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**CardinalHealth**

October 8, 2010

**VIA Facsimile and U.S. Mail:**

Attorney General Michael A. Delaney  
New Hampshire State Attorney General's Office  
33 Capitol Street  
Concord, NH 03301

RE: Business Reporting a Breach of Security

Dear Attorney General Delaney:

Pursuant to applicable state law, we write to notify you of a data security event at the Grand Prairie, Texas facility of Cardinal Health (the "Company"). To date, the incident involves the potential unauthorized access to certain personal information of approximately 3 residents of your state.

**Description of the Security Event**

In August, 2010, an IT employee notified the Company that they had disposed of a number of computers but had not done so in accordance with Company requirements. The employee in question stated that she had disposed of approximately one hundred and twenty-seven (127) computers in a dumpster at the facility. However, she stated that prior to disposing of these computers she "wiped the memory on the old equipment clean" thus ensuring that any information on these computers was erased and therefore not accessible. Nonetheless, as a precautionary measure we conducted an investigation and interviews with this and other employees at the facility. In addition, we immediately suspended this employee pending the outcome of this investigation. Based upon our investigation, we believe that these computers in question may not have been disposed of but rather may have been sold or given away in contravention of Company policy. We base this on a review of this employee's computer which supported the premise that she had been diverting these computers scheduled for destruction to her personal use and then selling them through online markets such as Craig's List and eBay.

Company policy requires that when a computer is decommissioned, the responsible IT employee must erase its data and then arrange for its destruction through our approved vendor. When confronted with this information, the employee refused to answer further questions regarding this matter on advice of her attorney. As a result, this employee was terminated on August 24, 2010. In addition, this matter was reported to the Grand Prairie Police Department. Based on this incident, we re-inventoried our computers at this facility, including all decommissioned computers. This process revealed by the end of August, 2010, that we could not account for sixty (60) computers that had been decommissioned and slated for erasure and destruction. Because these computers had all been replaced, the Company retained a complete copy of the data on these missing computers. The Company analyzed the data from the missing computers and in late August, 2010, concluded that two of these computers contained personal information that included employee number and social security number for current and former Company employees.

#### **Steps the Company is Taking to Protect the Affected Persons**

At this point, we can only confirm that these computers are missing. We have no information that the computers have been taken from Company premises or otherwise accessed without authorization, and we hope to still locate the missing computers during our further search efforts. Out of an abundance of caution, however, and given the information we uncovered on this IT employee's own computer, we have elected to notify the employees and applicants whose personal information was on these two missing computers. A sample copy of that notice is enclosed and it will be distributed to affected persons on or about the same date as this letter. The notice explains how to place a fraud alert with the relevant credit reporting agencies, and provides appropriate telephone and e-mail contact information in the event the individual has questions regarding this process or the underlying incident. Finally, the Company is offering to all affected persons a credit monitoring service from a very reputable vendor for a period of one full year at no cost to the individual. This service includes assistance with addressing any fraudulent activity on personal accounts, as well as comprehensive identity theft insurance coverage and other important features.

In addition to providing these services to the affected individuals, we have reviewed our internal procedures concerning decommissioned computers and are making adjustments to address the risk of future theft and loss. For example, all laptops will be encrypted no later than the end of December 2010; our IT Department will initiate a management review and sign-off requirement on all computer disposal requests taking place at the facility-level; and, a new position will be created at Corporate that will be responsible for inventory oversight across all Cardinal Health sites. We also have revised and improved our decommissioned computer destruction policy, and have instituted mandatory training for all applicable IT employees to reinforce proper disposal practices.

We deeply regret that this incident occurred and we will work hard to quickly address and resolve any further issues. If you have any questions, please feel free to contact me directly. I can be reached at 614-757-7721 Monday through Friday. Thank you for your time and attention to this matter.

Yours very truly,

A handwritten signature in black ink, appearing to read 'R. Giacalone', with a long, sweeping horizontal line extending to the right.

Robert P. Giacalone, R.Ph., J.D.\*

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\* Licensed to practice law and pharmacy in Ohio and Illinois.



[Date]  
EE name  
EE address 1  
EE address 2

Dear EE name:

This letter is to notify you of a potential security breach at the Grand Prairie, Texas facility of Cardinal Health (the "Company") involving potentially unauthorized access to your personal information.

In August, 2010, an employee notified the Company that they had disposed of a number of computers but had not done so in accordance with Company requirements. The employee in question stated that prior to disposing of these computers any information on these computers was erased and therefore not accessible. Nonetheless, as a precautionary measure we conducted an investigation and interviews with this and other employees at the facility. Based upon our investigation, we believe that these computers in question may not have been disposed of but rather may have been sold or given away in contravention of Company policy.

