Addressing the Big 3: Compliance, Fraud & Cyber Security

In setting the tone for compliance and regulation in 2014, the NCUA has realized that the interconnectivity of credit unions with various cloud technology means that security events at one credit union can propagate through shared vendors and have broad affect on the industry.

Beyond the security implications of a breach at a shared vendor such as a payment system, there is reputation risk. One need look no farther than the recent breach at Target which affected credit card usage nationwide. Reputation is earned over years and can be lost in moments. Responsibility for security has more gravity now than ever.

Horsetail Technologies helps with the Big Three because we work with credit unions across the country and our clients benefit from the fact that we are required to manage a wide variety of vendors and solutions. Mistakes found at one credit union can often be seen at many. The benefit of an outsider's view of your security cannot be underestimated.

Second, there is the matter of focus. Let's face it, internal staff needs to adopt the priorities of its users and management. It is very difficult to focus on security when an entire user community is waiting for a new core implementation or an electronic document imaging system, or even just day to day user issues. Yet, threats don't take a break and change daily. Horsetail employs certified security professionals that are focused on security as their prime responsibility. Our clients are thus freed to focus on the issue of the day while proactivity, a necessity in security, remains in place.

In terms of the relationship between Compliance and CyberSecurity, the NCUA should be thought of as providing a minimum set of best practices, rather than a burden. In other words, a credit union should be **more than compliant** with any exams in the security area. Why more? Threats change quickly and are communicated at light speed. Government moves slowly. Most regulations are responses to the threats of last year, and years before that.

> *"Credit unions really need to stay on top of this issue, which means working with experts outside the credit union and not just relying on internal IT staff to protect their systems."* Debbie Matz on Cyber Security

Still we all know that compliance isn't always easy or easy to prove. Horsetail helps by staying on top of regulation and then generating reports, storing logs and audit trails transparently with the questions that the examiners are tasked with asking. With Horsetail, clients do the work once and can find their work product immediately and online when the regulator comes knocking.

If Cyber Security and Compliance are the defense, then fraud is the opposition. Horsetail helps its client recognize fraud by creating consumable reports that are meant to be read and reviewed. We go beyond technology, to include the policies and procedures that will ensure that data is actually reviewed rather than waiting for forensic exam after the fact. Horsetail provides outside vulnerability and penetration testing, as well as services to plug the holes found. Lastly, Horsetail helps with training and "Red Team Exercises" to secure perhaps the greatest weakness of any security system – the human element.

Mark Berman
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Mark Berman is a Principal and Co-Founder of Horsetail Technologies, LLC. He graduated from The College of William and Mary with a degree in Computer Science and from Loyola University with a Master's in Business Administration. Berman has a variety of Cisco and Dell Security certifications and is active in the compliance area of the credit union movement. The Horsetail Technologies Managed Service Program (MSP) was developed to provide your CU with the technology services that you need so that you can focus on your business. Our state of the art systems and experienced staff allow us to offer a wide variety of customized programs that fit your needs.

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