



October 28, 2011

New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301

Re: Legal Notice of Potential Information Security Breach

Dear Sir or Madam:

ValueOptions, Inc. ("VOI") is a managed care company engaged in managing behavioral health benefits provided to individuals through their health plans. As a part of this service, VOI routinely collects information from its client health plans regarding which individuals are eligible for these benefits. As you are aware, New Hampshire state law requires notice to the New Hampshire Attorney General in the event of an information security breach involving the personal information of New Hampshire residents. In accordance with that requirement, I write to inform you of a potential security breach involving a missing shipment of data tapes containing personal data for approximately 350 New Hampshire residents, who are members of one of VOI's client health plans, National Elevator Industry ("NEI").

On July 6, 2011, VOI shipped a container containing four tape cartridges from its Reston, Virginia, office to its client's offices in Newtown Square, Pennsylvania. Available technology did not allow encryption of the data on these tapes. The cartridges were placed into a specialized steel container, secured with a TSA-approved combination lock, placed into an outer cardboard shipping box, and shipped via United Parcel Service (UPS). On August 1, 2011, a representative from our client's benefit plan contacted the VOI IT office in Reston to report that the package had not arrived. VOI contacted UPS to request a package tracer. UPS reported that the package had been sent "Out for Delivery" from its West Chester, Pennsylvania facility, but there was no scan indicating that it had been delivered. At that time, our client conducted a further search of its offices. When the box still was not located, our client once again contacted VOI, and the VOI Compliance Department was notified on August 25, 2011. The VOI Compliance Department initiated its own internal investigation, ascertaining the content of the tapes, the processes involved in shipping the tapes, and the search efforts that had been conducted. The Compliance Department also obtained photos of the tape cartridges, the steel box and lock, and a representative shipping carton.

Upon learning the scope of the data on the tapes, VOI engaged the services of outside counsel Alan Gnessin, who engaged Kroll Solutions to assist in the search for the missing tapes. Kroll's staff includes investigators experienced in such "missing package" situations. These investigators expressed the belief that the package was probably still within the UPS system, having been placed in a "dropped package" room or similar part of the facility. As of September 22, 2011, however, Kroll's investigators had not located the package. At that

time, VOI initiated direct contact through Mr. Gnessin with UPS senior management for further assistance.

UPS expanded the search, using the photos provided by the VOI Compliance Department. The UPS security manager in charge of the search expressed the opinion that the steel box most likely had become separated from the shipping container, and being unlabeled itself, was probably shipped to a central UPS storage facility in the Midwest. Both the West Chester, PA and Midwest facilities were (and continue to be) searched, but to date, neither the box nor the tapes have been located. As of October 7, when the most likely locations had been searched without locating the metal box or tapes, VOI decided to declare the search officially concluded and proceed with the required notifications.

In the course of the investigation, the following information was ascertained concerning the tapes and the data contained on them:

a. The tapes contain the following data for approximately 350 New Hampshire residents:

- (1) Name
- (2) Address
- (3) Phone number
- (4) Date of birth
- (5) Social Security Number
- (6) Plan subscriber's ID number

There is no information included regarding any past, present, or anticipated future health care condition or treatment.

b. According to the VOI Security Officer, the tape cartridge is an IBM model 3480 half-inch (1/2") cartridge. It is formatted to be read only by specialized equipment, requiring the use of an IBM AS/400 (business class) server. This model is considered obsolete and is no longer supported by IBM.

At this time, VOI has no reason to believe that any personal information has been or will be accessed or misused, based on the routine security measures employed by UPS and the difficulty an unauthorized person would have in accessing the cartridges and the tapes' contents or the equipment needed to access the data on the tapes. Nonetheless, as a precaution, VOI will notify all affected individuals via written letter, sent through first-class mail. In addition, VOI will offer all of these individuals the opportunity to enroll in a free credit monitoring service with Debix for one year. These notifications are scheduled to be mailed on November 4, 2011. A copy of the notice packet, which will also include attachments describing Debix's services and other identity theft precautions, is attached for your reference.

If you have any further questions or need further information regarding this incident, please contact me at the address or telephone number provided below.

