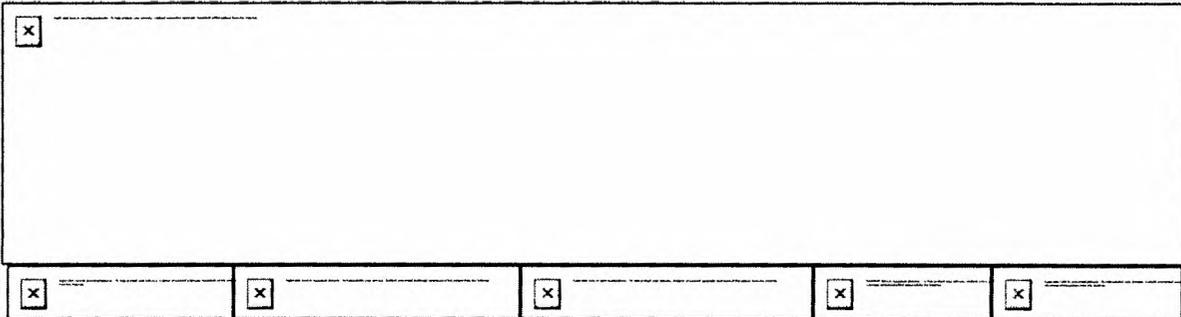


**Pitts, Ted**

**From:** Rep. Bill Taylor <bill@taylorschouse.com>  
**Sent:** Tuesday, November 13, 2012 5:17 PM  
**To:** Pitts, Ted  
**Subject:** SC Hacking - Protecting Yourself - More FAQs !

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## **HACKING** - MORE FAQs

(Informational Newsletter)

*If you have not done so - please take steps to protect your identity.*

Dear Friends:

Here's the latest information on protecting yourself as a result of the hacking of personal information from the S.C. Department of Revenue computers. The Governor's staff has just prepared another round of FAQ's submitted by legislators and citizens. A review of these items will help insure your information is as safe as possible. Questions are categorized:

- Social Security Numbers
- Coverage
- Out-of-State/Out-of-Country
- Non Profits/Churches
- Other
- Business Questions

### **SOCIAL SECURITY NUMBERS (SSN)**

**Q: Why do South Carolina taxpayers have to give Experian® their Social Security Numbers during the enrollment process?**

**A:** In order to protect the identities of those who may have been compromised in the breach, multiple authentication points are required during enrollment, including requiring one's complete SSN.

**Q: What assurance do South Carolina taxpayers have that their Social Security Number is protected with Experian®?**

**A:** Experian® has a legal obligation to protect social security numbers, and also offers its customers many assurances regarding security, [Read More](#)

**Q: Will hackers be able to redirect Social Security checks since they have Social Security Numbers and bank routing/account information?**

**A:** The answer depends on whether the information compromised was enough to circumvent the authentication processes of your bank and the Social Security Administration. Taxpayers should consult with their banks. Any information on tax returns could have been compromised.

**Q: Why weren't South Carolina Social Security Numbers and credit card numbers stored in an encrypted format?**

**A:** The vast majority of credit card numbers were stored and protected with strong encryption. SCDOR is moving rapidly toward encryption of SSNs, which should be completed in approximately 60 to 90 days.

**Q: Will SCDOR call or email me and ask for my personal information? If we receive an email or call like this, what should we do?**

**A:** SCDOR would not initiate contact with a taxpayer and ask for personal information. If you do receive this type of call or email, hang up the call or don't respond to the email. If you are suspicious of any such email or phone call, please contact SCDOR at (803) 898-5000.

## **COVERAGE**

**Q: Can a taxpayer without a credit history sign up for ProtectMyID®?**

**A:** Experian's National Consumer Assistance Center will attempt to assist consumers that do not have a credit file. This can be coordinated by calling 1-866-578-5422.

**Q: When does the Experian® coverage begin and end both for an individual and for Family Secure™?**

**A:** Taxpayers can register for a one-year membership of Experian's ProtectMyID® and Family Secure™ products beginning on the date that they register with each product. The last date to register is January 31, 2013.

**Q: What happens after the state-provided one-year membership with ProtectMyID® and Family Secure™ expires?**

**A:** When the one-year membership expires, South Carolina taxpayers will, at their own expense, have the opportunity to enroll in the retail offerings of ProtectMyID® and/or Family Secure™.

**Q: If I see anything I consider potentially fraudulent on my credit report, who should I call?**

**A:** If you have reviewed your credit report and believe that certain information may be the result of fraud, your ProtectMyID® membership gives you access to a fraud resolution specialist who will assist you. Please call 1-866-578-5422 and they will assign you a fraud resolution specialist.

**Q: When will Experian® alert me if there is any fraudulent activity on our credit report, banking, or debit card information?**

**A:** ProtectMyID® alerts are issued when a credit report reflects new activity - for example, the addition of a new credit card or personal loan or a lender's review of the report as part of the process to approve a loan application. It is the responsibility of the individual who receives the alert to determine if the new information is accurate and reflects recent financial activity known to the individual or if it is unknown and possibly fraudulent.

## **OUT-OF-STATE / OUT-OF-COUNTRY**

**Q: What if I no longer live in the U.S. but have filed taxes sometime between 1998 to the present?**

**A:** A U.S. address must be provided when enrolling. If you are an expat or otherwise living abroad, you should provide the U.S. address you utilized to obtain credit within the U.S., as address-matching is one of the pieces of data used by Experian® for credit file authentication. We recommend out-of-country South Carolina taxpayers impacted by the breach sign up using their last U.S. mailing address and, if issues arise, they should speak to an Experian® customer care representative.

**Q: When will people be notified who no longer live in the U.S.?**

**A:** They will be notified, along with residents of other states who are South Carolina taxpayers, over the next month.

## **NON-PROFITS / CHURCHES**

**Q: Are non-profits included in the "businesses" that were possible victims of the security breach?**

**A:** Yes, non-profits may have been exposed.

**Q: Are church EIN numbers being compromised, because they appear on the 941 and W-2 forms issued?**

**A:** Church EIN numbers could have been compromised from W-2 forms. Form 941 would be filed with the federal government.

