

Varun Bindra

MS-Management Information System

Texas A&M University

This analysis is based on Jefford Risk Analysis paper. In this paper I am performing quantitative risk assessment based on the information given in the research paper file. The file has been uploaded on my GitHub link with name of "**Jefford-Quantitative Risk Analysis**"

Quantitative Assessment

The cost of data breach is considered as **\$165** per record source: [Cost of data breach source](#)

ALE before countermeasure

ASSET	Cost of data breach	AV	VULNERABILITY	THREAT	IMPACT DUE TO		ANNUAL IMPACT	
					EF	SLE(\$)= AV * EF	ARO	ALE = SLE * ARO
PDIS Database Server	\$165	8250000 (\$165 * 50000)	<ul style="list-style-type: none">• AMC is running on legacy operating systems and software (over 5 years older), and incompatibility between systems leaves vulnerabilities such as misconfiguration and security holes• Databases in AMC run a form of structured query language (SQL) attacker can use SQL injections to attack databases. An SQL injection is a very serious attack it can effect confidentiality, integrity, and availability of the AMC database. SQL injection attack can give to the attackers unrestricted access to an entire database	Hacking/ Malware	1	8250000	0.8	6600000
				Insider	0.09	742500	0.14	103950
							Total ALE before countermeasure	6703950

Calculations:

Cost of data breach * AV = \$165*50000 = 8250000

Exposure factor is assumed as 1 and 0.09

Annual rate of occurrence is assumed as 0.8 and 0.14

$SLE(\$) = AV * EF = 8250000$

$SLE(\$) = AV * EF = 742500$

$ALE = SLE * ARO = 6600000$

$ALE = SLE * ARO = 103950$

Total ALE = 6703950

ALE after countermeasure 1

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ASSET	Cost of data breach	AV	VULNERABILITY	THREAT	IMPACT DUE TO		ANNUAL IMPACT	
					EF	SLE(\$) = AV * EF	ARO	ALE = SLE * ARO
PDIS Database Server	\$165	8250000 (\$165 * 50000)	• AMC is running on legacy operating systems and software (over 5 years older), and incompatibility between systems leaves vulnerabilities such as misconfiguration and security holes • Databases in AMC run a form of structured query language (SQL) attacker can use SQL injections to attack databases. An SQL injection is a very serious attack it can effect confidentiality, integrity, and availability of the AMC database. SQL injection attack can give to the attackers unrestricted access to an entire database	Hacking/ Malware	0.98	8085000	0.12	97020
				Insider	0.009	74250	0.8	59400
							Total ALE after countermeasure	156420

Calculations:

Cost of data breach * AV = \$165*50000 = 8250000

Exposure factor is assumed as 0.98 and 0.009

Annual rate of occurrence is assumed as 0.12 and 0.8

$SLE(\$) = AV * EF = 8085000$

$SLE(\$) = AV * EF = 74250$

$ALE = SLE * ARO = 97020$

$ALE = SLE * ARO = 59400$

Total ALE = 156420

Benefit after countermeasure 1 = Total ALE before countermeasure 1 - Total ALE after countermeasure 1

Benefit after countermeasure 1 = 6703950 – 156420

Benefit after countermeasure 1 = 6,547,530

	Benefit after countermeasure 1 / Benefit after countermeasure 1 + Benefit after countermeasure 2
Budget that AMC can spend on countermeasure 1	$6547530 / 6547530 + 6691740 = 0.494$

Budget that AMC can spend on countermeasure 1 = Benefit after countermeasure 1 / Benefit after countermeasure 1 + Benefit after countermeasure 2

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ALE after countermeasure - 2

ASSET	Cost of data breach	AV	VULNERABILITY	THREAT	IMPACT DUE TO		ANNUAL IMPACT	
					EF	SLE(\$)= AV * EF	ARO	ALE = SLE * ARO
PDIS Database Server	\$165	8250000 (\$165 * 50000)	• AMC is running on legacy operating systems and software (over 5 years older), and incompatibility between systems leaves vulnerabilities such as misconfiguration and security holes • Databases in AMC run a form of structured query language (SQL) attacker can use SQL injections to attack databases. An SQL injection is a very serious attack it can effect confidentiality, integrity, and availability of the AMC database. SQL injection attack can give to the attackers unrestricted access to an entire database	Hacking/ Malware	0.098	808500	0.014	11319
				Insider	0.0009	7425	0.12	891
							Total ALE after countermeasure	12210

Calculations:

Cost of data breach * AV = \$165*50000 = 8250000

Exposure factor is assumed as 0.098 and 0.0009

Annual rate of occurrence is assumed as 0.014 and 0.12

$SLE(\$) = AV * EF = 808500$

$SLE(\$) = AV * EF = 7425$

$ALE = SLE * ARO = 11319$

$ALE = SLE * ARO = 891$

Total ALE = 12210

Benefit after countermeasure 2 = Total ALE before countermeasure 1 - Total ALE after countermeasure 2

Benefit after countermeasure 2 = 6703950 – 12210

Benefit after countermeasure 2 = 6691740

	Benefit after countermeasure 2 / Benefit after countermeasure 2 + Benefit after countermeasure 1
Budget that AMC can spend on countermeasure 2	$6691740 / 6547530 + 6547530 = 0.505$

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Online reference for **Cost of data breach** : <https://securityintelligence.com/cost-of-a-data-breach-2015/>