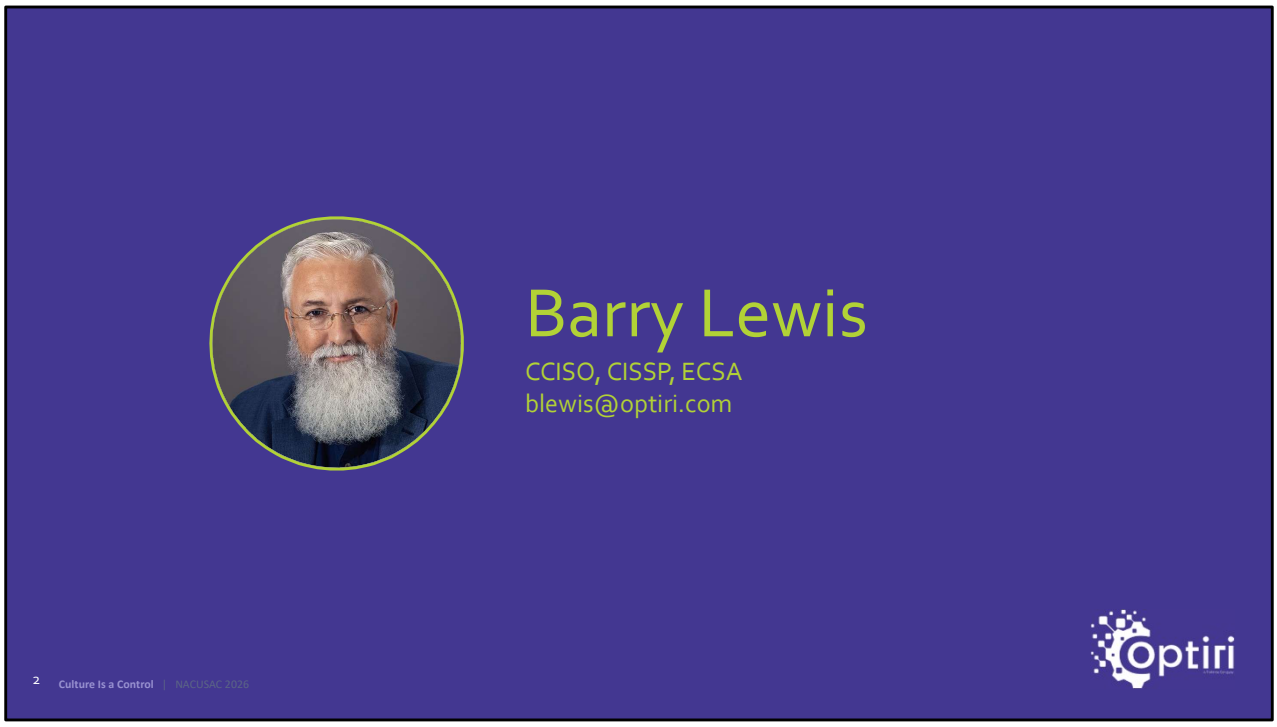
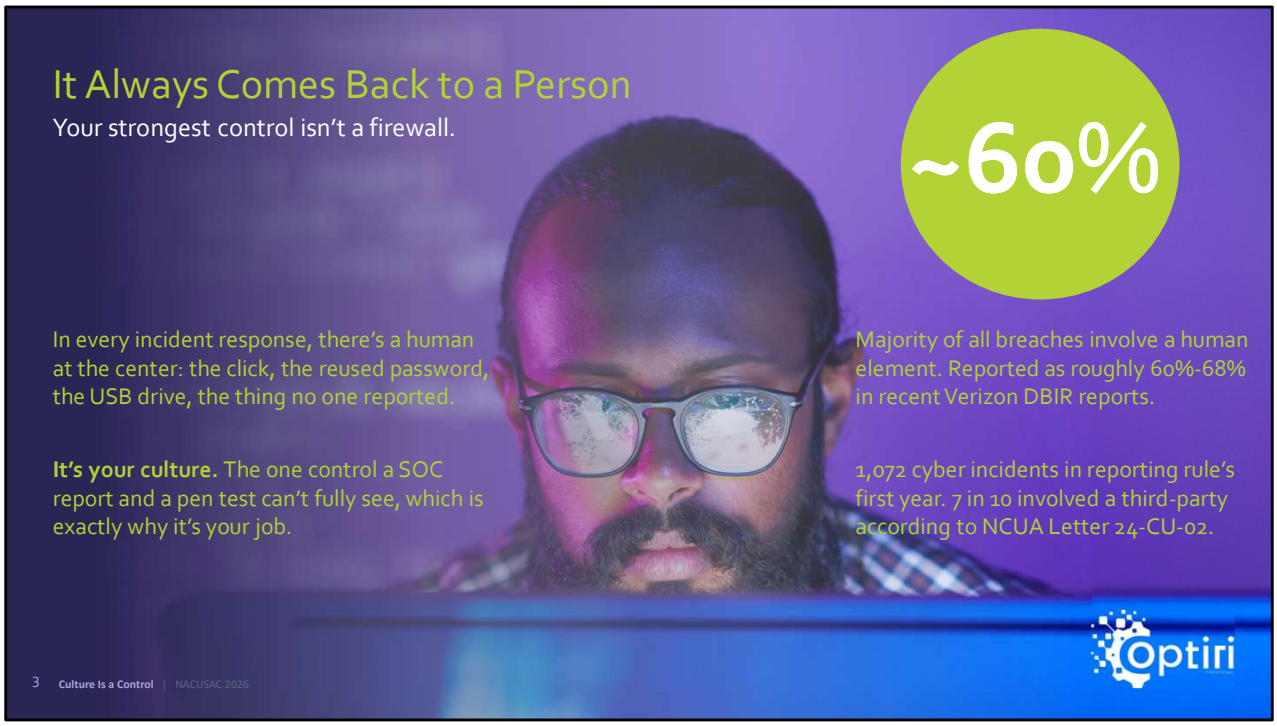
- "I want to start with a pattern."
- Every IR engagement I've been part of had a person at the center. Every single one.
- Somebody clicked, reused a password, plugged in a found USB — or saw something off and *said nothing*.