**Q: Should churches enroll for identity theft protection as "businesses"?**

**A:** Churches should enroll for the identity protection. Form 941 would be filed with the federal government. However, W-2 filings or individuals filing personal returns with attached W-2s may cause churches to be included with the possibly affected "businesses".

## **OTHER**

**Q: If taxpayers had their tax returns directly deposited into their bank account (and therefore their bank account numbers and routing numbers were written on their return forms), were the bank account and routing numbers also exposed to the hackers?**

**A:** Any information contained on a tax return may have been compromised.

**Q: Can someone without an email address sign up online for the protection service?**

**A:** An email address is required to register online; however, ProtectMyID® is also available by calling 1-866-578-5422.

**Q: Where are the Experian® Call Centers located?**

**A:** Experian® call centers are located in Arkansas and Texas.

**Q: Will Experian® ever ask me for my credit card number?**

**A:** Not for enrollment in the State's free one-year membership. Once those memberships expire, a credit card will be required to renew at the individual's expense.

**Q: Why can't the State register me?**

**A:** To enroll South Carolina taxpayers for the fraud protection services offered, without their knowledge or consent, would be a violation of federal law. In addition, registration would require answering personal questions that SCDOR would not have information to answer.

## **BUSINESS QUESTIONS**

### **Dun & Bradstreet (D&B)**

**Q: Why is Dun & Bradstreet Credibility Corp. offering CreditAlert to South Carolina businesses?**

**A:** Dun & Bradstreet Credibility Corp. will give South Carolina businesses affected by the security breach a free CreditAlert product that will help them stay alerted to changes in their scores or ratings and other indicators of fraudulent activity that could be taking place on their business.

**Q: Is there a charge for CreditAlert?**

**A:** There is no charge for the CreditAlert product.

**Q: Will I be required to provide a credit card to register for CreditAlert?**

**A:** No credit card is required to register for CreditAlert.

**Q: What is CreditAlert?**

**A:** CreditAlert helps businesses stay alerted to changes in their D&B® business scores and ratings and other indicators of fraudulent activity that could be taking place on your business.

**Q: Why is it important for me to use CreditAlert for my business?**

**A:** This product will alert customers to changes taking place in their D&B® business credit file. Even something as simple as a change to a business address or a company officer would set off an alert to the business owner.

**Q: How do I get CreditAlert for my business?**

**A:** Visit [www.DandB.com/SC](http://www.DandB.com/SC) anytime beginning Friday, November 2, 2012 or call customer service toll free at 800-279-9881.

**Q: How will I be alerted to activity in my D&B® business credit file?**

**A:** Businesses will receive email alerts when there are changes in their D&B business credit files. Businesses may also sign into their account on DandB.com to view the recent alerts that have occurred in their credit file.

**Q: How long will I have access to the CreditAlert product?**

**A:** Businesses who have registered for CreditAlert will have free access for the life of the business or the life of the product.

**Q: Can any business register for the free CreditAlert product?**

**A:** CreditAlert will be made available for free to any business that has filed a tax return from 1998 to the security breach date.

**Q: Will I be able to see my D&B® scores and ratings?**

**A:** CreditAlert provides real-time alert notifications to changes that occur on your D&B® credit file. To view actual scores and ratings in your D&B® credit file or to learn about industries that have inquired on your business, we recommend that you upgrade to one of D&B's credit monitoring or credit building solutions.

**Experian® - Business Credit AdvantageSM monitoring service**

**Q: Why is Experian® offering Business Credit Advantage to South Carolina businesses?**

**A:** Experian® takes data security very seriously and is committed to protecting U.S. consumers and businesses from fraudulent misuse of their information. Experian® is providing Business Credit Advantage to South Carolina businesses to alert them of changes in their business credit report as well as deliver the resources to view their full business credit report and score as often as they need for one year.

**Q: Is there a charge for Business Credit Advantage?**

**A:** There is no charge for Business Credit Advantage, which includes one-year of unlimited business credit report access and monitoring.

**Q: Will I be required to provide a credit card to register for Business Credit Advantage?**

**A:** No credit card is required to register for Business Credit Advantage.

**Q: What is Business Credit Advantage?**

**A:** This membership service offers South Carolina business owners and principals unlimited access to the most comprehensive business credit report Experian has on the company for one-year. It also includes notifications via email alerts. Examples of some key changes include: business address changes, notice of inquiries from others on the business credit profile, newly opened credit lines formed in the business name, score changes, detected derogatory payments, postings of business public records and legal filings, and more.

**Q: How do I get Business Credit Advantage for my business?**

**A:** Visit [www.SmartBusinessReports.com/SouthCarolina](http://www.SmartBusinessReports.com/SouthCarolina) to register online to get an Experian Business Credit Advantage access code. An email is sent to the registrant's email address instantly with the access code. Then they need to follow instructions on the email to redeem the access code from the website provided.

**Q: How will I be alerted to activity in my Experian® business credit file?**

**A:** Business owners and subscribers to the service will receive email alerts when there are changes in their Experian® business credit report. Business owners and principals may also

sign into their account on SmartBusinessReports.com to view their current business credit report as often as they choose.

**Q: How long will I have access to the Business Credit Advantage product?**

**A:** Businesses who have registered for Business Credit Advantage will have free unlimited access to their report and alerts for one-year.

**Q: Can any business register for the Free Business Credit Advantage product?**

**A:** Business Credit Advantage will be made available for free to any South Carolina business (whether Sole Proprietor, Partnership, LLC, or Corporation of any size) that has filed a tax return from 1998 to the breach date with South Carolina.

**Q: Will I be able to see my Experian® business credit score and report details?**

**A:** Yes, Business Credit Advantage provides real-time access to view your business credit score and complete business credit report. These included features make Business Credit Advantage a great way for business owners to keep aware of key changes and protect their business from fraudulent activity.

**More Questions?**

These FAQ's don't answer everything, so if you have a question send it to me. I'll do my best to get you an answer.

**Please take this issue seriously and IF YOU HAVE NOT DONE SO -** I urge you take advantage of the protection offer by going to <http://www.protectmyid.com/scdor> and enter the code "**scdor123**" to enroll in one year of credit monitoring provided by Experian. You need to click the button that says "Click to redeem your activation code" instead of pressing enter. Or, call 1-866-578-5422 to determine if your information is affected and to enroll in one year of credit monitoring provided by Experian. **REMEMBER:** We all have to be personally vigilant and smart.

