

CYBER DEEP DIVE COVID-19 and Other Threats to the Healthcare Sector

April 2020 Private and Confidential



DISCLAIMER

Any positions presented in this session are those of the panelists and do not represent the official position of Duff & Phelps, LLC. This material is offered for educational purposes with the understanding that neither the authors nor Duff & Phelps, LLC or its affiliates are engaged in rendering legal, accounting or any other professional service through presentation of this material.

Polsinelli PC provides this material for informational purposes only. The material provided herein is general and is not intended to be legal advice. Nothing herein should be relied upon or used without consulting a lawyer to consider your specific circumstances, possible changes to applicable laws, rules and regulations and other legal issues. Receipt of this material does not establish an attorney-client relationship.

Polsinelli is very proud of the results we obtain for our clients, but you should know that past results do not guarantee future results; that every case is different and must be judged on its own merits; and that the choice of a lawyer is an important decision and should not be based solely upon advertisements.

© 2020 Polsinelli® is a registered trademark of Polsinelli PC. Polsinelli LLP in California. Polsinelli PC (Inc.) in Florida.

Speakers







KEITH WOJCIESZEK Managing Director, Cyber Risk, Kroll LAURIE IACONO VP, Cyber Risk, Kroll

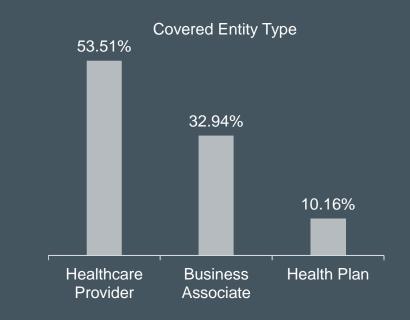


NICOLE SETTE Senior VP, Cyber Risk, Kroll BRUCE A. RADKE Shareholder, Co-Chair, Privacy and Cybersecurity practice, Polsinelli



GLOBAL HEALTHCARE CYBER SECURITY SPENDING 2017-2021*

46.8M



* Cybersecurity Ventures' Healthcare Cybersecurity Report

* As of March 2020, according to HHS OCR Portal

Covid-19 and the Healthcare Sector

Hackers target WHO as coronavirus spread surges

Attacks on the organisation have dramatically increased since a pandemic was declared

by: Bobby Hellard 24 Mar 2020



Cyberattack on Czech hospital forces tech shutdown during coronavirus outbreak

The hospital has one of the largest COVID-19 testing facilities in the Czech Republic.

The World Health Organisation that occurred at the start of

Cyber-Attack Hits U.S. Health Agency Amid Covid-19 Outbreak

Ransomware Group Makes Promise

Maze Team official press release. March 22, 2020

We are really glad to know the world society is watching our success and our work. In this press release we want to explain				
what makes us to start this work and what we are going to achieve.				
All modern world is a giant matrix with petabytes of personal, commercial and scientific information. Without the internet all this system will drown into chaos. All the world is a large computer system. But those, who should watch over the safety of that system are irresponsible. Instead of doing their work, they prefer to chat in social networks or watch porn.				
On the other side, those who have created this system and earn billions using it, they don't care about the safety of information				
or privacy problems. The only thing there to care about is to avoid lawsuits and fines for loosing that information.				
We want to show that the system is unreliable. The cybersecurity is weak. The people who should care about the security of the information are unreliable. We want to show that nobody cares about the users.				
some people like We want to show that the system is unreliable. The cybersecurity is weak. The people who should care about the security of the				
and more. information are unreliable. We want to show that nobody cares about the users.				
Another word of a showing us how u All the system needs is money and your data. This data will be processed and sold.				
them. And those people are reading this press release too.				
Anyway. Thanks for making our work more popular.				
Go to home				

One Day Later...

