

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

AUGUST 3, 2020
OTHERS PRESENT

B. Ray Jeffers
Jimmy B. Clayton
Kyle W. Puryear
Gordon Powell
C. Derrick Sims

Heidi York, County Manager
Brenda B. Reaves, Clerk to the Board
C. Ronald Aycock, County Attorney

The Board of Commissioners for the County of Person, North Carolina, met in regular session on Monday, August 3, 2020 at 7:00pm in the Person County Office Building Auditorium.

Chairman Jeffers called the meeting to order. Commissioner Clayton offered an invocation and Commissioner Sims led the group in the Pledge of Allegiance.

DISCUSSION/ADJUSTMENT/APPROVAL OF AGENDA:

A **motion** was made by Chairman Jeffers and **carried 5-0** to add a Closed Session for economic development to the agenda.

A **motion** was made by Vice Chairman Powell and **carried 5-0** to approve the agenda as adjusted.

INFORMAL COMMENTS:

The following individuals appeared before the Board to make informal comments:

Mr. John Seepe of 277 Barefoot Landing, Semora requested updates for the status of restoration, the costs impact as well as any results of the investigation work by agencies for the County's cyber-incident. He also asked for economic development updates related to Mega site, any interested phone calls, response, follow-up and the economic outlook over the near future with outage losses of the power plants located in Person County.

Ms. Anita Banks of 24 Victoria Lane, Roxboro requested guidance and assistance for environmental issues she is experiencing of her home's well not yielding adequate water. She noted she has neighbors experiencing the same issues.

Mr. James Hayward of 2844 Leasburg Road, Roxboro commended the Board of Commissioners and attendees for wearing masks, and for the meeting being held in a larger room which is safer; he asked what policies are in place for all employees to wear a mask.

August 3, 2020

DISCUSSION/ADJUSTMENT/APPROVAL OF CONSENT AGENDA:

Commissioner Sims requested the July 13, 2020 minutes to be removed from the Consent Agenda and reviewed for clarification for the informal comments of Mr. Charlie Palmer. The approval of the Minutes of July 13, 2020 was removed from the Consent Agenda and will be brought back at a future meeting for approval.

A **motion** was made by Commissioner Sims and **carried 5-0** to approve the Consent Agenda with the following items:

- A. Approval of Minutes of July 14, 2020,
- B. Budget Amendment #2,
- C. Person County's Amended Utilization Plan for the State's COVID-19 Relief Fund Allocation and Reporting Requirements,
- D. Person County Health Department Fee Requests,
- E. FY 2020-2021 Salary Schedule, and
- F. DSS Attorney Contracts

NEW BUSINESS:**PERSON COUNTY'S CYBERSECURITY INCIDENT UPDATE:**

County Manager, Heidi York reminded the Board that on May 30, 2020, Person County experienced a ransomware event that disabled most of the county's technology services. Since that time, a Declaration of Emergency was issued and staff has been working diligently with other IT partners in recovery and restoration efforts. The Board has been provided updates in closed session, but staff would like to provide an update publicly as well, and bring everyone up-to-date on progress and efforts thus far. Person County IT staff will be joined by Dr. Shannon Tufts from the UNC School of Government and Mr. Greg Manson of Logically (Carolinas IT), who have been contracted to assist in the county's recovery.

Information Technology Director, Chris Puryear provided a brief overview of the cybersecurity incident to date. To date, Person County has spent approximately \$455,000 on recovery efforts. Person County IT staff and support staff have logged approximately 8,000 man-hours since the beginning of the event. This does not include staff time from other departments such as the Finance Department working to restore its own services or any of the Emergency Operations Center staff involved in the first weeks of the event. Mr. Puryear said they have fully remediated or rebuilt 30 servers with 11 additional servers in progress and eight more needed to be completed. At the same time, 330 documented help requests have been completed, 632 desktops and laptops have been remediated or reloaded, 532 users were migrated to a hosted email solution with 218 of those currently have full access to all historical emails with the remaining 314 users to receive their historical emails within the next few weeks.

August 3, 2020

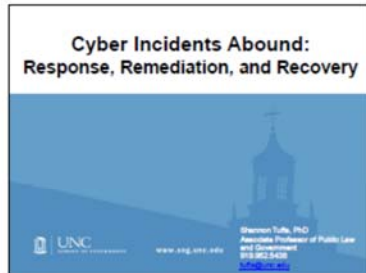
Mr. Puryear stated daily priorities would change affecting the original timeline; for example multiple lightning strikes that damaged tower equipment bringing multiple departments down, two fiber cuts to the primary ISP, restrictions and delays from vendors due to COVID-19 and other departmental urgent needs. These demands put a tremendous strain on the IT Team; Mr. Puryear publicly commended his Team and all County departments for their perseverance throughout this event.