In your Service,

**Bill Taylor**

**803-270-2012**

Representative

South Carolina General

Assembly

[Bill@taylorscheuse.com](mailto:Bill@taylorscheuse.com)

[www.Taylorscheuse.com](http://www.Taylorscheuse.com)

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Bill Taylor for SC House District 86 | P.O. Box 2646 | Aiken | SC | 29801

## Pitts, Ted

---

**From:** Greg Young <Greg.Young@experianinteractive.com>  
**Sent:** Monday, November 12, 2012 6:33 PM  
**To:** Pitts, Ted; Veldran, Katherine  
**Cc:** Ken Bixler; Bich Sigala; Michael Bruemmer; Ozzie Fonseca; Whitehurst, Roslyn (roslyn.whitehurst@experian.com)  
**Subject:** RE: FAQ II  
**Attachments:** FAQ II - 11\_9 2GYb.docx

Reviewed and edited FAQs attached

**Greg Young, APR**  
Director  
Public Relations/Consumer Engagement

Experian Consumer Services  
535 Anton, suite 100  
Costa Mesa, CA 92626  
Direct: 949-567-3791  
Mobile: 949-294-5701  
greg.young@experianinteractive.com

freecreditreport.com  
freecreditscore.com  
creditreport.com  
protectmyid.com  
safetyweb.com

---

**From:** Pitts, Ted [mailto:TedPitts@gov.sc.gov]  
**Sent:** Monday, November 12, 2012 12:07 PM  
**To:** Veldran, Katherine; Greg Young  
**Subject:** RE: FAQ II

Greg,

We need to get this out first thing in the am. Let me know what we need to do to make that happen.

Thanks,

Ted Pitts  
Deputy Chief of Staff  
Governor Nikki Haley  
Cabinet and Legislative Affairs  
803.767.7862  
[TedPitts@gov.sc.gov](mailto:TedPitts@gov.sc.gov)

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**From:** Veldran, Katherine  
**Sent:** Monday, November 12, 2012 2:45 PM  
**To:** Pitts, Ted  
**Subject:** Re: FAQ II

---

**From:** Greg Young [<mailto:Greg.Young@experianinteractive.com>]

**Sent:** Monday, November 12, 2012 11:29 AM

**To:** Veldran, Katherine

**Subject:** RE: FAQ II

Katherine –

I have the team reviewing these, as well as our Business Service group.

Please do not publish until we have reviewed as we've seen a couple things we'd like to clarify already.

Thank you.

**Greg Young, APR**

Director

Public Relations/Consumer Engagement

Experian Consumer Services

535 Anton, suite 100

Costa Mesa, CA 92626

Direct: 949-567-3791

Mobile: 949-294-5701

[greg.young@experianinteractive.com](mailto:greg.young@experianinteractive.com)

[freecreditreport.com](http://freecreditreport.com)

[freecreditscore.com](http://freecreditscore.com)

[creditreport.com](http://creditreport.com)

[protectmyid.com](http://protectmyid.com)

[safetyweb.com](http://safetyweb.com)

---

**From:** Veldran, Katherine [<mailto:KatherineVeldran@gov.sc.gov>]

**Sent:** Monday, November 12, 2012 4:23 AM

**To:** Greg Young; Ozzie Fonseca

**Cc:** Stirling, Bryan; Pitts, Ted

**Subject:** Fw: FAQ II

Final Draft FAQs.

Please send any final edits.

---

**From:** Veldran, Katherine

**Sent:** Monday, November 12, 2012 07:16 AM

**To:** Veldran, Katherine

**Subject:** FAQ II

Katherine F. Veldran

Legislative Liaison | Office of Governor Nikki Haley

O: 803-734-5124 | C: 803-767-7583

[KatherineVeldran@gov.sc.gov](mailto:KatherineVeldran@gov.sc.gov)

## Pitts, Ted

---

**From:** Tom Young <[tyoung@tomyounglaw.com](mailto:tyoung@tomyounglaw.com)>  
**Sent:** Monday, November 12, 2012 10:43 AM  
**To:** Pitts, Ted  
**Cc:** Veldran, Katherine; Stirling, Bryan  
**Subject:** RE: Ted and Katherine - questions

Ok – thank you

---

**From:** Pitts, Ted [<mailto:TedPitts@gov.sc.gov>]  
**Sent:** Monday, November 12, 2012 10:23 AM  
**To:** Tom Young  
**Cc:** Veldran, Katherine; Stirling, Bryan  
**Subject:** RE: Ted and Katherine - questions

Tom,

We are working on finalizing the second “Frequently Asked Questions” which will go out to all GA members. Hope to have it out by COB tomorrow.

Ted

---

**From:** Tom Young [<mailto:tyoung@tomyounglaw.com>]  
**Sent:** Monday, November 12, 2012 10:20 AM  
**To:** 'Tom Young'; Pitts, Ted  
**Cc:** Veldran, Katherine; Stirling, Bryan  
**Subject:** Ted and Katherine - questions

Ted: I have not received responses to any of these questions. Some of them have been answered in general public info since 10/31 but many have not to my knowledge. What is status? Thank you.

Tom

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**From:** Tom Young [<mailto:tyoung@tomyounglaw.com>]  
**Sent:** Wednesday, October 31, 2012 5:08 PM  
**To:** 'Pitts, Ted'  
**Cc:** 'Veldran, Katherine'; 'Stirling, Bryan'  
**Subject:** RE: Legislative follow up  
**Importance:** High

Ted:

More questions:

1. When can dependents be enrolled? If not now, why not?
2. According to the recording at this number, you are only eligible to receive the free year of credit monitoring if you are currently a South Carolina resident. This does not protect anyone who works in SC and lives elsewhere, nor does it protect former residents of SC that have since moved away. Why is that? Is something being done about this?

