



Bitcoin and Ransomware: Planning for the Worst

You are likely to be hacked. Though it will likely not be your fault, the IT department's fault, or an employee's fault, it will be your problem. Thankfully, these vagaries of fortune can be mitigated by creating a plan for the worst.

The hack will likely take the form of ransomware: a virus infecting your computer system and encrypting critical data such as medical data, financial data, and customer data. The hackers will offer to decrypt your data, using a decryption key known only to them, upon payment of a certain amount of bitcoin. The amount is carefully chosen to be much less valuable than your critical data, much less than the cost of lost productivity during a law enforcement investigation, and much more than the amount of bitcoin you currently have.

After confirming that the files are, in fact, encrypted and steeling yourself for the possibility that payment may not result in decryption, you must then navigate acquiring and transferring bitcoin. Without a bitcoin plan in place, you will lose time and money while attempting to recruit an expert. Because the price of bitcoin in dollars is so volatile, and the accepted accounting principles for bitcoin are still being hashed out, we do not recommend keeping bitcoin in reserve as part of your plan. However, we do recommend creating an account with a cryptocurrency exchange (with a zero bitcoin balance) because merely opening an account can take days. Therefore, acquiring bitcoin in a time of need will take only minutes. Also, there are several reputable exchanges headquartered in the U.S.

As part of the plan, the company officer in contact with the cryptocurrency exchange should familiarize him or herself with transferring bitcoin from one wallet to another using small amounts. Finally, the plan should, of course, include identification of weaknesses in order to decrease the attack surface of your system. In this way, a bitcoin plan can prevent misfortune from turning into missed fortune.

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