RANSOMWARE REPORT 2019

SESSION # 136 HOSTED BY: BRIAN P. WEAVER/VP, SALES

TUG TheUserGroup.org

TUG CONNECTS 20/20

Channel Partner infor Alliance Partner

BRIAN WEAVER

VP, OF SALES

P 516.240.6020 | C 716.710.2940 | F 516.240.6035

brian.weaver@nsacom.com

Sessions:

3/10 4:00pm

170 Optimizing eCommerce Placing Orders and Getting Quotes on Your Website

3/11 9:45am

136 2019 Ransomware Survey Results & Trends from 2019

DATTO'S GLOBAL STATE OF THE CHANNEL

RANSOMWARE REPORT

datto

TUG
TheUserGroup.org

TUG CONNECTS 20/20

TODAY'S AGENDA

- About the report
- New ransomware trends and statistics
- The true cost of ransomware attacks
- Ransomware recovery methods
- And more!

*Source: Strategy Analytics' proprietary research of the North American SMB market.

ABOUT THE REPORT

DATTO'S GLOBAL STATE OF THE CHANNEL RANSOMWARE REPORT IS COMPRISED OF STATISTICS PULLED FROM A SURVEY OF 1,400+ MANAGED SERVICE PROVIDERS (MSPS), OUR PARTNERS, AND CLIENTS, AROUND THE WORLD. THE REPORT PROVIDES UNIQUE VISIBILITY INTO THE STATE OF RANSOMWARE FROM THE PERSPECTIVE OF THE IT CHANNEL AND THEIR SMB CLIENTS WHO ARE DEALING WITH THESE INFECTIONS ON A DAILY BASIS. THE REPORT PROVIDES A WEALTH OF DETAIL ON RANSOMWARE, INCLUDING YEAR-OVER-YEAR TRENDS, FREQUENCY, TARGETS, IMPACT, AND RECOMMENDATIONS FOR ENSURING RECOVERY AND CONTINUITY IN THE FACE OF THE GROWING THREAT.

A VARIETY OF MALWARE TARGETING SMBS

Which of the following types of malware have affected your clients in the last 2 years?

61% of MSPs report SMBs
struck by viruses

54% of MSPs report SMBs
struck by adware

46% of MSPs report SMBs
struck by spyware

29% of MSPs report SMBs
struck by cryptojacking

26% of MSPs report SMBs
struck by remote access trojans

20% of MSPs report SMBs struck by rootkits
18% of MSPs report SMBs struck by worms
14% of MSPs report SMBs struck by keyloggers
13% of MSPs report SMBs struck by exploit kits

**Survey respondents were able to select multiple answer choices.*

Ransomware is #1 Malware Threat to SMBs

Among the malware threats impacting SMBs, **ransomware is the biggest offender.**

85% of MSPs report **attacks against SMBs** in the last two years

In the first half of 2019 alone,
56% of MSPs report **attacks against clients**

15% of MSPs report **multiple ransomware attacks** in a single day

Geo Trend:
In **Australia and New Zealand, 91%** of MSPs report **attacks against SMBs** in the last two years, the highest rate globally.

1 IN 5 SMBS

report that they've

fallen victim to a ransomware attack.*

On average, SMBs who don't outsource their IT services report facing more ransomware attacks.*

Source: Strategy Analytics' proprietary research of the North American SMB market.

Ransomware Awareness: SMBs vs. MSPs

In 2019

28%

of MSPs report **SMBs are 'very concerned'** about ransomware

There is a **disconnect between SMBs and MSPs** on the significance of the ransomware threat.