- **Scenario:** Accounting employee gets CEO email asking for a wire → then a video call, CEO's face and voice, new project, funds needed now → employee wires it.
    - Reconciliation later flags it: CEO never sent the email, never made the call. Email spoofed, video call an AI fake. **More than a million dollars gone.**
    - No firewall, no network tool would've caught it — nothing was technically breached; controls worked as designed.
    - The only thing that stops it: a person free to pause and verify in person, even against a "CEO" request. **That pause is a cultural artifact. You either have a culture that produces it or you don't.**
- (Theoretical/composite — not attributable to a specific credit union)



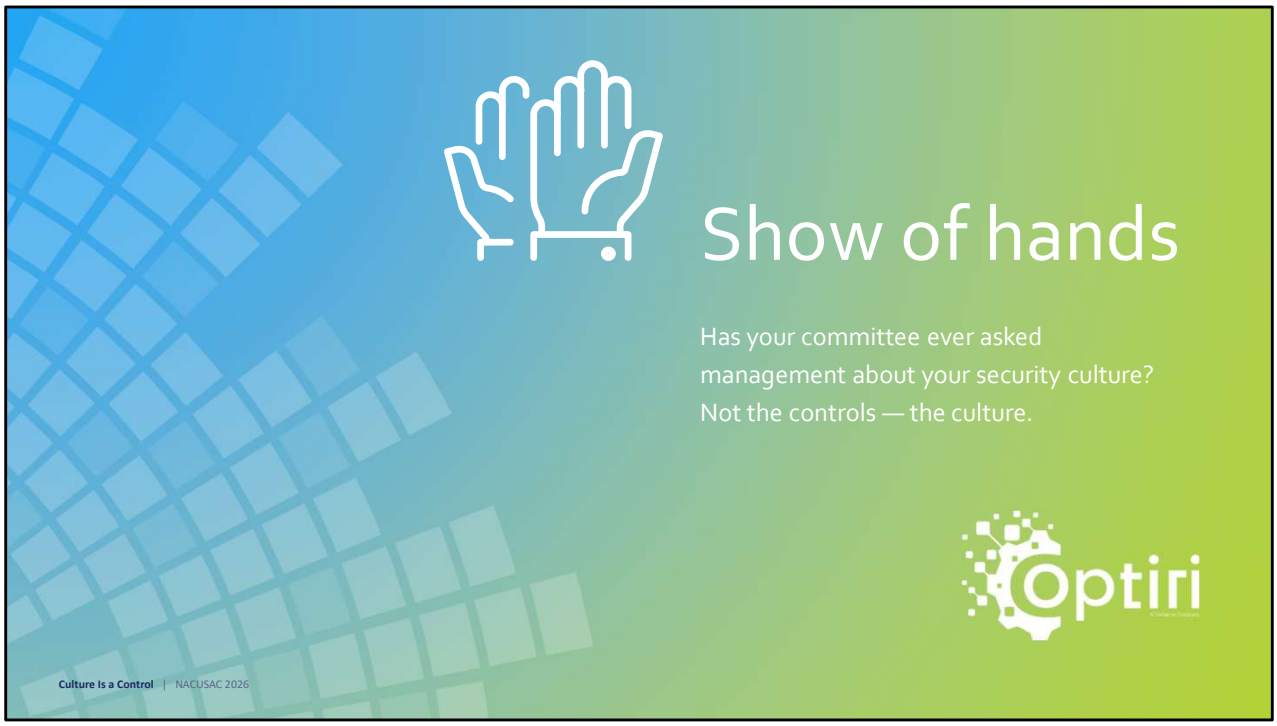
27+ years in/around credit unions; computer operator → VP of IT → MSP side → today lead a team of vCISOs (couple hundred million to $6B+ in assets).