March 23, 2020

Maze ransomware attackers extort vaccine testing facility

Bradley Barth

🛫 Follow @bbb1216bbb



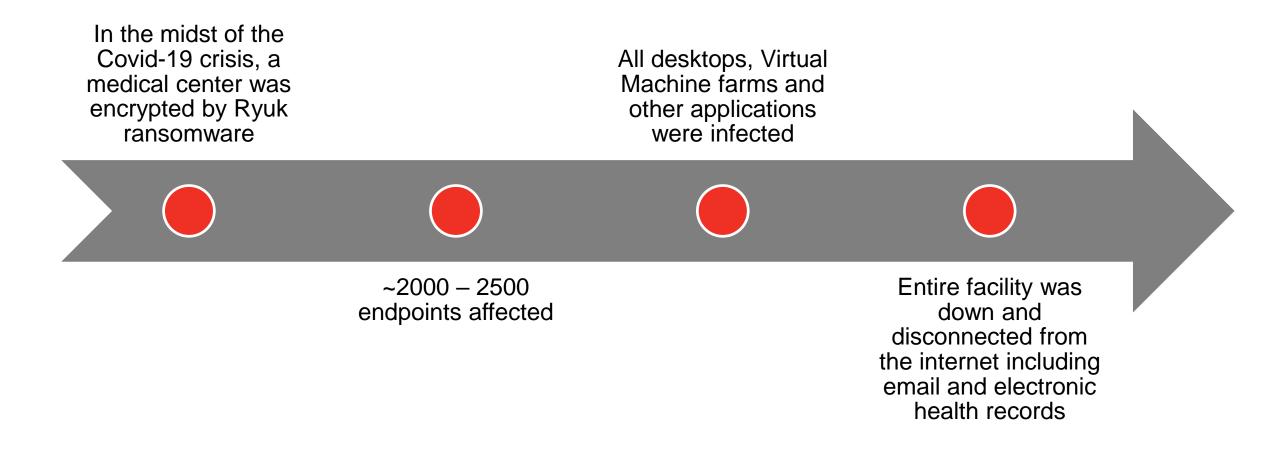


COVID-19 as a Threat Delivery Vector

Malware	Delivery method
Ryuk/Trickbot	Fake statement about a new case of COVID-19
Remcos	.exe posing as a PDF containing COVID-19 safety measures
AZORult	COVID-19 email campaign involved information stealing malware
Parallax RAT	Distributed using COVID-19 themed documents
Lokibot	Distributed via an email purportedly sent from the Chinese Minister of Health
CoronaVirus Ransomware and Kpot Infostealer	Fake version of the WiseCleaner website delivered ransomware and infostealer when a link was used to download purported utilities for Windows

Attackers are aggressively relying on COVID-19 news for phishing campaigns. Educate staff to triple-check sources

Grim Reality:

