

Sony Data Breach Shows That Corporations Need to Worry About More Than Identity Theft

December 18, 2014 - It seems like we're constantly talking about the dangers of data breaches as they relate to identity theft. Without a doubt, ID theft is a tremendous issue for any company that has experienced a data breach. But the data breach at Sony Picturesâ€ which could prove to be the most expensive corporate data breach everâ€ proves that corporations need to be focused on a lot more than just protecting the personal information of their customers

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The damage associated with the Sony data breach has been extensive so far. In fact, it has been so bad that it would probably have put a smaller company out of business. The damage includes:

Leaked email messages between Sony executives that have included proprietary business information and embarrassing comments; some of which could make it difficult for the company to hire certain Hollywood personalities in the future.

A leaked script for the next James Bond movie, titled Spectre.

Links to download at least five new or unreleased movies in DVD quality. The movies include Fury (Brad Pitt's relatively new release) and Annie (which has not yet been released).

And of course, it also included the personally identifiable information of company employeesâ€ which could eventually lead to identity theft.

So far, there are two lawsuits that have been filed by Sony employees over the breach of their data but in this case, those lawsuits are probably the least of the company's worries.

The breach has forced Sony to pull the release of its already finished movie "The Interview" which was supposed to be in theaters on Christmas day. The hackers behind the attack on Sony had threatened a 9/11 style of attack on theaters if the movie was release. Because of this, four of the nation's largest theater chains announced yesterday that they were cancelling plans to show the movie. This probably forced Sony to pull the picture entirely. According to Variety, "The Interview" cost \$42 million to produce. By the time advertising to promote the film is included, the studio appears to have

around \$80 million invested in it so far and it is unclear as to whether or not it will ever see the light of day.

Bloomberg News and AdAge are stating that other costs associated with the data breach have already topped \$100 million and those costs are growing on a day by day basis.

But the real costs to Sony are a little more difficult to quantify. They include the loss of revenue due to leaked intellectual property (the movies that were stolen) and damage to the Sony Pictures brand name. These could easily range into billions of dollars.

Sony Pictures is quickly becoming a case study in how not to store your data. And it should be an object lesson for every single business. What happened to Sony could happen to nearly any other business. Companies that don't put state of the art procedures in place to protect their computer networks are not only putting their customers and employees at risk. They are risking their very existence as viable businesses.

by Jim Malmberg

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