

August 6, 2020

Office of the Privacy Commissioner of Canada (the "OPC")  
30, Victoria Street  
Gatineau, Quebec  
K1A 1H3

RE: Security Incident

Blackbaud Canada, Inc. ("Blackbaud") is part of a group of companies which provides cloud software, services, expertise, and data intelligence to organizations. We have recently suffered a ransomware attack and are in the process of notifying our customers (principal organizations) about this incident. Some of them may decide that the incident meets the threshold for breach reporting under PIPEDA and submit notifications to the OPC. Although Blackbaud is a third-party processor, we wanted to contact the OPC directly to provide you with information on how we have contained this incident and to offer Blackbaud's assistance, should you have any questions.

### About Blackbaud

Blackbaud is headquartered in the US but operates globally. Our software products are specially designed to support the unique needs of nonprofit and social good organizations. A small portion of our customers are located in Canada.

Blackbaud follows industry-standard best practices, conducts ongoing risk assessments, aggressively tests the security of our solutions, and continually assesses our infrastructure. Blackbaud is also a member of various Cyber Security thought leadership organizations, including: The Cloud Security Alliance and Financial Services Information Sharing and Analysis Center (FS-ISAC), where we team up with other experts to share best practices and tactical threat information for the Cyber Security community. We believe the strength of our cybersecurity practice and advance planning is the reason we were able to shut down this sophisticated ransomware attack.

### The Incident

A cybercriminal attempted to disrupt our business by locking us and our customers out of our servers and encrypting the files. After discovering the attempted ransomware attack, our Cyber Security team—together with independent forensics experts and law enforcement—successfully prevented the cybercriminal from blocking our system access and fully encrypting files; and ultimately expelled them from our system. This incident did not result in service interruption for any of our Canadian customers.

While we were able to successfully expel the attacker from Blackbaud's systems, the cybercriminal was able to remove a copy of a subset of data from our self-hosted environment, consisting of some customers' backup files. These backup files generally contain personal data about organizations' constituents such as



contact data, demographic information, and a history of the constituents' relationship with the organizations, like donation dates and amounts.

The attacker did not gain access to any credit / debit card information, bank account information, or constituents' usernames and passwords.

We paid the cybercriminal in exchange for reassurance that they had destroyed the data they took. Based on the nature of the incident, our research, and third party (including law enforcement) investigation, we have no reason to believe that any data went beyond the cybercriminal, was or will be misused, or will be disseminated or otherwise made available publicly. Their motivation was to disrupt our business by encrypting customer files in our datacenters, which we were able to prevent. We have hired a third-party team of experts to monitor the dark web as an extra precautionary measure.

### Remediation

Our teams were able to quickly identify the vulnerability associated with this incident, including the tactics used by the cybercriminal, and took swift action to fix it. We have confirmed through testing by multiple third parties, including the appropriate platform vendors, that our fix withstands all known attack tactics. Additionally, we are accelerating our efforts to further harden our environment through enhancements to access management, network segmentation, deployment of additional endpoint and network-based platforms.

Should you receive any breach notifications from our customers and need further information about this incident, please do not hesitate to contact me as Blackbaud is ready to assist the OPC as required.

Regards,



Cameron Stoll (Aug 6, 2020 14:27 EDT)

Cameron Stoll  
Director, Privacy and Data Protection Officer