

Insider Threat

Massive data breach by two former employees at Tesla

Affected Entity: TESLA

Source: Malicious activity by former employees

Consequences: Personal information of employees and production secrets leaked, damage to the company's reputation, and potential data protection regulation fines or lawsuits.

Solutions: Proper onboarding and termination procedures, conducting a user access review, and monitoring user activity.

In May 2023, a German news outlet notified Tesla that they had obtained the company's confidential information. According to Tesla's data privacy officer Steven Elentukh, "the investigation revealed that two former Tesla employees misappropriated the information in violation of Tesla's IT security and data protection policies and shared it with the media outlet."

The newspaper received more than 23,000 of Tesla's internal documents — nearly 100 gigabytes of confidential data in total. The documents included employees' PII, customers' financial information, Tesla's production secrets, and customer complaints about Tesla's electric car features. The breach led to the exposure of the personal data of 75,000 people, which could potentially result in a \$3.3 billion GDPR fine due to insufficient protection of sensitive personal data. Large data breaches like this can also negatively affect a company's reputation and share price, especially if sensitive data ends up in the wrong person's hands.

Tesla filed lawsuits against the responsible ex-employees, however, the details on how the perpetrators obtained access to the sensitive data are not publicly available. Most likely, the company failed to revoke the employees' access permissions upon termination. Conducting background checks during the onboarding process is also helpful in determining an individual's reliability and intentions. In this case, monitoring the employee user activity could have further helped detect their malicious actions.

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