

April 22, 2021

Re: Notice of Data Breach

Dear Smith & Company Clients,

On behalf of Smith & Company CPAs, we are writing to inform you about a recent incident that may have involved your personal information. This follows up our email on April 3, 2021, when we first reported the incident.

What Happened?

We recently discovered that we were targeted by cybercriminals trying to obtain client data through our third-party software provider, Intuit. On March 23, 2021, Intuit informed us that our Electronic Filing ID number used for tax filings with the Internal Revenue Service (IRS) was compromised. We immediately notified the IRS directly of the fraudulent activity, ceased the transmission of all returns potentially impacted, and worked with Intuit's Fraud Department to reapply for a new, secure Electronic Filing ID number for all tax filings going forward. We are proceeding with an abundance of precaution in this unfortunate situation, having notified all of our clients already of the potentially fraudulent activity in a prior email.

What Data Was Potentially Involved?

We believe that the client data files impacted may have included personal information associated with individual tax returns, such as: full names, addresses, date of births, social security numbers, bank account deposit number, and other tax identification information.

What Are We Doing?

We are taking this incident very seriously by working with our expert Information Technology organization, a leading Cyber Security Firm, Intuit's Fraud Department, and the IRS to swiftly remedy the situation and take important precautionary security measures to proactively protect our Firm and our clients going forward. These measures include, but are not limited to, upgrading our servers, reinforcing our firewalls, administering vulnerability scans, and strengthening internal security protocols.

What Can You Do?

In conjunction with the IRS, we recommend the following:

- **Get an Identity Protection PIN from the IRS.** Starting this year, you can opt into using an IP PIN with the IRS to confirm your identity when filing your tax return. Here is the link to the IRS site to register for the IP PIN: <https://www.irs.gov/identity-theft-fraud-scams/get-an-identity-protection-pin>
- **Know the Signs of identity theft.** The IRS has a helpful guide for taxpayers: <https://www.irs.gov/newsroom/taxpayer-guide-to-identity-theft>

- **Remain Vigilant and Frequently Review all Credit Card Activity and Account Statements for Potentially Fraudulent Activity.**
- **Request Free Credit Reports be Sent to You.** Under U.S. law you are entitled to one free credit report annually from each of the three major credit reporting bureaus. We recommend periodically obtaining credit reports from each nationwide credit reporting agency. To order your free credit report, visit www.annualcreditreport.com or call toll-free 1-877-322-8228. You may also contact the three major credit bureaus listed below directly to request a free copy of your credit report. When you get 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 have not requested credit. Some companies bill under names other than their store or commercial names; the credit bureau will be able to tell if this is the case. Look in the "personal information" section for any inaccuracies in information (such as home address and Social Security number).

If you see anything you do not understand, call the credit bureau at the telephone number on the report. Errors may be a warning sign of possible identity theft. You should notify the credit bureaus of any inaccuracies in your report, whether due to error or fraud, as soon as possible so the information can be investigated and corrected. If there are accounts or charges you did not authorize, immediately notify the appropriate credit bureau by telephone and in writing. Information that cannot be explained should also be reported to your local police or sheriff's office because it may signal criminal activity.

- **Place Security Freezes.** You have the right to place a "security freeze" on your credit report. This will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, a security freeze takes control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of future requests or applications you make for a new loan, credit, mortgage, or any other account involving credit. By federal law, you cannot be charged to place or lift a security freeze on your credit report. If you want to place a security freeze, please contact the major consumer reporting agencies listed below:

Experian

P.O. Box 9554
Allen, TX 75013
1-888-397-3742 www.experian.com/freeze/center.html

TransUnion

P.O. Box 160
Woodlyn, PA 19094 1-888-909-8872 www.transunion.com/credit-freeze

Equifax

P.O. Box 105788
Atlanta, GA 30348-5788 1-800-685-1111 www.equifax.com/personal/credit-report-services

To request a security freeze, you will need to provide the following information:

1. Your full name (including middle initial as well as Jr., Sr., II, III, etc.);
 2. Social Security number;
 3. Date of birth;
 4. If you have moved in the past five (5) years, the addresses where you have lived over the prior five years;
 5. Proof of current address, such as a current utility bill or telephone bill;
 6. A legible photocopy of a government-issued identification card (state driver's license or ID card, military identification, etc.);
 7. If you are a victim of identity theft, a copy of either the police report, investigative report, or complaint to a law enforcement agency concerning identity theft.
- **Place an Initial or Extended Fraud Alert.** As an alternative to a security freeze, you have the right to place an initial or extended "fraud alert" on your file at no cost. An initial fraud alert is a 1-year alert that is placed on your credit file. When a fraud alert appears on your credit file, a business is required to take steps to verify your identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting seven years. If you want to place a fraud alert, please contact any one of the agencies listed below:

