

CYBERCRIME

THE ECONOMICS OF CYBERCRIME

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COST OF CYBERCRIME

COE GUIDELINES

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„Both sides should be mindful of the costs involved in creating and responding to requests“

2008 Council of Europe Guidelines on the Cooperation of ISP and LEA

INTRODUCTION

CYBER CAFE HANOI

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- The question who should cover the cost of Cybersecurity and especially the cost of Cybercrime is currently controversially discussed
- Question is not only important for developing countries
- But the special situation of developing countries, that are right in the middle of a fast developing process, needs to be taken into consideration

NUMBER OF SOURCES & USERS

EXAMPLE

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- The internet connects millions of people
- Today more internet user in developing countries than in developed countries
- Developing countries have a great potential for further growth
- The users in developing countries are more and more intensively moving into the focus of offenders

COST

COST OF CYBERCRIME

- Fight against Cybercrime is going along with the need for financial investments

Related questions:

- Who should be responsible for implementing cost intensive measures?
- Who should compensate the costs?

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COST

COST OF CYBERCRIME

Industry

The industry has already implemented several technical protection and prevention measures – currently the implementation of further obligations is discussed (e.g. data retention obligation)

User

Cost covered by the industry are often allocated so that – at the end – the users need to cover them with their fees

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COST

COST OF CYBERCRIME

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Government

By providing law enforcement services governments are covering costs related to the fight against Cybercrime

Offender

The offenders are in general the once who have a financial benefit – but the benefit is not necessary identical with the cost

Victim

Often the victims cannot get a compensation for financial losses and therefore cover the cost

COST FACTORS

COST OF CYBERCRIME

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Repressive

- Financial loss of the victims
- Cost of the operation of LEA

Preventive

- Cost of the operation regulatory authorities
- Cost of preventive measures (e.g. education campaigns)

Businesses

- Implementation of necessary investigation technology
- Technical measures for the prevention of crimes

DAMAGE

COST OF CYBERCRIME

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- Total loss of US businesses related to Computer and Internet crimes in 2005: 67 Billion US\$
FBI Computer Crime Survey 2005
- Worldwide loss due to malware attacks in 2004: 17.5 Billion US\$
2007 Computer Economics Malware Report
- Accuracy of the surveys is uncertain

COST OF LEA

2008 Cost Surveillance UK

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- Governments in different parts of the world are currently setting up specialised units or increase the number of units
- Difficult to specify the minimum requirement of such unit and the related costs
- E.g.: 3 investigators and 2 forensic experts, equipment and regular training
- Effectiveness of the investment is currently intensively discussed

COST FOR BUSINESSES

Art. 3 - Obligation to retain data

- Cost for the implementation of investigation technology was intensively discussed within the context of data retention legislation
- Not only the implementation of technology but also the response to requests can go along with significant costs for the businesses
- Idea: Whoever is running a service shall be responsible for the security
- Impact on free-of-charge services

1. By way of derogation from Articles 5, 6 and 9 of Directive 2002/58/EC, Member States shall adopt measures to ensure that the data specified in Article 5 of this Directive are **retained** in accordance with the provisions thereof, to the extent that those data are generated or processed by providers of publicly available electronic communications services or of a public communications network within their jurisdiction in the process of supplying the communications services concerned.

COST VS. BENIFIT

CYBER CAFE HANOI

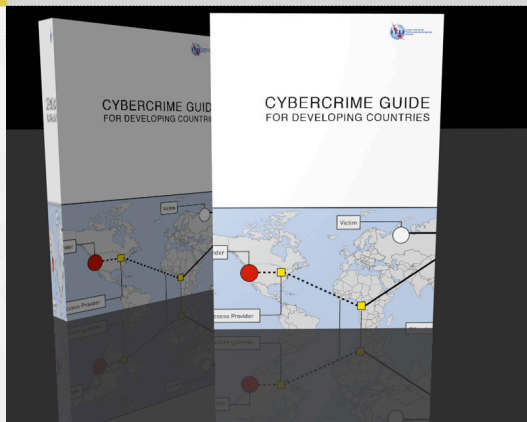
- Ensuring Cybersecurity and Fighting against Cybercrime is essential for the development of civil service in the Internet as well as E-Commerce
- But it is important to balance the burden of cost between the parties involved
- High costs for business or users could seriously hinder the development of Internet services in developing countries

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CYBERCRIME GUIDE

ITU GUIDE

- ITU Cybercrime Guide for Developing Countries is going to address the topics



CYBERCRIME GUIDE

ITU GUIDE

Other topics:

- Phenomenon of Cybercrime
- Challenges of Fighting Cybercrime
- Elements of a Cybersecurity Strategy
- International legal response to Cybercrime
- Necessary substantive criminal law provisions
- Necessary procedural instruments

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