Supplier Cybersecurity Readiness Webinar

Small Business-Focused Cybersecurity Webinar: Complying with DFARS 252.204-7020 (NIST Assessment) and Preparing for CMMC

March 11, 2021

LOCKHEED MARTIN

Disclaimer

- Webinar content is based on:
  - Insights and information from the Small Business Administration
  - Office of Under Secretary of Defense (OUSD) CMMC Info
  - National Institute of Standards & Technologies (NIST) publications
  - Defense Industrial Base Sector Coordinating Council (DIB SCC) Supply Chain Task Force - CyberAssist
  - Exostar assessment documentation preparation presentation

- Lockheed Martin does not take responsibility for suppliers' certification by the CMMC 3rd Party Assessment Organization (C3PAO)

Learning Objectives

- Demonstrate how DFARS 252.204-7020 compliance is an initial building block towards long-term CMMC requirements
- Awareness of the path towards CMMC readiness, using Cloud services, highlighting pros, cons, and advantages of watch items
- Clarify Lockheed Martin's expectations for suppliers
- Highlight small business resources
- Address Frequently Asked Questions from small business suppliers

"DoD is taking a crawl, walk, run to implementation so companies are not put immediately at risk." **There are steps the Defense Industrial Base (DIB) must take without delay.**

The first one is the "crawl." Under a trust-but-verify model, **contractors must login to the DoD's Supplier Performance Risk System and self-report** on how their companies are implementing a National Institute of Standards and Technology (NIST) requirement governing Controlled Unclassified Information (CUI).

Katie Arrington
Chief information security officer for acquisition in the Office of the Under Secretary of Defense for Acquisition and Sustainment

Source: https://breakingdefense.com/2020/12/start-of-a-new-day-dods-new-cybersecurity-regs-take-effect-today

Background of DFARS 252.204-7019/7020

The *interim rule* took effect 30 Nov 2020 / DoD implementing a 5-year phased roll-out

