

CMMC Liftoff CMMC 2.0 Reality Check

Compliance, Contracts, and Consequences

Presented by:
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The information is being provided for general informational purposes and does not constitute legal or business advice.

You should **always** consult a competent advisor to discuss the specifics of your situation before taking any action.

About Jim Goepel

Roles:

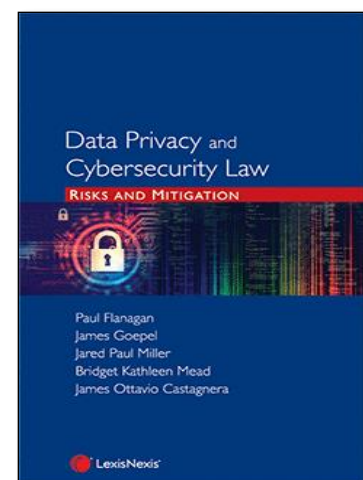
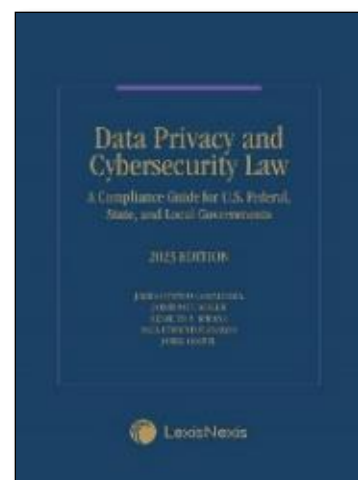
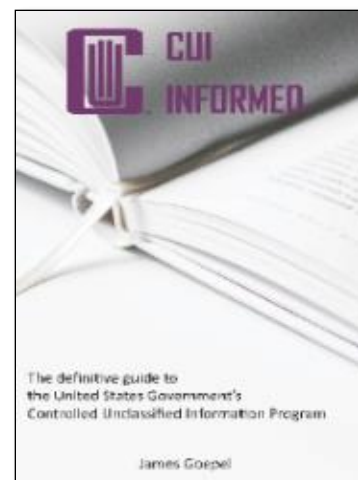
- **Ascend Cyber** – Executive Vice President and General Counsel
- **CMMC Information Institute** – Chairman and CEO

Experience:

- Provisional CMMC Instructor (PI), Lead Certified CMMC Assessor (CCA), Certified CMMC Professional (CCP)
- Founding Director of the CMMC Accreditation Body (Cyber AB) (Prev.)
 - Created and taught the original RP training program
 - Board Treasurer
- Co-Founder of the CUI Institute (<https://CUIInstitute.org>)
- Author
 - 2 books on Controlled Unclassified Information (<https://CUIInformed.com>)
 - 2 books on enterprise risk management and international cybersecurity law (Co-author)
 - Certified CMMC Professional (CCP) curriculum (Co-author)
- Adjunct Faculty at RIT; former Adjunct Professor at Drexel University
- Expert Witness in Government Contract Cybersecurity Cases, Healthcare Cybersecurity

Education

- JD and LLM – George Mason University
 - Advisor to many government contractors including Unisys, JHU/APL, Textron, United Space Alliance
- BSECE – Drexel University
 - Designed satellite test equipment and processes
 - Systems Administrator and Developer for the US Congress (House of Reps.)



Agenda

- The State of CMMC
- The Business Benefits of CMMC Compliance
- The Business Impact of Non-Compliance
- The Business Impact of Faking Compliance
- What's next
- Practical Tips



We Have Liftoff!!



CMMC Program Became Effective Nov. 10, 2025

- The CMMC Acquisition Rule
 - DFARS 252.204-7021
- Effective November 10, 2025
- If it is in your (sub)contract, you **must** meet the appropriate CMMC requirements based on the information you will handle under that contract.