Based on this incident, we re-inventoried our computers at this location. This process revealed by the end of August, 2010, that we could not account for sixty (60) computers that had been decommissioned and replaced. Because these computers had all been replaced, the Company retained a complete copy of the data on these missing computers. The Company analyzed the data and in October, 2010, concluded that two (2) of these computers contained personal information that included employee number and social security number for current and former Company employees. At this point, we can only confirm that these computers are missing. We have no information that the computers have been taken from Company premises or otherwise accessed without authorization, and we hope to still locate the missing computers during our further search efforts. While the Company believes that there is low risk that your personal information will be used inappropriately, we can understand that you might be concerned.

As a preventative measure, therefore, and to help strengthen the integrity of your personal information, we are providing you with certain information about how to protect yourself from identify theft. Please see **Attachment 1** for this information. In addition, out of an abundance of caution, we have arranged for you to have the option to receive 12 months of identity protection under the Debix Identity Protection Network **at no cost to you**. More information about this service is available on **Attachment 2**. When you set up your account following the enclosed instructions, Debix will enroll you in OnCall Credit Monitoring™ and you will receive OnCall Credit alerts regarding changes in your credit file over the next 12 months. Using your phone, you will be able to review and verify these credit alerts and Debix on-call investigators will be

there to assist you in the event that you suspect fraud. This service also includes a \$1,000,000 Identity Theft Insurance Policy, and 12 months enrollment in Debix Fraud Resolution Services, if needed, to assist you in restoring your credit file should that become necessary. Again, this service is optional and will be provided to you at no cost if you decide to use it.

Debix has a simple Internet-based verification and enrollment process. To sign up, go to <http://www.debix.com/safe>. You will need to provide the activation code that is listed at the top of this letter. Once you have entered your activation code, click on "Sign up now" on the right side of the webpage and follow the website's instructions. Please note that if you enroll online, part of the sign-up process may include receiving a phone call from Debix soon after you initiate the registration process.

If you do not want to enroll on-line, you can register with Debix over the telephone by calling 888-332-4963. If you prefer to register via the U.S. Postal Service, we have included a mail-in registration form.

You will have 90 days from receipt of this letter to register for the OnCall Credit Monitoring™. This service will be valid for one year from the date you register. If you have questions about Debix or its coverage, please contact them directly at 888-332-4963. Their support is available Monday through Friday, 9 a.m. to 5 p.m. Central time.

The security of your personal information is important to us, and we work hard to ensure we have processes in place to keep it safe. We deeply regret this situation and any inconvenience and concern it may cause you. If you have questions for the Company please email them to [gmb-dub-Ethics&Compliance@cardinalhealth.com](mailto:gmb-dub-Ethics&Compliance@cardinalhealth.com) or contact the Cardinal Health Ethics and Compliance Department at 614-757-7504, Monday through Friday, 8:00 a.m. to 5:00 p.m. Eastern time, excluding holidays.

Sincerely,



Ed Daniels  
Vice President, Ethics and Compliance  
Cardinal Health

**Attachment 1****Additional Information on Identity Theft Prevention**

Even if you do not feel the need to register for the credit monitoring service, we recommend that you regularly review statements from your accounts and periodically obtain your credit report from one or more of the national credit reporting companies. You may obtain a free copy of your credit report once every 12 months by visiting <http://www.annualcreditreport.com>, calling toll-free 877-322-8228, or by completing an Annual Credit Report Request Form and mailing it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281 (you can print a copy of the request form at <http://www.ftc.gov/bcp/menus/consumer/credit/rights.shtml>). You can also purchase a copy of your credit report by contacting one of the three national credit reporting companies:

**Equifax**  
 (800) 685-1111  
[www.equifax.com](http://www.equifax.com)  
 P.O. Box 740241  
 Atlanta, GA 30374-0241

**Experian**  
 (888) 397-3742  
[www.experian.com](http://www.experian.com)  
 P.O. Box 9532  
 Allen, TX 75013

**TransUnion**  
 (800) 916-8800  
[www.transunion.com](http://www.transunion.com)  
 P.O. Box 6790  
 Fullerton, CA 92834-6790

When you receive your credit reports, review them carefully. Look for accounts you did not open. Look for inquiries from creditors that you did not initiate. And look for personal information, such as home address and Social Security number, that is not accurate. If you see anything you do not understand, call the credit reporting agency at the telephone number on the report.

We recommend you remain vigilant with respect to reviewing your account statements and credit reports, and promptly report any suspicious activity or suspected identity theft to us and to proper law enforcement authorities, including local law enforcement. You may contact the Federal Trade Commission ("FTC") or your local state Attorney General's Office, or the national credit reporting agencies listed above, to learn about preventing identity theft and to obtain additional information about avoiding identity theft.

