

CYBERSECURITY & PRIVACY ISSUES FOR VIRTUAL ARTISTS

Sandy B. Garfinkel | October 14, 2020

For The Pennsylvania Council on the Arts and The
Pennsylvania Humanities Council

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TOPICS

- The Blackbaud Incident – Nonprofits Have Cyber Risk
- Virtual and Remote Risks During The Time of COVID-19
- California Consumer Privacy Act (CCPA) and the Rise of Consumer Privacy in the U.S.

Blackbaud Incident

BLACKBAUD – third party vendor to **nonprofits, museums, schools and universities** for donor and solicitation data services

Feb. 2020: Cybercriminal accessed Blackbaud's systems; installed ransomware

May 2020: Cybercriminal demanded ransom; Blackbaud was able to kick the bad guy out of the system, but large client backup file was stolen.

Blackbaud (cont'd)

File contained data on donors and constituents from hundreds of Blackbaud clients:

- Names
- Addresses
- Phone Nos.
- DOB
- Giving history
- Sometimes scanned checks (bank account info.)
- Included some foreign data – protected under GDPR

Blackbaud (cont'd)

- Blackbaud – Did NOT take on legal duties to notify affected individuals or regulators for its clients; only notified the clients about the incident.
- Clients were left to deal with legal response obligations
 - Investigations to determine impacted people
 - Notification letters to affected individuals
 - Reports to state regulators
 - In some cases, reports to European privacy regulators

Lessons of Blackbaud

- Your third party vendors can get you into trouble
- Nonprofits are not safe from cyber crime
- Consider getting cyber insurance

Virtual and Remote Risks During The Time of COVID-19

- Social engineering
- Business e-mail compromise
- Hacking/malware
- Ransomware

Taking Advantage of a Crisis

USING FEAR AND CONFUSION

- Fake e-mails/websites – links to supposed COVID treatment, information
- PPP Program, stimulus program
- Unemployment Comp fraud

The Rise of Consumer Privacy Law in the U.S.

Europe:

General Data Protection Regulation (GDPR), 2018

- Privacy as a fundamental right
- Individuals must receive disclosures before info is collected
- Companies and entities are limited in use of personal data
- Individuals can demand deletion, modification of data

California Consumer Privacy Act (CCPA)

CCPA – Effective Jan. 1, 2020, enforcement began July 2020

- Protects California residents only
- Disclosures at or before the point of collection (website privacy statements)
- Do Not Sell
- Sharing data with service providers
- Enforcement by attorney general; fines per violation
- Consumer rights:
 - Deletion, Access

Beginning of Privacy Wave?

- Numerous other states are considering adoption of CCPA-like laws
- Congress could conceivably introduce nationwide consumer privacy measures

THANK YOU

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