

## What Happened to My Network!

By Terry Dortch, President and Founder  
and Sue Wilschke, Consultant  
**Automotive Compliance Consultants Inc**

At the end of April 2011, Sony's PlayStation Network was hacked, customer information stolen, and the network destroyed. The attack on Sony was two pronged. First the hackers obtained access to the network and stole all customer information. Once the theft was completed, the hackers destroyed the network. Given the magnitude of the breach, Congress held hearings and questioned whether Sony was using "best business practices" to protect its network and customer information. The issue for Congress was not that a breach had occurred, but that the breach was extensive and unknown to Sony for some period of time.

So what does Sony's problem have to do with your dealership? The answer is everything, but on a smaller scale. The information stored on your dealership's network is invaluable to your daily operations and profit. Unfortunately, your financial and customer information is also valuable to thieves and hackers. Computer hacking has become a lucrative business, and in many cases is now done by highly trained professionals who have little trouble working around a firewall. In today's business environment it is not a question of "if" your network will be breached, but when.

Make sure your employees are aware of email phishing and whaling techniques, and are trained to avoid them. Phishing attempts to get people to click on a link they think belongs to a trusted website but in reality leads to a fake website. Sensitive information is entered, and then that information is used to steal identities, money

and information. Whaling is targeted phishing, usually at managers and executives, who have access to large amounts of sensitive company information. The losses experienced in successful whaling phishinges can be devastating.

Employees need to understand how to create strong passwords. In order to be effective, passwords need to be much more complex now than in the past. Passwords created of names or words in the dictionary are breakable, and hacking into social network accounts can provide typical passwords like pet names, children's names, and birthdays.

A study conducted by Javelin Strategy & Research found that small businesses lost eight billion dollars in 2010 to identity theft. Phil Blank, research analyst at Javelin Strategy & Research stated that smaller businesses "are low hanging fruit" to hackers. They are very attractive targets because they tend not to have formal controls in place. Having your network breached is one thing. Having your network breached and not knowing about it can lead to catastrophic consequences. We all know the frustration of having our network down for even an hour during the day. Imagine being down for a week or more.

California businesses are required to notify their customers of a database breach if they suspect personal data was accessed illegally. On January 1, 2012 a new California law will require businesses to directly notify customers of a security breach and provide more details about the

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### ADOMA Mini Conference

**Saturday,  
November 12th  
At  
Cerritos  
SCCTT**

Save the Date!  
Details to follow shortly.

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# Chapter Meeting Information for October

## Inland Empire, Los Angeles & Orange County Chapter Meetings

### What Happened to My Network! What Indeed!



Your computer passwords don't seem to stop anyone but you, your Facebook account is sending out messages of its own, and your network firewall is losing the battle.  
What's going on?

Come to the October ADOMA meeting in your area to learn ways to control the access of your personal and your company's information; from passwords and malware to scams and keystrokes. Sue Wilschke of Automotive Compliance Consultants will help you understand what steps you can take, and what new directions the hackers are taking.

#### **Speaker:**

Sue Wilschke early career in the automotive industry brought her to The Reynolds and Reynolds Company. Sue was a member of the training and education group and developed and facilitated automotive dealership employee classes and national customer seminars. During this time, she progressed to Installation and Training Team Leader.

Sue subsequently joined the Reynolds Consulting Group specializing in dealership management system utilization, best practices, and process improvements. Dedicated to delivering with excellence, Sue was awarded the Core Value Award (2000) and the Citation for Service Excellence – "The 300 Club" (2002). She was promoted to Regional Consulting Manager in 2004, and awarded Consulting Manager of the Year (2005).

Now a consultant with Automotive Compliance Consultants Inc, Sue assists dealerships in mitigating the challenges they face to become and remain compliant in the areas of Red Flags, Information Security Safeguards, OSHA, F&I and EEO. Her track record in automotive training and consulting assures understanding of a dealership's increasing compliance responsibilities and the processes necessary to avoid fines, penalties, and civil actions.

