---------- Forwarded message ----------
From: **Lake Kennedy McCulloch CPAs PS** <cpa@islandcpas.com>
Date: Wed, Feb 22, 2017 at 11:17 AM
Subject: Notice of Data Breach
To:

Lake Kennedy McCulloch CPAs PS

We are writing to inform you that your personal information may have been compromised. This e-mail letter will be followed-up with a formal letter next week, but we wanted to provide information as soon as possible about some steps you can take to help you protect yourself. We are deeply sorry that this data breach occurred, and for the worry and inconvenience this may cause you. We come to work every day looking forward to helping our clients who trust us with their personal financial information.

What Happened?

- We learned from the IRS that some of the 2016 tax returns we filed were rejected because someone, other than the taxpayer or us, had fraudulently filed the return.

- Earlier this month, after a preliminary investigation, we discovered that perpetrator(s) had illegally hacked into our system, and accessed 2015 tax return information for a number of our clients. Using this information, we believe they fraudulently filed some 2016 returns for the purpose of obtaining tax refunds.

- We believe that by accessing the 2015 tax returns the perpetrator(s) would have been able to see your name, address, and social security number (including that of your spouse/dependents, if applicable), any direct deposit banking information you may have provided to us, date of birth, and telephone number(s).

What We Have Done So Far?

- We are currently working with our local IT consultant and have engaged an IT firm specializing in forensic investigation and analysis. We have shut down remote access capabilities and removed the infected workstation from our systems. Our IT consultants are assisting us to ensure any malware has been removed, and to confirm that our network firewalls, computers and security protections are properly functioning.

- We have alerted the IRS and are working with the agency's Criminal Enforcement Division to protect our clients. We also are reaching out to other law enforcement as appropriate, including the FBI. We are working with these agencies to assist in their investigation and interruption of intent of the cyber criminals.

- We also have retained legal counsel to assist us with fulfilling our notification and related obligations.

What You Can Do?

- Be on the lookout for a more formal communication from us, which will include instructions for credit monitoring services we plan to make available.

- Please provide us with the balance of your tax information needed to prepare your 2016 tax return. Your return must be paper filed, rather than e-filed. There may also be additional forms for filing, including Federal ID Theft Affidavits, which require that we send them a copy of your Driver's License(s).

- If you have received any information from the IRS concerning your tax filings, please provide a copy to us immediately.

- Remain vigilant in reviewing all bank account and brokerage statements, as well as free credit reports.

- We suggest that you change the bank account numbers you provided us, and/or have a conversation with your bank regarding the monitoring to be provided by them as well as yourselves. It is also recommended that you change your passwords on all accounts, bank and brokerage.

- You also can place a 90-day fraud alert on your accounts. If you want to pursue that further, their contact information is:

Equifax	**Experian**	**TransUnion**
P.O. Box 740241	P.O. Box 2104	P.O. Box 2000
Atlanta, GA 30374	Allen, TX 75013	Chester, PA 19022
1-800-525-6285	1-888-397-3742	1-800-680-7289
https://www.alerts.equifax.com/	https://www.experian.com/	https://fraud.transunion.com/fa/fraudAlert/landingPage.jsp
AutoFraud_Online/jsp/fraudAlert.jsp	fraud/center.html	

Our apologies for this lengthy email, but we want to proactively assist you with the best advice regarding ID Theft. We look forward to working together to assist you with resolving the issues with the tax agencies on your behalf.

If you have any questions, please feel free to contact us.

Lake Kennedy McCulloch CPAs PS

LAKE KENNEDY MCCULLOCH
Certified Public Accountants
A Professional Service Corporation

Return Mail Processing Center
P.O. Box 6336
Portland, OR 97228-6336

<<Mail ID>>
<<Name 1>>
<<Address 1>>
<<Address 2>>
<<City>><<State>><<Zip>>

<<Date>>

Notice of Breach

Dear <<Name 1>>:

Further to our prior correspondence, we are writing to inform you that your personal information has been compromised. This letter provides updated information concerning our investigation and some steps you can take to protect yourself and minimize the possibility of misuse of your information. Again, we are deeply sorry that this data breach occurred, and for the worry and inconvenience this may cause you.