Sincerely,

A handwritten signature in black ink, appearing to read "Brett L. Shrader". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brett L. Shrader, J.D., CHC
Assistant General Counsel/Privacy Officer
ValueOptions Legal Department
240 Corporate Boulevard
Norfolk, VA 23502

Organization's Logo Here

[Return Address, City, St Zip]



Free Identity Protection

Activation Code: {ActivationCode}

Enroll at www.debix.com/{url}

Assistance Hotline: {DebixPhone}

<<FirstName>> <<LastName>>
<<AddressLine1>>
<<AddressLine2>>
<<City>>, <<State>> <<ZipCode>>

[Date]

Dear <<FirstName>> <<LastName>>,

We are writing to inform you of an incident that may have involved your personal information. Although we cannot confirm whether the information was improperly accessed, we are sending this notice, because we take our obligations regarding private personal information seriously.

ValueOptions, Inc. is contracted with the National Elevator Industry Health Benefit Plan (the Plan) to provide administrative services on behalf of the Plan. In order to perform these services, the Plan provides ValueOptions with eligibility reports identifying the individuals who are enrolled in the Plan. On August 1, 2011, the Plan informed ValueOptions that they had not received a package containing tapes on which the eligibility reports were saved. ValueOptions had shipped the package via a commercial carrier on July 6, 2011, and tracking documents showed that it had properly entered the carrier's system. The carrier, ValueOptions and the Plan, conducted extensive searches of their facilities, but have not yet located the package.

The specific personal information contained on the tapes includes: 1) Subscriber number, 2) Name, 3) Address, 4) Home phone number, 5) Social Security Number, and 6) Date of birth. There was no health care information included on the tapes.

We want to make you aware of steps you may take to guard against identity theft or fraud. Please review the enclosed Information about Identity Theft Protection.

To help safeguard you from misuse of your personal information, **we have arranged for you to receive identity protection from Debix, The Identity Protection Network, at no cost to you.**

Debix offers OnCall™ Credit Monitoring that delivers secure, actionable OnCall Credit Alerts to you by phone. For a child under 18 years old, Debix ChildScan® identifies acts of credit, criminal, medical or employment fraud against children by searching thousands of public databases for use of your child's information. Debix Identity Protection also includes \$1,000,000 Identity Theft Insurance Coverage and Debix Fraud Resolution Services. The Debix Identity Protection service will be valid for one (1) year from the date you register.

You must register with Debix to receive this complimentary identity protection service. You will need to provide the activation code that is listed at the top of this page. You may register online at www.debix.com/{url} or by mail using the enclosed mail-in registration form, or by phone by calling {DebixPhone}. Please see the enclosure to learn more about Debix, The Identity Protection Network.

We take the protection of your personal information seriously and have taken steps to prevent a similar occurrence, particularly moving from the use of tapes to the use of an encrypted electronic data exchange. If you have further questions or concerns about this incident, please contact the ValueOptions Assistance Line at [Organization Phone Toll Free number]. We sincerely regret any inconvenience or concern caused by this incident.

Sincerely,

Brett L. Shrader
Assistant General Counsel/Privacy Officer
ValueOptions, Inc.
240 Corporate Boulevard
Norfolk, VA 23502

Information about Identity Theft Prevention

Even if you do not feel the need to register for the credit monitoring service, we recommend that you regularly review statements from your accounts and periodically obtain your credit report from one or more of the national credit reporting companies. You may obtain a free copy of your credit report online at www.annualcreditreport.com, by calling toll-free 1-877-322-8228, or by mailing an Annual Credit Report Request Form (available at www.annualcreditreport.com) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA, 30348-5281. You may also purchase a copy of your credit report by contacting one or more of the three national credit reporting agencies listed below.

Equifax, P.O. Box 740241, Atlanta, Georgia 30374-0241, 1-800-685-1111, www.equifax.com

Experian, P.O. Box 9532, Allen, TX 75013, 1-888-397-3742, www.experian.com

TransUnion, P.O. Box 6790, Fullerton, CA 92834-6790, 1-800-916-8800, www.transunion.com

When you receive your credit reports, review them carefully. Look for accounts or creditor inquiries that you did not initiate or do not recognize. Look for information, such as home address and Social Security number, that is not accurate. If you see anything you do not understand, call the credit reporting agency at the telephone number on the report.

We recommend you remain vigilant with respect to reviewing your account statements and credit reports, and promptly report any suspicious activity or suspected identity theft to us and to the proper law enforcement authorities, including local law enforcement, your state's attorney general and/or the Federal Trade Commission ("FTC"). You may contact the FTC or your state's regulatory authority to obtain additional information about avoiding identity theft.

