



Judge denies SEC's jurisdiction over cybersecurity controls in SolarWinds case

Description

A federal judge has rejected the Securities and Exchange Commission's attempt to oversee corporate cybersecurity controls in the aftermath of a major cyberattack. The judge's decision in a case involving SolarWinds, a 2020 hacking victim, stated that the SEC only has authority over financial controls, not all internal controls. The judge's ruling relieved companies concerned about potential penalties from regulators following breaches by well-resourced hackers.

The judge also dismissed SEC claims that SolarWinds attempted to cover up the severity of the breach involving Russian intelligence agents infiltrating federal agencies and tech companies. The judge allowed the SEC to pursue allegations of securities fraud against SolarWinds and a top security executive for failing to publicly disclose vulnerabilities before the hack.

The ruling has sparked debate among business leaders, security experts, and former government officials, with some expressing concerns that holding hacking victims liable for misstatements could deter them from sharing crucial information. SolarWinds expressed gratitude for industry support and is pleased with the judge's decision to dismiss most of the SEC's claims.

Overall, the case highlights the ongoing challenges and complexities surrounding cybersecurity in a digital age where damaging hacking incidents have become increasingly common.

Vocabulary List:

1. **Cybersecurity** /ˌsaɪbərsɪ'kjʊərɪti/ (noun): The practice of protecting systems networks and programs from digital attacks.
2. **Infiltrating** /'ɪnfɪl'treɪtɪŋ/ (verb): Entering or gaining access to an organization or system secretly and surreptitiously.
3. **Allegations** /ˌæli'geɪʃənz/ (noun): Claims or assertions made without proof typically in a legal context.
4. **Vulnerabilities** /ˌvʌlnə'reɪbɪlɪtiz/ (noun): Weaknesses in a system that can be exploited by hackers.
5. **Regulators** /'rɛɡjʊlətərz/ (noun): Authorities that oversee and enforce compliance with laws and regulations.
6. **Breach** /bri:tʃ/ (noun): An act of breaking or failing to observe a law agreement or code of conduct.

Comprehension Questions



Multiple Choice

1. According to the judge's decision the SEC has authority over:
 - Option: All internal controls
 - Option: Financial controls only
 - Option: Cybersecurity controls only
 - Option: Regulatory controls

2. Which company was mentioned as a hacking victim in the case?
 - Option: Microsoft
 - Option: Amazon
 - Option: Google
 - Option: SolarWinds

3. The judge allowed the SEC to pursue allegations of securities fraud against SolarWinds for failing to:
 - Option: Notify shareholders
 - Option: Publicly disclose vulnerabilities
 - Option: Enhance cybersecurity measures
 - Option: Pay fines

4. The ruling in the case relieved companies from concerns about potential penalties related to breaches by:
 - Option: Beginner hackers
 - Option: Foreign governments
 - Option: Well-resourced hackers
 - Option: Internal employees

5. Some expressed concerns that holding hacking victims liable for misstatements could deter them from:
 - Option: Purchasing cybersecurity insurance
 - Option: Disclosing crucial information
 - Option: Suing the hackers
 - Option: Expanding their business

6. The judge's decision to dismiss most of the SEC's claims was met with:
 - Option: Resentment from industry
 - Option: Approval from SolarWinds
 - Option: Mandated penalties
 - Option: Global criticism



Answer

Multiple Choice: 1. Financial controls only 2. SolarWinds 3. Publicly disclose vulnerabilities 4. Well-resourced hackers 5. Disclosing crucial information 6. Approval from SolarWinds

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What do companies often face in the process of achieving their goals?
Option: A. Opportunities
Option: B. Challenges
Option: C. Rewards
Option: D. Stability
2. What is the process of creating new ideas or improving existing services or products called?
Option: A. Stagnation
Option: B. Innovation
Option: C. Tradition
Option: D. Regression
3. What is the state of doubt about the future outcomes called?
Option: A. Stability
Option: B. Clarity
Option: C. Uncertainty
Option: D. Predictability
4. What term describes the rapid and unpredictable changes in the market?
Option: A. Stability
Option: B. Volatility
Option: C. Consistency
Option: D. Predictability
5. Which of the following words could best describe something that happens unexpectedly?
Option: A. Intentional
Option: B. Accidental
Option: C. Calculated
Option: D. Deliberate



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6. What refers to the general feeling or attitude of people towards a particular situation?
- Option: A. Fact
Option: B. Sentiment
Option: C. Action
Option: D. Reaction
7. Which term could be used to describe a sudden and significant increase in something?
- Option: A. Declined
Option: B. Surged
Option: C. Stagnated
Option: D. Maintained
8. What is the belief that good things will happen in the future called?
- Option: A. Pessimism
Option: B. Optimism
Option: C. Realism
Option: D. Negativity
9. What term is used to describe the action of bringing something back to life attention or existence?
- Option: A. Termination
Option: B. Revival
Option: C. Decline
Option: D. Abolishment
10. What is the term for something handed down from the past such as a tradition or an inheritance?
- Option: A. Newcomer
Option: B. Legacy
Option: C. Invention
Option: D. Breakthrough

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. Efficient _____ are essential for the smooth running of a business.
12. An individual or entity that provides capital to a company in exchange for ownership interests is known as an _____.
13. Success often requires hard work passion and _____ to achieve your goals.
14. Protecting digital information and systems from attacks is a key aspect of _____.



15. Government _____ may be needed to stabilize the economy during a crisis.
16. A healthy economy requires a balance of growth and _____.
17. The sudden passing of the company founder was a _____ event for the organization.
18. The marketing team was _____ in launching the successful ad campaign.
19. The CEO was recognized for his outstanding _____ in leading the company to record profits.
20. _____ play a crucial role in overseeing the financial industry to ensure compliance with laws and regulations.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. During deflationary periods the prices of goods and services generally decrease leading to economic challenges.
22. Hackers have been infiltrating the company's network posing a significant threat to data security.
23. The company faced serious allegations of fraud impacting its reputation in the industry.
24. Identifying and addressing system vulnerabilities is crucial to protecting data from potential cyber attacks.
25. The data breach exposed sensitive information of millions of customers leading to a breach of trust.
26. The CEO abruptly resigned from the company causing uncertainty among employees and investors.
27. The founder's vision and values continue to be the company's guiding legacy influencing its decisions and culture.
28. The accidental deletion of critical files resulted in a temporary setback for the project.
29. Economic indicators like GDP growth and unemployment rates provide insights into the overall health of the economy.



30. Streamlining operations and improving efficiency can lead to cost savings and better customer service.

Answer

Multiple Choice: 1. B. Challenges 2. B. Innovation 3. C. Uncertainty 4. B. Volatility 5. B. Accidental 6. B. Sentiment 7. B. Surged 8. B. Optimism 9. B. Revival 10. B. Legacy

Gap-Fill: 11. operations 12. investor 13. dedication 14. cybersecurity 15. interventions 16. stability 17. tragic 18. instrumental 19. accomplishments 20. Regulators

Matching sentence: 1. Deflationary 2. Infiltrating 3. Allegations 4. Vulnerabilities 5. Breach 6. Resigned 7. Legacy 8. Accidental 9. Indicators 10. Operations

CATEGORY

1. Business - LEVEL3

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