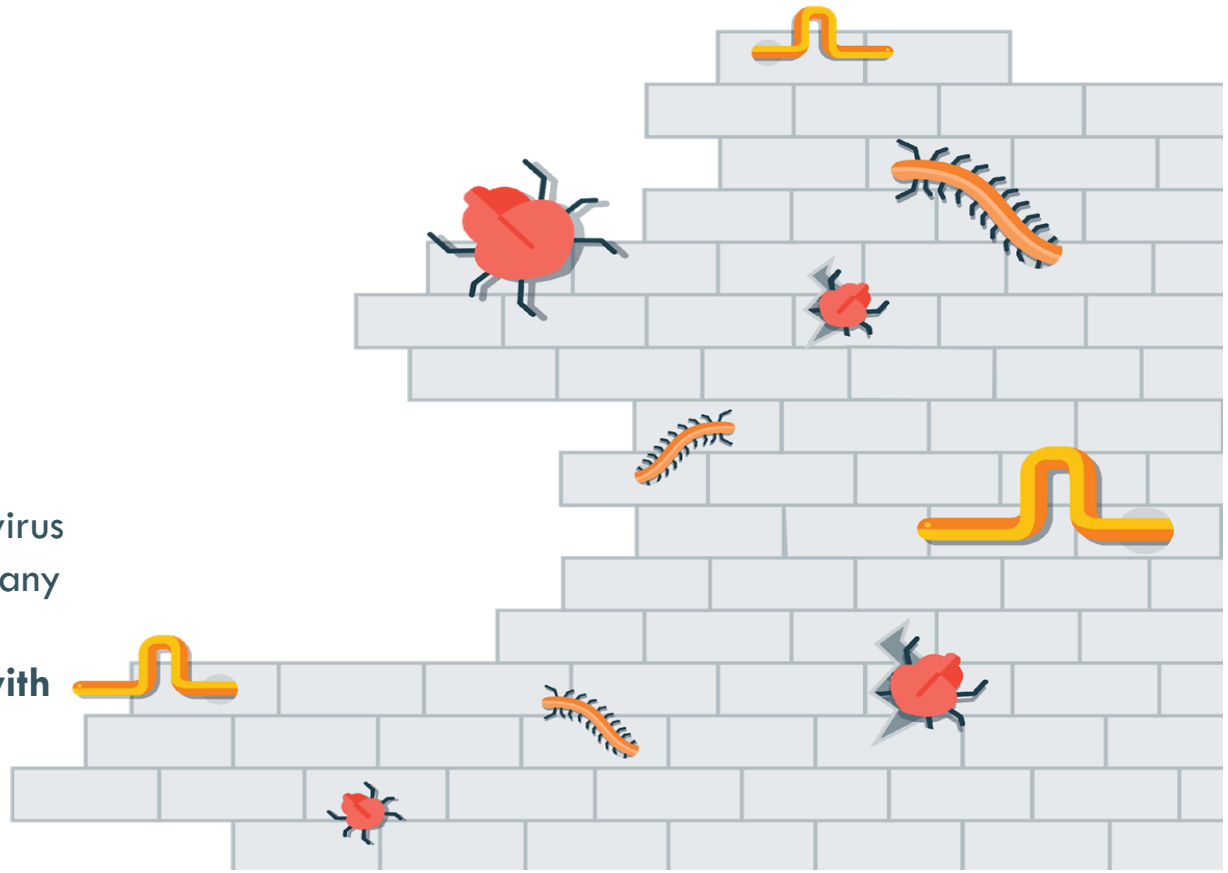
89%

of MSPs report **SMBs should be 'very concerned'** about the threat

MSPs report clients fell victim to ransomware despite having implemented the following:

- **Antivirus software**
- **Email/spam filters**
- **Ad/pop-up blockers**
- **Endpoint detection and response platform**

Traditional cybersecurity solutions like antivirus and email/spam filters are no match for many cyber attackers. **MSPs need to take a multilayered approach to ransomware, with business continuity at the core.**



Analysis

New Data Privacy and Security Laws Will Impose Strict Mandates on Businesses

This article explores some of the [illegible] d by bills being considered in the New Jersey legislature, and the N[illegible]

By **John T. Wolak and Jason R. Halpin** | N[illegible]

WHAT IS REQUIRED?

- Must maintain a cybersecurity program
- Must use defensive infrastructure
- Must designate a qualified CISO (either on staff or third party
- Periodic risk assessment
- Subject to audit

SMBs Continue to Take the Bait

Which of the following are the leading causes of ransomware?