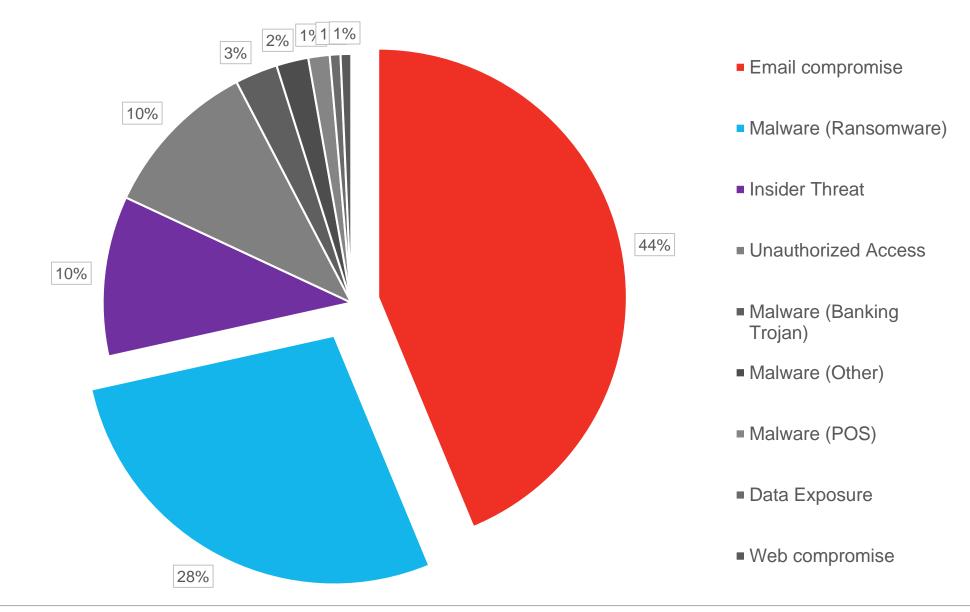


THE HEALTHCARE CYBER THREAT LANDSCAPE

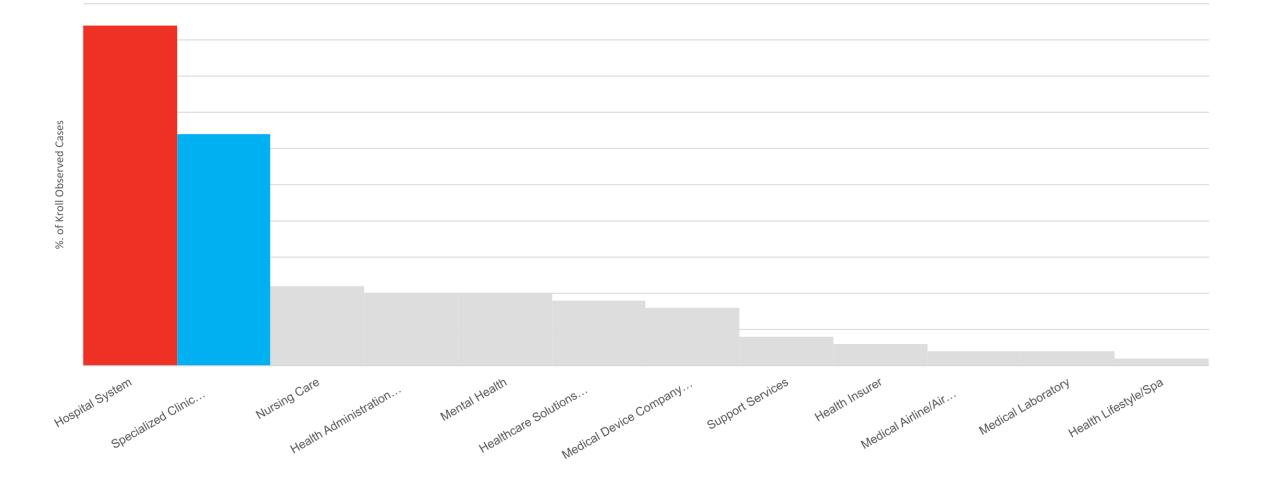
Based on Kroll intake data

- Healthcare was the single most targeted industry in 2019 and Q1 2020
- Hospital Systems are the most frequently targeted discipline within the healthcare industry
- Email Compromise is the most observed threat, followed by Ransomware attacks
- Ransomware eclipses Email Compromise as the most observed threat only for Specialized Clinics and Support Services
- Medical Laboratories and Medical Device Companies are largely spared from ransomware – likely due to the attack context (primarily for IP and sensitive data theft and/or monetary gain via false invoicing and payment requests)

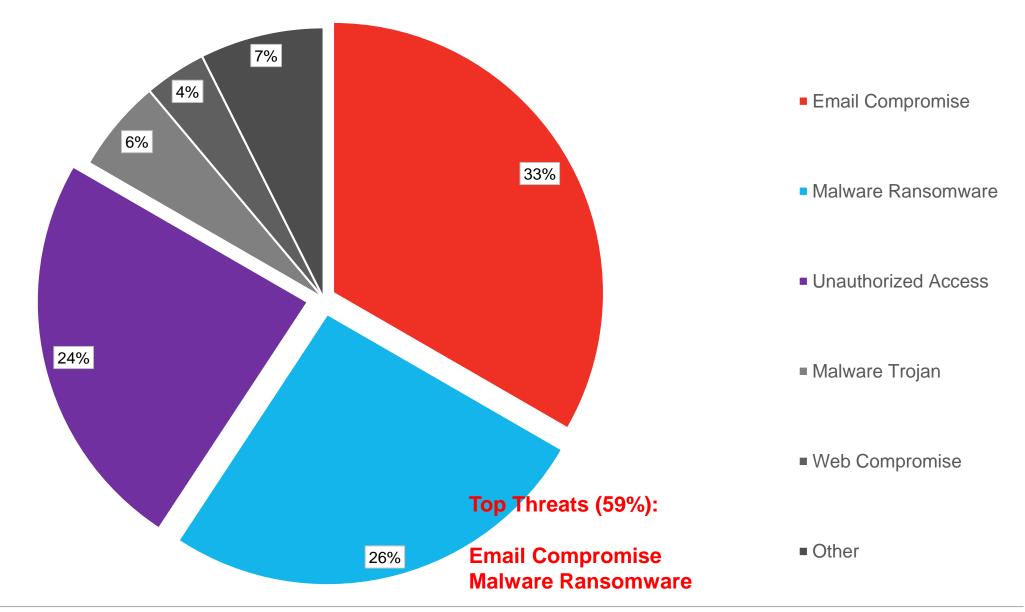
2019: Healthcare – Threat Incident Types