Phased Roll-Out

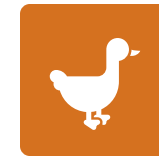


Phased by Requirements and by Scale

Phase	Start Date	Requirement	CMMC PMO Approval Required
1	Nov. 10, 2025	Level 1 (Self) or Level 2 (Self) requirements in all applicable DoD solicitations and contracts.	Yes, Expected to impact ~1104 SMBs
2	Nov. 10, 2026	Phase 1 + Level 2 (C3PAO) requirements in all applicable DoD solicitations and contracts.	Yes. Expected to impact ~5565 SMBs
3	Nov. 10, 2027	Phase 2 + Level 3 (C3PAO) requirements in all applicable DoD solicitations and contracts. Level 2 (C3PAO) required to exercise option period.	Yes. Expected to impact ~18,554 SMBs
4	Nov. 10, 2028	Full implementation of CMMC Program requirements in all DoD solicitations and contracts including option periods.	No. Expected in all Contracts



Get Your Ducks in a Row



In this story, ugly ducklings don't turn into swans.

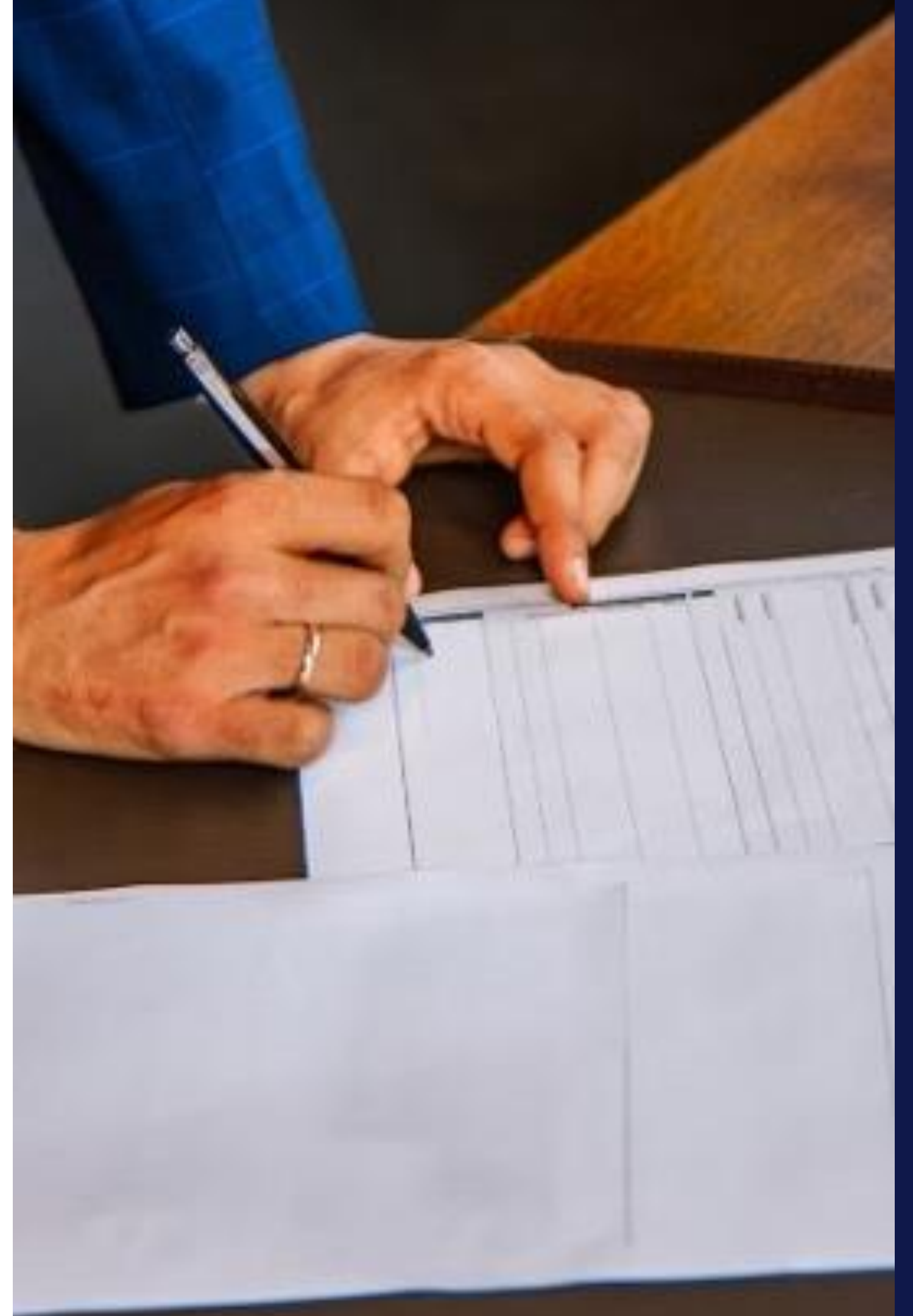
- Although impact may not be felt for a while, prime contractors are pushing their subcontractors to get their CMMC ducks in a row **NOW**.
 - Don't want to get cut out of critical contracts
 - Want to jump in when a competitor can't meet the requirements
- Asking for proof of SPRS scores
- Some are asking for more details, such as SSPs and POA&M lists

