TED W. LIEU
33RD DISTRICT, CALIFORNIA

COMMITTEE ON THE BUDGET

COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM

Congress of the United States
House of Representatives
Washington, DC 20515–0533

415 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225–3976

5055 WILSHIRE BOULEVARD, SUITE 310
LOS ANGELES, CA 90036
(310) 652–3095

1600 ROSECRANS AVENUE, 4TH FLOOR
MANHATTAN BEACH, CA 90266
(310) 321–7664

November 29, 2016

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Chaffetz and Ranking Member Cummings:

Thank you for making cybersecurity a priority issue for the House Oversight and Government Reform Committee in the 114th Congress. As we have seen repeatedly in recent years, the failure of both government agencies and corporations to secure their systems and data can have harmful consequences, and our Committee plays a critical role in highlighting areas for improvement. With that in mind, I request that the Committee hold a hearing on the rapidly growing threat of ransomware, a type of malicious software designed to hold data hostage in exchange for a paid ransom.

As you may know, the Federal Bureau of Investigation (FBI) reported in April that the incidents of ransomware were on the rise, with victims reporting $290 million in total costs from the attacks in just the first three months of 2016, compared with $24 million for all of 2015.[1] According to data from Beazley, a data breach response insurance company, the number of ransomware attacks in 2016 is on pace to be four times higher than last year.[2] Furthermore, research from Malwarebytes, a computer security firm, indicated that nearly 40 percent of the 540 enterprises it surveyed experienced a ransomware attack in the last year.[3]

Ransomware attacks are used against all types of entities, including school districts, law enforcement agencies, government agencies and small and large businesses. At least 14 hospitals were affected this year alone, including three in the Los Angeles area. Just last week, the San Francisco Municipal Transportation Agency (SFMTA) was reportedly hit by a ransomware attack that rendered the ticket machines for the Municipal Rail system out of service.

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[1] Finkle, Jim. "Ransomware: Extortionist hackers borrow customer-service tactics." *Reuters*. 12 Apr. 2016. <http://www.reuters.com/article/us-usa-cyber-ransomware-idUSKCN0X917X>
[2] "Beazley projects ransomware attacks to quadruple in 2016." Press Release. 26 Oct. 2016. <https://www.beazley.com/Documents/2016/20161026-Beazley-projects-ransomware-attacks-to-quadruple-in-2016.pdf>
[3] "International Study Finds Nearly 40 Percent of Enterprises Hit By Ransomware in the Last Year." Press Release. 3 Aug. 2016. <https://press.malwarebytes.com/2016/08/03/international-study-finds-nearly-40-percent-of-enterprises-hit-by-ransomware-in-the-last-year/>

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These malware attacks have had tremendous economic costs in recent years, and it would seem only a matter of time before we face life-threatening or national security consequences as well. Whether it is a law enforcement agency losing track of a target or critical infrastructure failing to perform, the hypothetical scenarios should not be disregarded. A House Oversight and Government Reform Committee hearing is needed to shed light on the growing threat of ransomware, outline best practices to mitigate it, and identify the most critical areas for improvement in both the public and private sectors.

I look forward to working with you to continue improving our nation's cybersecurity, and I stand ready to assist with our Committee's actions on ransomware.

Sincerely,

Ted W. Lieu

Ted W. Lieu
Member of Congress

cc:

The Honorable Will Hurd, Chairman, Information Technology Subcommittee, House Oversight and Government Reform Committee

The Honorable Robin Kelly, Ranking Member, Information Technology Subcommittee, House Oversight and Government Reform Committee