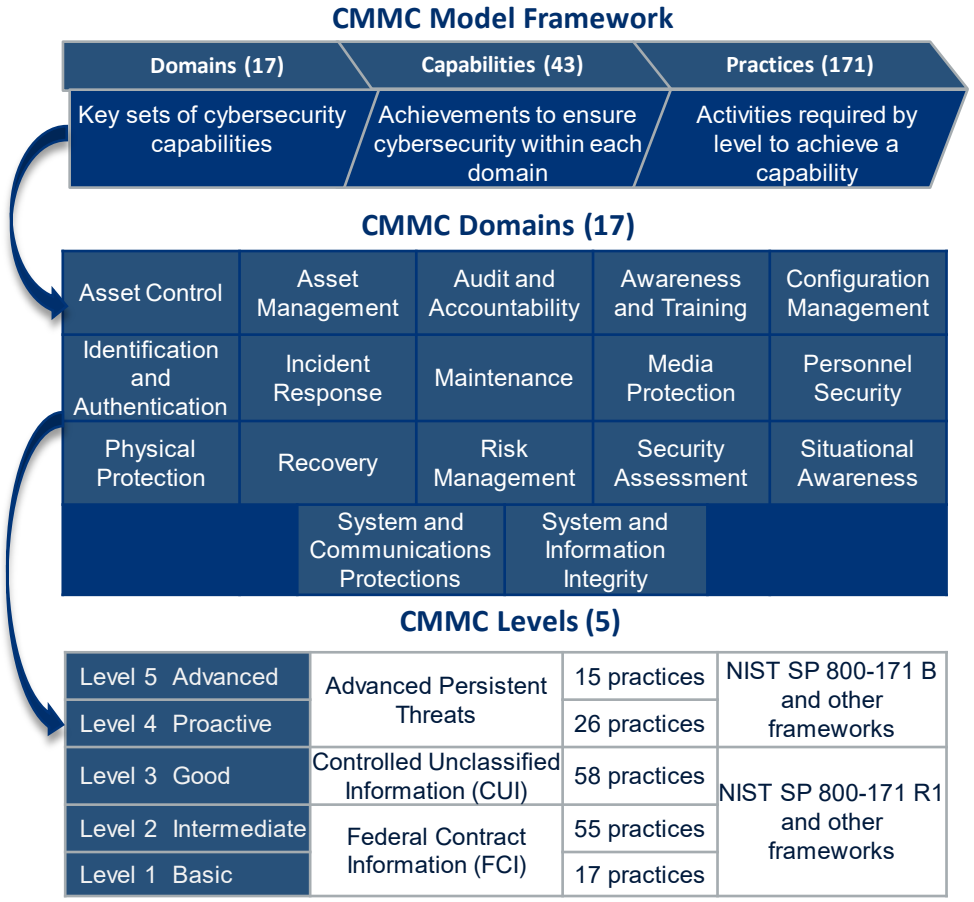
DFARS Provision 252.204-7019 Notice of NIST SP 800-171 DoD Assessment Requirements	DFARS Clause 252.204-7020 NIST SP 800-171 DoD Assessment Requirements	DFARS Clause 252.204-7021 Cybersecurity Maturity Model Certification Requirements
Solicitation Notice: Basic Assessment Score required in SPRS for contract award • A NIST SP 800-171 DoD Assessment (Basic, Medium, High) summary level score must be posted into DoD's Suppliers Risk Performance System (SPRS) for the applicable CAGE code and Systems Security Plan • The summary level score must remain current (not older than 3 years unless a lesser time is specified) throughout the life of the contract, task or delivery order	**Basic Assessment Score required in SPRS to be considered for contract award** • Applicable to companies subject to DFARS clause 252.204-7012 • Post award, if DoD deems a Medium or High assessment is necessary due to program sensitivity, provide DoD access to facilities, systems and personnel • Include clause in all subcontracts or other contractual instruments including subcontracts for commercial items • Confirm subcontractor compliance with SPRS reporting if receiving CUI	**Cybersecurity Maturity Model Certification Required by contract award effective 1 Oct 2025** • Until 1 Oct 2025, OUSD(A&S) must approve clause in new acquisitions • Contractor certification level must be maintained for contract duration • Clause must be flowed down; primes must ensure subs are certified at required CMMC level prior to awarding subcontract
		• Interim rule clauses are applicable to contracts, task orders and delivery orders • Not applicable to micro-purchases or solicitations exclusively for the purchase of COTS products

CMMC assessments and certifications required for the applicable enterprise network or network segment where FCI or CUI will be processed, stored, or transmitted in performance of the contract

Source: https://www.sprs.csd.disa.mil/default.htm

Cybersecurity Maturity Model Certification Overview

- **What is CMMC?**
  - New DoD cybersecurity framework to verify the cybersecurity posture of the Defense Industrial Base (DIB)
- **Certification conducted by Certified 3rd Party Assessment Organizations (C3PAO)**
- **Acquisition Go/No-Go Decisions**
- **Supply Chain Flow Down**
  - Mandatory flow down of CMMC requirements and verify supplier certification level
- **Official CMMC document source**



Source: https://www.acq.osd.mil/cmmc/draft.html

Maturity Level 3 – Not just a Checklist

- **Demonstrate CMMC compliance with effective Policies and Documentation:**
  - Define your organization's response to cyber incidents
  - Develop processes and procedures
    - e.g. CM.3.067: Define, document, approve, and enforce physical and logical access restrictions
  - Outline and clarify procedures for all stakeholders
  - Proper documentation serves as proof of your cybersecurity readiness
- **Assessors might want to see:**
  - Scan results, log files, command media, actual training programs (phishing email tests etc.), physical access restrictions, etc.
- **CyberAssist (CMMC help website)**
  - CMMC Level 1 Assessment Guide
  - CMMC Level 2 & Level 3 Assessment Guide
- **CMMC Accreditation Body**
- **Documentation and Policy Requirements**

