



Cybersecurity

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Cybersecurity 101



- Overview of Cybersecurity Issues
- Federal/State Laws
- Risks, Threats, and Vulnerabilities
- Cyber Attacks/City Examples
- Best Practices



What is Cybersecurity?

Cybersecurity Federal Laws

- HHS Breach Notification Rule – 45 CFR, 164.400-414
 - HIPAA covered entities and business associates must provide notice of breach of unsecured protected health information
 - Breach is impermissible use or disclosure of protected health information
 - Three exceptions to Breach:
 - Unintentional acquisition or access to information by co-worker or agent of covered entity if acquisition or access in good faith in the scope of authority
 - Inadvertent disclosure of information by a person authorized to access protected health information at a covered entity or business associate to another person authorized to access protected information at the covered entity or business associate, or organized health care arrangement in which the covered entity participates
 - Good faith belief that unauthorized person to whom disclosure was made, would not retain the information
- Following a breach of unsecured protected health information, covered entities must provide notification of the breach to affected individuals, the Secretary, and, in certain circumstances, to the media; business associates must notify covered entities if a breach occurs at or by the business associate

Cybersecurity Federal Laws (cont.)

- **Federal Trade Commission has authority re: data breaches**
- Federal Law – 15 U.S.C. 45 (Section 5)
 - Section 5 – unfair or deceptive acts or practices in or affecting commerce, are...unlawful
 - Unlawful as unfair if “the act or practice (1) causes or is likely to cause substantial injury to consumers;(2) which is not reasonable avoidable by consumers themselves; and (3) not outweighed by countervailing benefits to the consumers or to competition”
- Key Case: FTC v. Wyndham Worldwide Corp. 799 F.3rd 236 (3rd Cir. 2015)
 - 3 breaches from 2008 to 2010
 - 600,000 credit card info; \$10.6 m in fraud
 - FTC Holding: Section 5 authorizes FTC to regulate cybersecurity
 - FTC Holding: It is not equitable to (1) promise security to attract customers; (2) fail to deliver with poor security;(3) expose unsuspecting customers to harm; and (4) keep the profits

Cybersecurity Federal Laws (cont.)

Key Case: FTC v. Paypal (Venmo)

- Venmo engaged in misrepresentations about availability of funds in customer account-customers experienced confusion and financial loss when transactions reversed or accounts frozen – Venmo failed to disclose that funds could be frozen or removed before a transaction was approved.
- Customer transaction are public on Venmo unless customers change privacy settings – customers could reasonable believe transactions private by selecting Default Audience Setting to “ Participants Only” or Individual Audience Setting – Venmo failed to inform customers that another Venmo user could override privacy settings
- Venmo provided misrepresentations about Security – unauthorized users took over accounts & withdrew funds – Venmo failed to provided “ bank grade security systems
- Venmo is financial institution and violated federal privacy and safeguard rules

Texas Cybersecurity Laws

- § 552.139, Government Code - Public Information Act
 - Exception: Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers
- § 551.089, Government Code – Open Meetings Act
 - Governmental body may deliberate network security issues in a Closed Meeting
- §418, Government Code - Emergency Management
 - If using DIR network security services, subject to disconnection of services
- § 2157, Government Code – Procurement
 - § 2157.006(b) – Comptroller responsible for oversight of procurement of information systems & computer software; Cities operating under these rules satisfy all state procurement laws.

Texas Cybersecurity Laws

- § 2054, Subchapter C, Government Code – DIR Power & Duties
 - Cybersecurity requirements and reporting; employee training requirements
- § 2054, Subchapter L, Government Code - DIR services
 - Cities may participate in Statewide Technology Centers*
- § 2059, Government Code – Texas Network Security System
 - Cities may procure cybersecurity services from Network Security Center
- § 325.11, Government Code – State Agency Sunset Review criteria now includes cybersecurity practices.

Recent Cybersecurity Legislation

- 86th Texas Legislature approved multiple bills affecting cybersecurity/network security in the state.
- **HB 3834 by Rep. Capriglione** - Established state-certified cybersecurity training programs and created a requirement that certain local government employees receive annual cybersecurity training.
- **SB 64 by Sen. Nelson** – Significant changes to § 2054, added “cybersecurity event” to list of causes of a “Disaster,” and created new cybersecurity requirements for all Utilities.
- **HB 2325** – Required DPS to develop standards for social media use during/after disaster by local govt officials.

Cybersecurity Legislation (cont.)

- HB 3875 – IT systems should be able to run on Cloud
- HB 1421 – Cybersecurity of voter registration lists and other election-related documents and lists
- HB 2364 – electronic messaging services subject to procurement rules under § 2157, Government Code
- SB 65 – Additional contracting and procurement changes
- SB 751 – Criminalized deepfake video election interference
- SB 819 – Created a central repository for publicly accessible electronic data and a Digital Transformation Guide

Cybersecurity Risks, Threats, and Vulnerabilities

- People
- Processes
- Technology

Cybersecurity Attacks



- Malware
- Ransomware
- Phishing
- Theft/Loss/Misuse/Negligence

City Cybersecurity Incidents



- City of Baltimore
- City of Atlanta
- Texas Cities

Cybersecurity Best Practices



- Policies
- Training
- Technology



Questions?