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September 23, 2014

Joseph A. Foster
Attorney General of the State of New Hampshire
33 Capitol St.
Concord, NH 03301

Dear Attorney General Foster:

Pursuant to New Hampshire Statute 359-C:20(I)(b), we are writing to notify you of an unauthorized access of personal information involving 1 New Hampshire resident.

On Tuesday, September 16, 2014, Valeritas became aware that a number of folders on its internal network that are only available to Human Resources personnel were not properly secured. Within the folders are electronic files, some of which contain personal information, including employee names, address, date of birth, and social security numbers. Although these files/folders are not easily accessed on our network by those outside of Human Resources, the security settings were temporarily and inadvertently removed, making it possible that employees at our Shrewsbury, Massachusetts site and our Bridgewater, New Jersey headquarters could access the folders.

Upon discovery of the problem, Valeritas and our IT Partner, Z-Tech Associates, immediately secured the files/folders and began an investigation to determine how the security settings had been changed, who might have accessed the files, and for what period of time.

The investigation revealed that the security settings were likely inadvertently removed by a Network Administrator at our IT Partner, Z-Tech Associates, on or around July 16, 2014 while fixing a connectivity issue with a member of the Human Resources Department. The investigation also revealed that one employee accessed a protected folder. We interviewed a number of other employees and have not found any additional instances of unauthorized employee access. To confirm our findings, we conducted searches of the network, email system and company-issued personal computers and no evidence exists that files with personal information have been copied or emailed. In addition, the employee has affirmed in writing that he did not view or copy any sensitive information. All evidence leads us to believe that the employee did not have malicious intent when he accessed the file/folders that were temporarily unsecured.

Nevertheless, we determined that the most prudent course of action was to inform all employees of a possible data breach, provide instructions regarding how employees may place a security freeze on credit reports, and offer all employees free identify theft protection through Lifelock for one year. See attached email to all Valeritas Employees which was sent on Friday, September 19th.

Valeritas is committed to ensuring that all personal information is secure. We are taking a number of steps to this end, including:

- Properly implementing and testing the network access logging tools;
- Auditing all network security settings to ensure all sensitive information is available to only authorized users;
- Enhanced monitoring of network activity, security, and access;
- Revising and implementing, with our IT Partner, Z-Tech Associates, policies and practices to ensure access and security for files containing personal information is properly maintained.

Because Valeritas has no indication that any confidential or sensitive information has been used, copied, or distributed, we did not file a police report. However, Valeritas is providing notices to States Attorney Generals or Consumer Protection Agencies, if employees reside in a state that requires notification.

Best Regards,

A handwritten signature in black ink, appearing to read 'Kurt Andrews', with a long, sweeping horizontal stroke extending to the right.

Kurt Andrews
Vice President of Human Resources

Kurt Andrews

From: Kurt Andrews
Sent: Friday, September 19, 2014 5:01 PM
Subject: Internal Data Breach
Attachments: Lifelock Standard-Product Overview.pdf; Special Note Regarding Credit Freeze Option.pdf

To: All Valeritas Employees

We have discovered that there was an internal data breach in our IT systems. Z-Tech (our IT partner) and our management team have performed a thorough investigation of the situation and have taken immediate steps to ensure that all of Valeritas network files and software are secure. We do not believe it was malicious in nature and do not believe that Social Security numbers were compromised. Despite this, we are handling the situation with the highest degree of caution and are offering free Identity Theft Monitoring through Lifelock to all of our employees for one year. If you would like to take advantage of this service (which is free to you for 1 year), please see the information attached and follow the instructions.

In addition to the information provided below on Lifelock, you have the right to put a credit freeze on your credit report. Instructions to do this are attached to this email.

To begin the Lifelock service at no cost to you:

1. Call 1-800-899-0180 or visit www.lifelock.com and click on "Get Protected" to enroll.
2. Use the promotion code _____ when prompted, and create your own Member ID
3. When you create your Member ID number, please use your first initial, last name plus the last 4 digits of your SSN. (Eg. For Mickey Mouse it would be MMouse1234)
4. Once you start the process, you will have the option to add family members, but that would be an additional cost to you.

