

Car dealerships across US halt services after cyberattack

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Thousands of car dealerships were ground to a halt during a normally busy holiday Wednesday by a cyber incident at CDK Global, a major

software provider for dealers across the US.

The company "shut all systems down and executed extensive testing and consulted with external third-party experts," Tony Macrito, a CDK spokesman, said in an email. The company's core product—a dealer management system—and its digital retailing solutions have been restored, and CDK is testing all other applications and will provide updates as it brings them back online, Macrito said.

CDK's systems, which many car dealerships rely on to conduct nearly all of their normal business, first went down around 2 a.m. Eastern time, said Brad Holton, vice president of Proton, a cybersecurity firm that serves dealers and the auto industry.

He said CDK provided little information on what caused the outage that effectively shuttered many dealerships. Some can't function at all and others have been forced to resort to paper record keeping for routine services like oil changes, Holton said.

A BMW store in Manhattan told customers that it was forced to halt all new business, including scheduling appointments or car servicing. When asked how long its operations may be disrupted, a customer care representative for the store responded, "I truly have no idea."

Other dealerships also struggled to do business. "We can't access customer records, can't set certain appointments. We can't even print a repair order," said Claire Glassmire, a receptionist at Barbera's Autoland in Philadelphia. Employees have been using workarounds all day, said Glassmire, adding that "all our hands are tied."

Proton's Holton said some CDK functions began to come back online Wednesday afternoon, but others remained down and the restored services weren't fully operational.

"Dealers are very committed to protecting their customer information," said Mike Stanton, president and chief executive of the National Automobile Dealers Association, adding that they are "seeking information from CDK to determine the nature and scope of the cyber incident so they can respond appropriately."

CDK provides car dealerships with several services, including online appointment scheduling, electronic signature capabilities and messaging tools between divisions, according to its website.

Investment company Brookfield Business Partners agreed to buy CDK in an all-cash deal with an equity value of \$6.4 billion in April 2022.

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