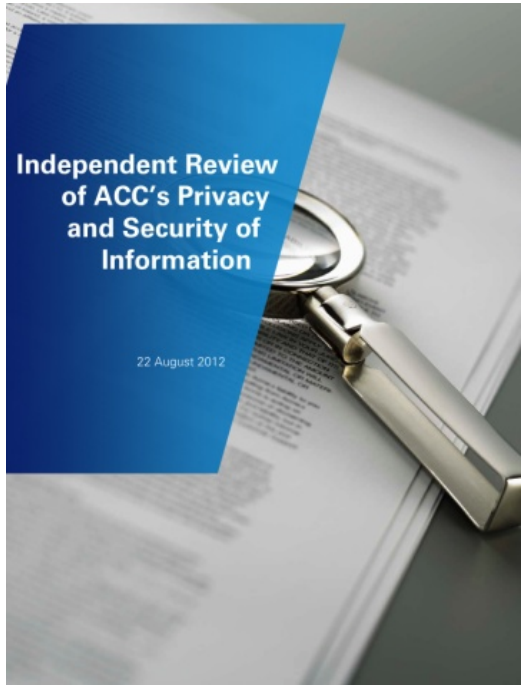
INFORMATION INTEGRITY SOLUTIONS

Data Breach
ACC Case Study



Annelies Moens
Head of Sales and Operations, Information Integrity Solutions

NSW Right to Information/Privacy Practitioners Network
Sydney, 21 November 2012

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About IIS

- Building trust and privacy through global thought leadership and consultancy work for a range of public and private organisations
- Services: privacy governance & strategy, privacy impact assessments, regulator, customer & stakeholder engagement, privacy be design, privacy training, privacy management plans, data breach response…

Australian Government

AUSTRALIA POST

nib

CommonwealthBank

ACC PREVENTION. CARE. RECOVERY.

NBNCo

SUNCORP

NSW GOVERNMENT

State Government Victoria

Microsoft

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Overview

- Personal data: the new asset class – strengthening trust
- Causes of data breach and impact
- ACC data breach
- Lessons learnt
- Framework for good privacy management

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Strengthening Trust

- Explosive growth in the quantity and quality of personal data has created significant opportunity to create new forms of economic and social value

……yet

- Individuals are beginning to lose trust in how organisations and governments are using data about them (World Economic Forum 2012)

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Causes of data breach

Malicious or criminal attack (36%)

- Hackers or criminal insiders (employees, contractors, cloud providers, business partners) typically cause the data breach
- Viruses, malware, worms, trojans
- SQL injection
- Theft of data-bearing devices
- Social engineering

Negligence (32%)

- Negligent employee or contractor
- IT and business process failures

System glitch (32%)

(*Based on data breaches experienced by 22 Australian companies within 10 industry sectors in 2011 – Cost of Data Breach Study: Australia, Ponemon Institute LLC (sponsor Symantec), March 2012*)

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Impact of a data breach

- The average total cost per data breach in Australian organisations reached $2.16 million in 2011
- Agencies in the public sector have a per capita cost of $102 per record (average is $138 per record)
- Organisations with external consulting support reduced cost of data breach by up to $45 per record
- Organisations with a CISO responsible for overall data protection strategy reduced cost of data breach by up to $35 per record

(*Cost of Data Breach Study: Australia, Ponemon Institute LLC (sponsor Symantec), March 2012*)

