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August 3, 2021

Attorney General John Formella  
Office of the Attorney General  
33 Capitol Street  
Concord, NH 03302  
[attorneygeneral@doj.nh.gov](mailto:attorneygeneral@doj.nh.gov)

Dear Attorney General John Formella:

We represent SJ Associates NYC, LLC (“SJA”) with respect to a potential data security incident involving a limited number of fraudulent tax returns. SJA is committed to answering any questions you may have about the data security incident, its response, and steps it has taken to prevent a similar incident in the future.

### **1. Nature of security incident.**

In June 2021, SJA learned that tax returns for a limited number of clients could not be filed as the IRS indicated that the returns had already been filed. Upon learning of these rejected returns, SJA hired an independent computer forensic investigator to determine if there was a compromise of their network or systems. Taxpayers with fraudulent returns filed were immediately notified of the fraudulent filing, the investigation, and provided information on how to protect themselves.

To date, the forensic investigators have not found any suspicious activity on SJA’s systems, although the investigation did determine that a limited number of fraudulent returns were filed using SJA’s tax software. Regardless, SJA decided to notify all clients of the investigation and provide them with resources to help them protect themselves. Information that may have been impacted includes names, addresses, Social Security numbers, bank account numbers and other tax related information.

**2. Number of residents affected.**

Three (3) New Hampshire residents may have been affected and were notified of the incident. A notification letter was sent to the potentially affected individual on August 3, 2021 via regular mail (a copy of the form notification letter is enclosed).

**3. Steps taken or plan to take relating to the incident.**

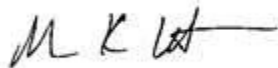
SJA has notified its clients and offered twelve (12) months of credit monitoring and identity restoration services. All passwords have been reset, a forensic investigation is in its final stages, and SJA is working with its forensic investigator to determine other ways they can further enhance their cybersecurity protocols. Finally, SJA is working with the IRS to produce a list of all clients and their dependents so that the IRS can add additional precautions to those individuals' returns.

**4. Contact information.**

SJA takes the security of the information in its control seriously and is committed to ensuring information within its control is protected. If you have any questions or need additional information, please do not hesitate to contact me at [mventrone@clarkhill.com](mailto:mventrone@clarkhill.com) or (312) 360-2506.

Very truly yours,

CLARK HILL



Melissa K. Ventrone

cc: Robert A. Stern

Enclosure



SJ ASSOCIATES NYC, LLC  
TAX CONSULTANTS

Return to IDX  
P.O. Box 1907  
Suwanee, GA 30024

To Enroll, Please Call:  
1-833-909-3918  
Or Visit:  
[https://app.idx.us/account-  
creation/protect](https://app.idx.us/account-creation/protect)  
Enrollment Code: [XXXXXXXXXX]

<<First Name>> <<Last Name>>  
<<Address1>> <<Address2>>  
<<City>>, <<State>> <<Zip>>

August 3, 2021

### Notice of Potential Data Security Incident

Dear <<First Name>> <<Last Name>>:

We wanted to let you know about a potential data security incident experienced by SJ Associates NYC, LLC (“SJ Tax”) that may have impacted your personal information. We value and respect the privacy of your information and sincerely apologize for any concern or inconvenience this may cause you. This letter contains information about steps you can take to protect your information and resources we are making available to help you.

#### What happened?

On June 1, 2021, we learned that a limited number of clients experienced fraudulent tax filings. We don’t know whether this activity is related to a compromise of our systems and have hired an independent computer forensic investigator to help us investigate. Unless we have contacted you about this event by phone, we don’t yet know whether any of your information was compromised. However, we wanted to let you know before the investigation is complete so you can take steps to protect yourself. As stated above, any client that experienced fraudulent filings either has been or will be contacted by our office.

#### What information was involved?

We store information necessary to file your taxes in our system. This includes your name, address, Social Security number, and bank account information if you provided it to us for use to pay a tax liability or receive a refund.

#### What we are doing:

We have notified law enforcement, state tax authorities, and the IRS of this issue. While the investigation is ongoing, we have arranged for you to receive credit monitoring and identity protection services provided by IDX for <<XX>> months at no cost to you. The above enrollment code will work for you and any members in your immediate family. Please note, however, that minors will not be able to enroll in credit monitoring services, but the other IDX services will be available to them. We can assure you that if there is an issue with the security of our systems, we are committed to taking steps to prevent this from occurring again.

