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PROTECTING FINANCIAL INSTITUTIONS AGAINST CYBER THREATS: A NATIONAL SECURITY ISSUE

Erica D. Borghard | September 2018

The U.S. government considers certain sectors of the economy to be so integral to national and economic security that a significant cyber attack against them could result in catastrophic consequences. Companies identified as particularly important, so-called Section 9 firms, include several financial institutions.

The financial sector is already a prime target of threat actors in cyberspace, and the national security challenge has only become more acute as U.S. adversaries have demonstrated their improved offensive cyber capabilities and a willingness to target the U.S. financial sector.

While authorities that support deep operational collaboration between the U.S. government and the financial sector exist, the financial sector and other critical sectors of the economy remain vulnerable. To better defend the financial sector against national security threats in cyberspace, several actions should be implemented, including:

- **Draft a comprehensive executive order on defending critical infrastructure** that builds on the February 2013 Obama Administration executive order on improving critical infrastructure cybersecurity. This new executive order would clarify authorities and mobilize resources around the mission.
- **Prioritize intelligence collection** against sector-specific threats in the National Intelligence Priorities Framework (NIPF)—for example, by including a standing U.S. Code Title 50 requirement for intelligence collection
- **Establish formalized mechanisms for side-by-side analytic collaboration** between analysts in the intelligence community and the financial sector
- **Develop fully articulated playbooks**, with joint participation by the financial sector and appropriate government agencies
- **Routinize the exercising of playbooks**, which should identify and drive remediation of gaps, refine playbooks, and inform intelligence collection
- **Create additional, organizational connective tissue** between the financial sector and government, including the Financial Systemic Analysis and Resilience Center (FSARC), the Department of Homeland Security (DHS), the Department of the Treasury, U.S. Cyber Command, and law enforcement

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