- Uncomfortable truth: strongest control isn't the firewall, endpoint, SIEM, or last year's tool spend. It's your culture — how people behave when no one's watching.
- Human element = majority of breaches yearly (~60–68%, recent Verizon DBIR).
- NCUA rule, first full year: 1,072 incidents reported; 7 in 10 involved a third party. Trend line isn't our friend.
- Why this room? Firewall shows up in an audit; culture doesn't. SOC report can't see it, pen test can't fully measure it. **The one control that never appears on paper — which is exactly why it belongs to you.**
- Next 50 min: not how to *build* a culture, but how you *evaluate* one.

- The gap: technical controls get audited yearly; culture almost never does — yet culture decides footnote vs. headline.
- Authority (be precise — differs by seat):
    - **Board:** NCUA Letter 24-CU-02 (Oct 2024) — treat cyber as top governance duty; "embed cybersecurity into the organizational culture" (regulator's words). Part 748 = board approves/oversees the infosec program.
    - **Supervisory/audit committee:** Reg 715.3 — ensure management safeguards member assets and board controls are administered. Member info is a member asset.
    - **Internal audit:** same letter calls for independent audit of the program. That's you.

- Core belief: **security decisions are business decisions.** Culture is a risk to be measured against tolerance — the same muscle you already use for credit, liquidity, etc.
- Stakes: ~$6M average breach at a financial institution (22% above global avg). 90% of members say identity theft is a serious worry. Member trust is what's on the line.



★ INTERACTION

- Ask for real hands: "Who on your committee has ever asked management about your security *culture*?" — not controls, not backups. Culture. Whether people feel safe reporting. Whether tone at the top is real.
- Look around; if small, count aloud ("four… five hands"), smile.
- "That gap is what we're closing this morning."

You can't spot a problem until you know healthy.
Six hallmarks, each with *observable evidence*.

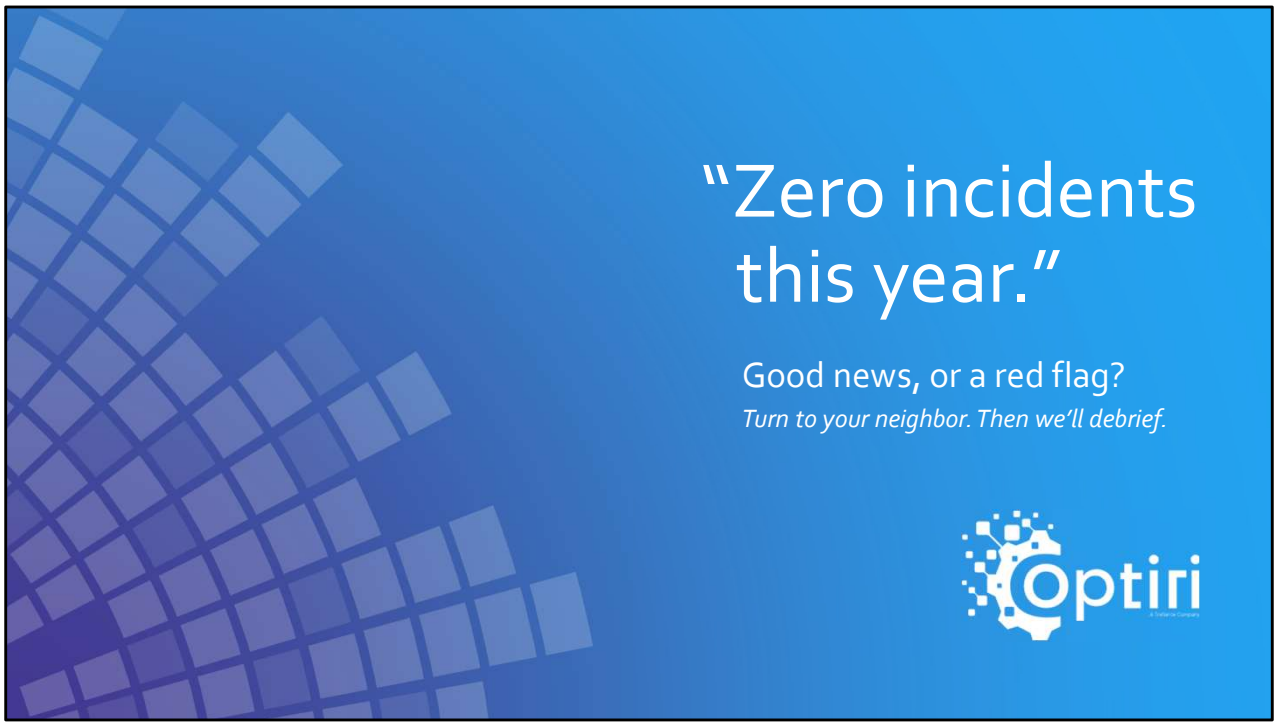
Top row (1–3):

