

Why Banks View Campuses as Risky Customers

Walt Conway
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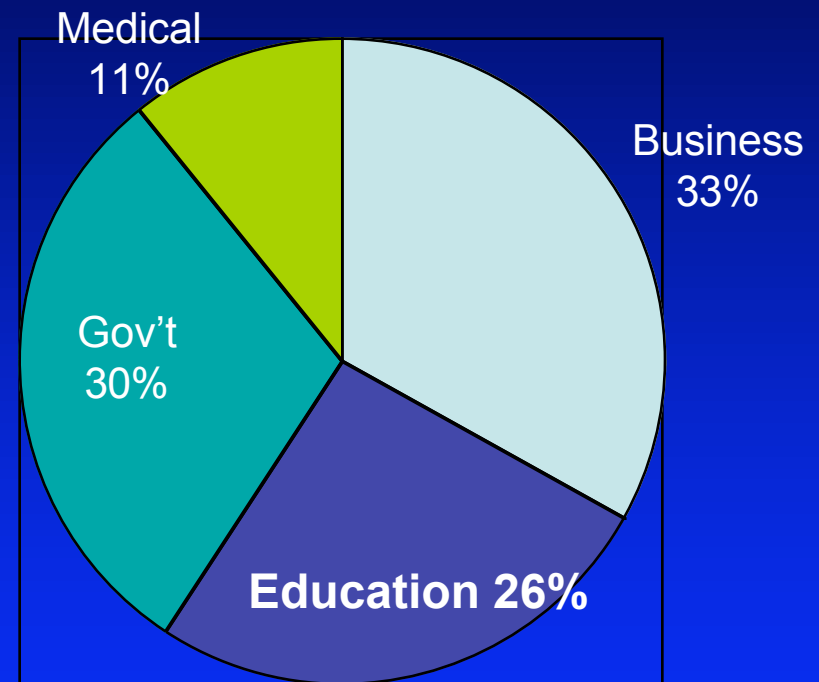
Making the Case

- ❑ Plastic is a fact of life
- ❑ Plastic brings risks
- ❑ PCI-DSS
 - Not optional
 - Non-compliance has costs
- ❑ Top administrator support is a critical success factor
- ❑ Let's look at the data...



#1: Campuses are at Risk

- ❑ Fewer schools than businesses...
 - 14+ million businesses
 - Student population smallbut the number of breaches is similar
- ❑ Results same for 2000 to 2006
 - Education 32% vs. Business 35%



321 Breaches in 2006

Sources of Breaches

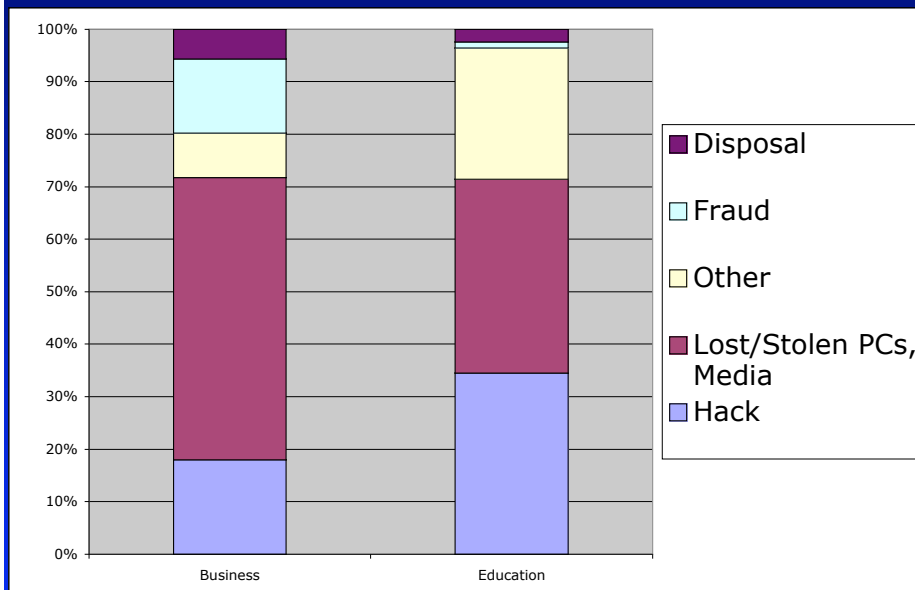
- Fraud (e.g., phishing)
- Improper disposal
- Hacking
- Lost/Stolen PCs and storage media
- Other (e.g., mistaken posting)