Major Highlights:

- **Additional 20 level 2/3 practices**
  - 130 vs. 110 NIST 800-171
  - Implemented vs. POAM
- **3 Maturity Processes**
  - Demonstrating institutionalization

Source: https://landing.exostar.com/webinar-cmmc-documentation-and-policy-requirements

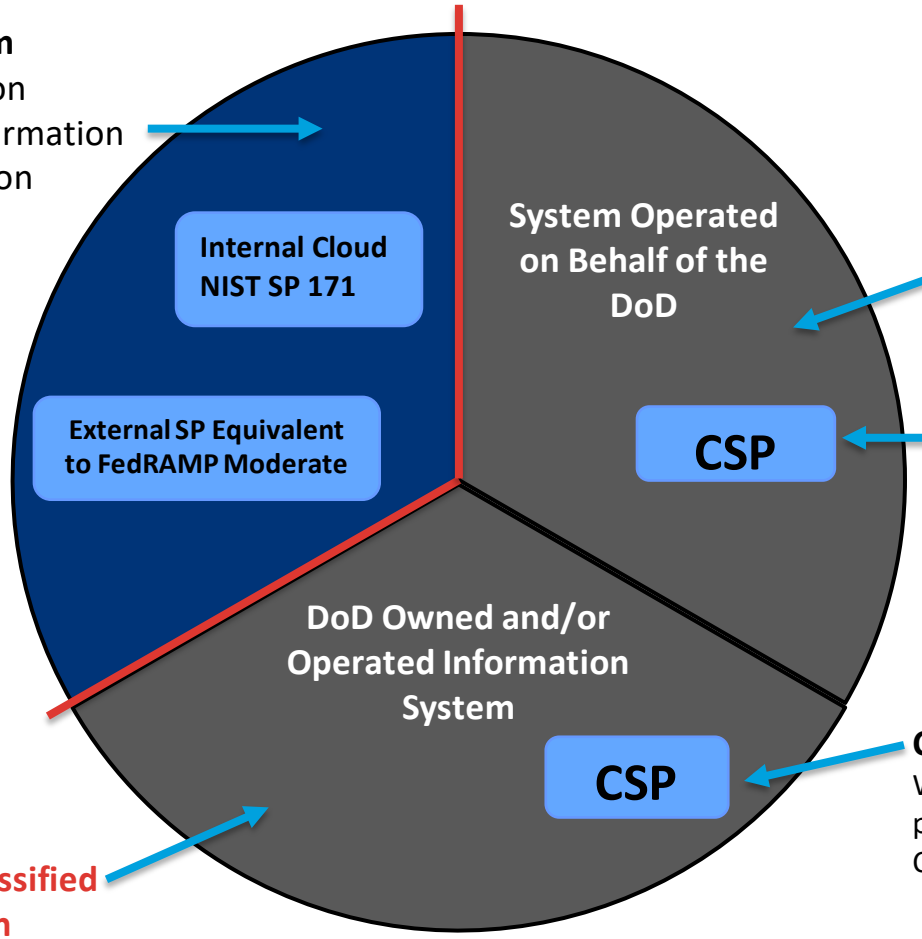
CLOUD COMPUTING GUIDANCE

DFARS PROVIDES THREE DIFFERENT CASES THAT APPLY

- System Operated on Behalf of the DoD
- DoD Owned or Operated Information System
- Contractor's Internal Cloud NIST SP 800-171

[DFARS Clause 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting]

Contractor's Internal System
-Federal Contract Information
-Controlled Unclassified Information
-Covered Defense Information



Controlled Unclassified Information

Cloud Service Provider
When cloud services are used to process data on the DoD's behalf, DFARS clause 252.239-7010 and DoD Cloud Computing SRG apply

Cloud Service Provider
When cloud services are provided by DoD, the DoD Cloud Computing SRG apply

Controlled Unclassified Information

Source: https://business.defense.gov/Portals/57/Documents/BPIIMPTW18%20slides/becoming%20dfars%20nist%20compliant.pdf?ver=2018-08-21-194207-740

CLOUD COMPUTING GUIDANCE CONT.