67% of MSPs report
phishing emails

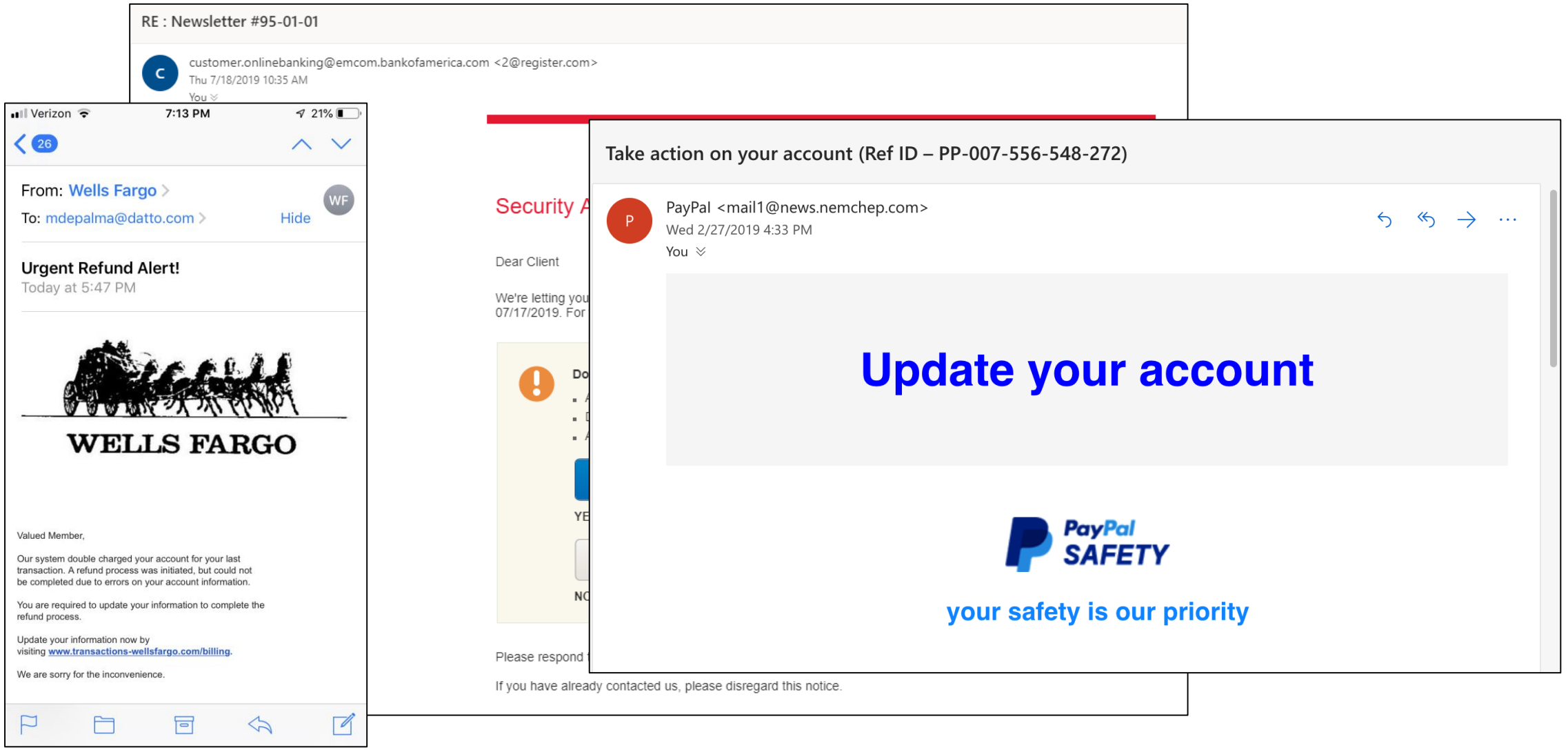
36% of MSPs report
lack of cybersecurity training

30% of MSPs report
weak passwords/access management

25% of MSPs report poor user practices/gullibility
16% of MSPs report malicious websites/web ads
16% of MSPs report clickbait

**Survey respondents were able to select multiple answer choices.*

Phishing, lack of cybersecurity training, and weak passwords are the top three **causes of successful ransomware attacks.**


