

Equifax CEO Resigns Amid Massive Security Scandal

U.S. credit reporting firm Equifax Inc said on Tuesday its Chief Executive Richard Smith will retire, a week before he was expected to testify before a Senate Banking Committee in the wake of a massive cyber attack.

Equifax disclosed earlier this month that personal details of up to 143 million U.S. consumers were accessed by hackers between mid-May and July, in one of the largest data breaches in the United States.

“At this critical juncture, I believe it is in the best interests of the company to have new leadership to move the company forward,” Smith said.

A group of senators on Monday asked Wall Street’s top watchdog to review and potentially update its rules governing when public companies should disclose cyber breaches, amid heightened concerns over the threat hackers pose to the financial system.

The request sent in a letter by members of the Senate Banking Committee to U.S. Securities and Exchange Commission (SEC) chair Jay Clayton follows a cyber attack on consumer credit reporting bureau Equifax Inc and as the SEC itself faces questions over the breach of its corporate filing database.

Clayton, who on Tuesday will be quizzed by Senators over how hackers were able to access non-public information in its EDGAR database in 2016, has said he considers cyber security to be a top priority for the agency.

“Given your statements, the Equifax breach as well as the increased threat posed by cyber breaches and attacks, we ask you to have the SEC’s staff review whether the 2011 guidance ...

regarding disclosure obligations relating to cyber security risks and cyber incidents should be updated,” the committee asked Clayton in the letter.

The hack into Equifax’s systems put data on up to 143 million customers at risk. The company disclosed the breach more than a month after it learned of it on July 29.

The SEC 2011 rules, which require listed companies to disclose breaches if they are material, have been criticized by lawyers and investors as too vague. On Friday, global investor group Investment Company Institute told Reuters disclosure rules for both companies and public sector bodies should be stricter.
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