3. Were 3.6 Million ssn's involved or 3.6 Million tax returns?
4. How does someone know if their SSN has been affected? Is one of the ones taken in the attack?
5. Did the hacker(s) get the bank account and routing info for SC taxpayers who pay taxes by bank draft?
6. Are business tax id numbers affected?
7. Are business bank account numbers affected? Could they have been taken by the hacker?
8. Are business credit card numbers affected?
9. How to respond to these from constituents?
  - a. I don't think I'll ever understand the reasoning behind distributing the same activation code to millions of people. This, in my mind, defeats the purpose of an activation code. But nevertheless, the activation code, because it is the same for everyone, and because there to be no real way for a citizen to determine if their information was affected, is being used unnecessarily by individuals who may not be affected. This is a complete and utter waste of money. I have not seen reported yet how much money is being spent to provide "affected" South Carolinians with this year of credit monitoring, but however much it is, it should be minimized as much as possible.
  - b. Citizens are being led to believe as long as they sign up for this year of credit monitoring, they'll be ok. This is simply not true. If the credit monitoring service determines that your information is being used without your consent, you are the one still responsible for resolving the issue, and potentially still liable for the damage if it can't be proven to be linked to this incident. And what's one year? Big whoop, a smart criminal will simply sit on the information and use it after a year so that it is less likely to be tracked to one particular data breach. Sure, ProtectMyID will be happy to allow "consumers to continue to have access to fraud resolution agents and services beyond the first year," for a fee. This free year of credit monitoring is merely a band-aid on a gushing wound and ultimately not very effective at minimizing the damage that's been done. Attached is a brochure that was shared with me from a representative at SRP Federal Credit Union describing a much more effective approach to protecting your identity. Citizens will be far better protected if they place a security freeze on their credit reports as described in this brochure. Citizens also need to be informed that since their dependents' Social Security Numbers are included on tax returns, it's highly likely their information was stolen as well. Not many people monitor the credit reports of their minor dependents, but this is also a necessary step to minimize damage.
  - c. Can the governor really just spend extremely excessive amounts of state money without any approval from Congress?
  - d. How is it possible that a state agency such as the DOR is not required to encrypt our information? It is absolutely outrageous and incompetent for only a portion of the payment card information and none of the Social Security numbers to have been encrypted.
  - e. What assessment is being conducted to ensure the strategies put in place to manage this fiasco are actually effective? The governor wants complete transparency from higher education and other agencies, and assessment matrices in place to ensure adequate measuring of performance, but I have seen no attempt to measure the extent of damage being done with our stolen information.

Thank you.

Tom

---

**From:** Pitts, Ted [<mailto:TedPitts@gov.sc.gov>]  
**Sent:** Tuesday, October 30, 2012 7:11 PM  
**To:** Pitts, Ted  
**Cc:** Veldran, Katherine; Stirling, Bryan  
**Subject:** Legislative follow up

All,

I am having the attorneys, Experian, SLED, the Inspector General and SCDOR review the answers to the questions we have received. We want to make sure that you have accurate information to distributed to your constituents.

Below are answers to the most frequently asked questions that I can confirm:

Are young adults that previously filed in SC covered? If a tax return was filed from 1998 until present and a person's SS# was listed on the return as the filer or a dependent they can sign up for the protection. Individuals currently 18 and older must enroll themselves. Individuals currently 17 and younger must be added on the family plan by their parent or legal guardian. Laws do not allow them to consent to this agreement on their own. SCDOR will cross check SS#s with all enrollments.

Why doesn't SCDOR just enroll taxpayers? It is against the law to enroll taxpayers without their consent.

Could we not have a portal provided that would allow quicker, more direct and easier access? Experian has a South Carolina portal/page it is- [www.protectmyid.com/scdor](http://www.protectmyid.com/scdor) . The activation code is SCDOR123 (not case sensitive) to enroll. A way to confirm that you are on the correct page is the picture of the person/model on the page should be a female. Some people are being bounced directly to the Experian home page (the picture on this page is a male) this is a problem on the user's end not Experian's. If they don't have access to the internet, they can call 1-866-578-5422. Experian is working to address wait times.

How much time should deployed, overseas military expect to wait before they are contacted? Is there any "extra" contact, perhaps specifically assigned to this group, that we can share to get them in touch with the right people without having a phone line wait? We are in the process of working with the Department of Defense to make the notification enrollment process as easy as possible. Details will be released when confirmed.

Were checking account routing numbers compromised? Of the files accessed an individual's entire return was accessed. The Social Security #'s and bank information were not encrypted. Credit cards were encrypted on returns older 2003. Any unencrypted credit card information would be for cards that have expired.

We will follow up as soon as possible regarding other questions, our goal is to email the General Assembly a comprehensive FAQs packet as soon as it is finished.

Thanks,  
Ted

Ted Pitts  
Deputy Chief of Staff

Governor Nikki Haley  
Cabinet and Legislative Affairs  
803.767.7862  
[TedPitts@gov.sc.gov](mailto:TedPitts@gov.sc.gov)

## Pitts, Ted

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**From:** Judy Hackett <jhackett@dandb.com>  
**Sent:** Wednesday, October 31, 2012 5:58 PM  
**To:** Pitts, Ted  
**Cc:** Aaron Stibel; Jeff Stibel; Stirling, Bryan  
**Subject:** RE: D&B Credibility Corp.

**Importance:** High

No big deal but several news outlets have already incorrectly referred to our company. More importantly, they have been linking to [www.dnb.com/sc](http://www.dnb.com/sc), not [www.dandb.com/sc](http://www.dandb.com/sc). We have also seen incorrect phone numbers. We're reaching out but it's more important to get a statement out to get company right, phone number right, and url right.

Here are a few examples:

<http://www.wltx.com/news/article/207332/2/Gov-Haley-Provides-Update-on-SC-DOR-Hacking-Case>

- "Haley said **Dunn and Bradstreet** will activate a website at 8AM Friday morning that businesses can visit to register for free monitoring service: [www.dnb.com/sc](http://www.dnb.com/sc), or by calling 800279-9881, also available Friday."

<http://www.wistv.com/story/19967676/haley-state-to-provide-protection-to-up-to-657k-businesses>

- "The state has contacted **Dun and Bradstreet**, a company that provides credit monitoring and protection for businesses, to assist South Carolina business owners."