RE : Newsletter #95-01-01
customer.onlinebanking@emcom.bankofamerica.com <2@register.com>
Thu 7/18/2019 10:35 AM
You
Verizon
7:13 PM
21%
26
From: Wells Fargo
To: mdepalma@datto.com
Hide
WF
Urgent Refund Alert!
Today at 5:47 PM
WELLS FARGO
Valued Member,
Our system double charged your account for your last transaction. A refund process was initiated, but could not be completed due to errors on your account information.
You are required to update your information to complete the refund process.
Update your information now by visiting www.transactions-wellsfargo.com/billing.
We are sorry for the inconvenience.
Security A
Dear Client
We're letting you
07/17/2019. For
Please respond
If you have already contacted us, please disregard this notice.
Take action on your account (Ref ID – PP-007-556-548-272)
P
PayPal <mail1@news.nemchep.com>
Wed 2/27/2019 4:33 PM
You
Update your account
PayPal SAFETY
your safety is our priority

Which of the following consequences resulted from a ransomware attack?

64% of MSPs report
loss of business productivity

45% of MSPs report
business-threatening downtime

34% of MSPs report
lost data and/or device

33% of MSPs report
infection spread to other devices on the network

29% of MSPs report
decreased client profitability

24% of MSPs report
clients paid a ransom and recovered the data

**Survey respondents were able to select multiple answer choices.*

18% of MSPs report damaged reputations
12% of MSPs report stolen data
10% of MSPs report ransomware remained on system and struck again!
7% of MSPs report failure to achieve regulatory compliance
6% of MSPs report failure to meet SLA requirements
4% of MSPs report clients paid ransom but data was never released

Ransom, Downtime Costs, Skyrocket

When it comes to ransomware attacks, MSPs report the **cost of downtime is**

23X greater than the requested

Average Ransom

2018 **$4,300** → **2019** **$5,900**

MSPs report the average **cost of ransom increased by 37%** from previous year

Average Cost of Downtime

2018 **$46,800** → **2019** **$141,000**

The average **downtime cost per incident** has soared **over 200%** from previous year

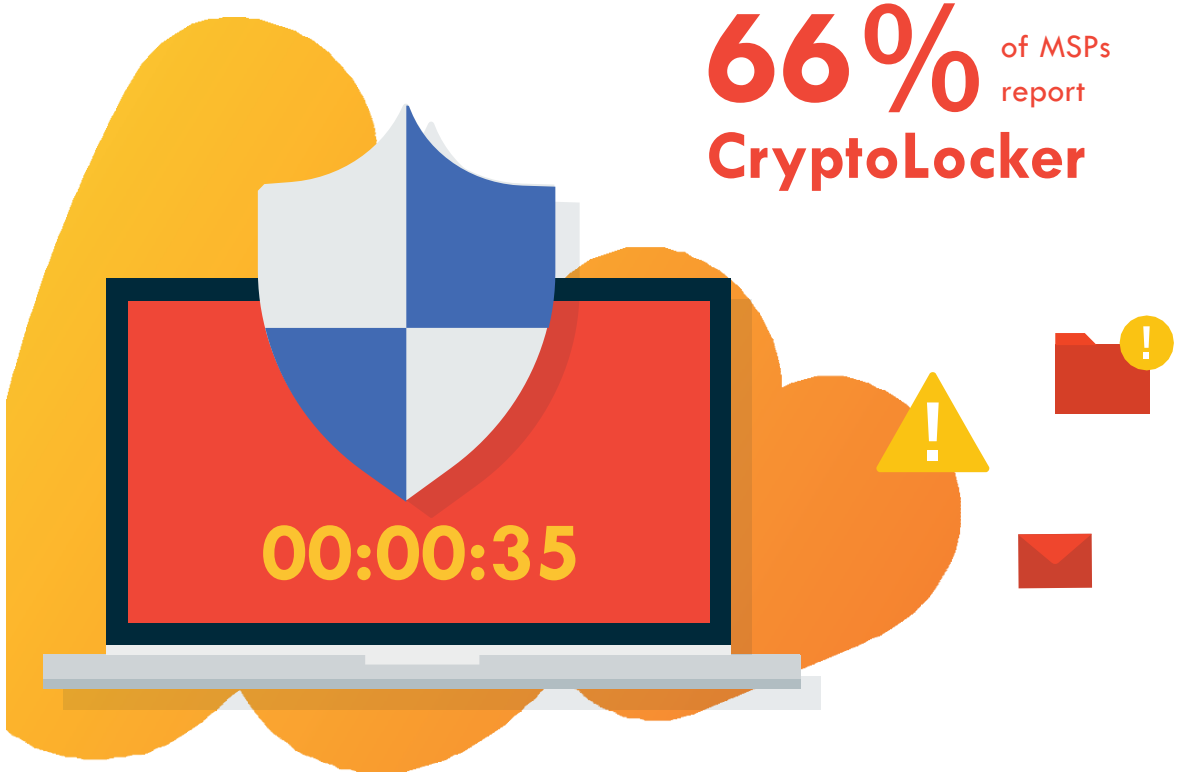
**All survey respondents answered in U.S. dollars.*

