

STATE OF NH
DEPT OF JUSTICE
2017 MAR -9 PM 12:09



Cost Consultants
WBE/DBE

March 5, 2017

The Honorable Joseph Foster
Office of the Attorney General
33 Capitol Street
Concord, NH 03301

Re: Data Breach Notification

Dear Mr. Attorney General,

Please be advised that on March 3, our Accounts Payable Manager received a phishing email which purported to be from our CEO requesting copies of the W2 forms of our employees. Our Payroll Manager complied with this request and quickly realized that this was a phishing email designed to steal information and that she had been victimized.

Immediately upon realizing this act, she notified our IT department, our CEO, and filed complaints with the FTC and the IRS.

It appears that this affected 36 individuals, and 1 New Hampshire Resident.

Going forward, we plan on encrypting all sensitive data when being transmitted over the internet.

Attached please find the notice distributed to our employees to notify them of this incident.

Should there be additional questions, please contact me at tleviter@tctcost.com.

Thank you for your attention to this letter,

Kimberlee Toscano
Senior Principal

Toscano Clements Taylor Cost Consultants
WOSB/Minority Certified

phone 631.392.1400
office 16 Oakwood Road, Huntington, NY 11743

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March 6, 2017

To: All Employees

RE: ID THEFT

I am writing to inform you that on Friday March 3, 2017, TCT experienced an incident that caused our W-2s to be exposed to people outside the firm. This letter provides you with information on the steps that TCT is taking to protect our personal information moving forward. I personally take this to be a very serious incident and I am very sorry it has occurred.

My response to this incident is threefold:

1. Communication – to provide all staff with full transparency of what happened.
2. Protection – provide staff with knowledge and support to prevent identity theft.
3. Corrective Measures – how to prevent this from occurring again.

Communication

On Friday, March 3, 2017, our accounts payable employee received an email that appeared to be from me. The email looked to be legitimate. It asked the employee to send me the 2016 W-2 information. At 11.52 a.m. the employee responded to the email, thinking the response was being sent to me. The response included W-2 information on all current and former employees that worked for TCT in 2016. As you know our W-2s include name, address, social security number and earnings.

Later in the afternoon, the employee received a response to the email she sent asking for a payment of \$14,600 to be processed. At this point, the employee sensed something was suspicious and notified our IT department. It was confirmed that I did not make either request, but rather it came from a ghost email. Upon further investigation by our IT consultant it was confirmed the W-2s were sent not to me, but were sent to someone outside the company. This not a breach of our security and email passwords will not need to change. It was a phishing email designed to fool an employee into sending information.

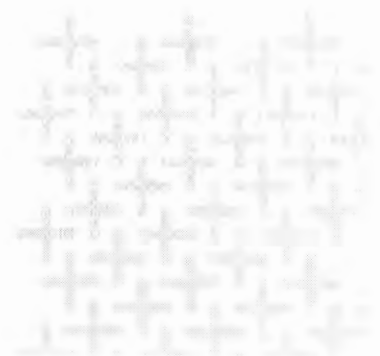
This incident has been reported to the agencies below and is being investigated.

- Individual States/Attorney General
- FBI

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**TOSCANO
CLEMENTS
TAYLOR**

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We would like to provide you with one point of contact and we are committed to answering all of your questions. Please contact Vernae Jones Seals at vjseals@tctcost.com. Cell 202- 409-7026. Vernae will be in the DC office on Tuesday 3/7 and NY office on Wednesday 3/8. Vernae will confirm the times she will be available in all offices.

Protection

1. Fraud Alert – You can contact any of the three (3) credit reporting agencies to report a fraud alert. The service is free, the alert lasts for 90 days and if you contact one agency, they will alert the others. Please see the links below for each of the agencies.

Equifax PO Box 740241 Atlanta, GA 303740241 1-800-685-1111 www.equifax.com	TransUnion PO Box 6790 Fullerton, CA 928346790 1-800-916-8800 www.transunion.com	Experian PO Box 9532 Allen, TX 75013 1-888-397-3742 www.experian.com
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2. Tax Return Filing – Filing your 2016 as soon as possible is critical and will reduce your risk of a fraudulent tax filing. Apparently this is a very common practice and the IRS is battling to protect against fraudulent tax returns. Please complete the enclosed IRS Form 14039 Identity Theft Affidavit. Returning the form to the IRS will put them on notice of this data breach.
3. IRS Notification – In addition to completing IRS Form 14039, you can go to the IRS website and request an electronic filing PIN number that you will then be required to input when you file your taxes. Please see the link below if you are interested in learning more about this option.
<https://www.irs.gov/Individuals/Electronic-Filing-PIN-Request>

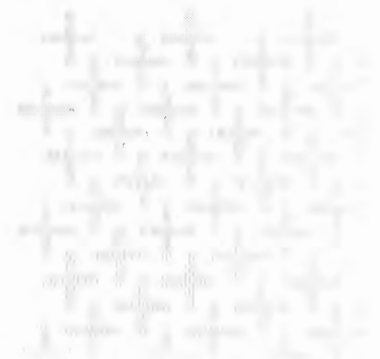
Corrective Measures

Effective immediately, the following policy change applies to all employees. Employees may not send any personal information in response to an e-mail request. All requests must be verified verbally and the data needs to be delivered securely. Personal information is defined as an individual's first name or first initial and last name plus one or more of the following data elements; (i) Social Security Number, (ii) driver's license number or state issued ID number, (iii) financial account number, credit card number or debit card number, in combination with any required security code, access code or password that

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would permit access to an individual's financial account. Going forward, additional policies and processes will be reviewed and adjusted.

We will be working on educating all TCT employees over the next few weeks on methods to recognize and report these types of emails. TCT's ongoing priority is securing our data.

I understand that this issue is upsetting and we are taking steps to protect you. TCT is learning more about appropriate next step to help protect your identity and will be sharing this information with you in the coming days.

Thank you.

Kim



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