Targeted Disciplines within Healthcare



Q1 2020 Threat Incident Types



2020 Legal and Regulatory Landscape





BREACHES AS OPPORTUNITY TO AUDIT PRIVACY PRACTICES

- Massachusetts WISP
- Indiana Questions re. security pre- and post-incident and employee training

FTC/STATE AG OFTEN RELY ON CONSUMER FRAUD STATUTES

It is thus important to be cautious with public facing statements about the organization's data security



OCR ALMOST AUTOMATICALLY INVESTIGATES 500+ PEOPLE BREACHES

- Underlying cause of the breach
- Actions taken to respond to the breach (including compliance with breach notification requirements) and prevent future incidents
- Entity's compliance prior to breach

Recurring OCR Compliance Issues

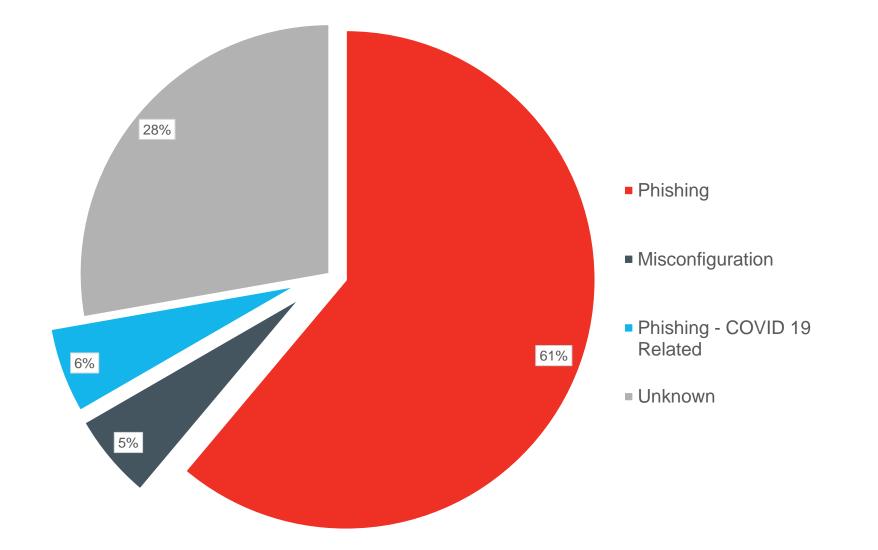
- Business Associate Agreements
- Risk Analysis
- Failure to Manage Identified Risk, e.g. Encrypt
- Lack of Transmission Security
- Lack of Appropriate Auditing
- No Patching of Software
- Insider Threat
- Improper Disposal
- Insufficient Data Backup and Contingency Planning

Private Enforcement of the CCPA

- Unlike the GDPR, the CCPA gives plaintiffs a "private right of action" and allows recovery of statutory damages for data breaches, even where no harm is shown.
- Statutory damages are "\$100 to \$750 per consumer per incident."
 - Easier to establish concrete injury and standing
 - Federal Law
 - State Law
 - Easier to support Class Certification



Q1 2020 Email Compromise by Suspected Infection Vector



Case Study: The Phishing Journey

One: Compromise a single email account

Two: Spear phish staff to steal corporate credentials

In July 2019, an employee for a large hospital system clicked on a malicious link, compromising the email account and giving access to threat actor An email posing as the hospital's CEO was sent to 1,200 staffers requesting them to "sign-in" via corporate credentials to complete a survey Three: Use stolen corporate credentials to access payroll information

