

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: March 12, 2018

Subject: March 15, 2018, Terrorism and Illicit Finance Subcommittee Hearing Entitled “After the Breach: the Monetization and Illicit Use of Stolen Data”

The Subcommittee on Terrorism and Illicit Finance will hold a hearing entitled “After the Breach: the Monetization and Illicit Use of Stolen Data” on Thursday, March 15, 2018, at 2:00 p.m. in Room 2128 of the Rayburn House Office Building. This will be a one-panel hearing with the following witnesses:

- Ms. Lillian Ablon, Information Scientist, RAND Corporation
- Mr. Joe Bernik, Chief Strategist, McAfee
- Dr. Nicolas Christin, Associate Research Professor, Carnegie Mellon University
- Dr. James Lewis, Senior Vice President, Center for Strategic and International Studies

Cybercriminals aggressively target both individuals and companies at an increasing rate and hack their personal and financial data as part of their criminal enterprises. Data theft is becoming a more lucrative illicit enterprise for cybercriminals because of its low risk of identification by law enforcement and high reward potential. Cybercriminals use online marketplaces to sell stolen personal and financial records, conduct ransomware attacks and identity theft, and steal corporate intellectual property. The Center for Strategic and International Studies (CSIS) estimates that cybercrime costs the world’s economy almost \$600 billion, or about 0.8% of global GDP.¹

This hearing will examine the economics of cybercrime, the role of “Dark Web” marketplaces and cryptocurrencies to facilitate the monetization of stolen data, and the methods through which criminals and other nefarious actors integrate their ill-gotten gains into the legitimate financial system.

¹ Center for Strategic and International Studies and McAfee, Inc., “Economic Impact of Cybercrime – No Slowing Down,” February 2018, available at: <https://www.mcafee.com/us/resources/reports/restricted/economic-impact-cybercrime.pdf>