- **Visible leadership commitment** — strategic priority, not checkbox. Evidence: real budget, a security leader with standing/access to you, security in exec performance expectations. Twice-a-year mentions = theater.
- **Shared responsibility** — not "IT's problem." Evidence: job descriptions, onboarding, how a teller/loan officer talks about it. Only IT badges can discuss it = problem hiding behind a good org chart.
- **Psychological safety to report** (the one I care most about) — after a click, first question is "how did it get past our filters?" not "who do we blame?" Afraid to report = you go blind. Best detection is a person who feels safe speaking up.

Bottom row (4–6) — no advance:

- **Continuous learning** — not one annual training. Ask the budget split: strong cultures spend 43% on people/training vs. 19%. Tools vs. people?
- **Security as enabler** — "how can we do this securely?" vs. "no." Roadblocks create workarounds = shadow IT.
- **Integration into daily work** — secure way = easy, default way. Fight the system to be secure, security loses.

- Watch for these in reports, interviews, and walking the building.
- Left to right:
  - **Blame-focused IR** — "zero-intrusions-allowed" mindset; team blamed even when they stopped the attack. Poison. Punishing finders teaches everyone to stay quiet.
  - **High security-team turnover** — burnout, no support, ignored warnings. Revolving door → ask why.
  - **Compliance theater** — thick binder, boxes checked, nothing practiced. Dangerous for a committee because it's built to look good on paper. Look past the paper.
  - **Tools over people** — buys every appliance, under-resources the people running them. "A six-figure tool nobody has time to monitor is a receipt, not a control."



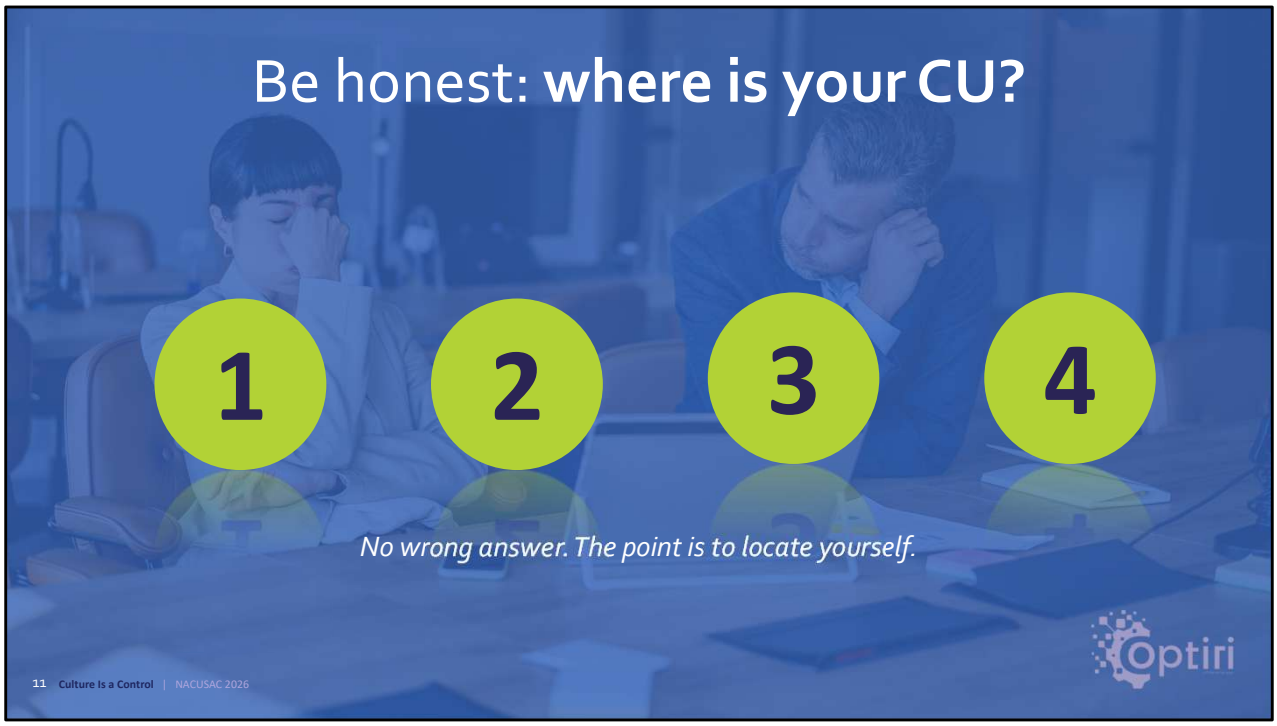
★ INTERACTION · TABLE TALK (90 SEC)

