

Brews, Booze, and Data Breaches

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Friday afternoon, news sources reported that Molson Coors Beverage Company notified the Securities and Exchange Commission about an ongoing data breach that had delayed and disrupted, 'the Company's business, including its brewery operations, production, and

shipments.'

This follows a series of hacks through the Microsoft Email Exchange software, and after the Campari Group fell victim to a data breach last November.

It is becoming increasingly clear that American companies of all sizes and industries are targets for (and vulnerable to) this kind of cybersecurity hacking, both directly and through vendors. And beverage companies have been no exception to this trend. The all-in business and legal costs associated with such breaches regularly reach into the millions of dollars according to the Ponemon Institute's most recent study.

The Institute also found that planning and protective steps on the front end by businesses can dramatically reduce these costs. Proactively planning for these risks can also help minimize the possibility of a breach and avoid the potential double victimization of a data breach: first by the breach itself, and then the legal liability, compliance costs, and regulatory enforcement actions. And as the Molson Coors filing makes clear, when one of these breaches comes to fruition—and it's increasingly a "when" rather than an "if"—there are real problems with business operations that can result. These breaches, and the related costs, are yet another illustration of the need for all businesses to include cybersecurity and privacy compliance as part of their risk management strategy. Currently, all states have data breach notification statutes, and many states require businesses—even small businesses— to provide a certain level of protection to personal data.

Privacy and Security Policies, both technical and procedural, should be reviewed no less than annually to ensure continued compliance with all applicable laws and to best position an organization to minimize and mitigate the impacts of a breach. Ward and Smith's Privacy and Data Security team are ready to help you and your organization reduce the damage that can be done by a data breach like the ones so indiscriminately plaguing our economy and the beverage industry today.

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