

MCLANE MIDDLETON

STATE OF NH
DEPT OF JUSTICE
2018 JAN 29 AM 11:23

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January 26, 2018

Attorney General Gordon J. MacDonald
Consumer Protection Bureau
Office of the Attorney General
33 Capitol Street
Concord, NH 03301

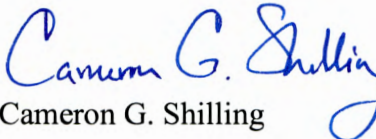
Re: Kraus Associates, Inc. d/b/a AK Associates

Dear Attorney General MacDonald,

McLane Middleton, P.A. represents Kraus Associates, Inc. d/b/a AK Associates ("AK"). The purpose of this letter is to notify you about a data security incident at AK involving 4 residents of New Hampshire. Enclosed are the form notices that AK sent to affected individuals, which included current employees of AK and one spouse.

Please do not hesitate to contact us if you have any questions about the enclosed or the security incident. Thank you.

Very truly yours,


Cameron G. Shilling

Enclosures

cc: Kraus Associates, Inc. d/b/a AK Associates (w/enclosures)

McLane Middleton, Professional Association
Manchester, Concord, Portsmouth, NH | Woburn, Boston, MA

110538\13098099

McLane.com

AK Associated Letterhead

January 26, 2018

Name
Email
Address
Address

Dear Name,

The purpose of this letter is to follow up on our all-employee call on January 2, 2018, and provide you with further information about a security incident at AK Associates.

As you may remember from the call, on December 26 and 27, 2017, we learned that, on December 23, 2017, a third party installed ransomware known as Tastylock on an AK computer, which encrypted files on that computer. We immediately notified counsel and retained a forensic company, who investigated the incident. The investigation was finalized earlier this week.

As a result of the investigation, counsel and the forensic company concluded that (1) the intrusion was limited to only the one AK computer, and (2) Tastylock was not capable of exporting data from the computer and did not do so. Like most ransomware, Tastylock simply encrypted files on the computer with the intention of extracting a ransom payment from the victim. However, our counsel and the forensic company were unable to unequivocally conclude that data was not exported from the computer through some other means. While they believe that no data was in fact exported, they cannot unequivocally rule out that possibility.

AK did not pay the ransom. As a result, we did not file a police report about the incident, and therefore no police report is available. Instead, AK restored from other sources the data that had existed on the computer before the ransomware encryption. By restoring that data, we have been able to more fully identify the nature and extent of the personally identifiable information (PII) that existed on the computer. Specifically, the computer contained personnel records for 132 individuals who are current and former AK employees, or their spouses, dependents or beneficiaries, including name, date of birth, social security number, and bank account number(s). As noted above, while AK, our counsel, and our forensic company believe that such PII was not actually exported from the computer, you are receiving this letter because PII related to you was on the computer at the time of the ransomware encryption.

As a result, as explained on the call, AK recommends that you institute security freezes with all 4 major credit bureaus. AK will reimburse you for the costs of such security freezes for three years from the date of the security incident. According to the rules of the credit bureaus, AK cannot institute security freezes for you. Thus, if you have not already instituted these security freezes, here is contact information for you to do so.

Experian

P.O. Box 9554
Allen, Texas, 75013
888-397-3742

<https://www.experian.com/freeze/center.html>

Equifax

P.O. Box 740256
Atlanta, GA 30374-0256
888-298-0045

https://www.freeze.equifax.com/Freeze/jsp/SFF_PersonalIDInfo.jsp

Transunion

P.O. Box 2000
Chester, PA 19016
888-909-8872

<https://freeze.transunion.com/sf/securityFreeze/landingPage.jsp>

Innovis

PO Box 1640
Pittsburgh, PA 15230
800-540-2505

<https://www.innovis.com/personal/securityFreeze>

Once you institute the security freezes, each credit bureau will send you confirmation of the freeze and a personal information number (PIN), which you will need in order to authorize the temporary lifting of the security freeze or the permanent removal of the freeze. As discussed on the call, a security freeze prevents the credit bureau from releasing any information from its credit file about you without your PIN and written authorization. While placing a security freeze on your credit files will affect the process for approval of a credit application, we believe that this is an appropriate safeguard under the circumstances.

AK wants to assure you that we began to take remedial security measures as soon as we learned about this security incident. For example, we isolated the affected computer, implemented enhanced anti-virus and anti-malware applications, modified our firewall to enhance detection and prevention of malicious attacks, and are conducting a comprehensive information security risk assessment to identify and remediate other vulnerabilities we may find. While AK was a secure company before this incident, and while no company wants to experience or expose its workforce to this type of incident, AK will become a stronger company because of this.

If you have any questions, please contact Julie Chase, AK Associates, 7 Independence Ave, Derry, New Hampshire 03038, 603-432-5755 ex. 215, jchase@akassociates911.com.

At AK, we take very seriously the security and the privacy of our employees, and apologize for the inconvenience that we know this will cause you. We urge you to act promptly with respect to placing security freezes on all four of your credit accounts, and to draw on the assistance that AK has agreed to provide to help you address this matter.

Sincerely,

Julie Chase
President

AK Associated Letterhead

January 26, 2018

Name
Email
Address
Address

Dear Name,

The purpose of this letter is to provide you with information about a security incident at AK Associates. We are informing you about this incident because you are or were related to a current or former employee of AK.

On December 26 and 27, 2017, we learned that, on December 23, 2017, a third party installed ransomware known as Tastylock on an AK computer, which encrypted files on that computer. We immediately notified counsel and retained a forensic company, who investigated the incident. The investigation was finalized earlier this week.

As a result of the investigation, counsel and the forensic company concluded that (1) the intrusion was limited to only the one AK computer, and (2) Tastylock was not capable of exporting data from the computer and did not do so. Like most ransomware, Tastylock simply encrypted files on the computer with the intention of extracting a ransom payment from the victim. However, our counsel and the forensic company were unable to unequivocally conclude that data was not exported from the computer through some other means. While they believe that no data was in fact exported, they cannot unequivocally rule out that possibility.

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As a result, AK recommends that you institute security freezes with all 4 major credit bureaus. AK will reimburse you for the costs of such security freezes for three years from the date of the security incident. According to the rules of the credit bureaus, AK cannot institute security freezes for you. Thus, here is contact information for you to do so.

Experian

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Allen, Texas, 75013
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<https://www.experian.com/freeze/center.html>

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P.O. Box 740256
Atlanta, GA 30374-0256
888-298-0045

https://www.freeze.equifax.com/Freeze/jsp/SFF_PersonalIDInfo.jsp

Transunion

P.O. Box 2000
Chester, PA 19016
888-909-8872

<https://freeze.transunion.com/sf/securityFreeze/landingPage.jsp>

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Sincerely,

Julie Chase
President