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KPMG Data Loss Barometer: the problem's getting worse

400 incidents anticipated in 2008

A KPMG survey has found the problem of data loss from public organisations and business is increasing in number and significance each year – compromising the personal details and security of millions of people. The Barometer anticipates that there will be over 400 breaches in 2008, as businesses become more reliant on technology, and despite consumers growing awareness of the issue surrounding identity fraud and the threat to their personal information.

The research conducted for the period from 2005 to June 2008, is based on publicly disclosed data loss incidents. According to Gaidosch Tamás, KPMG's Information Risk Management Partner in Budapest, Hungarian firms and institutes are lagging behind EU countries regarding data protection, which also implies higher risk of data loss.

“Incidents of data loss pose a serious threat to organisations of all sizes and across every business sector. The impact on brand reputation is high and customer trust can be seriously damaged. Finding possible leakages and ensuring internal procedures with clear definitions are in place will reduce companies' risk of becoming a victim of data loss. Policies and controls should be continually reviewed due to changes in technologies, processes and personnel” – Gaidosch Tamás commented.

The Barometer found that the most vulnerable sectors were education and healthcare where the number of personal records, the culture of these establishments, and restricted security budgets left them particularly open to loss. Government organisations had 19 per cent of incidents, while 14 per cent of losses were in financial services, where often financial data will have the most immediate value for organised criminals. In fact between 2007 and 2008, the Barometer revealed that the details of 139 million people were wrongly disclosed.

Hacking counted for over 60 million victims of data loss between 2007 and 2008. During 2007, 62 per cent of all people affected by hacking were the victims of three major incidents, including the intrusion into the computer systems of TJX Companies in the US.

The loss or theft of removable media, which include CDs, tapes and memory sticks, are commonplace and affect large numbers of people. 62 per cent of removable devices were found to be lost internally, rather than stolen by an external perpetrator (27 per cent). To counteract these losses, steps should be taken to encrypt data, and ensure access is denied to unauthorised people. However, as the Barometer found, in the vast majority (62 per cent) of cases of reported loss or theft of removable media, data was neither encrypted nor password protected.

Breaches that are implemented outside an organisation are the hardest to predict and control: while 50 per cent of incidents come from internal sources, 44 per cent of incidents are from external sources, with the remaining 6 per cent unknown.

“Security risks involving data loss are an unpalatable risk of life; as and when they are breached, companies and individuals alike, must act swiftly, appropriately and decisively to limit the potential damage to their reputation and to stem any losses” – Gaidosch Tamás concluded.

„We don't have too much information about the Hungarian situation. According to the first independent IT-security research conducted earlier this year, 44 percent of the Top200 Hungarian firms don't use any kind of web content filtering and only 12 percent use data encryption solution. We are significantly behind the advanced EU member states in this field, that implies higher data loss risk in this group of companies” – added Gaidosch Tamás.

Key findings:

The first KPMG ‘Data Loss Barometer’ tracked and analysed publicly disclosed data loss incidents across the globe from 2005 until June 2008. It found:

- 1034 incidents reported
- 280 million people have lost personal details over the last three years
- All sectors affected: but 19 per cent are government organisations
- 25 per cent of incidents through PC theft
- 50 per cent of cases come from internal sources
- 46 per cent of lost data had no protection

Notes to editors:

The research conducted for the period from 2005 to June 2008 is based on publicly disclosed data loss incidents that were documented among many others by the Open Security Foundation, the Identity Theft Centre and the Information Commissioners Office.

Sources:

Open Security Foundation www.datalossdb.org
Identity Theft Resource Center www.idtheftcenter.org
Privacy Rights Clearinghouse www.privacyrights.org
Attrition.org www.attrition.org/dataloss
Information Commissioner's Office www.ico.gov.uk
CIFAS www.cifas.org.uk
Factiva www.factiva.com
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Guardian www.guardian.co.uk
Times www.timesonline.co.uk
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BBC www.news.bbc.co.uk
ITV www.itv.co.uk
Channel 4 www.channel4.com
The Register www.register.com
Silicon www.silicon.com
Security Focus www.securityfocus.com

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