

The CDK Cyber Incident and How Dealers Should Respond

July 1, 2024

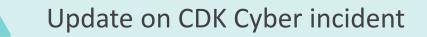
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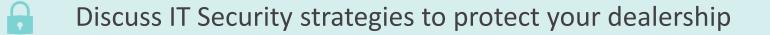


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Discussion Topics







Review accounting and financial reporting matters



Understanding your insurance coverages





IT Security Strategies to Protect your Dealership

How IT ransomware attacks work

- Getting unauthorized remote access to network
- Elevating access to administrator
- Deleting system backups
- Stealing data
- Encrypting systems

Security concerns related to a vendor compromise

- Your passwords compromised could be used for unauthorized remote access
- Customer data exposure
- Fraudsters impersonating vendors in social engineering attacks





IT Security Strategies to Protect your Dealership

Enhance security policies and training

- Written Information Security Policy
- Business Continuity Policy
- Disaster Recovery Policy
- Incident Response Policy
- Perform tabletop testing
- Educate team on social engineering



Evaluate technical security controls

- Securing remote access
- Monitoring system activity
- Protecting and testing backups *must be isolated*!
- Implement strong endpoint security / anti-virus controls
- Keep systems patched and securely configured





Accounting and Financial Reporting Matters

- Monthly factory statement reporting
- Filing of tax returns sales/use taxes and payroll tax returns
- Transfer of data within the store and security protocols
 - How is dealership data handled?
 - Change all passwords
- Considerations for remote dealership employees
 - Usage of personal laptops
 - Transferring customer information
- Key operational activities needed to catch up DMS
 - Accounting, F&I and ROs/Parts tickets
 - CDK functions requiring immediate attention after restart





Polling Question

What best describes your current situation?

- My dealership has been affected by this event and I need direction on how to proceed.
- My dealership does not have any protocols set up in case something like this happens to us.
- My dealership is prepared for a situation like this and we don't need any help.





Understanding Your Insurance Coverages

- Notice and Mitigation to Insurance company
- Insurance policy language is critical
- General commercial vs. Cyber policies



- Coverage typically includes loss of business income and "extra expenses"
- Goal is not to put you in a better position







Thank you!

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