Mandatory Flow-Downs



Get Ready for the Tidal Wave

- FAR 52.204-21
 - requires FCI to be properly safeguarded (15 basic requirements)
 - must be flowed down at all levels (except COTS items) if FCI is residing in or transiting the subcontractor's information systems
- DFARS 252.204-7012
 - requires CUI to be safeguarded in accordance with NIST SP 800-171 Rev. 2
 - must be flowed down to all subcontracts that involve handling Covered Defense Information (really CUI)
- DFARS 252.204-7021
 - Flows down the requirements in 32 CFR 170 (CMMC Program Rule)
 - MUST submit appropriate information to SPRS
 - MUST provide CMMC Unique ID for **all** contractor information systems that will store, process, or transmit CUI or FCI under the contract.
 - KO must verify entries in SPRS



Start Now



CMMC Compliance is becoming a Sprint, Rather than a Jog

- If you haven't already, you **NEED** to start your CMMC journey. **Today**.
- CMMC compliance can be done in as little as 6 months with proper resourcing; 18 months is more common.
- That is **JUST** enough time. For you.
- You need to start following up with your subcontractors, and their subcontractors, too.

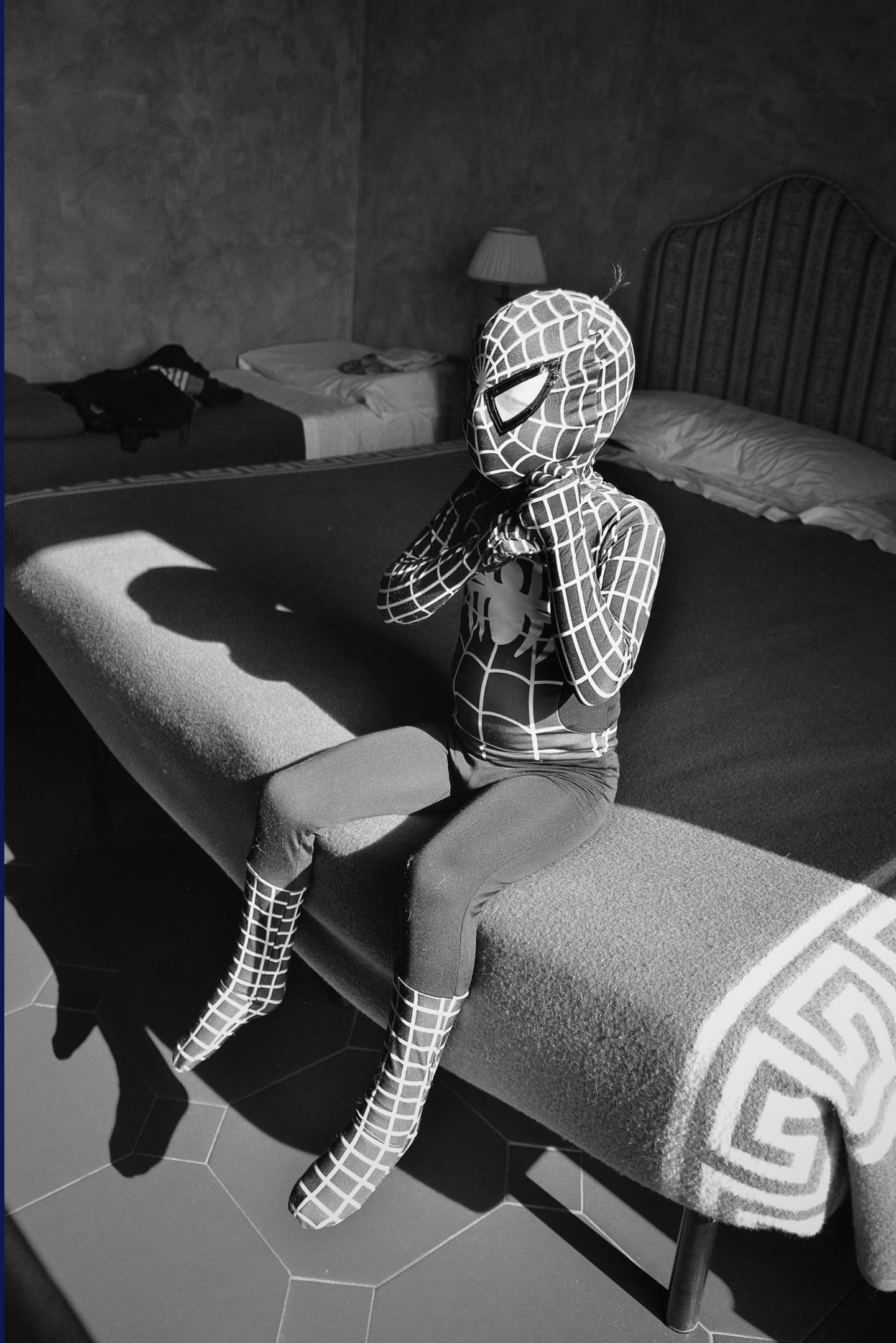
Why Do You Care?



If you don't compete, your competitors will win

- CMMC isn't going away
- Your competitors are already getting certified
