

1



Ransom: \$570,857

Source: [American City & County](#)

3

Report: Ransomware attacks cost local and state governments over \$18 billion in 2020

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AMERICAN
CITY & COUNTY



A new report from consumer tech information site [Comparitech](#) shows that cyber attacks cost American government organizations about \$18.88 billion in recovery costs and downtime in 2020.

Last year, U.S. government organizations suffered 79 ransomware attacks, which potentially impacted 71 million people. This marked a 35 percent decrease in the number of ransomware attacks counted in 2019.

The hackers behind these attacks demanded ransom amounts from between \$2,500 and \$5 million. The average ransom demanded in 2020 was \$570,857. Over \$1.75 million was actually paid to hackers.

Only 39 out of 79 victims revealed figures of the downtime that the ransomware attacks caused, and these attacks forced 773 days to be lost to downtime.

Over the past three years, 246 ransomware attacks struck U.S. government organizations, according to the report. These attacks potentially affected over 173 million people, may have cost \$52.88 billion. The goals of most of those attacks were to halt processes, interrupt services and cause disruption, not to steal data.

American City & County has published extensively on the actions local governments can take to spot, prevent, respond to and recover from ransomware attacks. Below is a selection of articles concerning ransomware that we've published over the past year:

4

Cost state and local gov't over \$18 billion

2020 average ransom = \$570,857

Over \$1.75 million was paid to hackers

Attacks forced 773 days downtime

Goal of attacks is to interrupt services

5

State and Local Governments Are Prime Ransomware Targets: Here's What They Can Do

Making sure security teams have adequate resources to invest in frameworks like zero trust and are nuanced in the latest attack methods and vectors will help ensure systems are adequately monitored to thwart potential threats.

Government agencies are some of the most sought-after targets for hackers. The public nature of the hacks, the significant impact to the communities they support, and the plethora of rich information that can be leveraged makes these entities particularly appealing for malicious actors leveraging ransomware. Plus, cybercriminals are aware that these organizations often lack proper cybersecurity investments to thwart ransomware attacks and have the means to pay the ransom if a state of emergency is declared.

New data indicates that from 2018 to 2020, [246 ransomware attacks](#) on US government organizations took place, impacting an estimated 173 million people and costing roughly \$52.88 billion in damages. This past year alone has particularly sounded alarm bells as attacks increased [62%](#) from 2019 to 2020.

Government entities need to acutely understand why they are compelling ransomware targets for hackers and take immediate action to properly prepare by limiting privileged access, creating backups, preparing a response plan, and prioritizing cyber investments and trainings.

Source: [DARKReading](#), [Tulsa World](#)

Government Organizations Are Squarely in Hackers' Sights

While enterprises are often advised not to pay ransoms or give into hackers' demands, every incident is unique depending upon the nature of the attack, the organization being targeted, and the information that is affected. If the ransomware attack targets critical technology, attackers have the power to completely halt revenue-generating operations. Ironically, ransomware gangs have also developed a certain level of trust with their victims by holding true to their promise of releasing encryption and not disclosing sensitive files to the public once the ransom is paid — thus ensuring a steady stream of targets willing to pay if they have no other choice.

The City of Tulsa, Okla., was hit by a [ransomware attack](#) that affected the city government's network, shut down official websites, and caused delays in network services. Subsequently, the Wi-Fi in government buildings was brought down and residents were unable to pay their utility bills.

If an incident is destructive and damaging enough, it may require officials to declare a state of emergency, which allows access to additional resources and funds from the federal government. As ransomware payments are slowly beginning to creep up, hackers may see more vulnerable targets as low-hanging fruit that provide access to more resources should an attack be damaging enough. An increasingly lucrative ransomware attack strategy is moving beyond a single user or company and deploying an attack that affects the entire supply chain of a particular industry. Recently, this ripple effect has proven to be devastating to the companies involved and communities affected.

Fortunately for Tulsa, the city has a strong disaster recovery plan that allowed officials to restore the bulk of the data, keep government-run facilities operational, and protect taxpayer dollars from hackers demanding a ransom.