For all U.S. Residents, you can contact:

**Federal Trade Commission**  
 Consumer Response Center  
 600 Pennsylvania Avenue, NW  
 Washington, DC 20580  
 1-877-IDTHEFT (438-4338)  
<http://www.ftc.gov/idtheft/>

In addition, North Carolina Residents can contact:

**North Carolina Attorney General's Office**  
 Consumer Protection Division  
 9001 Mail Service Center  
 Raleigh, NC 27699-9001  
 Telephone: 1-877-5-NO-SCAM  
<http://ncdoj.gov/>

In addition, Maryland Residents can contact:

**Office of the Attorney General**  
 Consumer Protection Division  
 200 St. Paul Place  
 Baltimore, MD 21202  
 1-888-743-0023  
[www.oag.state.md.us](http://www.oag.state.md.us)

**Fraud Alerts:** There are also two types of fraud alerts that you can place on your credit report to put your creditors on notice that you may be a victim of fraud: an initial alert and an extended alert. An initial fraud alert stays on your credit report for at least 90 days. You may ask that an initial fraud alert be placed on your credit report if you suspect you have been, or are about to be, a victim of identity theft. An extended fraud alert stays on your credit report for seven years. You can have an extended alert placed on your credit report if you have been a victim of identity theft and you provide the credit reporting company with the documentary proof it requires. You can place a fraud alert on your credit report by calling the toll-free fraud number of any of the three credit reporting companies provided above.

**Credit Freezes:** You have the right to put a "credit freeze" on your credit file so that no new credit can be opened in your name without the use of a PIN number that is issued to you when you initiate a freeze. A credit freeze is designed to prevent potential credit grantors from accessing your credit report without your consent. Therefore, using a credit freeze may delay your ability to obtain credit. In addition, you may incur fees to place, lift, and/or remove a credit freeze. In addition, you may incur fees to place, lift, and/or remove a credit freeze. These fees generally range from \$5-20 per action. *Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company.* Since the instructions for how to establish a credit freeze differ from state to state, please contact the three major credit reporting companies at the numbers above to find out more information.

Attachment 2

# Free identity protection. Priceless peace of mind.



**ENROLL NOW! Free Identity Protection That's Proven to Work.**

Debix provides a new level of identity protection no other company can match. Only Debix has an Identity Protection Network that identifies potential attacks and delivers critical information to you by phone.

**What You Get:**

- ID Theft insurance covers financial losses
- Comprehensive identity repair
- Early attack detection
- Live OnCall investigators assist you if an attack occurs
- Cancel and replace credit cards if your wallet is lost or stolen

**Sign Up Today For Your FREE Identity Protection From Debix.**

## Free, Fast, Simple Enrollment.



**Insurance Amount:** \$1,000,000



**ENROLL NOW**

Activation Code: <<ActivationCode>>

Online: [www.debix.com/safe](http://www.debix.com/safe)

By Mail: Form included in letter

Phone: Toll-free 866-979-2595

Representatives available 9 AM – 5 PM  
Central Time, Monday through Saturday

## Debix Identity Protection. What's included?

<p><b>OnCall Credit Monitoring.</b> Debix constantly scans credit records for signs of financial, medical and criminal identity theft.</p>	<p><b>OnCall Credit Alerts by Phone.</b> If there are changes to your credit file - like evidence that a thief has used your credit, you will get a secure call from Debix.</p>	<p><b>OnCall Investigators.</b> If you suspect fraud, experienced and helpful specialists will repair your identity, saving you hundreds of hours of headache.</p>	<p><b>Identity Theft Insurance.</b> If a thief steals your identity you will be reimbursed for covered financial losses.</p>
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[www.debix.com/safe](http://www.debix.com/safe)



# Identity Protection Business Peace of Mind

Free First Step Enrollment

Enroll today to protect your identity and business. It's free and easy. You'll receive a free credit report and a free credit freeze. You'll also receive a free identity theft alert and a free identity theft insurance policy.

Protect your identity and business. It's free and easy. You'll receive a free credit report and a free credit freeze. You'll also receive a free identity theft alert and a free identity theft insurance policy.

Enroll today to protect your identity and business. It's free and easy. You'll receive a free credit report and a free credit freeze. You'll also receive a free identity theft alert and a free identity theft insurance policy.

Enroll today for your FREE  
Identity Protection 2.0 Deluxe

Enroll today to protect your identity and business.

Enroll today to protect your identity and business. It's free and easy. You'll receive a free credit report and a free credit freeze. You'll also receive a free identity theft alert and a free identity theft insurance policy.

Enroll today to protect your identity and business. It's free and easy. You'll receive a free credit report and a free credit freeze. You'll also receive a free identity theft alert and a free identity theft insurance policy.

**RECEIVED**  
**OCT 12 2010**  
**DOJ ADMIN**