What Happened?

- On February 11, 2017 we discovered a data security incident involving our firm and potentially your personal information. The incident occurred on January 30, 2017.
- We learned from the IRS that some of the 2016 tax returns we filed were rejected because someone, other than the taxpayer or us, had fraudulently filed the return.
- After a preliminary investigation, we discovered that perpetrator(s) had illegally hacked into our system and acquired 2015 tax return information for a number of our clients. Using this information, we believe they fraudulently filed some 2016 returns for the purpose of obtaining tax refunds.

What Information Was Involved?

- We believe that by accessing the 2015 tax returns the perpetrator(s) would have been able to see your name, address, and social security number (including that of your spouse/dependents, if applicable), any direct deposit banking information you may have provided to us, date of birth, and telephone number(s). We collect personal information from you to perform our tax and related services. This includes Social Security number, financial information and other personal information. Only the information contained in your 2015 tax return as summarized above was included in this incident.

What Are We Doing?

- We continue to work with our local IT consultant and a separate IT forensic firm to confirm the scope of the incident and secure our systems. Again, we have shut down remote access capabilities and removed the infected workstation from our systems. We have confirmed that the malware causing this incident has been removed, and that our network firewalls, computers and security protections are properly functioning.
- We have alerted the IRS and continue to work with the agency's Criminal Enforcement Division group to protect our clients. This includes sharing information with the IRS so that the appropriate persons inside the agency can take appropriate steps to help protect against any harm. We also are reaching out to other law enforcement as appropriate, including the FBI. We are working with these agencies to assist in their investigation and interruption of intent of the cyber criminals. Other than the filing of some false tax returns we are not aware of any other improper uses or disclosure of personal information related to this incident. This communication has not been delayed at the request of law enforcement.

- We treat all client information in a confidential manner and are proactive in the careful handling of such information. We continue to assess and modify our privacy and data security policies and procedures to prevent similar situations from occurring. Theft of data and similar incidents are difficult to prevent in all instances, however, we will be reviewing our systems and making improvements where we can to minimize the chances of this happening again. This includes reviewing our perimeter security protections and training employees to recognize these kinds of attacks.
- We look forward to working together to assist you with resolving the issues with the tax agencies on your behalf.

What You Can Do?

- We have arranged for Equifax to provide its Credit Watch Silver identity theft protection product for one year at no cost to you. If you choose to take advantage of this product, it will provide you with a notification of any changes to your credit information and access to your credit report. A description of this product is provided in the attached material. You must complete the enrollment process no later than 60 days from the date of this letter. We urge you to consider enrolling in this product at our expense.
- If you have not already done so, please provide us with the balance of your tax information needed to prepare your 2016 tax return. Your return may need to be paper filed, rather than e-filed. There may also be additional forms for filing, including Federal ID Theft Affidavits, which require that we send them a copy of your Driver's License(s).
- Review the attached sheet which explains additional steps you can take.

For More Information

- If you have any questions, please contact us at 360-378-2496 or via email at carol@islandcpas.com.

Sincerely,

Lake Kennedy McCulloch CPAs PS

What You Should Do To Protect Your Personal Information

We recommend you remain vigilant and consider taking one or more of the following steps to protect your personal information:

1. We recommend you closely monitor your financial accounts and access resources concerning identity theft, such as information the Internal Revenue Services has published at: http://www.irs.gov/Individuals/Identity-Protection, and well as https://www.irs.gov/uac/Taxpayer-Guide-to-Identity-Theft. **As discussed in the Taxpayer Guide to Identity Theft, IRS Form 14039 can be filed with the IRS to report potential identity theft concerning your federal taxes. You also may want to check with the state(s) in which you file.**

2. Contact the nationwide credit-reporting agencies as soon as possible to:
   - Add a fraud alert statement or security freeze to your credit file at all three national credit-reporting agencies: Equifax, Experian, and TransUnion. You only need to contact one of the three agencies listed below; your request will be shared with the other two agencies. This fraud alert will remain on your credit file for 90 days.
   - Remove your name from mailing lists of pre-approved offers of credit for approximately six months.
   - Obtain a free copy of your credit report by going to www.annualcreditreport.com.