Mr. Puryear introduced Dr. Shannon Tufts, Associate Professor of Public Law and Government as well as the Director for the Center for Public Technology at the UNC School of Government to share a presentation focusing on NC Government Statistics, a few specific cyber events from other government jurisdictions, a brief review of Person County's ransomware event, and breach recovery statistics.

Following Dr. Tufts presentation, Mr. Puryear stated Mr. Greg Manson, Vice President of Security, Auditing and Compliance from Logically (Carolinas IT) will provide a more detailed look into Person County cyber-incident with national ransomware statistics, security measures in-place prior to the event as well as an overview of the improvements made to Person County's systems post-event.

Mr. Puryear reminded the group that they will provide as much information as possible but due to the nature of the event and to protect the security of our infrastructure, certain specifics cannot be shared in a public meeting.

Ms. Tufts shared the following presentation with the group:



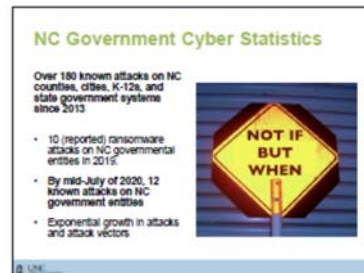
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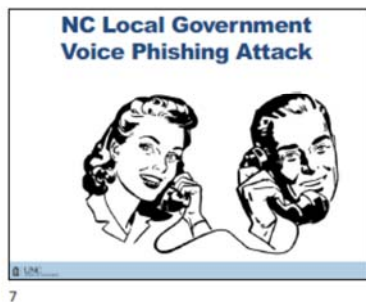
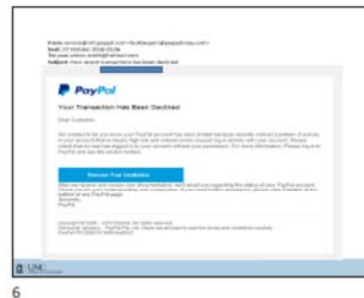
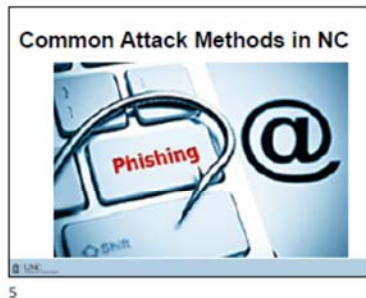


4

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1

August 3, 2020



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9

Your Backups Aren't Enough

Stage 1. Phishing attempt or brute force attack is successful & a dropper virus is released (Emotet, Trickbot, etc)

Stage 2. Credential harvesting tool deploys and gathers credentials across your network (including your backups potentially)

Stage 3. Ransomware is the big red flag alerting you that you have been hacked





10


Business Email Compromise:

The \$9 Billion Security Threat You Can't Ignore



11

North Carolina county lost \$1.7 million in email scam



- Cabarrus County, North Carolina, was the victim of an email scheme that diverted \$2.5 million meant for the construction of a new high school in December of 2018.
- Though the county has recovered \$776,518, more than \$1.7 million remains unaccounted for.
- Most cyber insurance policies do not cover Business Email Compromise (BEC).

12

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3

August 3, 2020

Direct Deposit Scams



13

From: John Smith <jsmith@abc.com>
 Sent: Tuesday, July 14, 2019 4:44 PM
 To: Mary Jones <mjones@abccompany.com>
 Subject: Re: DD setup

Hi Mary,

I need to change my direct deposit information, would like to know what is required of me to make this change as soon as possible.

John Smith
 Director of Operations
 ABC Company

14

Person County Breach Review

- Ransomware was 1st known variant of its kind
- Security best practices were in place
 - Multiple layers of security
 - Use of anti-phishing training
- Extraordinary diagnosis and containment by PCIT staff within first 18 hours
- Operational excellence with your EOC process



15


Why Shouldn't We Pay?



16

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Breach Recovery Stats



- Out of 1,200 orgs surveyed, 71% breached
- Less than 50% of breaches get detected internally
- ~191-197 days to ID a breach & 66-69 days to contain it
- Full recovery typically takes 6-9 months
 - Many governmental entities only get to 80% recovered due to data loss


17

**Mission Impossible:
But you are making it more difficult**



- Organizations fall victim to ransomware attacks every 14 seconds worldwide.

