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January 30, 2017

Via E-mail

Office of the Attorney General
Attn: Security Breach Notification
200 St. Paul Place
Baltimore, MD 21202
Idtheft@oag.state.md.us

Re: Verato, Inc – Incident Notification

Dear Sir or Madam:

In accordance with Md. Code Ann. § 14-3504, I am writing on behalf of Verato, Inc. (“Verato”) to notify you regarding the nature and circumstances of a recent data security incident.

On January 25, 2017, Verato learned that it was the target of a phishing email that resulted in the unauthorized acquisition by an unknown third party of employees’ W-2 tax forms. The employee information contained on the forms included names, addresses, Social Security numbers, and wage and tax information. The information at issue was in an encrypted format. Promptly after learning of the incident, we took steps to secure our systems and launched an investigation to determine the nature and scope of the incident. In addition, we notified law enforcement and will assist in any investigation that they perform. Based on our investigation, at this time, we have no evidence that any of the information has been misused as a result of this incident. Out of an abundance of caution, we have arranged to provide affected individuals with two years of identity protection and credit monitoring services at no cost to them.

There is one Maryland resident affected by this incident. Attached for your reference is a copy of the notice sent to that resident. Please do not hesitate to contact me if you have questions.

Very truly yours,

Paul M. Tiao
Counsel for Verato, Inc.

Enclosure



Verato, Inc.: Individual Notification Letter

[Name]
[Address]
[City], [State] [ZIP]

January [Day], 2017

Dear [Name],

We are writing to notify you of an incident that involves certain aspects of your personal information. On January 25, 2017, Verato was the target of a phishing email that resulted in the unauthorized acquisition by an unknown third party of employees' W-2 tax forms. The employee information contained on the forms included names, addresses, Social Security numbers, and wage and tax information. Promptly after learning of the incident, we launched an investigation to determine the nature and scope of the issue. In addition, we have notified law enforcement and will assist them in any investigation they conduct. Based on our current state of investigation, we have no indication that any of the information has been misused as a result of this incident.

We deeply regret that this incident occurred. We take our obligation to safeguard personal information very seriously and are alerting you about this incident so you can take steps to help protect yourself. We recommend that you consider taking advantage of the following five options which are outlined in greater detail in the attached Reference Guide.

- 1) Order your free credit report, as outlined in the attached Reference Guide. We encourage you to remain vigilant by reviewing your account statements and monitoring your free credit reports.
- 2) Register for Identity Protection Services: the attached Reference Guide provides information about the Identity Protection Services we arranged with AllClear ID to offer identity protection and credit monitoring services to affected persons, including you, for 24 months at no cost.
- 3) Report any fraudulent incidents involving your identity information to the IRS or FTC: the attached Reference Guide provides information on registration and recommendations by the U.S. IRS and the Federal Trade Commission on the protection of personal information.
- 4) Consider placing a fraud alert on your credit file as described in the attached Reference Guide.
- 5) Consider placing a security freeze on your credit file as described in the attached Reference Guide.

We hope this information is useful to you and we encourage you to take advantage of the identity protection services that AllClear ID provides. If you have any questions regarding this incident, please contact hr@verato.com.

Again, we sincerely regret that this incident has occurred and apologize for any inconvenience this may cause you.

Sincerely,

Mark LaRow
Verato CEO

Reference Guide

We encourage affected individuals to take the following steps:

1. Order Your Free Credit Report. To order your free credit report, visit www.annualcreditreport.com, call toll-free at 1-877-322-8228, or complete the Annual Credit Report Request Form on the U.S. Federal Trade Commission's ("FTC") website at www.consumer.ftc.gov and mail it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. The three consumer reporting agencies provide free annual credit reports only through the website, toll-free number or request form.

When you receive your credit report, review it carefully. Look for accounts you did not open. Look in the "inquiries" section for names of creditors from whom you haven't requested credit. Some companies bill under names other than their store or commercial names. The consumer reporting agency will be able to tell you when that is the case. Look in the "personal information" section for any inaccuracies in your information (such as home address and Social Security number). If you see anything you do not understand, call the consumer reporting agency at the telephone number on the report. Errors in this information may be a warning sign of possible identity theft. You should notify the consumer reporting agencies of any inaccuracies in your report, whether due to error or fraud, as soon as possible so the information can be investigated and, if found to be in error, corrected. If there are accounts or charges you did not authorize, immediately notify the appropriate consumer reporting agency by telephone and in writing. Consumer reporting agency staff will review your report with you. If the information can't be explained, then you will need to call the creditors involved. Information that can't be explained also should be reported to your local police or sheriff's office because it may signal criminal activity.

2. Register for Identity Protection Services. We have arranged with AllClear ID to help you protect your identity and your credit information for 24 months at no cost to you. The following identity protection services start on the date of this notice and you can use them at any time during the next 24 months.

AllClear Identity Repair: This service is automatically available to you with no enrollment required. If a problem arises, simply call 877-676-0379 and a dedicated investigator will help recover financial losses, restore your credit and make sure your identity is returned to its proper condition.

