



Department of Commerce

Division of Financial Institutions

John R. Kasich, Governor
Andre T. Porter, Director

Introduction to Cybersecurity

- Cyber-attacks seek to exploit vulnerabilities to steal money, prevent financial organizations from offering services, inflict reputational harm, and undermine confidence in the financial system.
- Recent cybersecurity breaches at retailers and sophisticated DDoS (distributed Denial of Services) attacks demonstrate that the impact to institutions and their customers goes well-beyond technology issues to include real financial and reputational implications.
- As part of an initiative to raise the awareness of financial institutions and their critical third-party service providers with respect to cybersecurity risks, the FFIEC launched a web page on cybersecurity recently that serves as a central repository for current and future FFIEC-related materials on cybersecurity. <http://www.ffiec.gov/cybersecurity.htm>. Additionally, the FFIEC recently released joint statements on two specific types of cyber-attacks, Distributed Denial of Service (DDoS) attacks and cyber-attacks on small to medium-sized institutions that result in large dollar value ATM cash-outs. You can expect to see more issuances out of the FFIEC in the future.

Cybersecurity: Part 1 — Demystifying Cyberthreats is an article from the Federal Reserve's Community Banking Connections publication describing cyber threats and cyber related risks and exposures available at the following link:

<http://www.communitybankingconnections.org/articles/2014/Q1/cybersecurity.cfm>

A supervisory bulletin was released in February 2013 providing guidance to financial institutions on "Standards for Risk Management of Corporate Account Takeovers." [fiin_CATOBestPractices1.pdf](#) The guidance refers to 19 recommended processes and controls which expand on a three part risk management framework of: 1) Protect; 2) Detect; and 3) Respond. Additionally, Best Practices for Reducing that Risks of Corporate Account Takeovers, was developed to help financial institutions establish specific practices to implement the recommended processes and controls. The Best Practice document is a valuable resource to effectively reduce risk and can be found at [fiin_CATOBestPractices2.pdf](#).