Equifax: <https://www.equifax.com/personal/> or 1-800-685-1111

Experian: <https://www.experian.com/> or 1-888-397-3742

TransUnion: <https://www.transunion.com/3> or 1-888-909-8872

You can also learn about identity theft prevention, fraud alerts, security freezes, and steps you can take to protect yourself by contacting the consumer reporting agencies, the Federal Trade Commission, or your state Attorney General.

- **Enroll in Credit Monitoring.** Sign up for a credit protection plan. If you do not already subscribe to one and would like to, please reach out to our office at (415) 458-5100. We will assist in providing appropriate identity theft prevention and mitigation services at no cost to the affected person for 12 months.
- **Additional Information for Certain States.** Please review the last page of this letter for additional information for certain states.

We sincerely regret any inconvenience this incident may cause you. Please do not hesitate to contact us directly with any additional questions or concerns at 415-458-5100.

IF YOU ARE A DISTRICT OF COLUMBIA RESIDENT: You may obtain information about avoiding identity theft from the FTC or the District of Columbia Attorney General's Office. These offices can be reached at:

Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue, NW
Washington, DC 20580

(877) IDTHEFT (438-4338) <http://www.ftc.gov/idtheft/>

Office of the Attorney General 441 4th Street, NW
Suite 1100 South
Washington, DC 20001

(202) 727-3400 <https://oag.dc.gov/>

IF YOU ARE AN IOWA RESIDENT: You may contact local law enforcement or the Iowa Attorney General's Office to report suspected incidents of identity theft. You can contact the Iowa Attorney General at:

Office of the Attorney General
1305 E. Walnut Street
Des Moines, IA 50319
(515) 281-5164 <http://www.iowaattorneygeneral.gov/>

IF YOU ARE A MARYLAND RESIDENT: You may obtain information about avoiding identity theft from the FTC or the Maryland Attorney General's Office. These offices can be reached at:

Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue, NW
Washington, DC 20580

(877) IDTHEFT (438-4338) <http://www.ftc.gov/idtheft/>

Office of the Attorney General Consumer Protection Division 200 St. Paul Place
Baltimore, MD 21202

(888) 743-0023 www.oag.state.md.us

IF YOU ARE A NEW JERSEY RESIDENT: You may also obtain information about avoiding identity theft from the Office of Consumer Protection. This office can be reached at: Office of Consumer Protection, Cyber Fraud Unit, P.O. Box 45025, Newark, New Jersey 07101, (973) 504-6200, <https://www.njconsumeraffairs.gov/ocp/Pages/cyberfraud.aspx>.

IF YOU ARE A NEW YORK RESIDENT: You may obtain information about security breach response and identity theft prevention and protection from the FTC or from the following New York state agencies:

Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue, NW
Washington, DC 20580

(877) IDTHEFT (438-4338) www.consumer.gov/idtheft

New York Attorney General Consumer Frauds & Protection Bureau
120 Broadway, 3rd Floor New York, NY 10271

(800) 771-7755 www.ag.ny.gov

New York Department of State Division of Consumer Protection 99 Washington Avenue
Suite 650

Albany, New York 12231 (800) 697-1220 www.dos.ny.gov

IF YOU ARE A NORTH CAROLINA RESIDENT: You may obtain information about preventing identity theft from the FTC or the North Carolina Attorney General's Office. These offices can be reached at:

Federal Trade Commission Consumer Response Center 600 Pennsylvania Avenue, NW
Washington, DC 20580

(877) IDTHEFT (438-4338) www.consumer.gov/idtheft

North Carolina Department of Justice Attorney General Josh Stein
9001 Mail Service Center
Raleigh, NC 27699-9001

(877) 566-7226 <http://www.ncdoj.com>

IF YOU ARE A RHODE ISLAND RESIDENT: We are notifying 1 resident of Rhode Island about this incident. You may contact state or local law enforcement to determine whether you can file or obtain a police report relating to this incident. In addition, you can contact the Rhode Island Attorney General at:

Office of the Attorney General 150 South Main Street Providence, RI 02903
(401) 274-4400 <http://www.riag.ri.gov/>