Four doctors had their paychecks re-routed for an accumulative \$50K loss



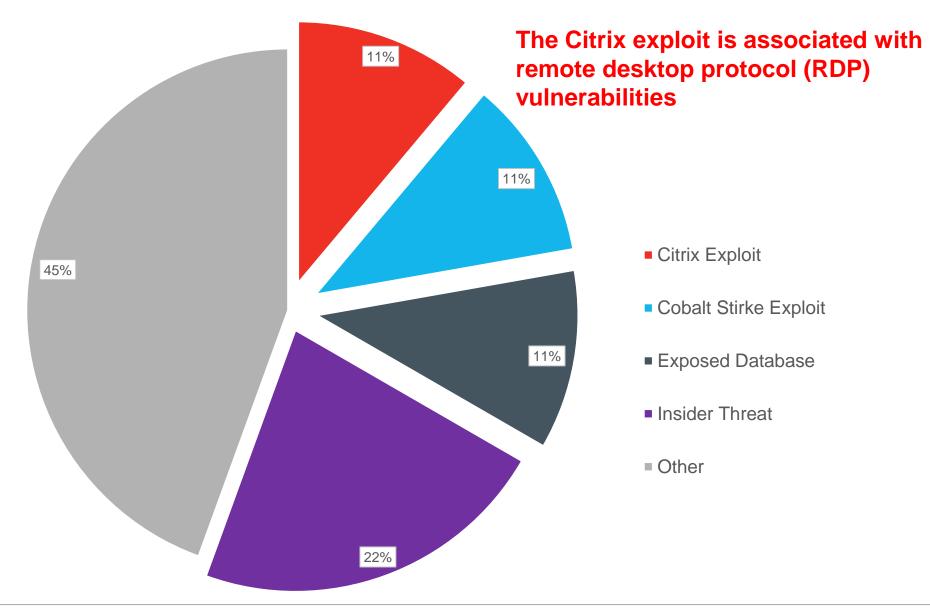
UNAUTHORIZED ACCESS OF INFORMATION

- Statutory data breach notification obligations to individuals, regulators and business partners
 - This may include notification to investors, key customers, unfriendly parties (e.g., litigation adversaries)
- Contractual obligations to third parties

WIRE FRAUD

- Recent lawsuits in which companies are sued due to wire and other fraud perpetrated from compromised account
- If someone suffers a monetary loss because your account was compromised, you may be sued

Q1 2020 Unauthorized Access – Healthcare



Case Study: Citrix Exploit CVE-2019-19781



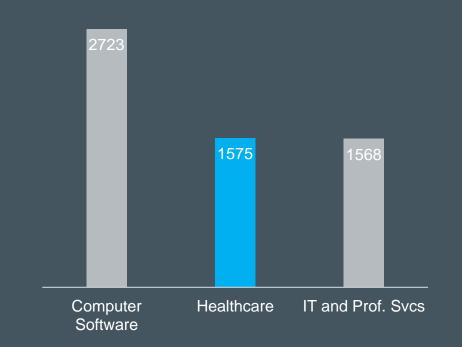
Jan 2020: healthcare company notified by Citrix about the vulnerability