You will have until October 31, 2014 to enroll.

Please see attached flier for more details of the service. LifeLock's specialized team of telephone representatives are available 24 hours a day, seven days a week to answer any questions. Once you have completed the LifeLock enrollment process, the services will be in effect immediately.

Your LifeLock Standard™ membership includes:

- ✓ LifeLock Identity Alert® System
- ✓ Black Market Website Surveillance
- ✓ Address Change Verification
- ✓ Lost Wallet Protection
- ✓ Reduced Pre-Approved Credit Card Offers

- ✓ Live Member Support 24/7/365
- ✓ Certified Resolution Support

LifeLock backs up its services with its \$1 Million Total Service Guarantee. (Guarantee applies only if you become a victim of identity theft because of a failure in LifeLock® service. Other restrictions apply. See www.lifelock.com for details.)

Please let me know if you have any questions.

Kurt Andrews
Valeritas
VP, Human Resources

750 Route 202, Ste 600
Bridgewater, NJ 08807

Special Note to Employees Regarding Option to Freeze Credit Reports

We are writing to notify you that a breach of security of your personal information was brought to our attention on September 16, 2014.

If due to this incident you are the victim of identity theft you have the right to file a police report.

Consumers have the right to place a security freeze on their credit reports. A security freeze prohibits a credit reporting agency from releasing any information from a consumer's credit report without written authorization. However, please be aware that placing a security freeze on your credit report may delay, interfere with, or prevent the timely approval of any requests you make for new loans, credit mortgages, employment, housing or other services.

If you have been a victim of identity theft, and you provide the credit reporting agency with a valid police report, it cannot charge you to place, lift or remove a security freeze. In all other cases, a credit reporting agency may charge you up to \$5.00 each to place, temporarily lift, or permanently remove a security freeze.

To place a security freeze on your credit report, you must send a written request to each of the three major consumer reporting agencies: Equifax (www.equifax.com); Experian (www.experian.com); and TransUnion (www.transunion.com) by regular, certified or overnight mail at the addresses below:

Equifax Security Freeze P.O. Box 105788 Atlanta, GA 30348	Experian Security Freeze P.O. Box 9554 Allen, TX 75013	Trans Union Security Freeze Fraud Victim Assistance Department P.O. Box 6790 Fullerton, CA 92834
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In order to request a security freeze, you will need to provide the following information:

1. Your full name (including middle initial as well as Jr., Sr., II, III, etc.);
2. Social Security Number;
3. Date of birth;
4. If you have moved in the past five (5) years, provide the addresses where you have lived over the prior five years;
5. Proof of current address such as a current utility bill or telephone bill;
6. A legible photocopy of a government issued identification card (state driver's license or ID card, military identification, etc.);
7. If you are a victim of identity theft, include a copy of either the police report, investigative report, or complaint to a law enforcement agency concerning identity theft;
8. If you are not a victim of identity theft, include payment by check, money order, or credit card (Visa, MasterCard, American Express or Discover only). Do not send cash through the mail.

The credit reporting agencies have three (3) business days after receiving your request to place a security freeze on your credit report. The credit bureaus must also send written confirmation to

you within five (5) business days and provide you with a unique personal identification number (PIN) or password, or both that can be used by you to authorize the removal or lifting of the security freeze.

To lift the security freeze in order to allow a specific entity or individual access to your credit report, you must call or send a written request to the credit reporting agencies by mail and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze as well as the identities of those entities or individuals you would like to receive your credit report or the specific period of time you want the credit report available. The credit reporting agencies have three (3) business days after receiving your request to lift the security freeze for those identified entities or for the specified period of time.

To remove the security freeze, you must send a written request to each of the three credit bureaus by mail and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze. The credit bureaus have three (3) business days after receiving your request to remove the security freeze.

