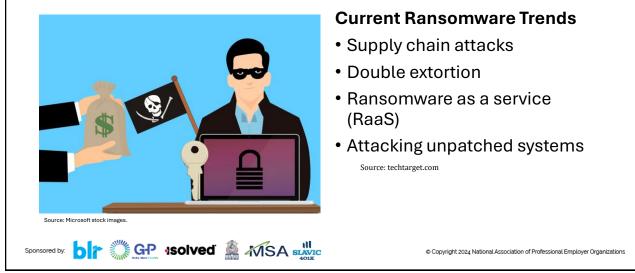
<b>PEO University</b>	
Cybersecurity for PEOsJoe Lazzarotti Jackson Lewis P.C. (813) 512-3225John Ykema employers Solutions, Inc. iykema@eesipeo.com (832) 725-5000Usama Kal Fisher Phillips (949) 798-211	com
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#### **Common Threats - Ransomware**





### Theft of Employee Information

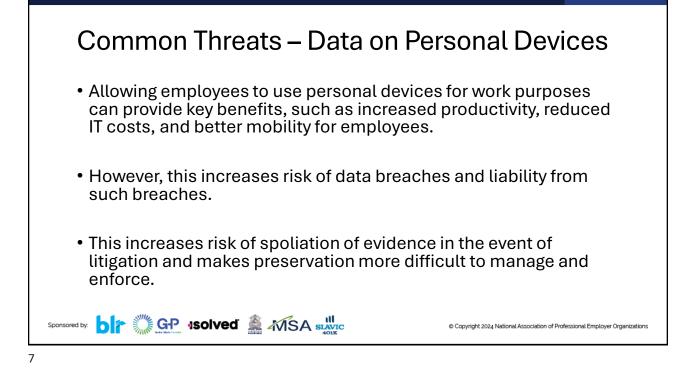
- How is it being used?
  - When incidentally embedded in confidential or trade secret information being misappropriated by a departing employee.
  - Financial fraud, including tax fraud.

#### Potential liability

- Some consumer privacy laws treat employees like consumers, meaning heightened notification standards.
- Under new consumer privacy laws, an organization may be held liable for failure to put in place appropriate security measures.
- Civil actions, including class action lawsuits.
- Regulatory investigations and penalties.



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#### **Common Threats – Trusted Vendors**



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- What outside vendors does your organization rely on?
  - Payroll
  - Benefits
  - CRM
  - Etc.
- According to a 2019 eSentire survey, for nearly half of all orgs that experienced a data breach, it was caused by a third-party

https://biog.rsisecurity.com/why-perform-a-vendor-cybersecurity-assessment/

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# What do courts consider to be reasonable security measures?

Industry custom

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- Violation of a statute, regulation or ordinance
- Poor implementation of a security control or failure to implement
- Intervening criminal act vs. foreseeable attack

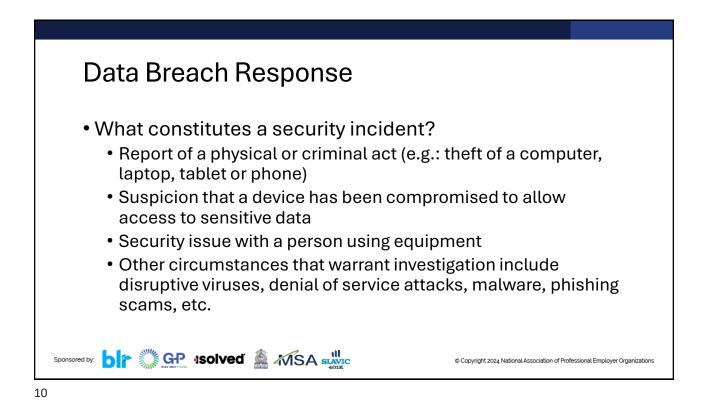


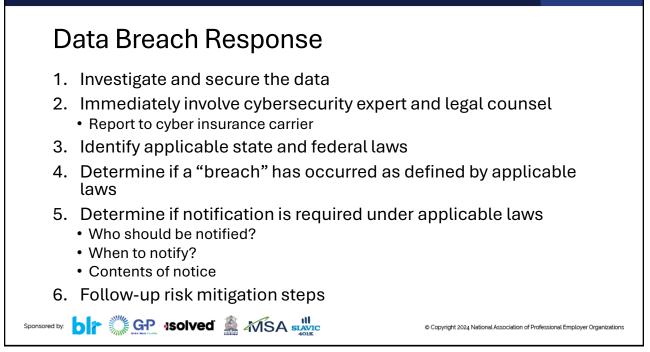
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Source: The Sedona Conference, Commentary on a Reasonable Security Test, 22 SEDONA CONF. J. 345 (2021).

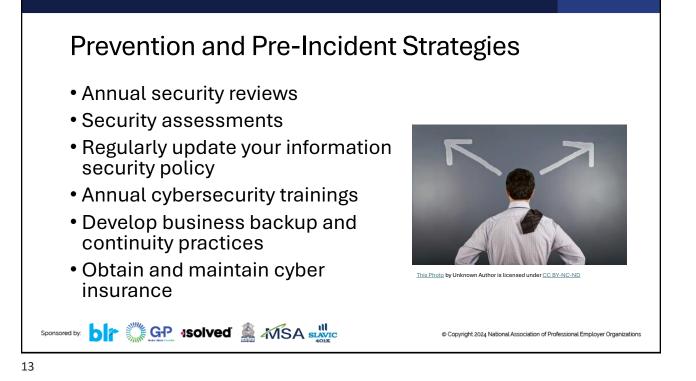






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## Data Breach Response State laws vary in 6 areas: 1. Scope of Covered PII 2. Trigger for Notification Obligation 3. Recipients of Notice 4. Content of Notice 5. Timing of Notice 6. Enforcement sponsored by: **b** Sep solved **a** ASA static © Copyright 2024 National Association of Professional Employer Organizations



#### 10 Steps for PEOs to Manage Cyber Risks

- 1. Obtain Executive Support
- 2. Assign Responsibility
- 3. Know Your Business
- 4. Know Your Data
- 5. Know Your Insurance
- 6. Know Your Vendors
- 7. Assess Your Risks, Drive Compliance
- 8. Develop Incident Response & Business Continuity Plan
- 9. Training & Awareness
- 10. Periodic Review

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