Geo Trend:

In Canada, MSPs report the highest **average cost of downtime at $180,000.**

CryptoLocker Remains Household Name

Which of the following strains of ransomware have affected your clients?



66% of MSPs report
CryptoLocker

49% of MSPs report
WannaCry

34% of MSPs report
CryptoWall

24% of MSPs report
Locky

17% of MSPs report Petya
14% of MSPs report CryptXXX
12% of MSPs report notPetya
11% of MSPs report TeslaCrypt
10% of MSPs report Emotet **(NEW)**
7% of MSPs report CBT Locker
7% of MSPs report TorrentLocker
7% of MSPs report CrySis
6% of MSPs report Bad Rabbit
5% of MSPs report Wallet **(NEW)**
4% of MSPs report CoinVault

For the 4th consecutive year, **MSPs report CryptoLocker as the top ransomware variant** attacking clients.

Industries Rocked by Ransomware

32% of MSPs report

Construction Manufacturing and Distribution most targeted by ransomware

It's not surprising that Construction and Manufacturing are top targets for ransomware. These industries are in a constant wave that flows with the ups and downs of the economy. Because of this, much of their work is project-based and recurring revenue is rare. As a result, it makes it difficult to invest in IT staffing or IT services that require monthly fees.

Vince Tinnirello, Managing Director, Anchor Network Solutions, Inc.

31% Professional Services
23% Healthcare
20% Finance/Insurance
18% Non-Profit
18% Legal
15% Retail
12% Real Estate
9% Architecture/Design
9% Government

8% Education
7% Consumer Products
5% Travel/Transportation
6% Media/Entertainment
4% High Technology
4% Energy/Utilities
2% Telecom
11% Other/None

**Survey respondents were able to select multiple answer choices.*

Windows Endpoint Systems Most Targeted by Hackers

89% of MSPs report

ransomware infecting endpoint systems

Of the 89%...

87% of MSPs report attacks on **Windows PC**

11% of MSPs report attacks on Windows Tablet
7% of MSPs report attacks on MacOS X
5% of MSPs report attacks on Android
3% of MSPs report attacks on iOS

Geo Trend:
In Europe, 10% of MSPs report ransomware infecting Android systems, **exceeding the global average of 5%.**

**Survey respondents were able to select multiple answer choices.*

Ransomware Descends Over Office 365

28% of MSPs report **ransomware attacks in SaaS applications**

Of the 28%:

64% of MSPs report attacks within Office 365

(up from 49% in 2018)

47% of MSPs report attacks within Dropbox

18% of MSPs report attacks within G Suite

6% of MSPs report attacks within Box

2% of MSPs report attacks within Salesforce

SMBs report 11% to 50% of their IT infrastructure is based in the cloud. This is expected to increase over the next 3 years, where most expect 21% to 75% to be in the cloud.**

Geo Trend:

