

Nelson Mullins

Nelson Mullins Riley & Scarborough LLP

Attorneys and Counselors at Law
Atlantic Station / 201 17th Street, NW / Suite 1700 / Atlanta, GA 30363
Tel: 404.322.6000 Fax: 404.322.6033
www.nelsonmullins.com

Jon A. Neiditz
Tel: 404.322.6139
Fax: 404.322.6033
jon.neiditz@nelsonmullins.com

November 26, 2012

Via Electronic Mail

Office of Consumer Protection
Leiopapa A Kamehameha Building
235 South Beretania Street, Suite 801
Honolulu, Hawaii 96813
Phone: (808) 586-2630
Fax: (808) 586-2640
Email: ocp@dcca.hawaii.gov

Dear Sir/Madam:

As you have probably seen on national media, tax returns and other data at the South Carolina Department of Revenue were exposed due to a security breach which occurred in September 2012 and the first signs of which were detected in October of 2012. Based on Mandiant's report that was completed on November 20th, the information exposed in this breach included any South Carolina state tax returns filed electronically by businesses or individuals since 1998, and could include social security numbers, tax identification numbers, and payment information including bank accounts and credit cards. Our firm has been retained by the State of South Carolina to assist with matters related to management of the breach, including retaining Mandiant for forensics and security remediation and help in selecting and making arrangements with breach response vendors. Based on Mandiant's report, we now know that approximately 2,136 Hawaii residents – who either filed their tax returns electronically or whose information was included on another entity's electronic tax filing— may have had their tax information exposed. These numbers are being verified, and a supplementary notice will be issued later this week.

The US Secret Service has been directing the investigation of this matter and has made continuous, substantial efforts to protect South Carolina taxpayers since the matter first came to the State's attention, and the State and its law enforcement agencies have been operating under the Service's direction. The breach was contained and many substantial new technology and policy protections have been introduced to the Department to prevent further information exposure.

While neither the Secret Service nor the State has seen evidence that any of the exposed data was used for identity theft or fraud, the State took immediate steps to protect the taxpayers of South Carolina, including providing one year of credit monitoring and fraud resolution services through Experian's ProtectMyID Alert program to those who may be affected. This service includes identity theft

November 26, 2012

Page 2

resolution services, a free credit report, daily credit monitoring across three credit bureaus to detect any suspicious activity, and an identity theft insurance policy, including coverage of electronic fund transfers from a bank account, in the amount of a million dollars. The Department of Revenue is also providing protection for all dependents under Experian's Family Secure program. Enhanced call center services can be reached by anyone wishing to enroll or ask other questions, at 1-866-578-5422; enrollment can also be done online at www.protectmyid.com/scdor.

Finally, the Governor has mounted a massive public awareness campaign about personal information security risks, breach response and protection through numerous press conferences, media events and outreach through many South Carolina government agencies. Some of the information being made available can be found by visiting www.consumer.sc.gov and clicking the "Identity Theft Resources" button.

We will be notifying all Hawaii residents who may be affected very shortly, and I anticipate being able to send you a copy of the proposed notification letter and a verified number of impacted residents within the next several days.

Please do not hesitate to contact me at (404) 322-6139 if you have any questions or concerns.

Very truly yours,

Jon Neiditz

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