

NOTICE OF DATA BREACH

Dear Client:

We are sending this e-mail letter to provide you inform you of a data breach involving our office desktop network computers, in which your personal information may have been compromised. This e-mail letter will be followed up with a formal letter next week but given the sensitive nature of the information potentially exposed, we wanted to notify you of the matter as soon as possible.

What Happened, Including an IRS Newswire e-mail Update:

On September 29, 2020, we discovered a data security incident involving our firm and some of our clients whose 2019 tax returns were on Extension. After thorough investigation, we have discovered that the perpetrator(s) hacked into our system, and between September 24 and September 28, 2020, fraudulently filed approximately 30 client tax returns. We know whose returns were filed fraudulently and will contact you personally to discuss. If you do not hear from us your return was not affected. But the information contained in your tax return could be compromised.

The IRS has sent out numerous **Newswire** emails stating, "The IRS is aware of tax professionals being victimized". Unfortunately, our firm has become one of those firms.

What Information Was Involved?

If you are an individual, this information may have included your name, gender, date of birth, telephone number(s), address, social security number, all employment (W-2) information, 1099 information, as well as direct deposit bank account information, including account number and routing information (if provided to us).

The protection and privacy of your information has always been a top priority for our firm. After our combined 33 years of close business relationships with our clients, we have no words to express how devastating it is to have had this happen. It is our hope that we can offer you whatever assistance you need. If possible, please send us a copy of any IRS or FTB letters that you receive, to keep us informed.

We are offering you one year of complimentary credit monitoring from a company of your choice. We urge you, please, get this done on your own and send us the invoice.

What We Have Done So Far:

- Based on the **diligent investigative work** of our local IT consultant:
 1. The **malware** on the impacted computers' hard drives has been **removed**.
 2. We have made **internal software system management changes**.
 3. All network firewalls, computers and **security protections** are **confirmed to be properly functioning**.
 4. Our IT firm will continue working **together with us** to prevent a **future data breach**.

What You Can Do:

- Given the breadth of information exposed, we strongly recommend you are 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.
- We also suggest you contact the FTC at 1-877-438-4338 and the Social Security Administration at 1-800-772-1213 about getting an **Identity Protection PIN** to use with your Social Security Number that the criminals do not know.
- You can call the three major credit agencies and place a 90-day fraud alert on your accounts. If you want to pursue that further, their contact information is:

Equifax

P.O. Box 740241
 Atlanta, GA 30374
 1-800-525-6285
https://www.alerts.equifax.com/AutoFraud_Online/jsp/fraudAlert.jsp

Experian

P.O. Box 2104
 Allen, TX 75013
 1-888-397-3742
<https://www.experian.com/fraud/center.html>

TransUnion

P.O. Box 2000
 Chester, PA 19022
 1-800-680-7289
<https://fraud.transunion.com/fa/fraudAlert/landingPage.jsp>

- You are also entitled to a free credit report every year from each of these three agencies at: <https://www.annualcreditreport.com>
- If you suspect identity theft, report it to law enforcement, including the FTC at: <https://www.identitytheft.gov/Assistant#>

Again, the protection and privacy of your information has always been a top priority for our firm. Please be reassured that we will work with you to resolve any issues with tax agencies. We do not know whose information was taken or if it was taken, but we must operate under the assumption that the information is compromised. Please take any steps you think are necessary. Call me with questions or comments

Sincerely,

Brett R. Friedman CPA
 Friedman & Company, CPAs