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The CDK Cyber Incident and How Dealers Should Respond

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Discussion Topics



Update on CDK Cyber incident



Discuss IT Security strategies to protect your dealership



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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