Sue serves as an Executive Board member of Auto Dealers Office Management Association (ADOMA). She is active in the Encino Village Neighborhood Alliance where she is on the Neighborhood Watch / Emergency Preparedness steering committee, and has taken Community Emergency Response Training (CERT),

***REGISTRATION INFORMATION NEXT PAGE...***

#### **Meeting Highlights!**

See page 6 of this newsletter for highlights from the September "Preparing for Year End" program.

## Meeting Registration Information

- **LOS ANGELES Date: Wednesday, October 19th**

**Time:** Social 6:00 PM, Dinner 6:30 PM **Cost:** \$35.00 Members & Spouses, \$45.00 Guests  
**Location:** *Stevens Steak & Seafood House*, 5332 Stevens Place, City of Commerce

**Register by Monday, October 17th** by phone, fax or our website at [www.adoma.org](http://www.adoma.org) Reservations not honored will be billed for the full meal fee. **Make checks payable to ADOMA-LA:**

c/o Cherie Harris, Ford of Montebello  
2747 Via Campo, Montebello, CA 90640  
Tel: 323/838-6920 fax: 323/838-6912  
Email: [cheriedharris@yahoo.com](mailto:cheriedharris@yahoo.com)

- **ORANGE COUNTY Date: Thursday, October 20th**

**Time:** Social 6:00 PM, Dinner 6:30 PM **Cost:** \$35.00 Members & Spouses, \$45.00 Guests  
**Location:** *Black Angus Restaurant*, 1350 N. Tustin Ave., Santa Ana

**Register by Monday, October 17th** by phone, fax or our website at [www.adoma.org](http://www.adoma.org). Reservations not honored will be billed for the full meal fee. **Make checks payable to ADOMA-OC:**

c/o Sherri Johnson, Allen Cadillac GMC  
28332 Camino Capistrano, Laguna Niguel, CA 92677  
Tel: 949/485-3700— Fax 949/364-0110  
Email: [sjohnson@allenaautos.com](mailto:sjohnson@allenaautos.com)

- **INLAND EMPIRE Date: Tuesday, October 25th**

**\*\*\*Reminder— Back to Sizzler!\*\*\***

**Time:** Social 6:00 PM, Dinner 6:30 PM **Cost:** \$35.00 Members & Spouses, \$45.00 Guests  
**Location:** *Sizzler (Banquet Room) 6631 Clay, Riverside (Van Buren & Clay)*

**Register by Monday, October 24th** by phone, email or our website at [www.adoma.org](http://www.adoma.org) Reservations not honored will be billed for the full meal fee. **Make checks payable to ADOMA-IE:**

c/o Jane Knight, Lexus of Riverside  
3150 Adams St., Riverside, CA 92504  
tel. 951/354-4150  
Email: [jane@lexusriverside.com](mailto:jane@lexusriverside.com)

### Things to Ponder! Hmmm.....

- Why do "overlook" and "oversee" mean opposite things?
- Why isn't 11 pronounced onety one?
- Why do we say something is out of whack? What is a whack, anyway?
- When cheese gets it's picture taken, what does it say?

## Education Article continued....

### What Happened to My Network continued from cover page...

information that may have been stolen. Businesses must also supply a phone number and a company contact the customer can call if they have questions.

Not only will you incur the expense of notifying customers that their personal information was breached at your dealership, but your own financial information will be compromised, stolen and possibly destroyed. Thus, there are sound business reasons for taking steps to protect your network and the information on it as required by the FTC Safeguards Rule under the Graham Leech Bliley act.

Increasing cyber attacks and more sophisticated cyber criminals leave your firewall-protected network vulnerable. A firewall lets your IT staff know about attacks that were blocked, but will not give any indication of successful intrusions until it is too late. Best business practices require a Managed Security Services Provider (MSSP) to

monitor your network, and alert your IT staff when an intrusion occurs so immediate action can be taken. The MSSP provides real time monitoring of your network. Absent real time monitoring, your business will not be able to detect a network compromise until substantial damage has been done. Dealerships, like other small businesses today, face increasingly more aggressive exploitation threats to their IT network by hackers, spammers, and others seeking private data. Given the volume of financial transactions that occur on a dealership network, it makes little sense not to have an MSSP monitoring and protecting the network.