- **Determine which cloud service providers are certified for your data and if their compliance offers are suitable for you.**
  - CUI & CDI hosted with a Cloud Service Provider (CSP)
- **Ensure multifactor authentication (MFA) is implemented**
  - NIST Digital Identity Guidelines
- **Follow The Federal Risk and Authorization Management Program (FedRAMP)**
  - Consult the FedRAMP Marketplace to help identify which service providers have received their authorization.
- **Examples of Compliance Resources**
  - Amazon Web Services – Compliance FAQs
  - Microsoft Azure – Microsoft Compliance Offerings
- **Addtional Cloud Computing FAQs on Cyber Assist**

Cloud Vendor Contract Checklist

- ✓ What cybersecurity framework(s) the vendor utilizes
- ✓ Background checks of vendor personnel are in place
- ✓ Regular vendor personnel cybersecurity training
- ✓ Regular review of cybersecurity artifacts provided by vendor (audits, 3rd party penetration test reports)
- ✓ Vendor disclosure of open source software used
- ✓ Establish vendor cybersecurity POCs and processes ahead of incidents
- ✓ Limitation of vendor access to systems and data to only those necessary for performance of the scope of work
- ✓ Limitation of vendor data collection to scope of work
- ✓ Review service limitations with enterprise user base

Your cloud implementation is only a part of the "covered systems" you need to manage

Lockheed Martin's Expectations

- Continue to progress your NIST 800-171 implementation… Full implementation (closing all POAMs) is foundational to Cybersecurity Maturity Model Certification (CMMC) Readiness
  - Accurately maintain your vendor profile in Exostar TPM (applicability of cyber DFARS requirements)
  - Perform and regularly update your NIST 800-171 self assessment
    - Leverage the Exostar questionnaire in PIM to document and share your progress
    - Document your self assessment result in DoD's SPRS using the DIBCAC assessment methodology (Exostar developing tools to translate your PIM self assessment to the required SPRS format)
  - Monitor subcontracts and PO terms and ensure flow down of all mandatory clauses to your suppliers when applicable
    - Cyber DFARS 252.204-7012 / 252.204-7020

- Communicate progress to Lockheed Martin via status updates on our Survey
  - Responses to the survey ensure LM buyers know you are compliant (potential business impact)
  - Expand cyber maturity focus to prepare for CMMC Level 3
    - Implement additional 20 CMMC Level 2/3 practices
    - Implement CMMC Level 2/3 maturity processes

Take action to avoid disruption to new contract awards

U.S. Small Business Administration

The SBA works to ignite change and spark action so small businesses can confidently

START • GROW • EXPAND • RECOVER

The SBA Resource Partner Network

Access the right tools at the right time—wherever you are.

Approved and
funded by the SBA

1,400+ partner
offices nationwide

Find local resource
partners near you at
SBA.gov/local-assistance

Build Capacity as Your Business Develops

GROW • EXPAND

Are You Ready to Consider Federal Contracting?

The world's largest customer, buying all kinds of products & services

Required by law to provide contract opportunities to small businesses

Evaluate your readiness & learn more by visiting **SBA.gov/contracting**

Qualify for Federal Contracts with Certifications

The SBA works with federal agencies to award at least 23% of all prime government contracting dollars each year to small businesses that are certified with the **SBA's contracting programs**. Programs include:

- 8(a) Business Development Program
- Historically Underutilized Business Zones (HUBZone) Program
- Women-Owned Small Business (WOSB) Program
- Service-Disabled Veteran-Owned Program

Learn more and determine your eligibility at
certify.SBA.gov

All Small Mentor Protégé Program

Gain valuable business development insight from mentors who are experience government contractors. Mentors can help you:

- **Strategize** contracting & partnership opportunities
- **Navigate** the bidding and acquisition process
- **Manage** contracts by securing the appropriate business and financial systems, resources, and financial assistance

Need Access to Capital? The SBA Can Help

How Can an SBA-backed Loan Help You?