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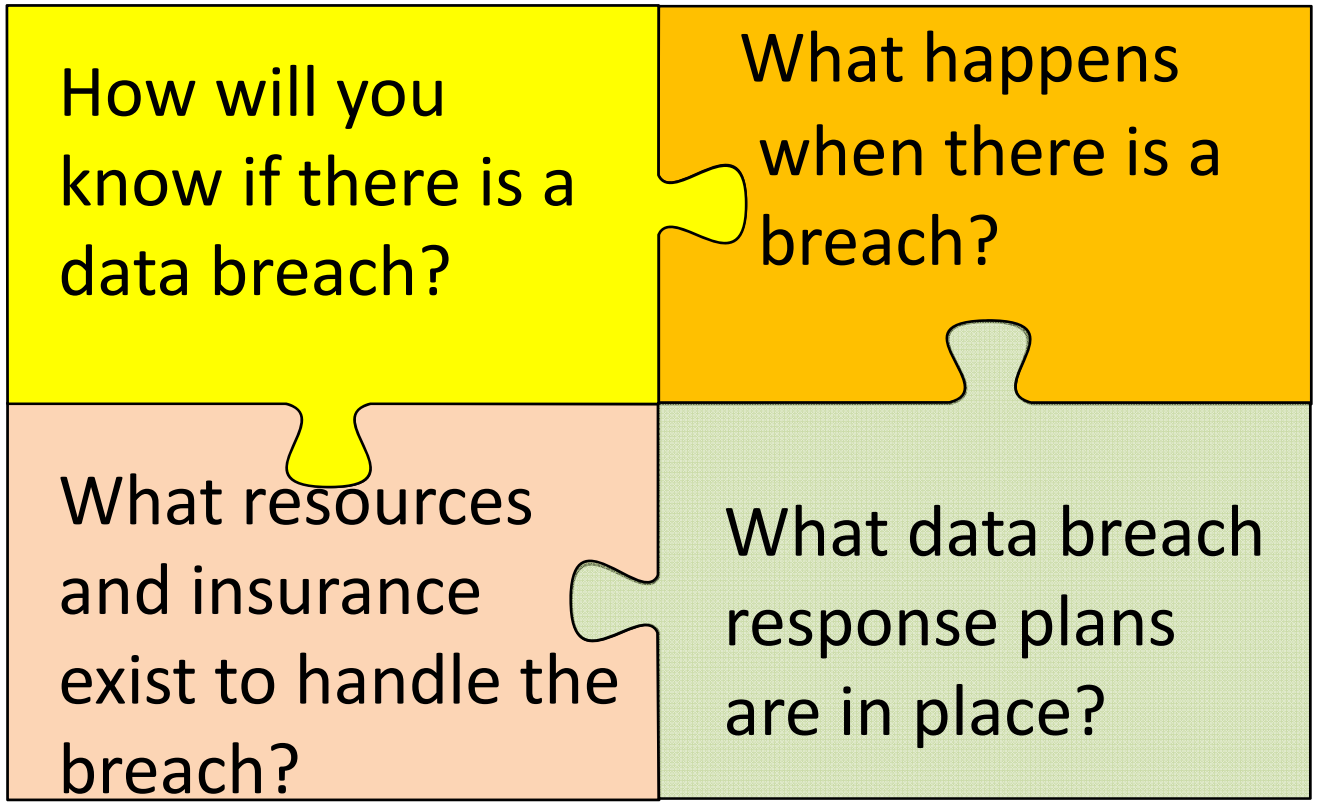
Data Breaches



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Facts

- 5 August 2011 – email to client with an attachment containing personal information of 6,748 of ACC's clients
- Recipient became aware on 26 October 2011 and advised ACC on 1 December 2011
- 13 March 2012 breach became public and IIS and KPMG engaged to conduct independent review

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ACC apologises over privacy breach

PHIL KITCHIN

Last updated 15:33 13/03/2012

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Health

- Heart-hacking possible - but why would you?
- Stem cell study holds diabetes cure promise
- Heart power to run pacemakers
- Vitamins can't fight heart disease
- Sufferers seek changes to 'unjust' ACC system
- DHB breached standards, says

An ACC sensitive claims client was "horrified" personal details of 250 clients of the unit had nationwide and to a member of the public.

The details were among more than 9000 ACC featuring well-known people - that were emaile should not have received them, in what is being of the worst privacy breaches in New Zealand h

The sensitive claims unit deals with the cases o abuse victims.

ACC whistlebl

PHIL KITCHIN AND DANYA LEVY

Last updated 11:29 19/03/2012

Health

- Heart-hacking possible - but w would you?

