



CYBERSECURITY

[SEC Report Cautions Companies to Consider Cyber Threats with Internal Controls](#)

This week the Securities and Exchange Commission (SEC) issued an investigative report that outlined cyber incidents that nine public companies had experienced, causing fraudulent losses totaling more than \$100 million. The conclusion of the report is that public companies “should consider cyber threats when implementing internal controls.” The investigations focused on business email compromises in which intruders posed as company executives or vendors and used emails (usually through phishing and spear phishing campaigns) to trick employees into sending large amounts of money to bank accounts controlled by the fraudsters. [Read more](#)

HIPAA

[Anthem Settles with OCR for \\$16M for 2015 Data Breach](#)

The Department of Health and Human Services Office for Civil Rights (OCR) announced this week that it has settled the largest health care data breach for the largest enforcement fine in history. OCR settled the massive data breach Anthem suffered in 2015 for \$16 million—a substantially larger fine than any others assessed by OCR for HIPAA violations. The data breach included the names, birth dates, and Social Security numbers of nearly 80 million individuals. The data breach was caused when hackers spear-phished an Anthem employee and were able to access the system and the individuals’ health and personal information. [Read more](#)

DATA BREACH

[Facebook Acknowledges Breach of Sensitive Data for Nearly 30 Million Users](#)

As we [previously noted](#), Facebook originally announced a breach late last month, in which hackers took advantage of a code vulnerability in

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the website's "View As" feature to access user's data. However, on October 12, 2018, Facebook stepped back the number of affected accounts from 50 to roughly 30 million, and it acknowledged that hackers were able to view varying levels of information for different accounts.

For about 14 million of the users, hackers were able to view a user's 15 most recent Facebook searches, the last 10 places that he or she was checked into or tagged at, phone number, email address, hometown, birth date, relationship status, religion and which pages on Facebook they were following. For another 15 million users, the hackers were able to view the user's name, phone number, and email address, while about one million users were affected, but without any personal data made available. However, Facebook stated that the hackers did not gain access to account passwords or credit card information. [Read more](#)

NEW + NOW

[Office 365 Migration](#)

Many companies are migrating their email systems to Microsoft Office 365 (O365). The majority of security incidents in which we have been engaged in over the past six months involve a hacker successfully phishing an employee of the company (most of the time someone who is an executive in the company) and then spoofing the Office 365 credentials box, so the victim puts his or her user name and password into the hacker's spoofed O365 pop-up, allowing the hacker full access to the email box. [Read more](#)

DRONES

[New Pennsylvania Law Imposes Fine for Using Drones to Spy](#)

On October 12, 2018, Pennsylvania approved a new law that imposes criminal penalties on individuals who use drones to spy on others. The law takes effect in 60 days. Under this law, the state may impose a fine of up to \$300 on any individual who uses a drone to invade another person's privacy or puts another person in fear of being physically harmed by the drone. The law also imposes a more serious penalty for an individual who uses a drone to deliver contraband to an inmate in prison—a prison sentence up to 10 years and a fine of up to \$25,000. The law also prohibits municipalities from regulating drones, which will alleviate some of the patchwork drone laws we currently have across the United States. [Read more](#)

PRIVACY TIP #161

[FTC Launches “Data Spotlight”](#)

The Federal Trade Commission (FTC) announced that it will release on a quarterly basis, instead of annually, an aggregated report of all of the consumer complaints lodged by individuals. The FTC also launched its *Consumer Protection Data Spotlight*, which it states will “take a deep dive into the data to illuminate important stories we are hearing from consumers.” [Read more](#)

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