<http://www.carolinalive.com/news/story.aspx?id=819863#.UJGbccXA-6M>

- "**Dun and Bradstreet** is launching free credit reports for all South Carolina businesses. The website says the monitoring services will be live Friday, November 2nd. Businesses can also call 1-800-279-9881 at that time."

<http://www.abcnews4.com/story/19965332/sc-security-breach-draws-3rd-news-conference-in-3-days>

- Gov. Nikki Haley said a new website – [www.dnb.com/SC](http://www.dnb.com/SC) -- was being set up by **Dun & Bradstreet Credibility Corporation** that would allow businesses to sign up for credit protection. Businesses can also call 800-279-9881 to get coverage as well, she said.

<http://www.southcarolinaradionetwork.com/2012/10/30/sc-tax-director-reveals-business-id-numbers-were-also-breached/>

- He said the business credit information company **Dun and Bradstreet** has a monitoring service that his agency would look into.

Judy Hackett  
Chief Marketing Officer  
Dun & Bradstreet Credibility Corp  
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Malibu, CA 90265  
O: 310-919-2233  
C: 770-337-4869  
F: 310-919-2948  
[www.DandB.com](http://www.DandB.com)

**Dun & Bradstreet**  
**CREDIBILITY CORP**



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---

**From:** Judy Hackett  
**Sent:** Wednesday, October 31, 2012 2:53 PM  
**To:** 'TedPitts@gov.sc.gov'  
**Cc:** Aaron Stibel; Jeff Stibel; Stirling, Bryan (BryanStirling@gov.sc.gov)  
**Subject:** RE: D&B Credibility Corp.

Ted,

We watched the press conference. Great job by the Governor. One point of clarification is that our official name is Dun & Bradstreet Credibility Corp. The reason that's important is because we are the business that does credit monitoring for businesses. D&B focuses on other areas. We don't want your constituents confused and calling the wrong group. I have notified their press and customer support operations so that they can transfer the calls to us but it would be great if we could make that distinction clear in any future communications so that your constituents aren't transferred needlessly. We've already seen incorrect messaging come across the media wires. Perhaps we should draft a joint release of this information so that we make sure that the information is accurate and the product readily available. I have asked my PR firm to get this started just so that we have something to respond to but happy to let your team take the lead.

Judy Hackett  
Chief Marketing Officer  
Dun & Bradstreet Credibility Corp  
22761 Pacific Coast Highway  
Malibu, CA 90265  
O: 310-919-2233  
C: 770-337-4869  
F: 310-919-2948  
[www.DandB.com](http://www.DandB.com)

**Dun & Bradstreet**  
**CREDIBILITY CORP**



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## Pitts, Ted

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**From:** Bill Taylor <bill@taylorschouse.com>  
**Sent:** Wednesday, October 31, 2012 6:04 PM  
**To:** Pitts, Ted  
**Cc:** Tom Young  
**Subject:** HACKED QUESTION FROM A CONSTITUENT

Ted, an observation from a constituent. Are citizens having to pay?

---

**From:** georitadd@bellsouth.net [mailto:georitadd@bellsouth.net]  
**Sent:** Wednesday, October 31, 2012 4:49 PM  
**To:** bill@taylorschouse.com; Tom Young  
**Cc:** Rita Sewell  
**Subject:** Re: SC 's HACKED - FAQs

Hello Representative Taylor and Senator Young.

The hacking job is a major problem. I have logged into the protectmyid site and signed up.

Please note: They recommend you check their and 3 other credit reporting companies regularly. Guess who pays?

Tell the Governor, the problem is under HER office. Why should the citizen pay? The least the state could do is negotiate a much reduced fee. This is guaranteed long term business for those credit agencies.

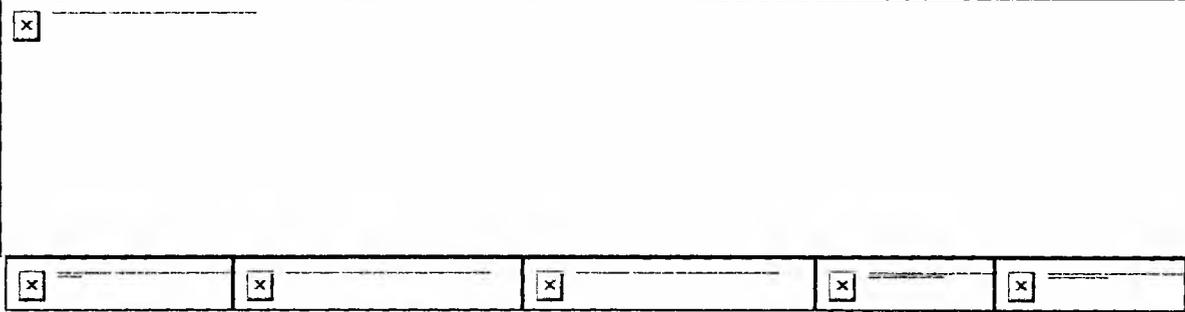
Disgustedly,

George Sewell

**Pitts, Ted**

**From:** Rep. Bill Taylor <bill@taylorschouse.com>  
**Sent:** Wednesday, October 31, 2012 8:12 PM  
**To:** Pitts, Ted  
**Subject:** UPDATE: HACKING NEWS for BUSINESS

You're receiving this email because of your relationship with **TaylorSCHouse**. You may **unsubscribe** if you no longer wish to receive our emails.



## SC's Computer Hacking BUSINESS VULNERABILITY

Dear Friends:

### Attention Businesses

Governor Haley announced late today that the state will provide protection for South Carolina businesses that may have had tax information compromised when an international hacker got into the SC Department of Revenue's servers. Up to 657,000 business could be affected.

Dun and Bradstreet, a company that provides credit monitoring and protection for businesses, has agreed to assist SC business owners at no charge to the state! *Thank you, D&B!*

Starting Friday, November 2, 8 a.m., businesses can call **1-800-279-9881** or visit: <http://www.dandb.com/sc> to sign up for credit monitoring.

NOTE: The Small Business Chamber of Commerce is recommending businesses inquire of their financial institutions what's in place to protect them. The group recommended closing out the checking account that was obtained by the Department of Revenue and open up a new account.