Privacy breaches

Last updated 05:00 28/10/2012

Politics

- Falling tax take hits Government's Budget deficit
- Having family 'like buying a luxury car'
- Workers need a safety voice - CTU
- Political donation rules bill progresses
- Gang patch bill criticised
- Gay marriage a human right: MP
- US election: Waiting for the states to fall
- Greens' red tops keep heat on PM
- Pressure mounts for Wilkinson to quit Cabinet
- Banks sure MMP 5pc threshold won't be changed

And a Waikato ACC client was given a list of then I saw the imprisonments. I thought, 'I haven't and they immediately offered to come and pick it up - no way, it's gone too far this time."

The scandal behind the scandal

TALKING POLITICS BY GORDON CAMPBELL

Last updated 07:34 05/04/2012

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Opinion

- Playing away from home
- Grim news for Labour leader
- Sport's top ten biggest cheats
- Wellingtonian Editorial: Why hammer motorists?
- The rise and fall of Hekia Parata
- Wellingtonian Editorial: Let's be proud of Memorial Park
- Wellingtonian Editorial: The problem with national standards
- The national standards poser
- Politicians making soft choices

OPINION: Few people would have predicted the Accident Compensation Corporation would be engulfed by a scandal over the security of emails related to its core business, or by the ACC Minister offering assistance to a party insider seeking compensation.

More glaring problems exist.

For years, the nitpicking way that the ACC commonly responds to many victims of accidents has been controversial – not to mention the way it routinely argues that the incapacity in question was really caused by an underlying process of ageing and degeneration, and was not by the accident mentioned in the claim.

Miserliness is not the source of ACC's current troubles, though.

ACC: We can't rule out breaches

By James Ihaka , Vaimoana Tapaleao

5:30 AM Monday Oct 29, 2012 Tweet Like 1 +1

In latest gaffe, person sent details of another man's criminal history.

The Accident Compensation Corporation says improvements to its information-handling processes will take time and it can not rule out the possibility of further privacy breaches.

This comes after it mistakenly sent a Waikato man details of another's criminal history - the latest in an embarrassing series of privacy gaffes by the corporation and other government departments.

Digital image / PKStowers

ACC said it "regretfully acknowledges" the breach occurred, involving individuals

of information found in 3000 pages of requested

ed a three-year work programme to implement fied in the Independent Review of ACC Privacy and released in August.

made in mitigating risks, some errors may

to / supplied

ber when Ms Pullar met senior hn Judge, following Ms Pullar's McCliskie.

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Systemic Issues

Breach was a genuine error – but errors are able to happen because of systemic weaknesses within ACC's culture, systems and processes.

- Technology and business practice – spreadsheets and multiple monitors
- Culture – inconsistent respect for personal info
- Privacy Management – lack of accountability

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Whole-of-Agency Issue

- Data management and privacy is a **whole-of-agency issue**

"An organisation's data needs to be protected by thorough and effective risk mitigation strategies to the same or higher levels as other vital assets. Without these strategies in place, the organisation is at risk of significant reputational damage."	**"We emphasise the significance of a culture and environment where personal information is valued. This must be supported by an approach to compliance with the privacy principles that is embedded within governance, leadership, business processes and systems."**

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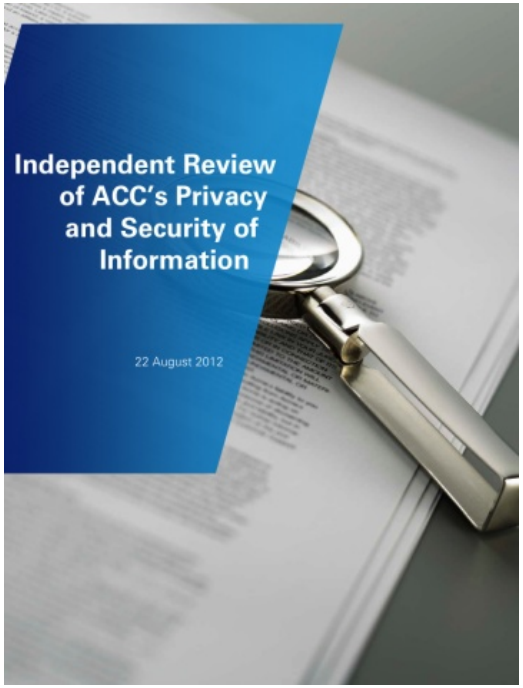
Recommendations