18



19


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5

Mr. Greg Manson shared the following presentation with the group:

August 3, 2020
8





National Ransomware Statistics and Impact – 2019 (Reported)

- 2,199 Government, Healthcare and Education Agencies Reported
 - 113 State, County and Municipalities
 - 764 Healthcare Providers
 - 89 Universities, Colleges and School Districts
 - 1,233 Individual Schools
- Services impacted
 - Life Saving (911, dispatch, communications)
 - Medical Record Access
 - Tax and Property
 - Email
 - Websites


*Data compiled from multiple sources including ICS, US-CERT, Logically, YOUR TRUSTED IT ALLY, Press Releases, Other



Other Notable NC Ransomware Incidents

- Mecklenburg County • Durham County (Dec 2017)
- NC State Bar • City of Durham
- Orange County • Duplin County
- Greenville, NC

*Data compiled from multiple sources including Logically IT Engagements, Press Releases, Other




Other Notable NC Ransomware Incidents

- *10 days average time to restore basic functionality**
- *120 – 150 days average for "full" recovery**

*Data compiled from multiple sources including Logically R Engagement, Press Releases, Other


Logically YOUR TRUSTED RALLY



Existing Measures Prior to Person County Incident

- Hardware firewalls
- Next Generation Anti-Virus
- Security Awareness Training
- Periodic Active Directory Review for deactivations
- Password complexity and lockouts
- FY2021 Plans for SRA, Vulnerability Scans, migration from Windows 7 to Windows 10, decommissioning old servers

Logically YOUR TRUSTED RALLY



Person County Incident 30-May-2020

- Malicious Code - LockBit crypto via compromised account circumventing existing AV
- Destruction of Critical Systems and Backups (non-EHR/ePHI)
- Broad impact across many domain devices
- National Guard Forensics and CIT-Logically review had not identified data exfiltration. *NOTE: Patagonia and other web-based systems were not compromised*
- Recovery using Black-Gray-White Protocol

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Improvements

- Implementation of new EDR + SIEM-SOC for 24/7 incident detection and response
- Active Directory isolation from the City
- Restrictions on SMB traffic, elimination of vestigial protocols
- 802.X port-based Network Access Control
- Completed migration to Windows 10
- Improved access security to MIEX water system

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Improvements Continued

- Implementation of best practices for Domain Administrator Accounts
- Implementation of Two-Factor Authentication
- Continuation of Black-Gray-White for Change Management
- Completing Remote Desktop Solution Proof of Concept
- Continuation of PCIT Security Risk Assessment

Logically YOUR TRUSTED PARTNER



Thank You!

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Logically YOUR TRUSTED PARTNER

County Manager, Heidi York and the Board of Commissioners thanked Dr. Shannon Tufts and Mr. Greg Manson for their assistance and expertise guiding Person County's IT through the cyber-incident recovery and restoration of services.

ADDITIONAL COVID-19 MEASURES FOR COUNTY BUSINESS:

Chairman Jeffers stated this item was placed on the agenda for further discussion due to questions from commissioners and citizens about requirements at public meetings. He asked the County Manager, Heidi York to lead the discussion by describing what departments have in place as they conduct business.

Ms. York stated Person County implemented a policy for its employees with the directive to wear a mask if unable to maintain the safe distance of six-feet from clients or coworkers during day-to-day business. Ms. York said the Health Department would be opening its clinics in the coming weeks and the staff and clients will be wearing masks.

Ms. York said the Board of Commissioners could put into effect more restrictive measures than the Governor's Executive Order, however, the Board could not lessen the restrictions in place by the state. Ms. York noted the Board of Commissioners has in effect its Declaration of a State of Emergency for COVID-19 and could consider an amendment with additional requirements county-wide or to certain groups, i.e., county employees, visitors in county buildings, attendees at public meetings, related to wearing a mask, etc.

Commissioner Sims stated his experience as the Environmental Health and Safety Manager at US Flue Cure Tobacco that he checks employees and visitors' temperatures, tells them to maintain six-feet apart to social distance and to wear a mask unless a medical condition prevents an individual from wearing a mask. Chairman Jeffers added that a requirement to wear a mask protects employees noting that some of the county offices and conference rooms make it hard to maintain social distancing. Chairman Jeffers advocated for the requirement to wear masks at the board meetings.

Regarding the question to Zoom the board meeting and why staff are not live streaming the board meetings, Ms. York reminded the Board of County IT staff's priorities were to restore services. She said to set up equipment and manage Zoom meetings for the Board of Commissioners took them away from that priority. She noted the Auditorium was not conducive to the Zoom meetings format noting the Board's usual boardroom would be easier to provide the Zoom format. Ms. York noted that tonight's meeting was audio streamed and would be posted, a first time for this service since the cyber incident took place.