I trust this information is helpful to business people. I'll make every effort to keep you updated on changing developments.

In your Service,

**Bill Taylor**  
803-270-2012  
Representative  
South Carolina General Assembly  
Bill@taylorschouse.com  
www.Taylorschouse.com

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Bill Taylor for SC House District 86 | P.O. Box 2646 | Aiken | SC | 29801

**Pitts, Ted**

---

**From:** Bill Taylor <bill@taylorschouse.com>  
**Sent:** Wednesday, October 31, 2012 9:01 PM  
**To:** Pitts, Ted  
**Subject:** Re: SC Citizens Should Not Pay For Your Mistakes!

**Ted, another constituent e-mail full of rage & questions....**

---

**From:** James [REDACTED]  
**Sent:** Wednesday, October 31, 2012 4:36 PM  
**To:** bill@taylorschouse.com  
**Subject:** Alert the Media. SC Citizens Should Not Pay For Your Mistakes!

Mr. [REDACTED]

Is this "free service" going to affect our taxes?

Also, you say this will haunt taxpayers for years to come. Yet the state only provide services for one year? Outrageous.

Don't you suppose a different approach is more necessary?

Since we have no idea who the hacker is, they now know not to act for one year.

This is not the taxpayers fault! It's the the office's that holds our information on file. Why should we (the taxpayers) constantly have to pay for a service to keep checking on our information.

As a taxpayer, I honestly think that your paycheck needs to be cut to provide this service. I'm sure your pocket can take a hit since you seem to have so much cushion.

Or offer the state a SSN# change.

We should not have to pay for your offices mistakes.

Or we should just quit paying taxes to ensure this will not happen again since obviously our security is not your utmost priority.

I am bringing this to the news station attention. We should not have to pay for your mistakes!

We the citizens are anxious to hear your reply

--  
James [REDACTED]

## Pitts, Ted

---

**From:** Bill Taylor <bill@taylorschouse.com>  
**Sent:** Wednesday, October 31, 2012 9:04 PM  
**To:** Pitts, Ted  
**Subject:** Consitituent Question

Ted, another constituent question...

**From:** Dean [REDACTED]  
**Sent:** Wednesday, October 31, 2012 7:11 PM  
**To:** bill@taylorschouse.com

Mr. Taylor,

You are doing your constituents a great service!

**I have a question: Suppose one's tax returns have never included a bank account number (for direct deposit of a refund) or credit card number (for payment of tax due). What danger evolves from the inclusion of only an SSN on one's return to which the hackers now have access?**

Thanks in advance.

Dean [REDACTED]  
Aiken, SC

## Pitts, Ted

---

**From:** Bill Taylor <bill@taylorscheuse.com>  
**Sent:** Wednesday, October 31, 2012 9:40 PM  
**To:** Pitts, Ted  
**Cc:** Tom Young  
**Subject:** Hacking: More Constituent Input

### Ted, more constituent input...

**From:** [REDACTED]@aol.com  
**Sent:** Wednesday, October 31, 2012 8:52 PM  
**To:** [REDACTED]@bellsouth.net; [REDACTED]@taylorscheuse.com; tom@tomyoungforsenate.com  
**Cc:** [REDACTED]@bellsouth.net  
**Subject:** Re: SC 's HACKED - FAQs

Hi George, Senator Young and Rep. Taylor,

I have as well registered, I have great concerns over the long run on this problem. Yes, based on the state's negotiation with Experian we have lifetime protection. My concerns are the same as George's. Is this another way for Experian and their allied companies to make additional revenue from the UNPROTECTED taxpayers of SC. I am as disgusted as George, you as our representatives should get involved in this mess and protect the taxpayers of SC in perpetuity in this mess not of our doing., basically caused by not doing the right thing in the name of cost effectiveness left the taxpayers of SC unprotected.

Don [REDACTED]

In a message dated 10/31/2012 4:49:01 P.M. Eastern Daylight Time, [REDACTED]@bellsouth.net writes:  
Hello Representative Taylor and Senator Young.

The hacking job is a major problem. I have logged into the protectmyid site and signed up.

Please note: They recommend you check their and 3 other credit reporting companies regularly. Guess who pays?

Tell the Governor, the problem is under HER office. Why should the citizen pay? The least the state could do is negotiate a much reduced fee. This is guaranteed long term business for those credit agencies.

Disgustedly,

George [REDACTED]

## Pitts, Ted

---

**From:** Debbie Barthe <DebbieBarthe@scsenate.gov>  
**Sent:** Thursday, November 01, 2012 4:20 PM  
**To:** Pitts, Ted  
**Subject:** SCDOR Issues - Senator Williams - #1

Ted Pitts  
Deputy Chief of Staff  
Governor Nikki Haley  
Cabinet and Legislative Affairs  
803.767.7862  
[TedPitts@gov.sc.gov](mailto:TedPitts@gov.sc.gov)

Mr. Pitts,

Below is an email Senator Williams received. I have inquired to Meredith Cleland at SC DOR for some help. He has been very responsive to our inquiries, but I know he is out of town and thought perhaps we could get clarification from the Governor's office also.

Debbie Barthe  
For Senator Kent Williams

---

**From:** [REDACTED] [mailto:[REDACTED]@bellsouth.net]  
**Sent:** Thursday, November 01, 2012 3:07 PM  
**To:** Kent M. Williams  
**Subject:** tax record hacking

Senator Williams,

I am writing to express my deep concern about the way the citizens of this state are being treated regarding the exposure of our vital and personal information. The State of SC dropped the ball on this issue. Why are credit card numbers encrypted and not SOCIAL SECURITY numbers????

Although I do appreciate the 1 year of credit monitoring this problem has made my family's most personal information at risk FOREVER. As they have been listed on my tax records and my children are only 19 and 22, they will have this problem for over 60 years!

The monthly fee to protect ourselves will be \$17 per month each for the rest of our lives. That is over \$200 a year. I could end up paying over \$8000 in my lifetime and my children over \$12,000. This is unacceptable.

WHY are businesses getting free lifetime monitoring when they may be able to change their federal tax id number?

Are those of us who actually pay taxes going to be able to change our social security numbers as well?