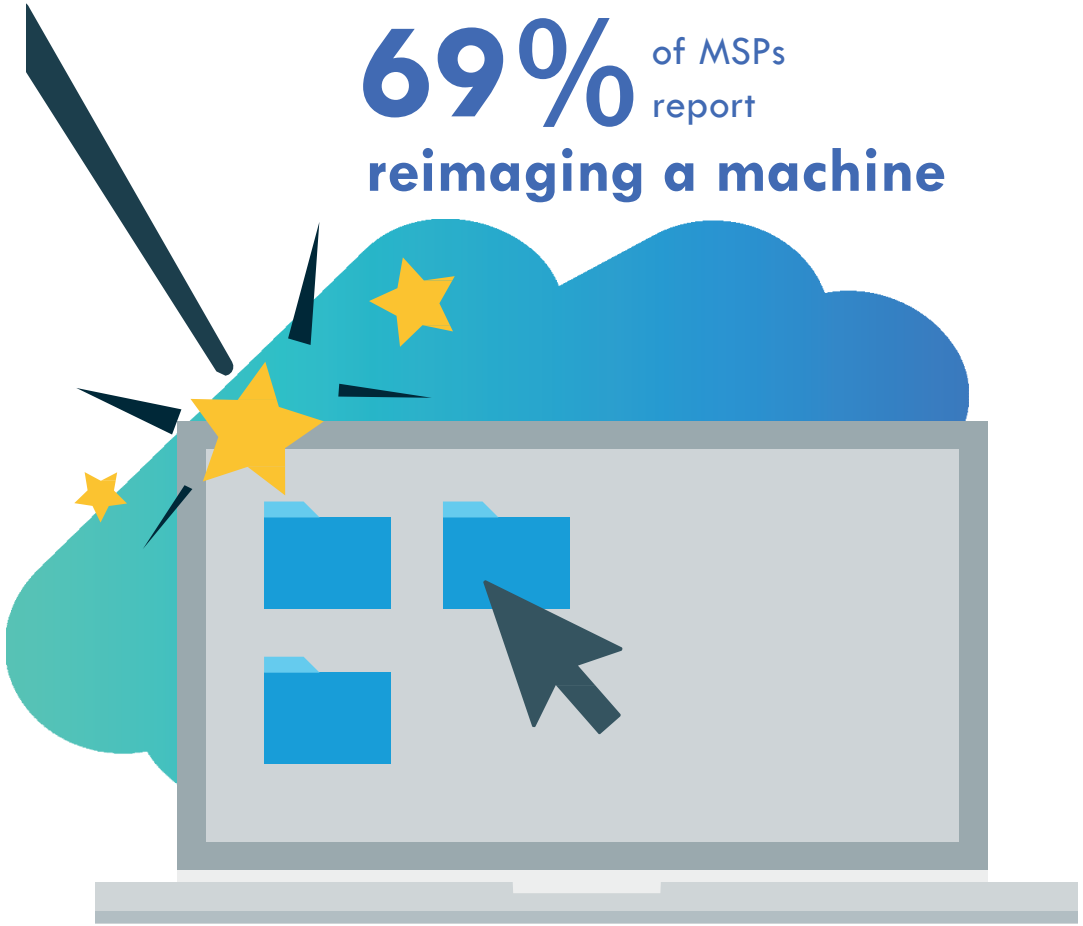
In **Australia and New Zealand,** **37%** of MSPs report attacks on SaaS applications, the **highest rate globally.**

**Survey respondents were able to select multiple answer choices.*

***Source: Strategy Analytics' proprietary research of the North American SMB market.*

Most Common Ransomware Recovery Methods

Which methods have you used to recover a client from a ransomware infection?



69% of MSPs report **reimaging a machine**

53% of MSPs report **virtualizing the system from a backup image**

37% of MSPs report **running software to cleanup threat**

16% of MSPs report downloading a purpose-built software tool designed for ransomware recovery

15% of MSPs report relying on endpoint antivirus to recover

12% of MSPs report finding a decryption key

**Survey respondents were able to select multiple answer choices.*

BCDR is ranked the #1 solution by MSPs.

> Traditional antivirus solutions are only effective for detecting threats that have been seen before, and ransomware is good at evading these detection engines. Endpoint detection and response software looks at how processes interact with an operating system, and call out or prevent activities that look and behave like malware.
>
> **David Thomas**, Group Managing Director, Bluegrass Group Ltd

- **Business Continuity and Disaster Recovery (BCDR)**
- **Employee training**
- **Patch management**
- **Unified threat management**
- **Identity and access management solution**
- **Antivirus / Anti-malware software**
- **Email / Spam filters**
- **Endpoint / Mobile management platform**
- **Browser isolation**
- **Endpoint detection and response platform (NEW!)**

With BCDR, Ransomware Recovery 4X More Likely Than Without

92% of MSPs report that clients with BCDR products in place are **less likely to experience significant downtime** from ransomware