Commissioner Puryear requested to hear feedback from departmental directors before considering a county-wide policy. Chairman Jeffers asked if the Board would like to consider mandating anyone attending a board meeting to wear masks and to allow the County Manager to solicit feedback from department directors to bring back to the Board at the next board meeting. Commissioner Sims added that there could not be a mandate for individuals with medical conditions to wear a mask and that the Board could not ask them questions about the medical condition. It was agreed that there would be an honor system whereby attendees did not have to wear a mask should they feel a medical condition precluded them to do so. No one would be turned away from the Board's public meetings.

August 3, 2020

Ms. York noted there were hand sanitizer stations at both entrances of the auditorium for the Board meetings.

A **motion** was made by Chairman Jeffers and **carried 4-1** to require attendees of the Board of Commissioners' meetings to wear a mask unless a medical condition precluded individuals from wearing a mask. Commissioner Puryear was the lone dissenting vote.

CHAIRMAN'S REPORT:

Chairman Jeffers recognized the Boy Scout in the audience. Casen Partridge of Boy Scout Troop 239 said he was working on his communications merit badge.

Chairman Jeffers thanked the Health Director, Janet Clayton for the COVID-19 update at the last meeting; he added the Health Department has launched its new graphic providing more COVID-19 demographic information to the public.

Chairman Jeffers acknowledged a letter sent to the Board by Ms. Anita Banks which included information from the City of Roxboro related to extending a waterline to her residence. He asked County Manager, Heidi York to explain the waterline extension agreement with the City of Roxboro. Ms. York stated the County has an Interlocal Agreement with the City of Roxboro whereby should the County invest in waterline extension in the county, a portion of the earned revenues are reimbursed to the County. She provided examples of County invested waterline extensions for Theresa Baptist Church and Roxboro Christian Academy. She noted the engineer price quote was approximately \$110,000 for the infrastructure noting a line would have to be laid under Highway 49 to get to Ms. Banks' residence. Chairman Jeffers requested to put this item on the September 8, 2020 board meeting agenda for consideration.

Chairman Jeffers announced the Person County Roxboro (PCR) Joint Comprehensive Plan web site at planpcr.com and encouraged citizens to take the survey.

MANAGER'S REPORT:

County Manager, Heidi York introduced the County's Fire Marshal, Keith Duncan who joined Person County on June 22, 2020. Mr. Duncan stated he has had an easy transition noting fire safety is his passion. Although, Mr. Duncan did not grow up in Person County, he said he spent a lot of his childhood in Person County. Chairman Jeffers stated he would see him on Thursday at the Fire Chief's meeting.

COMMISSIONER REPORT/COMMENTS:

Commissioner Sims thanked local law enforcement for keeping things under control. He was hopeful for safety and little damage from the upcoming storm.

Commissioner Clayton recognized the magnitude of the cyber-incident and thanked Dr. Tufts and Logically for helping Person County.

Commissioner Puryear had no report.

Commissioner Powell bid kudos to IT Director, Chris Puryear and his staff for everything they have done for Person County.

Chairman Jeffers requested a motion for a brief recess at 8:18pm to allow the Board to transition to its usual boardroom 215 to convene the Closed Sessions.

A **motion** was made by Commissioner Sims and **carried 5-0** to recess at 8:18pm to transition to the Board's usual boardroom to conduct the Closed Sessions on the agenda.

CLOSED SESSION #1

A **motion** was made by Commissioner Sims and **carried 5-0** to enter into Closed Session at 8:25pm per General Statute 143-318.11(a)(6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee for the purpose to discuss personnel with the following individuals permitted to attend: County Manager, Heidi York and Clerk to the Board, Brenda Reaves.

A **motion** was made by Commissioner Sims and **carried 5-0** to return to open session at 8:56pm.

A **motion** was made by Chairman Jeffers and **carried 5-0** to increase the County Manager's salary for her annual evaluation merit by 3%.

CLOSED SESSION #2:

A **motion** was made by Commissioner Sims and carried 5-0 to enter Closed Session per General Statute 143-318.11(a)(4) at 8:57pm for the purpose of discussion of matters relating to the location or expansion of industries or other businesses in the county (economic development) and to permit the following individuals to attend: County Manager, Heidi York, Clerk to the Board, Brenda Reaves, County Attorney, Ron Aycock via telephone conference, and Economic Development Director, Sherry Wilborn.

A **motion** was made by Commissioner Sims and **carried 5-0** to return to open session at 9:13pm.

ADJOURNMENT:

A **motion** was made by Commissioner Sims and **carried 5-0** to adjourn the meeting at 9:13pm.

Brenda B. Reaves
Clerk to the Board

B. Ray Jeffers
Chairman