 - ~450 CMMC Certifications have been issued to date
- Your competitors are winning new contracts
 - One client was named Supplier of the Year and awarded over doubled the value of their contracts with a major prime





I'll Just Fake It



Submitting a False Claim will NOT make you a hero

- DIBCAC is Conducting “non-voluntary” assessments to validate compliance.
- Whistleblower cases are increasing in number.
- Noncompliance can result in contract termination, fines, debarment, and more.
- DoJ’s Civil Cyber Fraud Initiative.

What's Next



The Only Constant is Change

Changes to:

- DFARS 252.204-7012, -7008
- DFARS 252.204-7019, -7020
- CUI Program
 - Executive Order 13556
 - 32 CFR 2002
 - FAR CUI Rule
 - DoDI 5200.48
- CMMC Program Rule
 - NIST SP 800-171 Rev. 3



6 Practical Tips



An ounce of preparation and a dash of learning...

1. Start Talking to your Supply Chain.
2. Get educated on CUI and FCI.
3. Send someone for CCP training.
 - If that isn't in the cards, at this stage, **you're going to need outside help.**
4. Start with the basics.
 - 12-Step Program
 - Step 1: Identify your sensitive information
5. This is **NOT** an IT problem.
 - Half of the requirements are business-oriented.
6. Ask yourself "**How do I prove that I am doing what I say I'm doing?**"

Questions?

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