



ECMC  
G R O U P

April 16, 2010

The Honorable Michael A. Delaney  
Attorney General, State of New Hampshire  
33 Capitol Street  
Concord, NH 03301

Re: Update on ECMC Data Incident

Dear Attorney General Michael A. Delaney,

I am writing to provide you with an update regarding the recent data incident at ECMC. As you may know, on March 21, 2010, ECMC discovered that two double-locked Sentry safes were stolen from a locked storage area at our corporate headquarters. The safes contained DVDs that included personal information relating to borrowers. The files on the DVDs were compressed using server-based compression software, and many of the files were protected by, and could only be accessed with, a User ID and 8-digit alphanumeric password.

We are pleased to inform you that the safes (as well as the DVDs contained in the safes) were recovered on March 22, 2010. I have attached copies of the press release issued by law enforcement this morning regarding the recovery, along with a statement we issued immediately thereafter. As indicated in these statements, law enforcement officials do not believe that the personal information contained on the DVDs was accessed or compromised. Forensic experts from the U.S. Department of Education are currently working to confirm that the personal information was not accessed.

We began notifying our borrowers of this incident on March 31, 2010.

We are, of course, delighted by this development and hope that this news provides some comfort to you and the residents of your state. We will continue to keep you informed as events warrant.

Best regards,

Richard J. Boyle, Jr.  
President & CEO, ECMC Group

Enclosures (2)

**MINNESOTA DEPARTMENT OF PUBLIC SAFETY**

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# NEWS RELEASE

Andy Skoogman, Director of Communications

**FOR IMMEDIATE RELEASE**

April 16, 2010

**CONTACT:**

Jill Oliveira, 651-793-2726

## **INVESTIGATORS RECOVER SAFES, DATA FROM STUDENT LOAN COMPANY BURGLARY**

*Information on CD's and Floppy disks does not appear to have been  
compromised*

ST. PAUL — Investigators with the Minnesota Financial Crimes Task Force (FCTF) and the Minneapolis Police Department have recovered two stolen safes that contained CDs and floppy discs with personal information on more than three million federal student loan borrowers. Investigators say the safes were found in Minneapolis within 48 hours of the burglary, and the personal data on the digital media does not appear to have been compromised.

The safes were stolen during the weekend of March 20-21, 2010 from the Oakdale, Minnesota headquarters of Educational Credit Management Corporation (ECMC), a company which services and insures student loans.

Investigators with the Minnesota Financial Crimes Task Force say Minneapolis Police located the safes on Monday, March 22. The safes had been opened and the CDs and floppy discs, still in their original packaging, were found nearby. Investigators are confident all the CDs and floppy disks - approximately 650 - have been recovered.

The safes and digital media have been in the Minneapolis Police evidence room since March 22. It wasn't until recently the evidence was examined and connected with the Oakdale robbery.

Financial Crimes Task Force investigators have identified one suspect in the case. The suspect has not been charged in this case, but is currently in custody on an unrelated matter. The suspect is not a current or former employee of ECMC. Investigators say there may be additional suspects.

The Minnesota Bureau of Criminal Apprehension Lab in St. Paul is looking at the safes and their contents for additional evidence. When

the BCA's analysis is complete, the US Department of Education Office of Inspector General will review the media as a precaution to definitively determine whether the information on the CDs and floppy discs was compromised.

The Minnesota Financial Crimes Task Force and the Oakdale Police Department are conducting the investigation with the assistance of the US Department of Education Office of Inspector General.

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FOR IMMEDIATE RELEASE

Contact:

Geri Gjesdahl  
(651) 325-4071  
[gjesdahl@ecmc.org](mailto:gjesdahl@ecmc.org)

Christina Smith  
(512) 773-2474  
[Christina.Smith@webershandwick.com](mailto:Christina.Smith@webershandwick.com)

Note: The statement below is in response to a news release issued on 4/16/10 by the Minnesota Department of Public Safety.

### **Statement of Richard Boyle, ECMC Group President & CEO**

ECMC and its employees want to express its gratitude to the Minnesota Financial Crimes Task Force, who in cooperation with the Oakdale Police Department, and with the assistance of the Federal Bureau of Investigation and Department of Education's Office of Inspector General for bringing about this positive outcome. We were very pleased to learn yesterday that the property and data stolen from ECMC headquarters has been recovered and that law enforcement officials believe that the personally identifiable information of our 3.3 million federal student loan borrowers does not appear to have been compromised.

We are working closely with U.S. Department of Education to notify our borrowers, partners and industry about this latest development.

We remain vigilant to the needs and concerns of our borrowers, and continue to encourage borrowers who were notified by us of this incident to take advantage of the free credit monitoring and fraud protection package we are providing them through Experian. The letter to affected borrowers included information about how to activate this service.

All of us at ECMC are delighted by this news and hope that it provides some comfort to affected borrowers. We will continue to post updates to our website, [www.ecmc.org](http://www.ecmc.org), as additional information becomes available.