Thank you for your attention and concern on this matter.

Sincerely,

Debbie [REDACTED]  
Marion, SC

**Pitts, Ted**

---

**From:** Kim Jackson <KimJackson@schouse.gov>  
**Sent:** Thursday, January 10, 2013 11:05 AM  
**Subject:** SCDOR Data Breach Investigative Committee - Today, 12:30pm

**The SCDOR Data Breach Investigative Committee will meet today at 12:30 in Room 521 of the Blatt Building.**

The Committee will hear testimony from the following. Others may be added and the agenda is subject to change.

**I. Department of Revenue**

cc: Ann Martin (5<sup>th</sup> Floor Receptionist - Blatt Building)  
Sergeant at Arms (Mitch Dorman 2<sup>nd</sup> Floor State House)  
Press Room (3<sup>rd</sup> Floor State House)  
The Honorable Robert W. Harrell, Jr., Speaker of the House (506 Blatt Building)

*Kim Jackson*  
Executive Secretary  
South Carolina House of Representatives  
Ways and Means Committee  
803.734.3144 Telephone  
803.734.2826 Fax  
*kimjackson@schouse.gov*

## Pitts, Ted

---

**From:** Bowers, Butch <Butch.Bowers@wcsr.com>  
**Sent:** Wednesday, January 09, 2013 8:43 AM  
**To:** RENEDOJ@sctax.org; Pitts, Ted  
**Subject:** Re: DOR and hearings

That works for me. Thanks Jenny.

Butch

---

**From:** Jenny Renedo [mailto:RENEDOJ@sctax.org]  
**Sent:** Wednesday, January 09, 2013 08:09 AM  
**To:** Bowers, Butch; Ted Pitts <tedpitts@gov.sc.gov>  
**Subject:** DOR and hearings

Butch, Ted,

Bill Blume would like to have a conference call with you at 3:30 today, Wednesday. Will this work for you? Please confirm.

Thank you

Jenny Renedo, 898-5148  
Administrative Coordinator  
Office of the Director  
SC Department of Revenue

---

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## Pitts, Ted

---

**From:** Jenny Renedo <RENEDOJ@sctax.org>  
**Sent:** Tuesday, January 08, 2013 2:55 PM  
**To:** Butch.Bowers@wcsr.com; Pitts, Ted  
**Subject:** FW: phone call with Bill Blume today at 3:00

So sorry. I was to plan this for 4:00 not 3:00. Okay?

---

**From:** Jenny Renedo  
**Sent:** Tuesday, January 08, 2013 2:43 PM  
**To:** 'Butch.Bowers@wcsr.com'; 'Ted Pitts'  
**Subject:** phone call with Bill Blume today at 3:00

Bill would like to have a conference call with you both at 3:00. Butch, I have your number as [REDACTED] Ted, I have [REDACTED] as your number. Please correct me if he should use a different number.

Please and thank you

Jenny Renedo, 898-5148  
Administrative Coordinator  
Office of the Director  
SC Department of Revenue

**Pitts, Ted**

---

**From:** Bowers, Butch <Butch.Bowers@wcsr.com>  
**Sent:** Tuesday, January 08, 2013 2:49 PM  
**To:** Jenny Renedo; Butch.Bowers@wcsr.com; Pitts, Ted  
**Subject:** RE: phone call with Bill Blume today at 3:00

That works for me, and that's a good number for me. Thanks.

Butch

---

**From:** Jenny Renedo [mailto:RENEDOJ@sctax.org]  
**Sent:** Tuesday, January 08, 2013 2:43 PM  
**To:** Butch.Bowers@wcsr.com; Ted Pitts  
**Subject:** phone call with Bill Blume today at 3:00

Bill would like to have a conference call with you both at 3:00. Butch, I have your number as [REDACTED] Ted, I have [REDACTED] [REDACTED] as your number. Please correct me if he should use a different number.

Please and thank you

Jenny Renedo, 898-5148  
Administrative Coordinator  
Office of the Director  
SC Department of Revenue

---

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## Pitts, Ted

---

**From:** Mike Forrester <MikeForrester@schouse.gov>  
**Sent:** Monday, January 07, 2013 2:52 PM  
**To:** Pitts, Ted  
**Cc:** Laughlin, Chrystal  
**Subject:** Re: Hacked infor

Thanks Ted.

Sent from my iPad

On Jan 7, 2013, at 1:27 PM, "Pitts, Ted" <TedPitts@gov.sc.gov> wrote:

> Mike,

>

> Will have someone call her.

>

> Ted

>

> -----Original Message-----

> From: Mike Forrester [mailto:MikeForrester@schouse.gov]

> Sent: Monday, January 07, 2013 10:27 AM

> To: Pitts, Ted

> Subject: Hacked infor

>

> Ted I had a constituent contact me this morning and said her 19 year old daughter received her letter but that she and her husband had not. She is Mrs. John [REDACTED] and her contact number is 864-[REDACTED]. She also asked if it is possible to reissue a Preston's social security number like her daughter who has a longer potential of having trouble with her stolen identity.

>

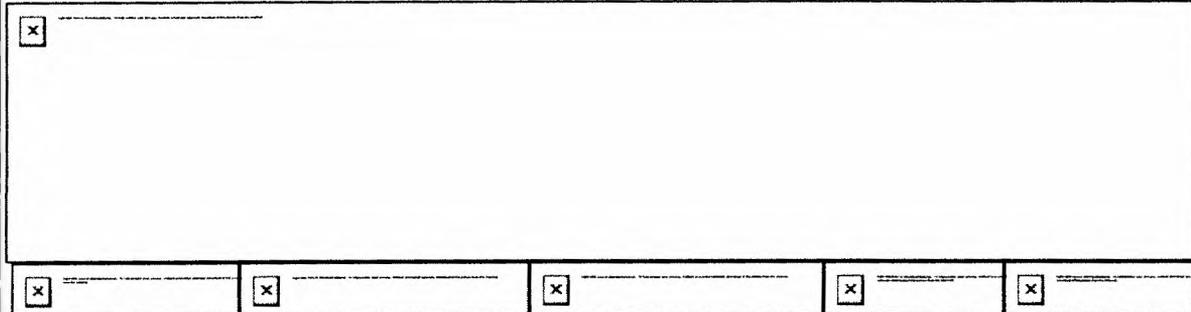
> Sent from my iPad

**Pitts, Ted**

---

**From:** Rep. Bill Taylor <bill@taylorschouse.com>  
**Sent:** Sunday, January 06, 2013 2:01 PM  
**To:** Pitts, Ted  
**Subject:** And SO it Begins !

