

Cities, States Need Federal Cybersecurity Help, Lawmakers Say



Rep. Cedric Richmond (D., La.) is working on legislation to provide cybersecurity assistance to state, local and tribal governments, as is Rep. John Katko (R., N.Y.). PHOTO: CHERISS MAY/ZUMA PRESS

By James Rundle

Lawmakers are proposing more federal funding and technical support for local governments' cybersecurity after ransomware hacks crippled major cities recently, costing millions of dollars. The attacks raised questions about defenses ahead of 2020's presidential election.

At least two congressmen are drafting legislation that would provide cybersecurity

assistance to state, local and tribal governments. Reps. John Katko (R., N.Y.) and Cedric Richmond (D., La.) said during a hearing held by the House Homeland Security Committee last week that each of them is putting together a bill to direct financial and technical support to municipalities. But further help is needed, they said.

“The work we need to do to address this issue doesn’t end with my bill,” Mr. Katko told the hearing, citing concern about how these governments are securing their systems.

Ransomware attacks on Atlanta in March 2018 and Baltimore this May cost \$7.2 million and at least \$18 million to fix, respectively, after the cities refused to negotiate with the hackers.

Smaller cities without the funds to restore their systems are more likely to pay the ransom and hope for the best. In June, Lake City and Riviera Beach in Florida agreed to pay off hackers who compromised their systems. Riviera Beach paid around \$600,000 and Lake City spent around \$460,000.

Most U.S. states and cities are underprepared for cyberattacks. An annual review of cybersecurity at the state and local level conducted by the Multi-State Information Sharing and Analysis Center found that in 2018, only 44% of states met baseline requirements. At the local level, the share dropped to 18%, the report said.

The poor defenses generally stem from a dearth of resources and inadequate threat awareness, said Sara Jodka, a cybersecurity attorney at law firm **Dickinson Wright PLLC**. The vulnerability makes local governments a gold mine for criminals.

“Not only do they not have the budgets, they don’t have the proper understanding of cybersecurity requirements,” Ms. Jodka said. WSJ Pro Cybersecurity reported in October that Colorado had begun using National Guard units for cybersecurity duties.

A survey from consultancy **Deloitte LLP** and the **National Association of State Chief Information Officers**, published in late 2018, suggested that states spend less than 3% of their technology budgets on cybersecurity, while some federal agencies dedicate up to one-quarter of theirs.

The U.S. presidential election in 2020 adds pressure on local authorities and brings the issue into sharper focus for lawmakers.

“There are thousands of local jurisdictions responsible for managing election registration databases and administering elections, and we absolutely need to be thinking about cybersecurity there,” April Doss, a partner at **Saul Ewing Arnstein & Lehr LLP** who previously served as senior counsel for the Senate Intelligence Committee’s Russia investigation, said in an interview.

Mr. Katko told the hearing that he plans to include in his bill a one-time grant for state, local and tribal governments to analyze their security systems. A second grant would go toward exercises to test response systems. Federal support could go a long way toward improving local standards, witnesses told the hearing.

In addition to technical resources and money, Ms. Doss said, other forms of help could include education efforts and enhanced outreach from agencies such as the Department of Homeland Security, which already works with local and state governments.

Wesley McGrew, director of cyber operations at security firm **Horne LLP**, which counts state, local and tribal governments as clients, said the election has made improving defenses at these levels a national priority.

“It would be in the federal government’s best interest to fund the services necessary for these smaller agencies to beef up their security,” Dr. McGrew said in an interview.