



# *"The Ashwaubenon Incident"* & The Credit Card Industry Viewpoint

LEAGUE OF WISCONSIN MUNICIPALITIES

DOUGLAS BUAN, CFCI, CISM, PCIP, CCCI  
DIRECTOR, RISK MANAGEMENT  
WIND RIVER FINANCIAL

# Wind River Financial

- Family owned merchant credit card processor in Madison
  - Members - University of Wisconsin Family Business Center
  - Highly charitable business in support of the local community
  - Secure Solutions: E-commerce, mobile payments, point-to-point encryption, tokenization, virtual terminals, IP terminals, POS systems
  - High customer touch with >90% customer retention year-over-year

# Visa Global Security Summit



# State of Card Industry Data Security

- Regular breaches
  - List of those not hacked probably easier to manage
- Payment Card Industry Data Security Standard (PCI DSS) existing compliance framework
  - Recognized globally
- Industry trying to regulate itself to reduce data compromises
  - Lots of issues: competitive landscape, many priorities, cost, technological disadvantage

# Incident was an acct takeover but...

- Credit card data desired in most breaches ~ 60-70%
- Most entities think they would not be target of hack
  - Over 90% of breaches are to SMBs
  - ~40% of businesses fail after a data compromise
  - What would a data compromise mean to the municipality you represent?
    - Cost, reputation, elected officials & municipal employees?

# Scary Stats...

- <sup>1</sup> In 93% of cases, took attackers **minutes** to compromise systems
- <sup>2</sup> 7 of 10 businesses believed bank would **cover a loss** if credentials were stolen
- <sup>3</sup> 60 percent of small companies are **unable to sustain their businesses** over six months after a cyber attack
- <sup>4</sup> Avg cost for **small business recovery** after hack **\$690,000**. Middle market >\$1M

<sup>1</sup>Verizon 2016 Data Breach Investigations Report

<sup>2</sup>BBB 2017: The State of Cybersecurity Among Small Businesses in North America

<sup>3</sup>U.S. National Cybersecurity Alliance

<sup>4</sup>Ponemon Institute

# Certain Card Processing Solutions Can Help

- **Point-to-point encryption**
  - State-of-the-art security
  - Can help **limit PCI scope**
- **Tokenization** for recurring transactions instead of real card number
- Strategies around e-commerce can **remove or limit** PCI scope



# Best practices for current threats...

- Remote access – use multi-factor authentication
  - Recent survey at Defcon, hackers said MFA is most difficult practice to thwart
- Vendor Policy – remote access
  - Policy enforcing security practices. Review current, enforce on new
- Anti-virus – next generation
- Firewall



# Q / A

Douglas Buan, CFCI, CISM, PCIP, CCCI  
Director, Risk Management

[dbuan@windriverfinancial.com](mailto:dbuan@windriverfinancial.com)

608.442.4223