- Launch, grow, or repair a start-up
- Start or purchase a small business
- Access revolving credit or working capital for day-to-day expenses

- Purchase, renovate, or expand facilities
- Purchase inventory, equipment, or machinery
- Purchase land or real estate
- Export a product or service

Lender Match

Find an SBA-approved lender that's right for you by visiting

SBA.gov/lendermatch

Need to be Bonded to Bid on a Contract?

The **SBA Surety Bond Program** guarantees surety bonds from select providers so more small businesses can qualify for and win work.

Triumph Over Adversity

RECOVER

SBA Disaster Assistance Loans

Each year, the SBA provides billions of dollars in low-interest, long-term **disaster loans** to help small businesses, homeowners, and renters recover from declared disasters. Loans may cover:

Real Estate

Personal Property

Economic Injury

Machinery & Equipment

Inventory

Active Duty Military

SBA Cyber Security Resources

Planning and assessment tools

There's no substitute for dedicated IT support—whether an employee or external consultant—but businesses of more limited means can still take measures to improve their cybersecurity.

- **FCC Planning Tool**
  The Federal Communications Commission offers a cybersecurity planning tool to help you build a strategy based on your unique business needs.
- **Cyber Resilience Review**
  The Department of Homeland Security's (DHS) Cyber Resilience Review (CRR) is a non-technical assessment to evaluate operational resilience and cybersecurity practices. You can either do the assessment yourself, or request a facilitated assessment by DHS cybersecurity professionals.
- **Cyber Hygiene Vulnerability Scanning**
  DHS also offers free cyber hygiene vulnerability scanning for small businesses. This service can help secure your internet-facing systems from weak configuration and known vulnerabilities. You will receive a weekly report for your action.

Cybersecurity best practices

Train your employees

- Employees and emails are a leading cause of data breaches for small businesses because they are a direct path into your systems. Training employees on basic internet best practices can go a long way in preventing cyber attacks. The Department of Homeland Security's "Stop.Think.Connect" campaign offers training and other materials.
  - Training topics to cover include:
  - Spotting a phishing email
  - Using good browsing practices
  - Avoiding suspicious downloads
  - Creating strong passwords
  - Protecting sensitive customer and vendor information

Training and events

- **SBA training**
  - SBA 7j Training (please contact your local SBA office)
  - SBA and its resource partners host in-person and virtual events regularly.
  - Check out upcoming cybersecurity events hosted by SBA and our Resource Partners.
- **Other training**
  - The National Cybersecurity Alliance, a public-private partnership, provides virtual and in-person cybersecurity events to help small business owners stay secure.

Additional Cybersecurity Resources

- Key CMMC and CUI Information Sources
  - Official CMMC document source
  - Official CMMC Updates
  - Official CMMC FAQ
  - Exostar blog entry on CMMC
  - Cyber Assist (CMMC help website)
  - CMMC Accreditation Body
  - CMMC For Suppliers
  - CMMC Vs. NIST 800-171 and other Frameworks
  - CUI Categories
  - CUI Training from National Archives
  - CUI Marking Handbook from National Archives
  - NIST HB 162 -Self-Assessment Handbook For Assessing NIST SP 800-171
- SPRS
  - Hotline #: 1-207-438-1690
  - DCMA general mailbox: dcma.lee.hq.mbx.dibcacscheduling-inbox@mail.mil
  - SPRS Quick Entry Guide: https://www.sprs.csd.disa.mil/pdf/NISTSP800-171QuickEntryGuide.pdf
  - SPRS Frequent Asked Questions: https://www.sprs.csd.disa.mil/pdf/NISTSP800-171FAQs.pdf

Questions & Answers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