Engineers slated to deploy patch discover potential compromise, contact Kroll

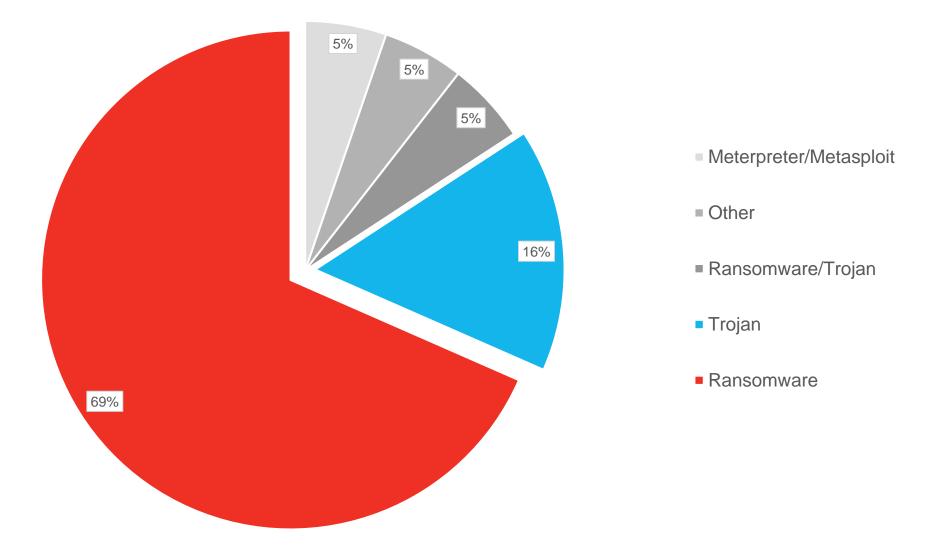


Kroll found actors' Linux commands to initiate a cron job (a task scheduler), instructing periodic data exfiltration The healthcare industry has the 2nd largest Citrix userbase*

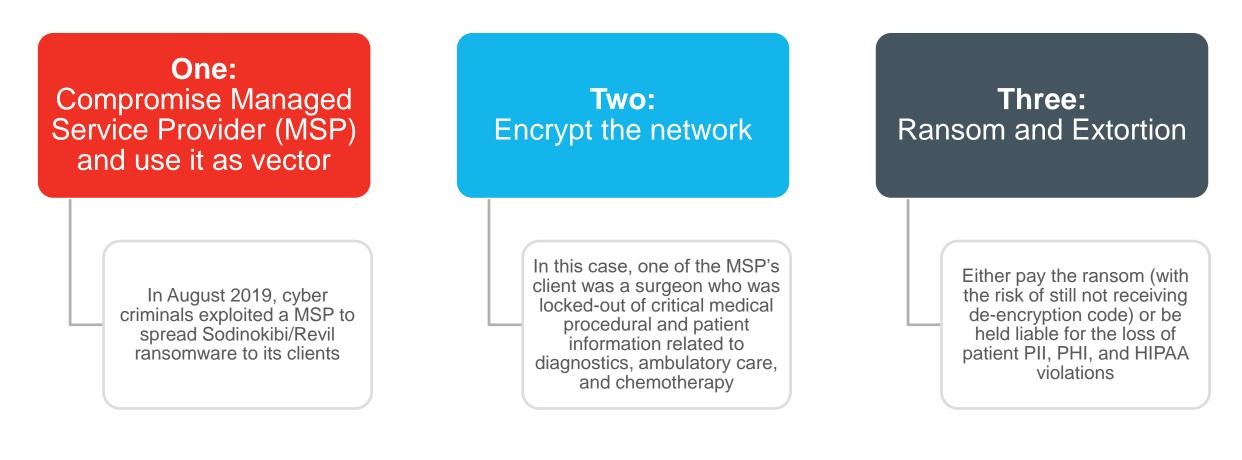


* Enlyft study as of 4/20/20 - enlyft.com/tech/products/citrix-xenapp

Q1 2020 Malware – Healthcare



Case Study: Sodinokibi/Revil exploiting MSP vulnerabilities



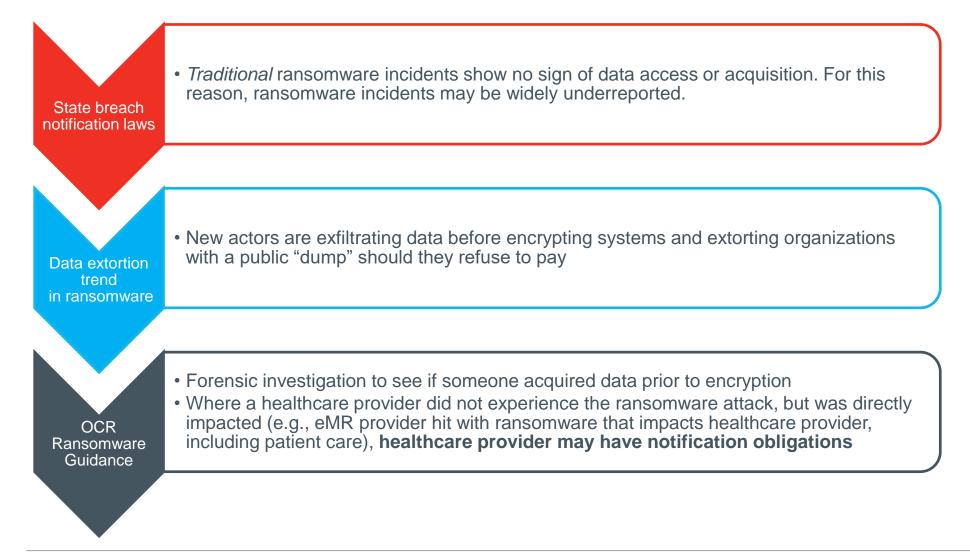


The largest ransom seen by Polsinelli was **\$18 million**

(MSP whose business customers were impacted by the incident)