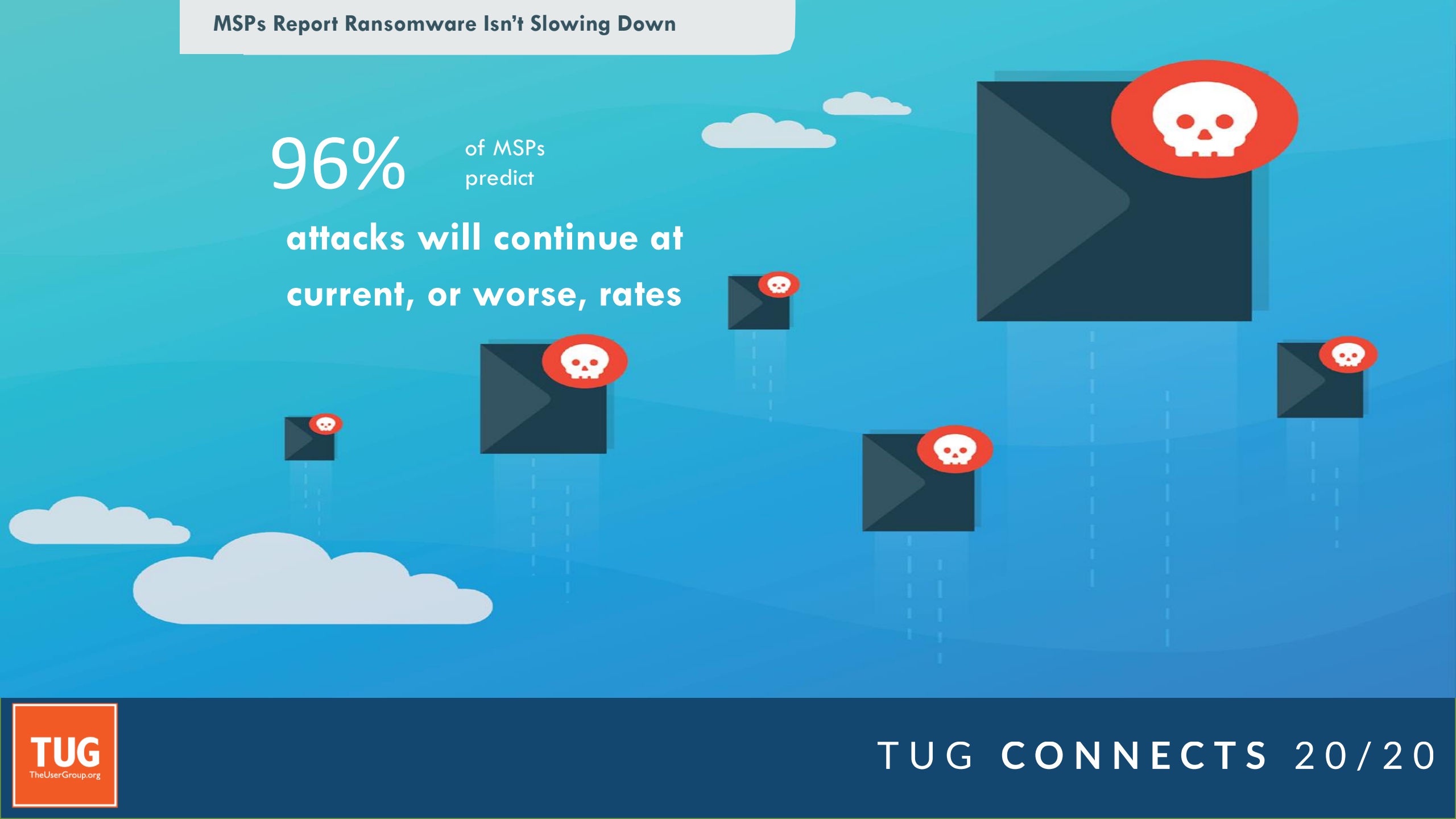
With BCDR,

4 in 5 MSPs report clients **fully recovered** in 24 hours, or less

Without BCDR,

less than 1 in 5 MSPs report clients were able to do the same

MSPs Report Ransomware Isn't Slowing Down



IRR SUPPLY TESTIMONIAL

BY: TIM O'ROURKE

CASE #1

MITS DATABASE CORRUPTED

- INSTEAD OF REINSTALLING MITS, LINK TO A MAPPED RESTORE – 20 MIN

CASE #2

REDHAT LINUX UPDATE DELETES SEVERAL YEARS OF FILES

- DEFAULT CLEAN-UP SCRIPT IN REDHAT REMOVED FILES OLDER THAN 30 DAYS
- BACKUP WITH DATTO ALLOWED RETRIEVAL IN MINUTES FROM MAPPED RESTORE POINT

