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| April 17, 2022Acquisition Project Proposal |  |

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| To: | Chad Joyce – Professor, University of Virginia, School of Continuing and Professional Studies |
| From: | Robert J. Smith, III – Director, Cybersecurity Governance, Risk Assessment, and Compliance |
| CC: | University of Virginia, School of Continuing and Professional Studies – Dean |
| Date: | April 17, 2022 |
| Re: | Acquisition Due Diligence |

**Summary**

The University of Virginia is positioned to acquire a robotics and weapons systems research and testing business (Easy Rider Corp.) with a significant volume of government contracts. Grant funds and donations from alumni and partner donors supported the acquisition offer. Our legal team has met with counsel for Easy Rider Corp. to commence the bidding process and obtained consent to proceed. In the interest of an active pre-acquisition phase, counsel asked us to limit our review of third-party risk management related to the federal contracts; Easy Rider LLC works with the appropriate federal resources to maintain compliance with defense-related regulations and will furnish the most recent reports. With our scope of investigation thus decreased, we both agree to a 120-day due diligence period.

**Rationale**

This report serves as an action plan for navigating due diligence of cybersecurity and information resources that the acquisition will bring into the University’s scope of governance.

The acquisition of Easy Rider Corp. poses a significant challenge for risk management. The University must conduct due diligence for several reasons:

* Cybersecurity due diligence is a required stipulation in the due diligence checklist agreed to by the parties.
* The University’s cybersecurity insurance requires all University departments and assets to conform to its established framework.
* The University must identify security risks and report them to the insurer to meet policy compliance.
* Differences in GRC styles between the University and Easy Rider Corp. necessitate evaluation.
* Uncovered or undisclosed breaches will require additional legal guidance and may jeopardize the success of the acquisition.

**Project Outline**

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