RANSOMWARE BREACH NOTIFICATION

Legal perspective and latest trends

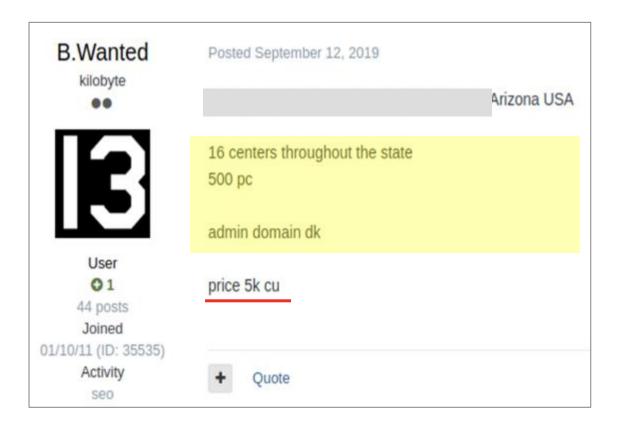


2020Dark Web Landscape

"electronic healthcare records were selling for \$50 per
chart on the black market, compared to \$1 for a stolen
social security number or credit card number."
- FBI Cyber Division Alert



Example 1: Access to healthcare providers



Example 2: Access to healthcare providers

	erver access to Multimillion Healto August 15, 2019 in [Access] - FTP, shells, root, sql-inj, DB, Servers	are company.			
johnsherlock gigabyte ••••• J J Paid registration • 7 Lo5 posts Joined 07/15/15/10 (ID: 94352) Activity хакинг / hacking	Posted August 15, 2819 (edited) I'm selling access to a server of a multinational and multi-million				
	I joined in the server and ran some commands, and dumped localhost access only DB with the username and password configuration data I had. The server is inside of the localhost network and I'm selling SSH Reverse Shell access + structure of service and found Database passwords/db's and users. Price is 100'000\$ XMR. If You're happy with the product, I accept OPTIONAL 5% of revenue to continue happy business with me. ESCROW IS 100% ACCEPTED.				
	Also: They sell service and platform to thousands of big customers wo Edited August 15, 2019 by johnsherlock	rldwide, if you read code and find the vulnerabilities You can remotely exploit all of their customers (and all the customers are millionaire companies).			
	+ Quote				
		if you read code and find the vulnerabilities You can remotely exploit all of their customers			

Example 3: Health Insurance Marketplace Credentials

Genesis Market: log-in and password credentials for sale may give buyers access to protected health information as well as payment information 🔳 Resources: **122** = ⊠0 📮 122 💬0

Know resources: 22

🛛 Ġ Google	3	🗔 🖪 Facebook
🛛 🖻 PayPal	2	🛛 🛄 Uber
🛛 🦊 USBank	1	

Other resources: 100

\Box	retail.onlinesbi.com	4	
\Box	retail.onlinesbh.com	2	
\Box	www.gotobus.com	1	
\Box	shibboleth-idp.collegen	1	
\Box	my.cincinnatibell.com	1	
\square	flixiflow.com	1	
\square	merchant.onlinesbi.com	1	\square
\Box	www.coursehero.com	1	

Last update Saved Logins: 2018-12-19 11:18:08 Last update Form Parser: 2018-12-19 11:18:08 Last update Inject Script: 1970-01-01 00:00:00