*Terry Dortch is the Founder and President of Automotive Compliance Consultants Inc. Sue Wilschke is a Consultant with Automotive Compliance Consultants Inc in California and Nevada, and can be reached at 818.297.4168.*

Save the Date!

## **ADOMA Mini-Conference Coming to Town!**

**Southland/Cerritos Center for  
Transportation Technologies, Training Facility at Cerritos College**  
**Saturday, November 12th**  
**9am to 3pm**

Morning Keynote Topic:

"Crime and Business: Protecting Yourself From Employee Theft."

Speaker: Marc G. Labreche

Deputy District Attorney, Office of the Orange County District Attorney  
Major Fraud Unit

Also on the agenda: Employee Incentive Programs that Don't Cost \$\$\$ and Excel training 101!

Registration and details to follow in the next issue....stay tuned!





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### GLB

*Gramm, Leach, Bliley*

- Information Security Plan
- Quarterly Dealership Visits
- USA PATRIOT Act (OFAC)
- Telemarketing Sales Rule (TSR)
- Can Spam
- 8300 Cash Reporting
- Money Laundering
- Shredding Containers

### EEO

*Equal Employment Opportunity*

- General Anti Discrimination & Harrassment Training
- Establish EEO Process for Employees
- Conduct Management Round Table Meetings
- Handling EEO Complaints
- Hiring Techniques & Reviews

### OSHA

*Occupational Safety and Health*

- Training Requirements/ Documentation
- Semi Annual Audit
- Material Safety Data Sheets (MSDS)
- Identify Safety Hazards
- Create Written Emergency Plans

### F&I

*Finance and Insurance Office*

- Adverse Action Letters
- Regulation Z and M (Proper Disclosure)
- Proper Terminology
- Semi Annual Audit of Deals
- Red Flags Program

**Contact your sales representative TODAY to schedule your FREE AUDIT.**

LOCAL REPRESENTATIVE  
**SUE WILSCHKE**

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CORPORATE CONTACT  
**TERRY DORTCH**

TELEPHONE:  
**866.301.0593**

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# What You Missed....

## September Chapter Program Highlights

### Preparing for Year End

Presented by:

Shelly K Jackley, CPA & Brandon Burrows, CPA  
LSL Certified Public Accountants

Shelly & Brandon shared with us items to help us as Business Managers to prepare for year end. Some highlights included:

- LIFO - Estimate the reserve adjustment BEFORE producing a 12th month financial
- Parts Inventory – Prep the cost data for next year's LIFO Report & Obsolescence must be gone before you can write it off
- Fixed Assets – Do a physical inventory before year end, write off if disposed of, but don't write off if you have it even if it is fully depreciated.
- W-2's for owners or officers need to include Medical insurance (S-corp), Demos, Other taxable perks like Life Insurance & Factory trips, gifts & awards
- Generate 1099's for owners for Rent, Interest & Dividends (excluding S-corp distributions)

Other items were mentioned:

- Reminder – Unclaimed Property due 11/1
- Cash Reporting Form 8300 has a new form rev. 06/11 & notices due to those reported on by 1/31/12
- Document retention for tax purposes – 5 years.
- NADA have comprehensive document retention lists
- Set up your 2012 calendar for due dates – Use ADOMA's list as a starting point.

*Our thanks to Shelly and Brandon for their presentations  
and for their continued support of ADOMA.*






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Forum for education and the  
exchange of ideas and information  
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**UPCOMING CHAPTER  
EDUCATIONAL MEETINGS**

**"WHAT HAPPENED TO MY  
NETWORK!"**

**ADOMA Los Angeles**  
*Wednesday, October 19th*

**ADOMA Orange County**  
*Thursday, October 20th*

**ADOMA Inland Empire**  
*Tuesday, October 25th*

*See pages 2 & 3 for details! Visit [www.adoma.org](http://www.adoma.org) often for  
updated program information.*

*September "What You Missed" recap on page 6!*

**Dinner on ADOMA  
for first-time guests!**

Claim your dinner by referencing this  
ad when you register for any or all  
chapter events!

Offer only applies to all first-time non-  
member industry professionals.  
Bring a first-time guest and if they join  
you get a prize!