Equifax	Experian	TransUnion
P.O. Box 740256	P.O. Box 9554	P.O. Box 2000
Atlanta, GA 30374	Allen, TX 75013	Chester, PA 19022
(800) 525-6285	(888) 397-3742	(800) 888-4213
www.equifax.com	www.experian.com/consumer	www.transunion.com

3. Please review all bills and credit card statements closely to determine whether you have been charged for items you did not contract for or purchase. Review all of your bank account statements frequently for checks, purchases, or deductions not made by you. Note that even if you do not find suspicious activity initially, you should continue to check this information periodically since identity thieves sometimes delay their use of stolen data.

4. The Federal Trade Commission ("FTC") offers consumer assistance and educational materials relating to identity theft, privacy issues, and how to avoid identity theft. You can also obtain information from the FTC about fraud alerts and security freezes. You may contact the FTC by visiting www.ftc.gov or www.consumer.gov/idtheft, calling (877) 438-4338, or writing to the FTC at the address below. If you suspect or know that you are the victim of identity theft, you should contact local police. You can also report such activity to the Fraud Department of the FTC, which will collect all relevant information and make it available to law-enforcement agencies. The mailing address for the FTC is: Federal Trade Commission, Consumer Response Center, 600 Pennsylvania Avenue, NW Washington, DC 20580.

5. **North Carolina Residents:** To obtain additional information about avoiding identity theft, please contact the North Carolina Attorney General's Office, using the contact information below:

   Attorney General's Office
   9001 Mail Service Center
   Raleigh, NC 27699-9001
   Phone: (919) 716-6400
   Website: http://www.ncdoj.gov/Home/ContactNCDOJ.aspx

6. **Oregon Residents:** To obtain additional information about avoiding identity theft, you may contact the Oregon Attorney General's Office, using the contact information below:

   Oregon Department of Justice
   1162 Court Street NE
   Salem, OR 97301-4096
   Phone: (503) 378-4400
   Website: http://www.doj.state.or.us/Pages/contact.aspx

EQUIFAX®

Activation Code: <<Code>>

About the Equifax Credit Watch™ Silver identity theft protection product	Equifax Credit Watch provides you with the following key features and benefits:
Equifax Credit Watch will provide you with an "early warning system" to changes to your credit file. Note: You must be over age 18 with a credit file in order to take advantage of the product.	o Comprehensive credit file monitoring and automated alerts of key changes to your **Equifax** credit report o Wireless alerts and customizable alerts available (available online only) o One copy of your Equifax Credit Report™ o Up to $25,000 in identity theft insurance with $0 deductible, at no additional cost to you† o Live agent Customer Service 7 days a week from 8 a.m. to 3 a.m.to assist you in understanding the content of your Equifax credit information, to provide personalized identity theft victim assistance, and help initiate an investigation of inaccurate information. o 90 day Fraud Alert placement with automatic renewal functionality* (available online only)

How to Enroll: To sign up online for **online delivery** go to: www.myservices.equifax.com/silver

1. Welcome Page: Enter the Activation Code provided at the top of this page in the "Activation Code" box and click the "Submit" button.
2. Register: Complete the form with your contact information (name, gender, home address, date of birth, Social Security Number and telephone number) and click the "Continue" button.
3. Create Account: Complete the form with your email address, create a User Name and Password, check the box to accept the Terms of Use and click the "Continue" button.
4. Verify ID: The system will then ask you up to four security questions to verify your identity. Please answer the questions and click the "Submit Order" button.
5. Order Confirmation: This page shows you your completed enrollment. Please click the "View My Product" button to access the product features.

† Identity Theft Insurance underwritten by insurance company subsidiaries or affiliates of American International Group, Inc. The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions. This product is not intended for minors (under 18 years of age)

* The Automatic Fraud Alert feature made available to consumers by Equifax Information Services LLC and fulfilled on its behalf by Equifax Consumer Services LLC