



Data Breach – How to Prevent and Defend A Claim, *May 2016 PLUS Journal*

Written by Christopher Nucifora, Managing Partner at KD's New Jersey office, and Wayne Alder, Partner at KD's Florida office.

In today's world, no one is immune from the risk of a data breach. Hardly a week will go by when the news does not report on a company or government entity suffering a significant loss of private and privileged confidential personal data. These losses are not just happening to the unsophisticated, but to major companies and organizations. Recently, the Federal Government's Office of Personnel Management suffered a data breach that exposed the personal data of at least 4 million current and former federal employees, and others. The loss of information from Sony Pictures, Target, and many others highlights that no one is immune. A study by the Ponemon Institute out of Michigan found that the average cost of a corporate data breach in 2015 was \$3.79 million. The U.S. Department of Defense noted that "[e]very year, an amount of intellectual property larger than that contained in the Library of Congress is stolen from networks maintained by U.S. businesses, universities, and government departments and agencies." For anyone doing business today, an understanding of the causes and basis for potential liability for such losses of information is essential, not only to limit liability or to keep your organization out of the news, but to protect and professionally service your clients and business partners.