

State of South Carolina
Department of Revenue



NIKKI R. HALEY
Governor

WILLIAM M. BLUME, JR.
Director

300A OUTLET POINTE BOULEVARD
POST OFFICE BOX 125
COLUMBIA, SOUTH CAROLINA 29214
Telephone: (803) 898-5040
Facsimile : (803) 898-5020
BlumeB@sctax.org

The Honorable Nikki Haley
Governor, State of South Carolina
PO Box 12267
Columbia, SC 29211

The Honorable Glenn F. McConnell
President of the Senate
State House, East Wing
PO Box 142
Columbia, SC 29202

The Honorable Robert W. Harrell
Speaker South Carolina House of Representatives
506 Blatt Building
Columbia, SC 29201

Re: Identity Theft Protection and Identity Theft Resolution Services

Dear Governor Haley, Lt. Governor McConnell and Speaker Harrell:

The Joint Resolution providing that an additional one year of identity theft protection and identity theft resolution (collectively "identity theft protection") services be provided to South Carolina taxpayers requires the Department of Revenue (Department) to report to the Governor and the General Assembly 1) the number of eligible persons that enrolled in such services; 2) the number of persons eligible to enroll in the identity theft protection services program, and 3) the efforts made to encourage enrollment in the program. The Department has also provided an overview of the budget allocated to Cyber Security in the Joint Resolution. We respectfully submit the following:

[Remainder of page blank]

Joint Resolution Budget Overview:

- Budget and Control Board Consumer Protection and Statewide Cyber Security Improvements: \$10,000,000.00
- CSID Maximum Annual Price Up To: \$8,500,000.00
(Depending on how many individuals enroll)
- Funds to be Utilized by the Budget and Control Board to Implement State Agency Cyber Security Improvements: \$1,500,000.00

- Total Amount Spent To Date on CSID Enrollments: \$1,200,130.00
- CSID Per- Enrollee Price \$6.00
Oct. 2013 to Jan. 2014

- CSID Per- Enrollee Price \$4.50
Feb. to Apr. 2014

- CSID Per- Enrollee Price \$3.00
May to July 2014

- CSID Per- Enrollee Price \$1.50
Aug. to Oct. 2014

1. **Total number of enrollments.**

As of March 10, 2014, the total number of enrollments with CSID for its identity theft protection services is 210,037. This number consists of 189,696 adult taxpayers, 18,170 child enrollments, and 2,171 businesses.

2. **Total number of eligible persons.**

The total number of persons eligible for enrollment in identity theft protection and identity theft restoration services is 5.7 million which consists of 3.8 million adult taxpayers and 1.9 million children/dependents listed on tax returns. In addition, 700,000 businesses are eligible for coverage.

3. **Efforts to encourage enrollment.**

Based upon recommendations from CSID marketing personnel, the Department has approved a number of outreach initiatives designed to encourage South Carolina taxpayers to enroll in identity theft protection services. In addition, the Department has undertaken various steps to inform taxpayers.

A. Approved Efforts Undertaken by CSID.

Letter Campaign to Out-of-State Tax Payers:

CSID began to mail letters to out-of-state taxpayers informing them of identity theft protection services the week of November 5, 2013. The letters included a PIN code for taxpayers to sign up online for protection as well as additional information regarding the breach and enrollment. To ensure that the CSID Protection Hotline did not become overwhelmed and was accessible at all times with minimal delays, the letters to out-of-state taxpayers were mailed in increments of 50,000 each day until mid-December. A total of 1,075,596 out-of-state mailers were sent.

Direct Dial Telephone Campaign:

CSID began a direct dial telephone campaign on November 6, 2013. This included dialing the residential telephone numbers of South Carolina citizens. Calls were made Monday through Saturday, between 9:00 a.m. and 7:00 p.m. (CST). No calls were made on Sundays. During the campaign, CSID attempted to call each number up to five times; if no answer, CSID would make additional calls to the taxpayer after waiting two days. The direct dial campaign ran through December 3, 2014. Calls were placed to a total of 836,000 South Carolina telephone numbers.

Print and Radio Advertising:

Print and radio ads began running the week of November 18, 2013. All ads ran through the end of December in various media outlets across the State of South Carolina and surrounding out-of-state areas. All major media outlets were covered to reach individual taxpayers and businesses.

B. SCDOR Marketing and Outreach Initiatives.

Print Advertising:

Print ads began the week of September 23, 2013 notifying taxpayers that CSID had been awarded a contract to provide an additional year of free credit protection for eligible individuals. Other ads were later published to notify taxpayers that enrollment with CSID would begin on October 24, 2013. All major South Carolina media outlets were covered to reach individual taxpayers and businesses.

Advertising Through Government Agencies and Private Organizations:

The Department partnered with 46 government agencies and private organizations to publicize the new identity theft services. The methods of advertisement by these organizations included, but not limited to, inserts into utility bills, informational programs, employee newsletters, social media postings, website postings, fliers, e-blasts and e-newsletters. Most of this advertisement outreach took place in October 2013 through January of 2014.

C. Future Marketing and Outreach Activities.

The Department and CSID are reviewing the following additional activities:

Direct Dial Campaign – Round 2:

This direct dial campaign will attempt to contact eligible South Carolina citizens who have not yet enrolled for SCID Protection. CSID will use the same telephone list employed earlier and will only call those individuals who did not previously enroll.

Email Outreach:

CSID will procure a publicly available email list for an email campaign to individuals and businesses in South Carolina to promote enrollment. Emails will be sent only to those citizens and businesses that have not yet enrolled in SCID Protection.

Social Media Advertising on Facebook:

CSID will launch a Facebook advertising campaign to promote enrollment in CSID Protection and target Facebook users who are noted as living in South Carolina.

Please do not hesitate to contact me concerning this matter.

Yours truly,

William M. Blume, Jr.
Director