- Turn to your neighbor, ~90 seconds: "Your CU reports *zero* security incidents this year. Good news, or red flag?"
- "Who says good news? Who says red flag?"

- My answer: usually a **red flag.** Zero almost never means nothing happened — it means people aren't reporting (afraid, or don't know how). Healthy cultures generate a steady stream of reports. **When the stream runs dry, the silence is the finding.**

- The distinction most leaders (and oversight bodies) miss: measuring compliance vs. measuring culture.
- Training completion = compliance. Says people did the training; says nothing about behavior change.
- Seen 100% completion CUs still clicking phishing, reusing passwords, sticky notes on monitors. Compliance solved, culture untouched.
- **Left (compliance):** completion, quiz scores, policy sign-offs, attendance — the floor, not the goal.
- **Right (culture):** phishing reporting rate, time-to-report, self-surfaced incidents, violation trend.
- **The one metric to remember: the reporting rate beats the click rate.** Clicks will happen — the question is the next 60 seconds: does someone speak up, or does it sit in silence while the attacker moves?

- Four levels:
  - **L1 Compliance** — "We train because we have to." Only completion measured.
  - **L2 Awareness** — people understand why it matters to their role.
  - **L3 Behavior Change** — doing things differently; "careful what I click, and I report." Reporting climbs, violations fall.
  - **L4 Culture** — security is just how work gets done; "we help each other"; little supervision.
- Honest field read: most CUs are L1–L2. **L3 is realistic and should be your target.** L4 takes years; few get there — that's fine.
- Point isn't to pretend you're a 4. It's to know where you stand and move up *intentionally.*



★ INTERACTION · SILENT SELF-ASSESSMENT

- Quietly, just for yourself, no hands: where is your CU right now — 1, 2, 3, or 4?
- "No wrong answer. The only wrong move is not knowing."

- Oversight ≠ running the program. It's asking the questions that push leadership to build a real one. Full set on the one-pager; here's the top question in each category:
    - **Leadership:** how much of the security budget goes to people/training vs. tools? That ratio tells you if leadership thinks culture is real.
    - **Reporting / psychological safety (my favorite):** when an employee reports a mistake, what actually happens to them? Discipline = problem; thank + fix the system = good shape. Companion: how many concerns did staff report last quarter? (Low number = warning.)
    - *Callback:* the wire transfer — the question that saves the million dollars is whether someone who pauses a CEO request gets *thanked* or treated as slowing things down. **That safe pause is worth more than any tool.**
    - **Measurement:** beyond completion, what do we track? Push for reporting rate, time-to-report, repeat clickers, violation trends. Only a completion % = your gap.
    - **Board engagement** (carries weight with examiners): has every board/committee member done cyber training this year — with documented what/when/who? Examiners want proof, not "we got a briefing once."
- None of this needs a technologist — just a good overseer pointed at a control most committees never examine.

- Credit unions serve about 139M Americans. What sets us apart, the reason the movement exists, is **trust.**
- A mature security culture protects that trust — member data, reputation, the relationship. **Culture isn't a cost center; it's what lets you keep the promise you made to members.** Your role is specific: not to run the program, but to ask the questions that encourages CU leadership to build a real program.
- Start with the handout, at your very next meeting.


Thank you.
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