6

**From 2018 to 2020, 246 ransomware attacks on
US government organizations**

Attacks increased 62% from 2019 to 2020

**Importance of a disaster recovery plan
(backups)**

7



On Premise

(2020). [Image]. Retrieved from <https://www.stitchdata.com/resources/compare-on-premises-and-cloud-data-warehouse/>

8

- Purchase and Maintain Server
- Purchase and Maintain Server Software
- Purchase and Maintain Virus Protection
- Purchase and Maintain Remote Access Connections
- Daily Backups

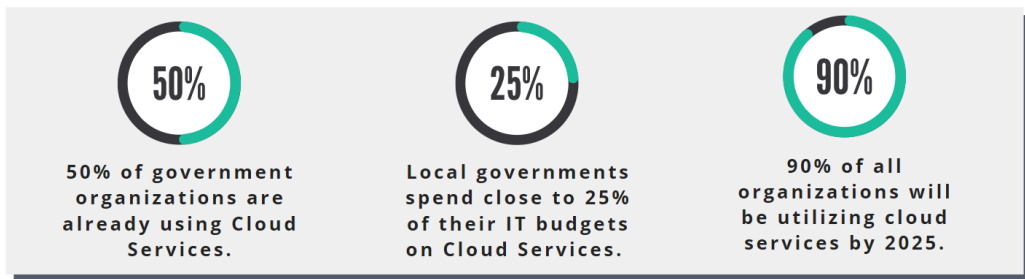
(2020). [Image]. Retrieved from <https://www.stitchdata.com/resources/compare-on-premises-and-cloud-data-warehouse/>

9



What is the Cloud?

10



- Gartner

11

“

“The pandemic validated the cloud’s value proposition. The ability to use on-demand, scalable cloud models to achieve cost efficiency and business continuity is providing the impetus for organizations to rapidly accelerate their digital business transformation plans. The increased use of public cloud services has reinforced cloud adoption to be the ‘new normal,’ now more than ever.”

- Gartner,
Technology Research & Advisory Firm

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12

Software as a Service (SaaS)

- ▶ Software made available over the internet as a service
- ▶ Single-Tenant SaaS architecture

13

Accessible
from
anywhere

Reduce IT
costs

Increased
Security

Business
Continuity

Automated
backups

Automated
updates

Improved
Support

Scalability

Reliable
performance

Benefits

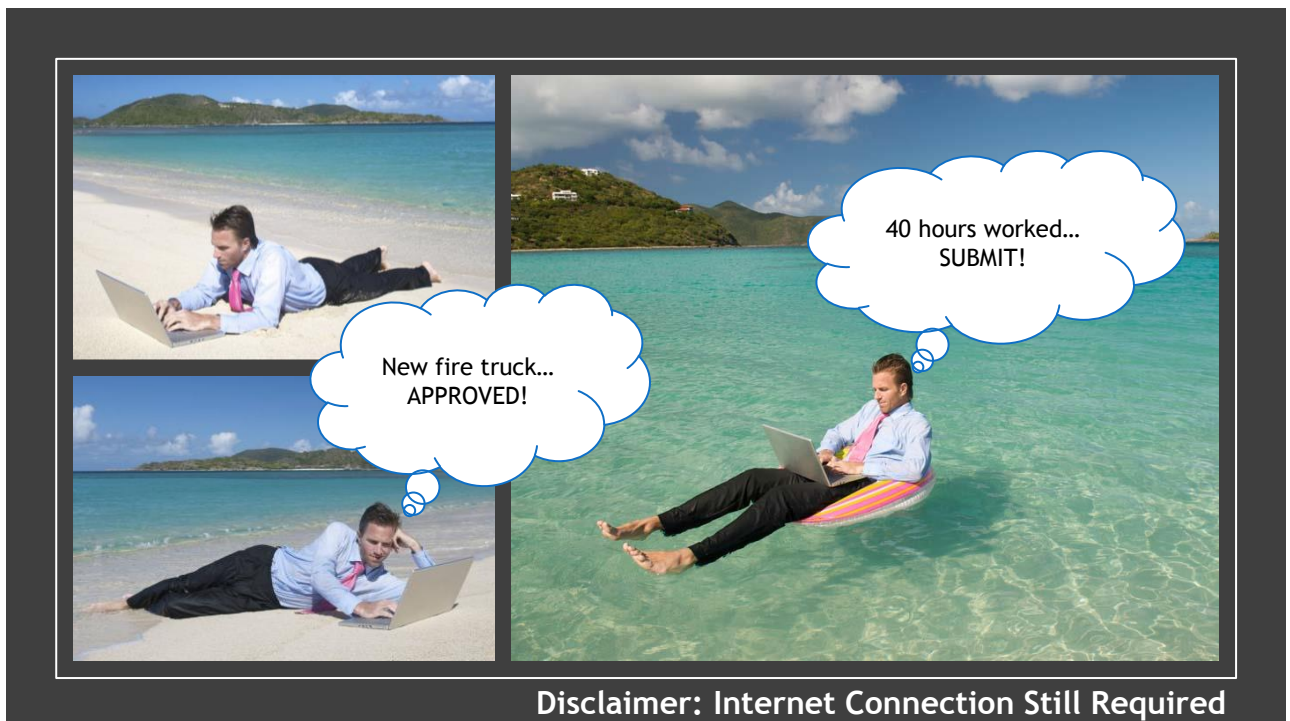
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Accessible from Anywhere



