

AGENDA REPORT

TO: Steven Falk

Interim City Administrator

FROM: Angela Robinson Piñon

Deputy City Administrator

SUBJECT: Renew and Continue a Declaration of

a Local Emergency Due to

Ransomware Attack

DATE: March 16, 2023

City Administrator Approval

Date:

Mar 16, 2023

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Renewing And Continuing The City Council's Declaration Of Local Emergency Within The Territorial Limits Of The City Of Oakland Due To A Ransomware Attack, Proclaimed By The City Administrator On February 14, 2023, And Ratified By The City Council On February 16, 2023, Pursuant To Oakland Municipal Code Chapter 8.50 And Government Code Section 8630.

EXECUTIVE SUMMARY

The purpose of this resolution is to renew and continue the City's local emergency due to a ransomware attack. By adopting this resolution, the City Council would find and proclaim that a local emergency continues to exist pursuant to California Government Code Section 8630.

REASON FOR URGENCY

The City's recovery efforts in response to the February 2023 ransomware attack are ongoing, and the need to operate on an expedited basis remains with respect to procurement of professional services, equipment and materials. The Information Technology Department (ITD) is still working to restore systems impacted by the ransomware attack, which includes (but is not limited to) continued services needed from outside vendors. ITD and the Finance Department still require the City's state of emergency status in order to proceed with paying vendors retained as a result of the attack. The Emergency Operations Center (EOC) team remains activated. Under currently applicable state law, the City Council would not be obligated to review the City's state of emergency declaration again until April 16. However, the next regular Council meeting is not until April 18. The Council must renew the emergency declaration at the March 21 meeting in order to avoid a lapse in the local state of emergency.

Subject: Renew and Continue a Declaration of a Local Emergency Due to Ransomware Attack
Date: March 16, 2023
Page 2

BACKGROUND / LEGISLATIVE HISTORY

On February 14, 2023, the City Administrator acting as Director of the EOC declared a local emergency within the territorial limits of the City of Oakland due to a ransomware attack and the Proclamation is attached as *Exhibit A*.

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On February 16, 2023, the City Council confirmed and ratified the existence of a local emergency within the territorial limits of the City of Oakland pursuant to <u>Oakland Municipal Code Chapter 8.50</u> and Government Code section 8630 (<u>Reso. 89592 C.M.S.</u>).

By adopting this resolution, the City Council will affirm that a local emergency continues to exist due to the ransomware attack and directs the City to take measures to respond to the emergency.

ANALYSIS AND POLICY ALTERNATIVES

The City has made significant effort to address the ransomware attack, including threat containment, restoration of City applications, file servers, and access to critical documents; however, the recovery is not yet complete. As a result, City Administrator has determined that the recovery effort may require the procurement of professional services, equipment and materials, the activation of emergency workers, and/or the promulgation of orders on an expedited basis and that need is ongoing. Furthermore, the investigation into the attack determined that a data breach occurred resulting in unauthorized access to files and folders that contained personal information and the City has since worked to identify and contact individuals whose information was accessed. The City has determined that both current and former employees have been affected by the breach; and on March 15, 2023, the City began mailing notification letters to California residents via U.S. mail in accordance with California Civil Code Section 1798.29 and is offering notified employees complimentary identity monitoring services. Moreover, the Emergency Operation Center remains activated and continues to meet regularly to respond to the local emergency.

Pursuant to Government Code section 8630, the City must renew the local emergency every 60 days. Failure to adopt the resolution may limit the City's access to resources, including funding, from the state and federal government that are needed to respond and recover from the ransomware attack.

FISCAL IMPACT

There is no fiscal impact directly associated with this action; however, the declaration of a local emergency is a requirement for a local jurisdiction to be eligible for funding to support disaster recovery post-emergency.

PUBLIC OUTREACH / INTEREST

There was no public outreach required beyond the posting and noticing of this agenda item.

Subject: Renew and Continue a Declaration of a Local Emergency Due to Ransomware Attack
Date: March 16, 2023
Page 3

COORDINATION

Production of this ordinance was coordinated between the Oakland City Attorney's Office and the City Administrator's Office.

SUSTAINABLE OPPORTUNITIES

Economic: As noted, declaration of a local emergency is often a pre-requisite to receive disaster recovery funding.

Environmental: There are no direct environmental opportunities associated with the proposed resolution.

Race & Equity: Declaration of a local emergency may allow the City to access funds that may be used to mitigate the direct effects of a local emergency. These funds, once received, could be targeted to address the immediate needs of Oakland's most vulnerable residents.

Subject: Renew and Continue a Declaration of a Local Emergency Due to Ransomware Attack
Date: March 16, 2023
Page 4

ACTION REQUESTED OF THE CITY COUNCIL

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For questions regarding this report, please contact Angela Robinson Piñon, Deputy City Administrator, at arobinsonpinon@oaklandca.gov.

Respectfully submitted,

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ANGELA ROBINSON PIÑON Deputy City Administrator City Administrator's Office

Exhibits (1):

A. Proclamation of Local Emergency Declared By Interim City Administrator G. Harold Duffy On February 14, 2023