RESOURCE NAME / URL

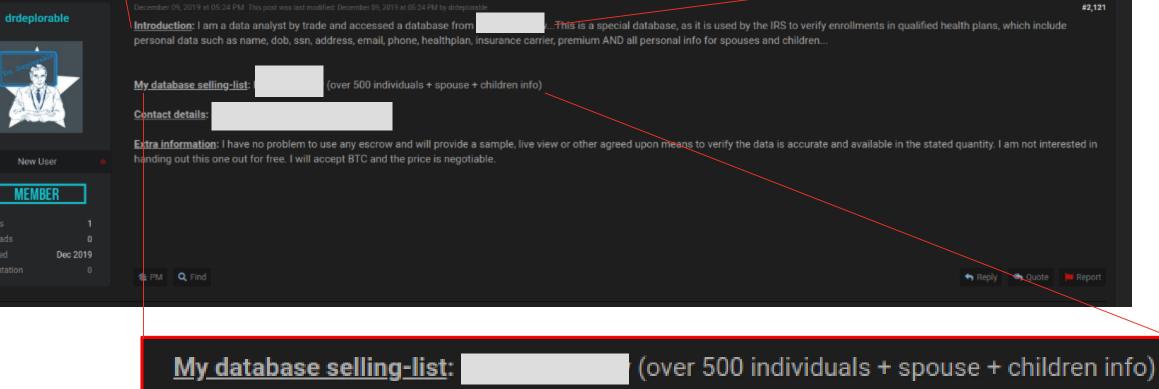
"Login": Available After Purchase "Password": Available After Purchase

Smaller dataset from health insurance marketplace

Potential insider threat:

Introduction: I am a data analyst by trade and accessed a database from





Beware

In all the 7 times that we've been hit by this [Ransomware], this is the only time it's hit our backups"

Kroll healthcare client

Preparation and Planning

PREPAREDNESS

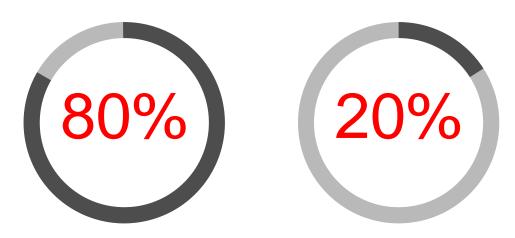
- Develop and refine incident response plan (IRP)
- Consider adequate insurance
- Establish legal, forensic providers (retainers)
- Multi-factor authentication everywhere!
- Secure, offline backups
- Routine assessments, vulnerability scanning, pen testing
- Managed detection and response
- Block SMB (port 445) and RDP (port 3389)
- Configure file integrity monitoring



DETECTION / RESPONSE

- Isolate and disconnect
- Identify infection
- Report incident (law enforcement, insurance)
- Think before you pay
- Retain all log data
- Restore systems

The 80 / 20 Rule for a Strong Security Culture



of security safeguards rely on the user adhering to safe computing practices of security safeguards are technical

Example:

Locking the door before you come to work

- The Lock on the door is the 20%
- Remembering to shut the door, turning the key, checking to make sure the door is locked, and confirming that others don't leave the door unlocked is the 80%.
- The best lock is worthless if SOMEONE isn't locking it properly every single time!



Q&A



KEITH WOJCIESZEK Managing Director, Cyber Risk, Kroll

Keith.Wojcieszek@kroll.com

ANDREAS CHRYSOSTOMOU Managing Director, Valuation Advisory, Duff & Phelps

Andreas.Chrysostomou @duffandphelps.com BRUCE A. RADKE Shareholder, Co-Chair, Privacy and Cybersecurity practice, Polsinelli

bradke@polsinelli.com

LAURIE IACONO VP, Cyber Risk, Kroll

Laurie.lacono@kroll.com

NICOLE SETTE Senior VP, Cyber Risk, Kroll

Nicole.Sette@kroll.com



For more information about our global locations and services, please visit: www.kroll.com

www.polsinelli.com

About Kroll

Kroll is the leading global provider of risk solutions. For more than 45 years, Kroll has helped clients make confident risk management decisions about people, assets, operations and security through a wide range of investigations, cyber security, due diligence and compliance, physical and operational security, and data and information management services. For more information, visit www.kroll.com.

About Duff & Phelps

Duff & Phelps is the global advisor that protects, restores and maximizes value for clients in the areas of valuation, corporate finance, investigations, disputes, cyber security, compliance and regulatory matters, and other governance-related issues. We work with clients across diverse sectors, mitigating risk to assets, operations and people. With Kroll, a division of Duff & Phelps since 2018, our firm has nearly 3,500 professionals in 28 countries around the world. For more information, visit <u>www.duffandphelps.com</u>.