15



Disclaimer: Internet Connection Still Required

16

Accessible from Anywhere

- Increase remote access capabilities and accommodate alternative work schedules and arrangements



17

Accessible from Anywhere

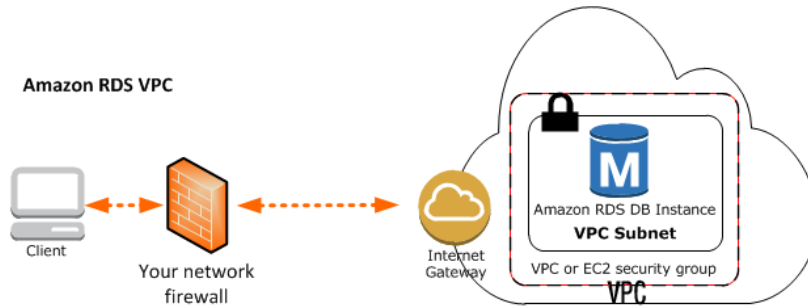


<https://www.pinterest.com/virtualtechguru/cloud-comics/>

18

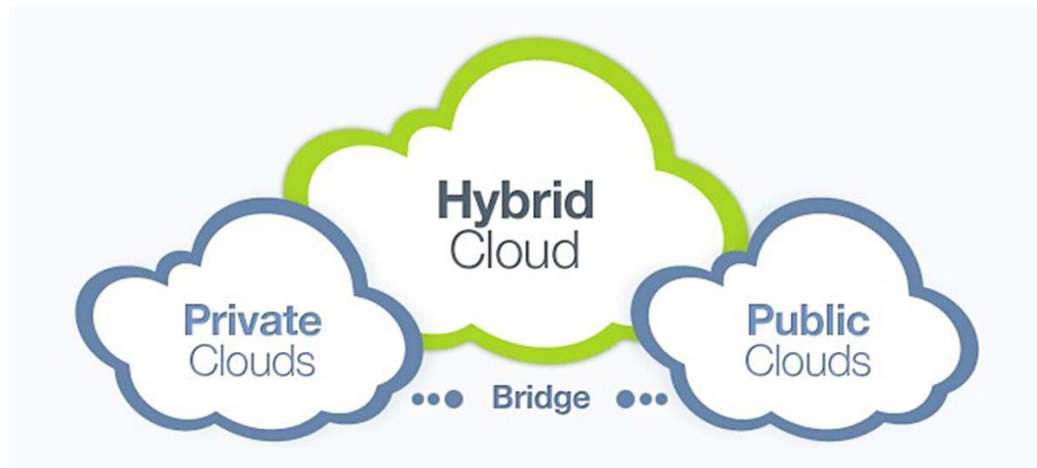
Accessible from Anywhere

- ▶ Virtual Private Cloud (VPC) allows control of network configuration, offering several layers of security controls, and the ability to allow and deny specific internet and internal traffic



https://docs.aws.amazon.com/AmazonRDS/latest/UserGuide/USER_VPC.html

19



<https://www.amyma.lu/hybrid-cloud.html>

20

Reduce IT Costs

21

Reduce IT Costs

- ▶ Shift from upfront capital costs to operational expense
- ▶ Software and hardware fixed expenses, such as the physical server are eliminated when moving to the cloud.
 - ▶ Eliminate large IT projects
 - ▶ Eliminate the 3 to 5-year expense of purchasing a server
- ▶ More affordable total cost of ownership