AllClear Credit Monitoring: This service offers additional layers of protection including credit monitoring and a \$1 million identity theft insurance policy. To use this service, you will need to provide certain information. You may sign up online at enroll.allclearid.com or by phone by calling 877-676-0379 using the following redemption code: **[insert unique redemption code]**.

3. Report Incidents. If you detect any unauthorized transactions in a financial account, promptly notify your payment card company or financial institution. If you detect any incident of identity theft or fraud, promptly report the incident to law enforcement, the IRS and/or the FTC and your state Attorney General. If you believe your identity has been used fraudulently, the IRS and the FTC recommends that you take these steps:

- Place an initial fraud alert.

- Order your credit reports.
- If your e-filing for the IRS was rejected, or you receive notice from the IRS that your federal tax information was compromised, then you should consider submitting a Form 14039 (Identity Theft Affidavit) (<https://www.irs.gov/pub/irs-pdf/f14039.pdf>) to the IRS, and you should consider notifying your state Tax Authority (<http://www.taxadmin.org/state-tax-agencies>).
- Create an FTC Identity Theft Affidavit by submitting a report about the theft at <http://www.ftc.gov/complaint> or by calling the FTC.
- File a police report about the identity theft and get a copy of the police report or the report number. Bring your FTC Identity Theft Affidavit with you when you file the police report.
- Your Identity Theft Report is your FTC Identity Theft Affidavit plus your police report. You may be able to use your Identity Theft Report to remove fraudulent information from your credit report, prevent companies from refurbishing fraudulent information to a consumer reporting agency, stop a company from collecting a debt that resulted from identity theft, place an extended seven-year fraud alert with consumer reporting agencies, and obtain information from companies about accounts the identity thief opened or misused.

You can contact the FTC to learn more about how to protect yourself from becoming a victim of identity theft and how to repair identity theft:

Federal Trade Commission
 Consumer Response Center
 600 Pennsylvania Avenue, NW
 Washington, DC 20580
 1-877-IDTHEFT (438-4338)
www.ftc.gov/idtheft/

4. Consider Placing a Fraud Alert on Your Credit File. This free fraud alert service serves to protect you from possible identity theft, consider placing a fraud alert on your credit file. A fraud alert helps protect you against the possibility of an identity thief opening new credit accounts in your name. When a merchant checks the credit history of someone applying for credit, the merchant gets a notice that the applicant may be the victim of identity theft. The alert notifies the merchant to take steps to verify the identity of the applicant. You can place a fraud alert on your credit report by calling any one of the toll-free numbers provided below. You will reach an automated telephone system that allows you to flag your file with a fraud alert at all three consumer reporting agencies. For more information on fraud alerts, you also may contact the FTC as described above.

Equifax	Equifax Credit Information Services, Inc. P.O. Box 740241 Atlanta, GA 30374	1-800-525-6285	www.equifax.com
Experian	Experian Inc. P.O. Box 9554 Allen, TX 75013	1-888-397-3742	www.experian.com
TransUnion	TransUnion LLC P.O. Box 2000	1-800-680-7289	www.transunion.com

5. Consider Placing a Security Freeze on Your Credit File. You may wish to place a “security freeze” (also known as a “credit freeze”) on your credit file. A security freeze is designed to prevent potential creditors from accessing your credit file at the consumer reporting agencies without your consent. There may be fees for placing, lifting, and/or removing a security freeze, which generally range from \$5-\$20 per action. Verato will reimburse you for these costs. *Unlike a fraud alert, you must place a security freeze on your credit file at each consumer reporting agency individually.* For more information on security freezes, you may contact the three nationwide consumer reporting agencies or the FTC as described above. As the instructions for establishing a security freeze differ from state to state, please contact the three nationwide consumer reporting agencies to find out more information.

The consumer reporting agencies may require proper identification prior to honoring your request. For example, you may be asked to provide:

- Your full name with middle initial and generation (such as Jr., Sr., II, III)
- Your Social Security number
- Your date of birth
- Addresses where you have lived over the past five years
- A legible copy of a government-issued identification card (such as a state driver’s license or military ID card)
- Proof of your current residential address (such as a current utility bill or account statement)

For Maryland Residents. You can obtain information from the Maryland Office of the Attorney General about steps you can take to avoid identity theft. You may contact the Maryland Attorney General at:

Maryland Office of the Attorney General
Consumer Protection Division
200 St. Paul Place
Baltimore, MD 21202
(888) 743-0023 (toll-free in Maryland)
(410) 576-6300
www.oag.state.md.us

For North Carolina Residents. You can obtain information from the North Carolina Attorney General’s Office about preventing identity theft. You can contact the North Carolina Attorney General at:

North Carolina Attorney General’s Office
9001 Mail Service Center
Raleigh, NC 27699-9001
(877) 566-7226 (toll-free in North Carolina)
(919) 716-6400
www.ncdoj.gov