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Weekly Intelligence Brief

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Change Healthcare Data Breach: The Largest Ransomware Attack in Healthcare History

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On 24 OCT, Change Healthcare updated the number of Americans affected by their February data breach to 100 million, making it the largest healthcare data breach in history. The ransomware attack, attributed to BlackCat ransomware, compromised personal information, including contact details, health insurance data, Social Security numbers, and financial records. These compromised records may not only affect individuals directly, but can also impact those linked through records or networks. The breach disrupted a host of critical services, including billing, claims processing, and patient care.

Many providers were temporarily unable to submit or receive insurance claims, creating financial stress. The breach also delayed patient care due to key systems being offline.

After receiving a \$22 million ransom payment, the hackers transferred the stolen data to another group, Ransom Hub, which issued further demands. The attack has risen to a loss of \$2.5 billion from ransom payment, service disruptions, legal expenses, and expected cost of compliance efforts.

The attack occurred because Change Healthcare failed to implement multifactor authentication to safeguard its customers' data. This was admitted during a United States House of Representatives hearing in April. The Department of Health and Human Services' Office for Civil Rights is now investigating Change Healthcare to see if the company was fully compliant with the Health Insurance Portability and Accountability Act (HIPAA) prior to the attack.

We can assess with high confidence that the investigation into Change Healthcare's HIPAA compliance is likely to result in significant fines or sanctions. We can also assess with moderate confidence that it is likely there will be an increase in identify theft, insurance fraud, and financial scams targeting both individual consumers and healthcare organizations.

German Finance Minister Warns of Retaliation if United States Enacts Higher Tariffs

Morgan Polk Analyst Europe Desk

On 25 OCT, German Finance Minister Christian Lindner warned that there could be retaliation if the United States enacts higher tariffs on goods originating from the European Union (EU). This warning comes after former President Donald Trump proposed the idea that, if reelected, he may impose a 10 to 20 percent blanket tariff on almost all imports no matter the country of origin in order to onshore industries and create domestic jobs.

If such tariffs are put into place, Germany's gross domestic product would likely

fall. Germany is the third-largest exporting nation in the world, with its trade in motor vehicles and chemical products being a key factor of its economy. The United States is Germany's most important trade partner after surpassing China in early 2024. According to the United Nations' Comtrade Database, German exports to the United States were valued at \$171.65 billion last year.

Lindner stated that it is not in the best interest of the United States to engage in a trade war with the EU, as Germany would have to consider retaliating. Possible retaliation could include Germany imposing tariffs on American goods or expanding its trading partners

to reduce dependence on the American market.

With no specific details explaining how these events will be implemented, we can assess with moderate confidence that it is likely Germany will retaliate if former President Trump is reelected and proceeds to impose a 10 to 20 percent blanket tariff on imports.



UN Report Finds High Levels of Sexual Assault by Sudanese Paramilitary Groups

Jack Goldberg Analyst Africa Desk

As of 29 OCT, the war in Sudan has displaced more than 14 million people, with sexual assault cases being seen at a significant level. According to the United Nations International Organization for Migration (IOM), the ongoing conflict has created the largest displacement crisis in the world this year.

A UN independent fact-finding mission deployed to Sudan in October 2023

released a new report stating that paramilitary groups such as the Rapid Support Forces (RSF) have been preying on the female population. IOM Director-General Amy Pope outlined how women and young girls are being abducted into the sex slave trade. The report accused both the RSF and the Sudanese Armed Forces (SAF) of sexual violence but stated that the RSF is committing the majority of these crimes and is responsible for sexual violence on a large scale.

This development in sexual violence adds to the growing list of major issues

facing the Sudanese population as a result of the conflict. Thirty percent of the country's population is critically displaced, and more than fifty percent of the population is struggling to find enough food and water to survive. The United Nations International Children's Emergency Fund described the situation as one of the most acute crises in living memory.

We can assess with high confidence it is highly likely that the humanitarian crisis will grow with the continuation of the conflict within the country.

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