

Cyber losses cost companies \$637,000 a year: study



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TORONTO — Information technology security breaches cost the average publicly traded Canadian company \$637,000 a year, says a new study by the University of Toronto's business school.

In government, the annual cost of so-called cyber crime is \$320,000 per organization, while the cost to private companies is \$294,000 a year, says the study by the Rotman School of Management and Vancouver-based Telus Corp.

Surveys in the United States show the cost of data security breaches more than double year over year, a trend that is also happening in Canada, says Walid Hejazi, a business economics professor at the Rotman school.

"IT security is a C-suite level business issue," Hejazi said in a release.

"In an increasingly information-based society, managing data security is fundamental to business strategy."

Monday's study came less than a week after Calgary-based discount airline WestJet announced it would prevent passengers from using credit cards at check-in kiosks at airports across Canada.

The decision was made after financial institutions reportedly began investigating isolated fraud incidents stemming from the use of credit cards to get boarding passes.

The Rotman-Telus study examined the IT security practices of more than 300 Canadian businesses.

Such studies are often commissioned by companies to help promote their products and services, inform consumers or, in this case, bring attention to the need to improve technology security.

Full results of the Rotman study will be made public Tuesday at the Information Systems Audit and Control Association's 2008 international conference in Toronto.

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