If you should have any further questions, please contact Kurt Andrews at 908-927-9920

FACT SHEET



LifeLock Standard™ identity theft protection uses innovative monitoring technology and alert tools to help proactively safeguard your credit and finances.† When we detect your personal information being used, we'll send you an alert by text, phone or email. If identity fraud does occur, our Certified Resolution Specialists are available to personally manage your case from beginning to end.

1-800-LifeLock

LifeLock.com

Benefits of LifeLock Standard

✔ LifeLock Identity Alert® System

Actionable alerts are sent in near real time as soon as LifeLock detects your Social Security number, name, address or date of birth in applications for credit and services within our extensive network.† We monitor over a trillion data points, including those for new credit cards, wireless services, retail credit, mortgages, auto and payday loans. You can choose alerts by text, phone or email and respond immediately to confirm if the activity is fraudulent with our proprietary Not Me® verification technology.†

✔ Black Market Website Surveillance

Identity thieves illegally buy, sell and trade personal information on black market Internet sites around the world. LifeLock patrols over 10,000 criminal websites and notifies you if your private data is found.

✔ Address Change Verification

Mail containing financial information is vulnerable to identity thieves who may attempt to divert it. LifeLock monitors change of address requests and notifies you when they detect your personal information.

✔ Lost Wallet Protection

A lost or stolen wallet can leave you stranded. If your wallet goes missing, just call—anytime, anywhere—and LifeLock will help cancel or replace the contents, helping you stop fraudulent charges so you can get back on your way. Coverage includes: credit and debit cards, driver's licenses, Social Security cards, insurance cards, checkbooks and travelers checks (pictures, cash and cash equivalents excluded).

✔ Reduced Pre-Approved Credit Card Offers

LifeLock requests that your name be removed from many pre-approved credit card mailing lists, an important information source for identity thieves.

✔ Live Member Support 24/7/365

U.S. based Member Services Agents are available to help 24 hours a day, 7 days a week, 365 days a year. If at any time you have questions, login to your online account at LifeLock.com, email Member.Services@LifeLock.com or call 1-800-LifeLock (543-3562).

About LifeLock

LifeLock is the leader in identity theft protection services. Unlike a bank, a credit card company or a credit bureau, our focus is on protecting your identity – to help keep you safer in an always connected world.

3 Layers of Protection

🔍 DETECT

We're searching over a trillion data points every day looking for potential threats to your identity

⚠️ ALERT

With the patented LifeLock Identity Alert® system, as soon as we detect a threat to your identity, you'll be notified by text, phone or email, to help stop thieves before they can do damage to your identity

🔄 RESTORE

If you do become a victim, our U.S. based Certified Resolution Specialists are available 24/7 to handle your case every step of the way

(Continued on reverse)

1-800-LifeLock | LifeLock.com

†Network does not cover all transactions.

Benefits of LifeLock Standard (cont.)

✔ Certified Resolution Support

A Certified Resolution Specialist will personally handle your case and help restore your identity in case of a fraudulent event. These specialists are Fair Credit Report Act (FCRA) certified and trained on federal legislation, national credit repository guidelines and consumer rights.

✔ \$1 Million Total Service Guarantee

As a LifeLock member, if you become a victim of identity theft, LifeLock will spend up to \$1 million to hire experts, lawyers, investigators, consultants and necessary professionals to help your recovery.[†]

Available with an adult membership:

LIFELock JUNIOR PROTECTION



A child's clean and unmonitored credit file is a gold mine for identity thieves. With a combination of advanced monitoring features uniquely designed for children, LifeLock Junior™ protection helps proactively safeguard their personal information.



Alerts for What Matters Most

LifeLock Protects You in Ways
You Can't Protect Yourself

Sign up in less than 3 minutes. Protection starts immediately.

1-800-LifeLock | LifeLock.com



[†]Network does not cover all transactions.

[†]The benefits under the Service Guarantee are provided under a Master Insurance Policy underwritten by State National Insurance Company. As this is only a summary please see the actual policy for applicable terms and restrictions at LifeLock.com/legal