←Roughly 75%

#2: Education has a Hacking Problem

321 Breaches 2006



❑ Composition is key

❑ Business:

- 54% Lost/stolen PCs, media
- 18% Hacks

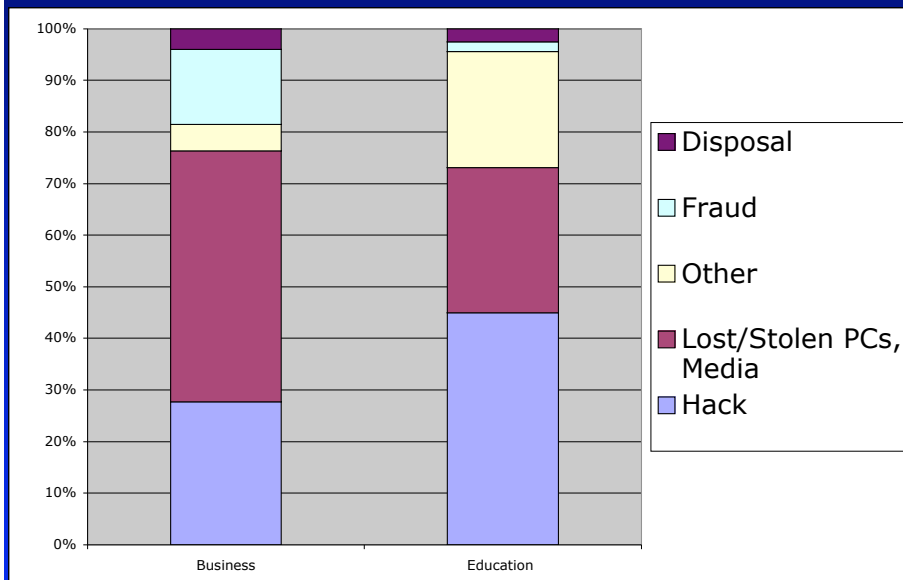
❑ Education:

- 37% Lost/stolen
- 35% Hacks

❑ Rate of hacking twice as high in Education

#2: Education has a Hacking Problem

498 Breaches 2000-2006



- ❑ From 2000-2006 hacking is **#1** source of Edu breaches
 - 45% hacks
 - 28% lost/stolen PCs/media

- ❑ **Hacking is particularly serious threat**
 - Intent is to steal data
 - Greater chance of ID theft

Costs

- ❑ **Direct costs: \$182/account compromised**
 - Notification, hotlines, websites, credit monitoring, fines

- ❑ **Indirect costs**
 - Forensic investigation, system upgrades, time, card re-issuance, fraud liability, lawsuits

- ❑ **Reputation costs**
 - Jeopardize student/parent/alumni relations

#3: Breaches are Expensive

- ❑ Education breaches generally smaller
 - 52% involve 5,000 accounts or fewer
 - 29% of business breaches under 5,000 accounts

- ❑ “Small” breach can cost \$1 million
 - Direct costs only

- ❑ Damage to school’s reputation greater

Making the Case

- ❑ Education disproportionately vulnerable
- ❑ Higher risk of hacking attack
- ❑ Costs of breach are substantial
- ❑ PCI-DSS compliance
 - Protects institution
 - Good investment
- ❑ Download the article

