# Data Security Breaches — A Dealership's Biggest Risk





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## Agenda

- Impact of a data breach
- What puts you most at risk for a data breach?
- Best practices for limiting your risk





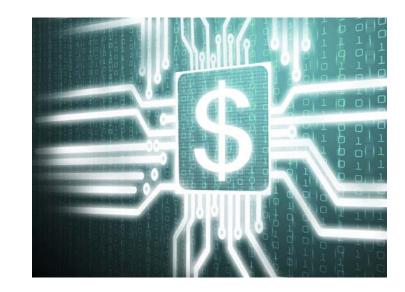
## The Impact of a Data Breach

- Data security breaches and associated costs are at an all-time high
  - 43% of U.S. organizations
     were breached in 2014\*



## **Financial Implications**

- Total costs estimated at \$201 per record compromised\*
- 60% of small firms go out of business within six months of breach\*\*
  - 3 out of 5 attacks target small businessT



<sup>\*</sup>Ponemon Institute

<sup>\*\*</sup>Experian (2015)

<sup>†</sup>Symantec (2015)

#### What Causes a Data Breach?

- Brute force attacks on systems are no longer the norm
- Compromising user endpoints is easier for hackers
- Employees are biggest risk



## What the Safeguards Rule Requires

- Protect data against
  - Unauthorized access
  - Hazards to security
  - Administrative, physical, and technical threats
- Confidentiality of customer information
- Compliance ≠ secure





## FTC Safeguards Enforcement

- FTC entered into over 53, 20year safeguards consent decrees
- Safeguards shortcomings are unfair trade practices-violating Section 5 – FTC Act





#### **Penalties for Violations and Recent Case Law**

- Dealers incur state penalties plus cost of notifying consumers
- Plaintiffs finding ways to allege actual harm to bring class actions



## What puts you most at risk?

- Storing/sending consumer information in readable text files
- Neglecting encryption
- Failing to address system attacks
- Failing to patch/upgrade systems



## **Data Safeguards Shortfalls**

- Failing to
  - Keep firewall and anti-virus software current
  - Employ measures to detect unauthorized access
  - Regularly do system penetration tests
  - Train/monitor employees



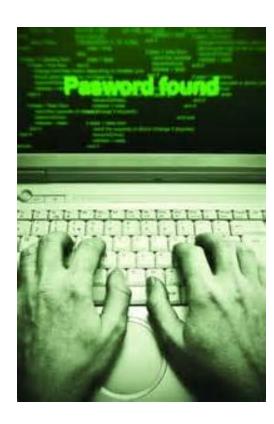
## Safeguarding Shortfalls

- Failing to
  - install Data Protection Software
  - change default passwords
- Neglecting to
  - review and monitor service providers
  - securely dispose of data



## **Safeguards Disparities**

- Failing to
  - require complex system passwords and frequent password changes
  - implement, test, and update a security incident response program
  - update Safeguards Program





## **Best Practices for Limiting Risk**

- Store customer information on a secure server
- Know system data flow
- Monitor user access to PII
- Monitor irregular patterns of activity



#### Recommendations to Help Eliminate Risks

- Disable
  - download of PII to external devices
  - local administrator privileges
  - download of unapproved software
- Limit points of entry into systems



## **Build an Incident Response Plan**

- Plan is critical because time matters
- Designate individuals for tasks and retain experts
- Do mock tabletop drills and revise plan accordingly



#### Address the Human Element

- Train employees regularly
- Get a proxy server to prevent access to sites with malware
- Cut off terminated employees immediately



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## **Protect your Dealership**

- Limit permissions to customer data to specific job roles
- Employ procedures to detect unauthorized access and fake users



#### Protecting Dealerships in a Mobile World

- Create BYOD policy
- Use MDM software for all devices connected network
- Use "container" software for access to/from your system



## Paper Files

- Appoint "gatekeeper" to control access files
- Audit data flows and monitor access to paper files the same as electronic files





## **Security Defense Practices for Dealers**

- Use systems with audit trails
- Review unusual activity
- Inventory all employee devices





#### **Protect Customer Information**

- Don't leave customer data exposed
- Short PC screen time-outs
- Wipe hard-drives before discarding equipment



#### Make Access to Customer Data More Difficult

- Use two-factor authentication for any access
- Encrypt devices allowed to connect to your internal network
- Review anti-keylogging software



## **Security Measures for Dealers**

- Get a static IP address; enable access only from that IP address
- Authentication for PII servers
- Limit access to "view only"



## **Safeguards Considerations for Dealers**

- Update your program and train, train
- ConsiderCybersecurityInsurance



## How Do I Respond to a Security Incident?

- Deploy security incident response team
- Notify cyber-insurance company
- Consider:
  - monitoring logs to identify infected systems and devices
  - forensics person to examine systems



## How Do I Respond to a Data Breach?

- Forensic images of systems
- Determine if the bad guys still have access
- Have email gateways been compromised?
- Contact local F.B.I. office





#### **Data Breach Counter Measures**

- Tell media that we are investigating— DON'T SPECULATE
- Additional requirements if payment cards compromised
- Do a post-mortem





- Employees are your biggest risk
  - Hackers need to only compromise one person
- Monitor data access
- Do penetration tests
- Develop an incident response plan

## Questions

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