

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** /,saɪbərsɪˈkjʊərɪti/ (noun): The practice of protecting systems networks and programs from digital attacks.
- 2. **Infiltrating** /'Infil,treitin/ (verb): Entering or gaining access to an organization or system secretly and surreptitiously
- 3. Allegations / ælɪˈgeɪʃənz/ (noun): Claims or assertions made without proof typically in a legal context.
- 4. Vulnerabilities /ˌvʌlnəˈrɛbɪlɪtiz/ (noun): Weaknesses in a system that can be exploited by hackers.
- 5. Regulators /'rɛgjʊleɪtərz/ (noun): Authorities that oversee and enforce compliance with laws and regulations.
- 6. Breach /bri:t[/ (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? ESL-NEW

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



Option: A. Fact

Option: B. Sentiment

Option: C. Action Option: D. Reaction		
7. Which term could be used to Option: A. Declined Option: B. Surged Option: C. Stagnated Option: D. Maintained	o describe a sudden and signific	cant increase in something?
_	things will happen in the future	e called?
Option: A. Pessimism Option: B. Optimism Option: C. Realism Option: D. Negativity		
9. What term is used to descri	be the action of bringing somet	hing back to life attention or existence?
Option: A. Termination Option: B. Revival Option: C. Decline Option: D. Abolishment	be the action of bringing somet	
10. What is the term for some	thing handed down from the pa	st 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 sm	nooth 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 har	d work passion and	to achieve your goals.
14. Protecting digital informat	ion and systems from attacks is	a key aspect of
David.		

6. What refers to the general feeling or attitude of people towards a particular situation?



15. Government	may be needed to	stabilize the economy during a crisis.		
16. A healthy economy require	s 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 lau	nching the successful ad campaign.		
19. The CEO was recognized for	or his outstanding	in leading the company to record		
profits.				
20 p	play a crucial role in overseein	g the financial industry to ensure compliance		
with laws and regulations.				
_	ch each definition to the co	rrect 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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