

QUALICHEM

STATE OF NH
DEPT OF JUSTICE
2017 MAR 10 PM 12:14

March 9, 2017

VIA OVERNIGHT MAIL

NH Department of Justice
33 Capitol Street
Concord, NH 03301

Re: New Hampshire Revised Stat. Ann. 359-C:20

Dear Sir or Madam:

I am writing on behalf of QualiChem, Inc. ("QualiChem"). Pursuant to New Hampshire Revised Stat. Ann. 359-C:20, please consider this QualiChem's notice that it has been the victim of a computer crime that involves the breach of its employees' personal information.

In particular, in on February 13, 2017 an employee fell victim to a fraudulent email phishing scheme requesting W-2 wage information. The QualiChem employee sent the W-2 information of QualiChem's employees (approximately 84 individuals) in response to the fraudulent email. Only one of those employees resides in New Hampshire.

QualiChem did not learn of this incident until fraudulent tax returns were filed. However, once it learned of this incident on March 6, 2017 it took steps to both notify all impacted individuals and law enforcement. In particular, QualiChem has notified the City of Salem Police Department, the Internal Revenue Service, the FBI, the Virginia Department of Taxation, and the Office of the Attorney General in Virginia.

A copy of the notification sent to employees is enclosed with this correspondence. QualiChem is in close contact with law enforcement and will continue to provide regular updates and information to law enforcement. Additionally, QualiChem is taking steps to help ensure that further breaches do not occur and to help employees monitor their sensitive information.

If you have any questions regarding this incident, please feel free to contact me.

Best Regards,



Glenn K. Frank
President



STATE OF NH
DEPT OF JUSTICE

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2003 Salem Industrial Drive
PO Box 926
Salem, VA 24153
540.375.6700
qualichem.com

To: All QualiChem, Inc. Employees
From: Dennis Butts, Executive Vice President
RE: Data Breach

Date: March 7, 2017

All QualiChem employees

DATA BREACH

We are contacting you about a potential issue involving identity theft. Unfortunately, we have just learned that QualiChem Inc. has been the victim of a computer phishing scheme in which employee's personal data may have been stolen. In particular, a QualiChem email account was breached when a criminal posed as a QualiChem employee via email in order to obtain your personal information. The data stolen may have included employee social security numbers, current income information, and home addresses.

QualiChem discovered this incident when the IRS began notifying employees of possible falsified tax returns being filed, either by letter of notification or by rejection of filings. Once QualiChem learned of this incident it immediately took steps to notify law enforcement. In particular, QualiChem has notified the Internal Revenue Service, Virginia Department of Taxation, and the Salem Police Department of this event. We are also planning to immediately reach out to additional federal law enforcement agencies such as the FBI as well as Virginia's Office of the Attorney General. We will work with law enforcement in any way possible to bring the perpetrators to justice.

WHAT YOU NEED TO DO IMMEDIATELY

First, follow the instructions included below in order to call the IRS and submit the attached Identity Theft Affidavit (Form 14039) with the IRS.

We also recommend that you immediately place a fraud alert on your credit file. A fraud alert tells creditors to contact you before they open any new accounts or change your existing accounts. In order to place a fraud alert, you can contact any one of the three major credit bureaus. As soon as one credit bureau confirms your fraud alert, the others are notified to place fraud alerts on all of your reports. All three credit reports will also be sent to you, free of charge, for your review. The three credit bureaus can be contacted at the following numbers:

Equifax	Experian	TransUnionCorp
800-525-6285	888-397-3742	800-680-7289

Even if you do not find any suspicious activity on your initial credit reports, the Federal Trade Commission recommends that you check your credit reports periodically. Checking your credit reports periodically can help you spot problems and address them quickly. The Federal Trade Commission also maintains a website at identitytheft.gov which has a number of helpful resources.



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We have confirmed that this is an isolated incident. We are taking steps to make sure that incidents of this nature do not occur in the future. We can assure you that we will be working diligently with law enforcement and will push for all available criminal penalties against the perpetrator of this crime.

If you need additional information or assistance, please contact Buddy Hill, QualiChem CFO at 540-375-6700 x 1027 or email to jhill@qualichem.com.

Please remain vigilant by reviewing account statements and credit reports. We are also working to secure additional resources for you and will be in touch shortly with information on how to access those services.

Please know that our management team stands ready to assist you as we all navigate these issues.

A handwritten signature in black ink, appearing to read "Dennis Butts", is written over a horizontal line.

Dennis Butts
Executive Vice President
QualiChem, Inc.



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Salem, VA 24153
540.375.6700
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ADDITIONAL INFORMATION REGARDING NOTIFYING THE IRS

From the IRS

1. Call the IRS at **800-908-4490**. After identifying you through a series of questions, they can tell you if a return has been filed using your information. If this is the case, the IRS can stop the refund from going out to the fraudulent filer.
2. File IRS Form 14039 (attached) by mailing it to the IRS with copies of your driver's license, social security card or passport for identification. If you are ready to file your return, it will need to be paper-filed and accompanied by the Form 14039. If you are not ready to file your return, please mail Form 14039 now, by itself. The first return filed will be accepted, so if you have already filed and it was not rejected, then you were not subject to the identity theft or you filed before the fraudulent return was filed.
3. Contact your state tax authority to advise them of the fraudulent filed return by looking up their information on line. For the Virginia Department of Taxation, the Identity Theft Information Line is **804-404-4185**.
4. Go to the IRS website at www.irs.gov and type in "Identity Theft" in the search box for additional information.