#### What you can do:

We encourage you to contact IDX with any questions and to enroll yourself and your immediate family members in free services by calling 1-833-909-3918 or going to <https://app.idx.us/account-creation/protect> and using the Enrollment Code provided above. IDX is available Monday through Friday from 9 am - 9 pm Eastern Time. Please note the deadline to enroll is November 3, 2021.

**How to Enroll: You can sign up online or via telephone.**

You will find detailed instructions for enrollment on the enclosed Recommended Steps document. Also, you will need to reference the enrollment code at the top of this letter when calling or enrolling online, so please do not discard this letter.

If you received a fraudulent deposit from the IRS into your bank account, the IRS has recommended the following:

1. Do not spend this money, as it must be returned to the IRS.
2. Contact your bank's fraud department and let them know that the money was deposited as a result of a fraudulent tax filing, and that the deposit should be reversed as soon as possible.
3. Do not return the money by check. The most reliable way for the money to be returned and credited to you is to instruct your bank to reverse the deposit.
4. If you have any issues with your bank and the return of the money, please contact me.

Additionally, if you know or suspect you are a victim of tax-related identity theft, the IRS recommends the following steps:

- Respond immediately to any IRS written notice. **The IRS will not contact you via phone.**
- If you received a Letter 4883C or 5017C from the IRS, you should follow the instructions on that letter. Additionally, you may be asked to file a paper return for the current filing season. If you believe you may be a victim of tax fraud but have not received a Letter 4883C from the IRS, you should fill out and submit IRS Form 14039, which is available at IRS.gov. We can provide you with a copy of that form and assist you with filling it out if you would like.

If you previously contacted the IRS and did not have a resolution, contact the IRS for specialized assistance at 1-800-908-4490. The IRS has teams available to assist. You should also visit <https://www.irs.gov/individuals/how-irs-id-theft-victim-assistance-works> for more information.

The security of your information is of the utmost importance to us. Once the forensic investigation is complete, we will be working closely with the investigators to identify additional security measures to further enhance the security of our systems. Out of an abundance of caution, we are also working with the IRS' Return and Integrity Compliance Services so they can apply any protections they might have available as well.

**Other important information:**

If you have any questions or concerns, please call 1-833-909-3918 Monday through Friday, 9 am - 9 pm Eastern Time. Your trust is a top priority for us, and I deeply regret any inconvenience or concern that this matter may cause you.

Sincerely,



Shelly Jacobson Taylor, CPA



## Recommended Steps to Help Protect Your Information

- 1. Website and Enrollment.** Go to <https://app.idx.us/account-creation/protect> and follow the instructions for enrollment using your Enrollment Code provided at the top of the letter.
- 2. Activate the credit monitoring** provided as part of your IDX membership. The monitoring included in the membership must be activated to be effective. Note: You must have established credit and access to a computer and the internet to use this service. If you need assistance, IDX will be able to assist you.
- 3. Telephone.** Contact IDX at 1-833-909-3918 to gain additional information about this event and speak with knowledgeable representatives about the appropriate steps to take to protect your credit identity.
- 4. Review your credit reports.** We recommend that you remain vigilant by reviewing account statements and monitoring credit reports. Under federal law, you also are entitled every 12 months to one free copy of your credit report from each of the three major credit reporting companies. To obtain a free annual credit report, go to [www.annualcreditreport.com](http://www.annualcreditreport.com) or call 1-877-322-8228. You may wish to stagger your requests so that you receive a free report by one of the three credit bureaus every four months.

If you discover any suspicious items and have enrolled in IDX, notify them immediately by calling or by logging into the IDX website and filing a request for help.

If you file a request for help or report suspicious activity, you will be contacted by a member of our ID Care team who will help you determine the cause of the suspicious items. In the unlikely event that you fall victim to identity theft as a consequence of this incident, you will be assigned an ID Care Specialist who will work on your behalf to identify, stop and reverse the damage quickly.

You should also know that you have the right to file a police report if you ever experience identity fraud. Please note that in order to file a crime report or incident report with law enforcement for identity theft, you will likely need to provide some kind of proof that you have been a victim. A police report is often required to dispute fraudulent items. You can report suspected incidents of identity theft to local law enforcement or to the Attorney General.