Federal Trade Commission, Consumer Response Center

600 Pennsylvania Avenue, NW, Washington, DC 20580, 1-877-IDTHEFT (438-4338), www.ftc.gov/idtheft

For residents of Maryland: You may also obtain information about preventing and avoiding identity theft from the Maryland Office of the Attorney General:

Maryland Office of the Attorney General, Consumer Protection Division

200 St. Paul Place, Baltimore, MD 21202, 1-888-743-0023, www.oag.state.md.us

For residents of North Carolina: You may also obtain information about preventing and avoiding identity theft from North Carolina Attorney General's Office:

North Carolina Attorney General's Office, Consumer Protection Division

9001 Mail Service Center, Raleigh, NC 27699-9001, 1-877-5-NO-SCAM, www.ncdoj.gov

[Note: The next 2 paragraphs are for incidents involving personal health information. Remove if not needed.]

[We recommend that you regularly review the explanation of benefits statement that you receive from [us, your plan, your insurer]. If you see any service that you believe you did not receive, please contact [us, your plan, your insurer] at the number on the statement [or provide a number here]. If you do not receive regular explanation of benefits statements, contact your provider or plan and request them to send such statements following the provision of services in your name or number.

You may want to order copies of your credit reports and check for any medical bills that you do not recognize. If you find anything suspicious, call the credit reporting agency at the phone number on the report. Keep a copy of this notice for your records in case of future problems with your medical records. You may also want to request a copy of your medical records from [your provider or plan], to serve as a baseline. If you are a California resident, we suggest that you visit the web site of the California Office of Privacy Protection at www.privacy.ca.gov to find more information about your medical privacy.]

Fraud Alerts: There are also two types of fraud alerts that you can place on your credit report to put your creditors on notice that you may be a victim of fraud: an initial alert and an extended alert. You may ask that an initial fraud alert be placed on your credit report if you suspect you have been, or are about to be, a victim of identity theft. An initial fraud alert stays on your credit report for at least 90 days. You may have an extended alert placed on your credit report if you have already been a victim of identity theft with the appropriate

documentary proof. An extended fraud alert stays on your credit report for seven years. You can place a fraud alert on your credit report by calling the toll-free fraud number of any of the three national credit reporting agencies listed below.

Credit Freezes: You may have the right to put a credit freeze, also known as a security freeze, on your credit file, so that no new credit can be opened in your name without the use of a PIN number that is issued to you when you initiate a freeze. A credit freeze is designed to prevent potential credit grantors from accessing your credit report without your consent. If you place a credit freeze, potential creditors and other third parties will not be able to get access to your credit report unless you temporarily lift the freeze. Therefore, using a credit freeze may delay your ability to obtain credit. In addition, you may incur fees to place, lift and/or remove a credit freeze. Credit freeze laws vary from state to state. The cost of placing, temporarily lifting, and removing a credit freeze also varies by state, generally \$5 to \$20 per action at each credit reporting company. *Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company.* Since the instructions for how to establish a credit freeze differ from state to state, please contact the three major credit reporting companies at the numbers above to find out more information.

Free identity protection. Priceless peace of mind.



ENROLL NOW! Free Identity Protection That's Proven to Work.

Debix provides a new level of identity protection no other company can match. Only Debix, The Identity Protection Network, identifies potential attacks and delivers critical information to you by phone.

What You Get:

- Identity theft insurance covers financial losses
- Comprehensive identity recovery
- Early attack detection
- Live OnCall Investigators dedicated to your case
- Wallet Restoration
- Long-term identity repair service after initial service period
- Debix ChildScan® identifies fraud for minors under 18 years old

Free, Fast, Simple Enrollment.



Insurance Amount: \${Insurance}



ENROLL NOW

Activation Code: {ActivationCode}

Online: www.debix.com/{url}

By Mail: Form included in letter

Customer Service: Toll-free {DebixPhone}
9am – 5pm Central Time, Monday - Saturday

Sign Up Today for Your Free Identity Protection from Debix.

Debix Identity Protection: What's Included?

OnCall Credit Monitoring

Debix constantly scans credit records for signs of financial, medical and criminal identity theft.

OnCall Credit Alerts by Phone

If there are changes to your credit file, like evidence that a thief has used your credit, you will get a secure call from Debix.

OnCall Investigators

If you suspect fraud, experienced and helpful specialists will repair your identity, saving you time and money.

Identity Theft Insurance

If a thief steals your identity, you will be reimbursed for restoration costs, legal expenses, and lost wages.

Long-term Identity Repair

After credit monitoring service expires, you'll have the option to sign up for continuous identity repair coverage at no charge.

ChildScan®

The most effective method ever developed for determining if your child's personal information has been used by thieves.