

**CALLING ALL LEADERS...  
PROTECT YOUR COMPANY AND  
ERADICATE THE INSIDER THREAT!**

*TRUST, BUT VERIFY.*

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# **CALLING ALL LEADERS...**

## **PROTECT YOUR COMPANY AND ERADICATE THE INSIDER THREAT!**

### **TRUST, BUT VERIFY.**

By Keith Martino, Leadership Expert

Volatile times test every fiber of your organization.  
Tensions rise. Profits fall. People yield to temptation.

Singer-songwriter, Billy Joel penned the poignant words, "It's a Matter of Trust." He knew of whence he wrote. Joel's legendary music career has been scarred by tumultuous business moves. And he's repeatedly fallen victim to the inside threat... perpetrated by friends, family, employees and advisors.

Your organization need not succumb to this insidious disease... the insider threat.

### **SCANNING THE 21ST CENTURY LANDSCAPE**

As businesses and mission-critical enterprises scramble to catch the next wave, the number of documented cases of insider abuse (i.e. character failure) is growing rapidly.

- A senior MIS specialist at an international energy firm regularly created outages at company sites around the world. This enabled him to spend time abroad while gaining attention for his technical expertise.
- Fannie Mae narrowly avoided a devastating attack. A former employee used his privileged access to implant a logic bomb on the company's network. This premeditated act of treason could have brought down their entire infrastructure.
- A front-desk operator stole information on 1,100 patients. He sold critical data to his cousin to submit fraudulent Medicare claims. The employee, solely responsible for claims processing, took advantage of increasingly lax oversight to divert nearly \$20 million from company coffers to his accomplices.

### **EMERGING TRENDS FUEL A DECLINE IN EMPLOYEE LOYALTY**

Predictably, the use of knowledge-based service providers continues to grow. Therefore, we must increasingly keep tabs on who knows what and when. The headlines are full of sad testimonials by those whose faith has been shattered by compromised relationships. Your company's treasure, reputation, and stability are at stake in these desperate times.

- Business Week – January 18, 2010 - The tally of Americans working part-time for economic reasons (now 9.2 million) has doubled since the recession began.
- Massachusetts Institute of Technology – Companies that seized on the recession as an opportunity to make drastic organizational changes for greater efficiency and flexibility aren't like to reverse course. Offshoring is here to stay.
- Kelly Services – In 2009, this firm placed over 100 people including lawyers and scientists in interim stints that paid above \$250,000 per year. Demand for permanent temporary professionals is up 50%. Company loyalty is in decline.

## **DO YOUR CONTRACTORS / EMPLOYEES MASK THESE TROUBLING SYMPTOMS?**

New research regarding the epidemic in cases of attack-from-within points to four clear indicators of a character meltdown in process. Dubbed the “predictable surprise” by leading experts, these contributing factors are present in nearly every instance. The key to avoiding a disaster is to be cognizant of the presence of these leading indicators among your most trusted employees and your outsourcing partners. Where two or more factors are present, the inside threat may lurk on the horizon.

- The Motive – A pressing financial need, excessive debt, or gambling problem.
- The Means - Skills qualifying him/her for a job working with valuable assets.
- The Opportunity – An awareness of lax controls, enforcement or misplaced trust.
- The Rationalization – A growing belief that you, their employer, owe them more.

## **THE FACE OF THE INSIDER THREAT**

**SOURCE: A STUDY OF 49 BUSINESSES BY THE DEPARTMENT OF HOMELAND SECURITY, OFFICE OF SCIENCE AND TECHNOLOGY.**

Many of the individuals who have launched these devastating attacks have advanced technical skills. The rapid rise of an organization’s dependency on its information systems has paved the way for increased vulnerability. Stressful days and sleepless nights in many IT departments have taxed some beyond their limits.

According to a recent study by InformationWeek, pay among IT professionals is flat for the first time in 11 years. Employees worried about their jobs are more susceptible to bribes, binges and burnout. Consider these statistics from The *Insider Threat Study*, a recent report about perpetrators and their corporate victims. The Department of Homeland Security, Office of Science and Technology funded the study.

- **86%** of the insiders held technical positions.
- **90%** were granted system administrator/privileged status.
- **81%** of the companies experienced negative financial impact.
- **75%** experienced impact on their business operations.
- **28%** experienced a negative impact to their reputations.

IT budgets are down, and data volumes are way up, putting businesses at risk. It may be time for more than duct tape and bailing wire.

Trigger elements of the unmet expectation:

- Perceived insufficient salary/bonus
- Lack of promotional opportunities
- Restriction of online access
- Limitations on use of company resources
- Violations of privacy in the workplace
- Diminished authority/responsibilities
- Perceived unfair work requirements
- Poor coworker relations

## **WHAT'S A LEADER TO DO? FIVE STEPS YOU CAN TAKE TODAY.**

- 1) Set a new expectation for every leader in your organization. Emphasize the criticality of character building exercises throughout your company.
- 2) Audit your information and resource-intensive departments for signs of the leading indicators of an inside threat. Companies could have avoided most “predictable surprises” proactively if leaders had taken action earlier.
- 3) Ask yourself and your leadership team these tough questions:
  - a. Does our organization have serious insider threat issues that you know will not solve themselves?
  - b. Are these problems likely to get worse over time?
  - c. Could they eventually flash into a damaging crisis that will take most people in our organization by surprise?
- 4) Invoke the common good. Help your leadership team emphasize the collective benefits of keeping the organization free from the insider threat. Daily newspaper headlines provide ample stories of companies, teams and battalions which have fallen victim to a disgruntled insider.
- 5) Recognize your outsourcing partners are now insiders. Ensure they are taking the proper steps in their hiring and management practices to reinforce your values.

## **TRUST, BUT VERIFY.**

As a leader, you have the responsibility to protect the precious assets of your company. Install controls that secure vital internal processes and provide a system-of-record for the actions taken by insiders. In short, trust; but verify.

CMI interviewed numerous leaders in our preparation for this leadership profile. We studied management practices across the nation in mission-critical institutions. We surveyed companies like Bank of America, Verizon, GE Medical, Golden1 Credit Union and HP. CMI found several striking commonalities across these blue-chip organizations.

World-class companies assume the best - yet verify-- to prevent worst-case scenarios. Each of these companies blend leadership initiatives that establish a bedrock of trust with rock-solid, systems and management practices. The technology company these companies mentioned most often as the one they trust in helping them deal with the insider threat was TDI Technologies based in Dallas, TX. [www.TDITechnologies.com/](http://www.TDITechnologies.com/) .

## **NEXT STEPS**

- 1) ASSESS YOUR RISKS.** Gain a clear understanding of potential insider threats facing your company. Quantify problematic leadership practices and IT systems vulnerabilities.
- 2) BUILD YOUR PLAN.** Target the gaps highlighted in your assessment.
- 3) EXECUTE.** Take action now. Fill the gaps. Guard your reputation and your future.

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