22

Reduce IT Costs

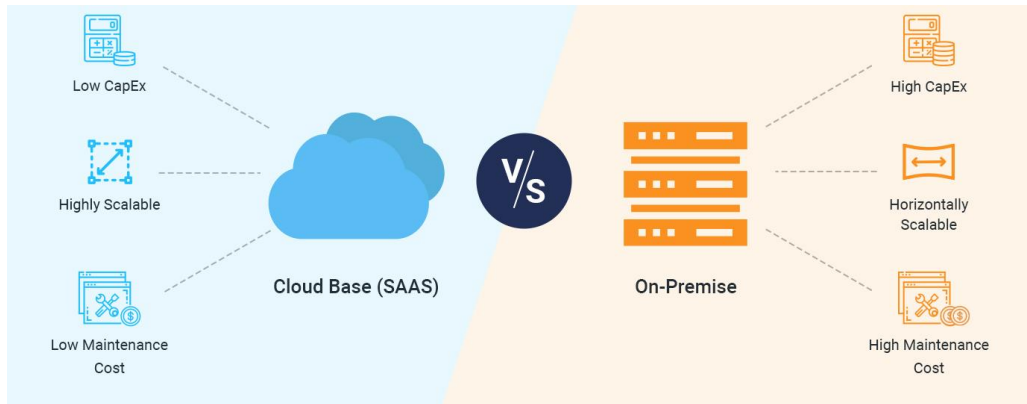
- ▶ Near-zero Maintenance, as a Service
- ▶ You are no longer responsible for supporting the IT infrastructure
 - ▶ Managed servers are kept up on the latest technology (e.g. SQL, .Net)
 - ▶ Automatic backups may be included
 - ▶ Automatic updates may be included
- ▶ Lower IT overhead costs through reduced workloads
 - ▶ Allow IT Staff to concentrate on other projects

23

Reduce IT Costs

- ▶ Performance and Scale through Provisioning
 - ▶ Pay for the actual resources needed versus paying for maximum capacity scenarios
 - ▶ Increase hardware requirements only when needed.

