

CASE STUDY

Executive Financial Loss



Bottom Line:

We help manufacturers avoid business disruption and financial losses caused by cyber threat exposure to criminal enterprises and nation states.

Lesson:

Manufacturers, whether large or small, need verifiable cybersecurity processes to avoid costly business disruptions. This case study explains how an executive was forced to deal with a substantial loss event caused by trusting but not verifying their third-party IT.

We co-develop security plans with leadership teams that avoid business disruption.

To start a friendly dialogue, visit our website or call (614) 408-0900.

Problem Description

Background:

A small Midwest manufacturing company with one location, 32 employees, and 8 PCs experienced a ransomware event on a Saturday evening. They soon discovered that their **third-party IT did not provide adequate security protections, backups, or continuity. Therefore, recovery meant paying the ransom.**

The Loss Event:

It was 10:30pm on a Saturday evening, when the CFO received a phone call from an employee who had opened an email and received the following message on the lock screen. **We have your systems under control and demand \$400K.** Please contact us and there was a number. The CFO exclaimed, "Excuse me, what? We're under attack, what are you talking about?"

The Disheartening Response:

Their IT company was notified and confirmed that the ransomware was real. Having to acknowledge that they could not recover, the IT company instructed the CFO to call his insurance company. The CFO contracted a third-party to negotiate the bitcoin ransom payment. **Painfully, the ransom paid was \$150,000.**

The Realization:

The CFO explained, "Wow, we are totally reliant on our systems. **You find out very quickly that 25 men and women out in the plant that are used to being very good at their jobs are held, with no ability to do their jobs because they don't even remember how to do it without that computer.** This isn't a matter of do we pay them? It's a matter of how do we pay them? Because if we don't pay them, we don't have a way out of this, and business just stops, so it's quite a scary situation."