- Breach was a symptom of underlying systematic issues
- Privacy is a **whole-of-agency concern**
  - ❑ Governance
  - ❑ Leadership, including privacy strategy
  - ❑ Privacy programme
  - ❑ Culture
  - ❑ Accountability
  - ❑ Business processes and systems
  - ❑ Backlog



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Governance

- Need active Board involvement in developing privacy vision
- Board to set clear expectations for leadership and allocate resources
- Include privacy in risk management framework
- Initiate privacy strategy development and planning
- Bi-yearly privacy audit + privacy strategy review

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Leadership, including privacy strategy

- Make a member of the Executive accountable for privacy
- Develop privacy strategy, with stakeholder input, for Board adoption
- Provide leadership on implementing privacy strategy
- Make privacy compliance part of a broader compliance framework

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Privacy programme

- Document and resource Privacy Officer roles
- Review privacy policies and procedures
- Train staff to implement privacy vision
- Develop privacy risk management framework
- Record, monitor & report near misses, privacy complaints & breaches
- Introduce information security governance – treat security as a business issue (not just IT)

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Culture

- Strengthen culture to emphasis respect for individuals and their personal information
- Align privacy culture to the broader culture and operating environment with a focus on customer centric objectives
- Ensure staff are encouraged to report and resolve privacy breaches or near misses in a supportive environment

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Accountability

- Clearly identify staff roles and responsibilities for privacy
- Establish clear reporting requirements to Board level
- Identify and implement a set of KPIs for driving and assessing privacy management performance
- Include third party contractors in evaluation processes
- Report publicly on privacy performance

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Business processes and systems

- Adopt “privacy by design” and/or “privacy by redesign” principles
- Implement data loss protection software
- Undertake end-to-end process review of the claims management process, including:
  - client access to and correction of their personal information
  - information exchange practices with 3Ps
  - de-identify information where possible

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Backlog

- Short-term initiatives:
  - Address backlog of access requests and complaints
  - Review use of spreadsheets containing personal information

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Lessons learnt

1) Make privacy part of risk management frameworks	2) Having a customer focus and viewpoint helps solve and prevent privacy issues
3) Treat personal information and other information as an asset – if it is not governed and managed properly it can turn into a liability	4) Have accountability structures in place and create a culture that respects privacy

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Framework for good privacy management

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iappANZ Privacy Summit

www.iappanz.org

Friday, 23 November, Sydney

Ralph Stewart, CEO ACC presenting on
"Surviving And Learning From NZ's Biggest Privacy Breach"

iapp ANZ Australia New Zealand

international association of privacy professionals

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Further Information

- Independent Review of ACC's Privacy and Security of Information, August 2012
  http://www.iispartners.com/downloads/22-August-2012-ACC-Independent-Review-FINAL-REPORT.pdf
- Rethinking Personal Data: Strengthening Trust, World Economic Forum, May 2012
  http://www3.weforum.org/docs/WEF_IT_RethinkingPersonalData_Report_2012.pdf
- Data breach notification - A guide to handling personal information security breaches, Office of the Australian Information Commissioner, April 2012
  http://www.oaic.gov.au/publications/guidelines/privacy_guidance/Data_breach_notification_guide_April2012FINAL.pdf
- 2011 Cost of Data Breach Study: Australia, Ponemon Institute LLC (sponsor Symantec), March 2012
  http://www.symantec.com/content/en/us/about/media/pdfs/b-ponemon-2011-cost-of-data-breach-australia-us.pdf?om_ext_cid=biz_socmed_twitter_facebook_marketwire_linkedin_2012Mar_worldwide_CODB_Australia

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Questions?

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