24

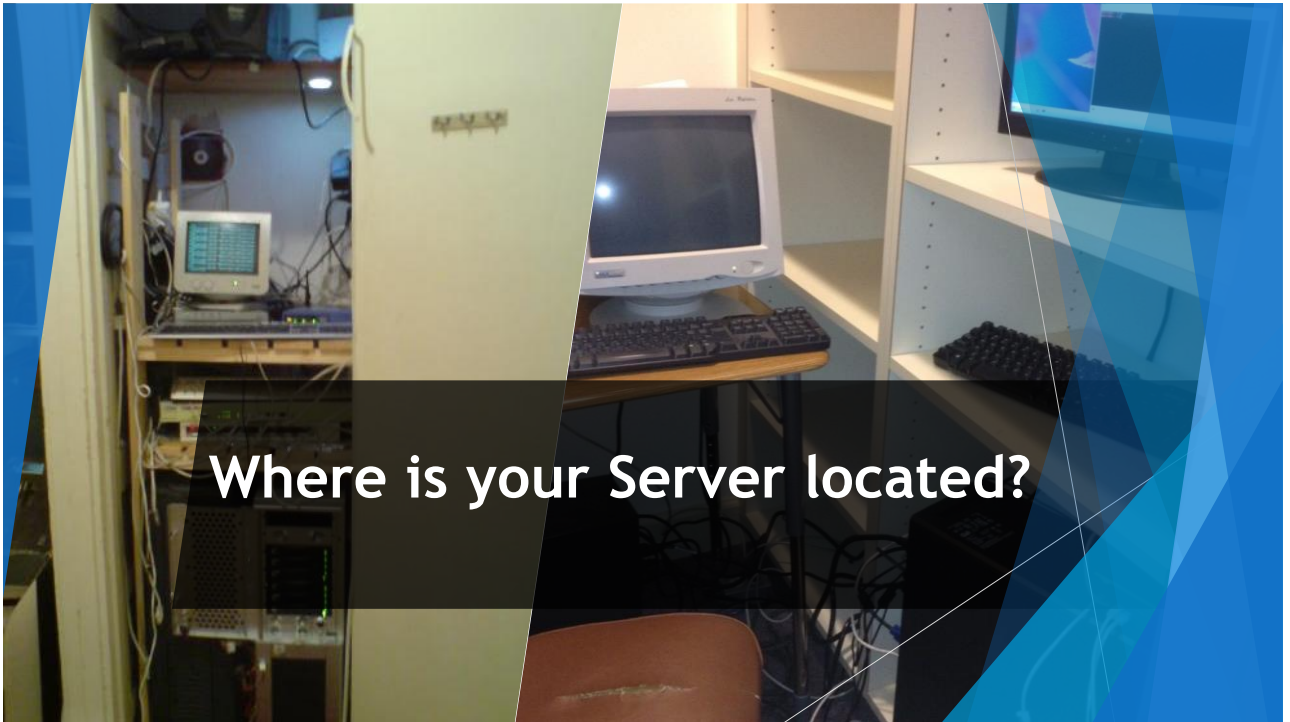


(2020). [Image]. Retrieved from <https://www.muvi.com/blogs/cloud-video-encoding-vs-on-premise.html>

25



26



27

Increased Security

- ▶ Firewalls, encryption in transit, private dedicated connections, and distributed denial of service (DDoS) protection
- ▶ Intelligent threat detection and monitoring malicious activity and unauthorized behavior to protect accounts, workloads, and data

28

Increased Security

- ▶ Make sure of compliance certifications, including SOC, ISO, HIPAA, AICPA



29

Increased Security

Perform penetration tests to gauge the resiliency of the application to various attacks launched against both authenticated and unauthenticated.

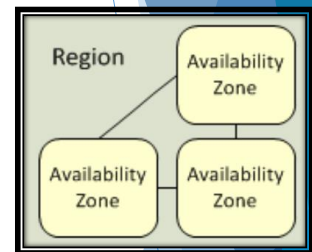
30

Business Continuity

31

Business Continuity

- ▶ Collection of separate data centers with independent power resources, backup generators, and connectivity.
- ▶ Different grids from utility and power companies.
- ▶ If one database instance fails, then another availability zone can then handle requests



<https://cloudacademy.com/blog/aws-regions-and-availability-zones-the-simplest-explanation-you-will-ever-find-around/>

32



Automated Backups

33

Why Automated Cloud Backups are so important

- ▶ Local backups
 - ▶ often overwritten, lost, damaged, or not redundant.
 - ▶ go untested.
 - ▶ vulnerable to significant data loss



34

Automated Cloud Backups

- ▶ Backups can be accessed at any time as an insurance policy to recover data
- ▶ Automated backups
- ▶ Cloud Backup service is available for on premise servers



35

Automated Updates

36

Automated Updates

- ▶ Upgrades and enhancements can be scheduled in advance
- ▶ Reduce overhead by eliminating in house software updates

37

Improved Support

38

Improved Support

- ▶ Near-zero Maintenance, as a Service!
 - ▶ You are no longer responsible for supporting the IT infrastructure
 - ▶ Transfer responsibility to your cloud provider
- ▶ **You still own your data**
- ▶ Cloud is simply a mechanism to make accessing the software easier and more accessible

39

Improved Support

- ▶ Easier to support resulting in increased response times; No remote connections
- ▶ Data reliability without the maintenance
- ▶ Stay current on latest server software
- ▶ Stay current on latest virus protections
- ▶ Will always have a backup

40

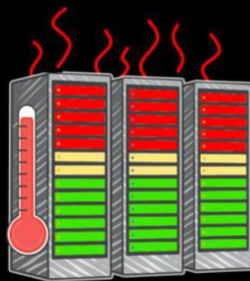
Scalability

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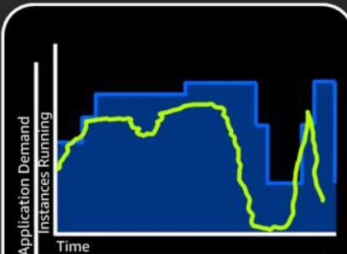
Stop guessing capacity



Overestimated
server capacity



Underestimated
server capacity



Scaling on
demand

42

Scalability

- ▶ Eliminate in-house data servers/centers
 - ▶ Higher performance through provisioning resources as needed
 - ▶ Unlimited scaling capacity, pay for what you need today with the ability to grow and shrink for maximum capacity scenarios
 - ▶ Quit paying for future expenses by over allocating resources not needed today!

43

Reliable Performance

44

Reliable Performance

- ▶ Cloud provider monitors sites and overall health
- ▶ Speed up processes by staying current on latest technology and not running outdated hardware and software
- ▶ No need to worry about disk space; the cloud has massive online storage

45

For more info/questions, email:



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Housekeeping

46