

Cybersecurity: Between the SEC and DOJ, What's a Company to Do?

Shamoil T. Shipchandler, Partner, Jones Day

Adam R. Law, General Counsel, Select Energy Services

Michael Chu, Assistant United States Attorney, U.S. Attorney's Office, Southern District of Texas

John P. Pearson, Assistant United States Attorney, U.S. Attorney's Office, Southern District of Texas

Scott F. Mascianica, Assistant Regional Director, Fort Worth Regional Office, U.S. Securities and Exchange Commission

The panel

Adam R. Law is the Senior Vice President General Counsel and Corporate Secretary for Select Energy Services, Inc.

Michael Chu is an Assistant United States Attorney in the Fraud Section of the United States Attorney's Office for the Southern District of Texas, where he investigates white collar crimes. As a Computer Hacking/Intellectual Property Coordinator, he also focuses on corporate data thefts and other technology-related crimes.

John P. Pearson is an Assistant United States Attorney assigned to the National Security & Public Corruption Section of the United States Attorney's Office for the Southern District of Texas; John has also served in the Major Fraud and Program Fraud Sections.

Scott F. Mascianica is an Assistant Regional Director in the Fort Worth Regional Office of the United States Securities and Exchange Commission, where he supervises a team of SEC enforcement attorneys and accountants, and manages investigations into possible violations of the federal securities laws.

Obligatory disclaimer

The views expressed today are those of the speakers, and not necessarily the views of the organizations they represent.

Key quote

From an article about the Equifax settlement:

“Sen. Ron Wyden, D-Ore., also said the settlement fell short. **‘In a just world, these executives would be going to jail,’** Wyden said in a statement. ‘No one should be able to collect deeply sensitive information on 200 million people without their consent, treat it with reckless disregard and then just pay a fine when a predictable, easily avoidable hack takes place.’”

Another example of where a victim would share a cell with the perpetrator of the crime?

Outline

- Government
- Private sector
- Hypotheticals

FTC: Overview

“The FTC has long been the cop on this particular beat: over the past two decades, we have brought hundreds of cases, conducted about 70 workshops, and issued about 50 reports to help protect consumer privacy. Our work over the last year demonstrates the FTC’s approach to consumer privacy: vigorous enforcement with every tool we have.... [T]he FTC has done a remarkable amount to protect consumers’ privacy with the tools and resources at its disposal. But we must do more. We need to continue evaluating privacy risks as they evolve.”

—Prepared Opening Remarks of Chairman Joseph J. Simons, “Hearings on Competition and Consumer Protection in the 21st Century: The FTC’s Approach to Consumer Privacy,” April 9, 2019

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Cybersecurity: Between the SEC and DOJ, What's a Company to Do?

Also available as part of the eCourse

[Cybersecurity: Between the SEC and DOJ, What's a Company to Do?](#)

First appeared as part of the conference materials for the

6th Annual Government Enforcement Institute session

"Cybersecurity: Between the SEC and DOJ, What's a Company to Do?"