IoT Tops the List of Future Ransomware Attack Targets

63% of MSPs predict ransomware will **target social media accounts**

62% of MSPs predict ransomware will **bankrupt whole companies**

56% of MSPs predict ransomware will **capture critical utility infrastructures (e.g., power grids)**

49% of MSPs predict ransomware will **target users based on demographics**

Why IoT?

Many of these devices aren't designed with security in mind, and cyber attackers will find ways to exploit this vulnerability. There are projected to be over 20 billion IoT devices in use by 2020, offering hackers more entry points into networks.

Dale Shulmistra, CEO, Invenio IT

Hackers Aren't Only Targeting SMBs

4 IN 5 AGREE

that MSP businesses are being
increasingly targeted by ransomware attacks

But the best offense is good defense:

60% of MSPs report
carrying **cyber liability insurance** should they or their clients become subject to a ransomware attack

50% of MSPs report
having **external expertise lined up** to help them in the event of a large scale attack against them or their clients

MSPs considering purchasing cyber liability insurance should **start by checking with their existing insurance carrier** that provides their errors and omissions coverage to see what is offered.

FINAL TAKEAWAYS:

Businesses must prepare the front line of defense: your employees. Today's companies must provide regular and mandatory cybersecurity training to ensure all employees are able to spot and avoid a potential phishing scam in their inbox, a leading entrance point for ransomware.

Businesses must leverage multiple solutions to prepare for the worst. Today's standard security solutions are no match for today's ransomware, which can penetrate organizations in multiple ways. Reducing the risk of infections requires a multilayered approach rather than a single product.

Businesses need a continuity strategy. There is no sure fire way of preventing ransomware, although antivirus, perimeter protection, and patch management are essential. Businesses should focus on how to maintain operations despite a ransomware attack. A solid, fast, and reliable business continuity and disaster recovery solution is one part of that strategy. Since ransomware is designed to spread across networks and SaaS applications, endpoint and SaaS backup solutions designed for fast restores are also critical.

Businesses need a dedicated cybersecurity professional to ensure business continuity. SMBs often rely on a "computer savvy" staff member to handle their IT support and not an IT expert.
If a company cannot afford a complete IT staff for 24/7 cybersecurity monitoring, they should be leveraging a managed service provider (MSP) who has the time and resources to anticipate and protect a company from the latest cybersecurity threats.

NSA EXCLUSIVE DATTO PROMOTION

- 40% OFF DATTO APPLIANCE
- PURCHASE BY 07/30/2020
- 36 MONTH SERVICE TERM

TUG
TheUserGroup.org

NSA SESSIONS

March 11th

3/11 8:30am
405 Hands on Session Processing a Sales Order in WebUI / CSD
Hosted by Bill Socie

3/11 8:30am
314 Customer Master Overview
Hosted by Kathy Lundquist

3/11 9:45am
136 2019 Ransomware Survey Results & Trends from 2019
Hosted by Brian Weaver

3/11 9:45am
406 Hands on Session Processing a Purchase Order in WebUI / CSD
Hosted by Bill Socie

3/11 11:00am
407 Hands on Session Processing a Warehouse Transfer in WebUI / CSD
Hosted by Bill Socie

3/11 11:00am
338 Product Import Module
Hosted by Colin Rhyno

3/11 11:00am
367 Easy as Excel Ad Hoc Reporting for SX.e
Hosted by Kathy Lundquist

Text "NSA2020" to 44222 and
Receive Copies of Our PPT Decks
+1 480-418-1411 (For International)

Channel Partner infor Alliance Partner

STOP BY THE NSA BOOTH

to meet the team and claim this **limited quantity offer!** Just complete the form in your gold envelope.

(20 oz Travel Mug)

You'll discover just how easy it is to become a CSD Superhero at the **LIVE DEMOS** being given at our booth.