**5. Place Fraud Alerts** with the three credit bureaus. If you choose to place a fraud alert, we recommend you do this after activating your credit monitoring. You can place a fraud alert at one of the three major credit bureaus by phone and also via Experian's or Equifax's website. A fraud alert tells creditors to follow certain procedures, including contacting you, before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you, but also may delay you when you seek to obtain credit. The contact information for all three bureaus is as follows:

### Credit Bureaus

Equifax Fraud Reporting  
1-866-349-5191  
P.O. Box 105069  
Atlanta, GA 30348-5069  
[www.alerts.equifax.com](http://www.alerts.equifax.com)

Experian Fraud Reporting  
1-888-397-3742  
P.O. Box 9554  
Allen, TX 75013  
[www.experian.com](http://www.experian.com)

TransUnion Fraud Reporting  
1-800-680-7289  
P.O. Box 2000  
Chester, PA 19022-2000  
[www.transunion.com](http://www.transunion.com)

It is necessary to contact only ONE of these bureaus and use only ONE of these methods. As soon as one of the three bureaus confirms your fraud alert, the others are notified to place alerts on their records as well. You will receive confirmation letters in the mail and will then be able to order all three credit reports, free of charge, for your review. An initial fraud alert will last for one year.

**Please Note: No one is allowed to place a fraud alert on your credit report except you.**

**6. Security Freeze.** By placing a security freeze, someone who fraudulently acquires your personal identifying information will not be able to use that information to open new accounts or borrow money in your name. You will need to contact the three national credit reporting bureaus listed above to place the freeze. Keep in mind that when you place the freeze, you will not be able to borrow money, obtain instant credit, or get a new credit card until you temporarily lift or permanently remove the freeze. There is no cost to freeze or unfreeze your credit files.

**7. You can obtain additional information** about the steps you can take to avoid identity theft from the following agencies. The Federal Trade Commission also encourages those who discover that their information has been misused to file a complaint with them.

**California Residents:** Visit the California Office of Privacy Protection (<http://www.ca.gov/Privacy>) for additional information on protection against identity theft.

**Kentucky Residents:** Office of the Attorney General of Kentucky, 700 Capitol Avenue, Suite 118 Frankfort, Kentucky 40601, [www.ag.ky.gov](http://www.ag.ky.gov), Telephone: 1-502-696-5300.

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

**New Mexico Residents:** You have rights pursuant to the Fair Credit Reporting Act, such as the right to be told if information in your credit file has been used against you, the right to know what is in your credit file, the right to ask for your credit score, and the right to dispute incomplete or inaccurate information. Further, pursuant to the Fair Credit Reporting Act, the consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information; consumer reporting agencies may not report outdated negative information; access to your file is limited; you must give your consent for credit reports to be provided to employers; you may limit "prescreened" offers of credit and insurance you get based on information in your credit report; and you may seek damages from a violator. You may have additional rights under the Fair Credit Reporting Act not summarized here. Identity theft victims and active duty military personnel have specific additional rights pursuant to the Fair Credit Reporting Act. You can review your rights pursuant to the Fair Credit Reporting Act by visiting [www.consumerfinance.gov/f/201504\\_cfpb\\_summary\\_your-rights-under-fcra.pdf](http://www.consumerfinance.gov/f/201504_cfpb_summary_your-rights-under-fcra.pdf), or by writing Consumer Response Center, Room 130-A, Federal Trade Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.

**North Carolina Residents:** Office of the Attorney General of North Carolina, 9001 Mail Service Center Raleigh, NC 27699-9001, [www.ncdoj.gov](http://www.ncdoj.gov), Telephone: 1-919-716-6400.

**Oregon Residents:** Oregon Department of Justice, 1162 Court Street NE, Salem, OR 97301-4096, [www.doj.state.or.us/](http://www.doj.state.or.us/), Telephone: 877-877-9392

**Rhode Island Residents:** Office of the Attorney General, 150 South Main Street, Providence, Rhode Island 02903, [www.riag.ri.gov](http://www.riag.ri.gov), Telephone: 401-274-4400

**District of Columbia Residents:** You may obtain information about avoiding identity theft from the Office of the Attorney General for the District of Columbia by visiting <https://oag.dc.gov/consumer-protection>, emailing [consumer.protection@dc.gov](mailto:consumer.protection@dc.gov), calling (202) 442-9828, or mailing Office of the Attorney General, Office of Consumer Protection, 400 6th Street, NW Washington, DC 20001.

**All US Residents:** Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Avenue, NW Washington, DC 20580, [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft), 1-877-IDTHEFT (438-4338), TTY: 1-866-653-4261.