You're receiving this email because of your relationship with **TaylorSCHouse**. You may **unsubscribe** if you no longer wish to receive our emails.



## And SO it Begins !

Dear Friends:

This Tuesday the SC General Assembly reconvenes in a session that lasts into June. If the legislative process were modernized, the work could be accomplished in half the time. Regrettably, every bill to shorten the session dies in the Senate.

### The 2013 Legislative Agenda

Here are some of the top issues at the State House you'll be hearing about in the coming months:

**Medicaid Battle:** The battle over expanding Medicaid will be center stage. The Obama administration wants to pour \$10 billion on SC to greatly expand healthcare. Under the plan, about ONE-THIRD of all SC residents would have their health needs paid for by taxpayers through Medicaid. Of course, it's money the federal government doesn't really have and eventually SC taxpayers will be paying a much larger portion of the price tag.



**Stopping OBAMACARE!** The House Republican Caucus vows to fight the implementation of this law, and the massive tax increases that will follow. Several bills addressing this have been pre-filed. I was the first co-sponsor of legislation designed to utilize SC's state sovereignty to protect families and business from Obamacare. Using our state's nullification powers, stopping Obamacare is the right thing to do. It will negatively impact our state and hurt our small businesses. We kick off the initiative Tuesday, January 8, 10:00 am. with a State House rally with many citizens who support this initiative. ***You're invited to participate.***

**Growing Our Economy:** House Republicans have vowed to continue their fight for regulatory reform, access to capital for small businesses, and enhanced skills training to help make our citizens job-ready.

**Real Tax Reform:** A goal of House Republicans is to lower manufacturers' property tax rates from 10.5 percent to 6 percent, flatten the personal income tax, and reduce special interest sales tax exemptions.

**Ethics Reform:** Ethics reform must be accomplished to re-instill trust in our political system. There are four separate committees working to update our 'two-decades-old' ethics laws. Progress on this should come in the next few months.

**Election Reforms:** Legislation is being written to correct the 2012 election fiasco created by the S.C. Supreme Court ruling that knocked more than 250 candidates off the ballot. As well, a proposal for early voting will be heavily debated.

**Data Security:** House and Senate committees have been examining the data collected by the state and are seeking remedies to ensure your private information is protected from hackers. Every necessary step must be taken to prevent future security breaches.

**Government Restructuring:** Last June we came within a Senate filibuster of the biggest overhaul of state government in two decades. The time is still right to get this needed restructuring through.

**Guns:** I pre-filed a bill that calls for Concealed Weapons Permit (CWP) holders to be able to carry into a restaurant that serves alcohol as long as they don't consume alcohol. It already has 32 co-sponsors! Another legislator introduced a bill to arm public school employees on campuses throughout the state. A state senator re-filed his bill to exempt SC from federal regulation of firearms, ammunition or accessories made in the state. A similar bill has been filed in 40 other states. I trust there will be common sense improvements to our SC gun laws and not a result of political over reaction to the recent heartbreaking events in Newtown.



**The Budget Battle:** While SC's tax revenues are increasing, this year's budget debate will be impacted by the expected federal sequestration funding cuts that will hit state governments in two months. With so many unknowns, the House will be doing some **heavy lifting** in delivering the required balanced budget.



**Government Transparency:** My efforts to strengthen SC's Freedom of Information Act is getting a lot of traction around the state and support in the State House. ([Read the editorial from Charleston's Post & Courier that appeared in Friday's Aiken Standard.](#))

**Fixing Education:** The foundation of economic development for South Carolina, jobs and prosperity is education. By every measure, K-12 public education in SC (and elsewhere in America) is floundering. We're dropping in the rankings compared to other countries. We are competing in a global market and dramatic reforms are needed. Here's a start:

- High standards for everyone, both teachers and students - they will rise to the challenge.
- Robust accountability - no social promotions; master the content and move on.
- Incent teachers by rewarding the best. Pay for performance.
- Give principals and administrators much more leeway to remove poor performing teachers.
- Support a parents right to choose the best education for their child.
- Children learn differently and one approach does not fit all. Kids needs trump the educational bureaucracy.

**Roads in Disrepair:** SC's roads and bridges are in desperate need of repair. Annually we spend about half the needed amount to stay up with maintenance. There's also a push underway to find ways to provide more funds, otherwise our road system will continue to deteriorate, impacting our state's economy and jobs.

For me, government should have a very limited role in each of our lives; less government equals more personal freedom. I have shared with you the top items on the legislative agenda coming out of Columbia. Now it's your turn; let me hear your constructive ideas for improving South Carolina.

**Of Special Note:** Congratulations to Coleen Reed, for being named Aiken Standard's 'Person of the Year' for 2012.

This is my **100th** Newsletter! I vow to continue strong communications with constituents and many other interested individuals. As always, it is my pleasure to be of service to YOU. Thank you for allowing me to do so.

In your Service,

**Bill Taylor**

**803-270-2012**

Representative  
South Carolina General  
Assembly

[Bill@taylorschouse.com](mailto:Bill@taylorschouse.com)

[www.Taylorschouse.com](http://www.Taylorschouse.com)

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### Photo of the Week



A ribbon cutting ceremony officially opened the City of Aiken's new Administration Building on Lauren's Street. The old bank building has been beautifully refurbished.



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Bill Taylor for SC House District 86 | P.O. Box 2646 | Aiken | SC | 29801

**Pitts, Ted**

---

**From:** Kim Jackson <KimJackson@schouse.gov>  
**Sent:** Friday, January 04, 2013 12:52 PM  
**Subject:** SCDOR Data Breach Investigative Committee Meeting - Thursday, January 10, 2013

**MEMORANDUM**

**TO:** The Honorable Harry Ott  
The Honorable Shannon Erickson  
The Honorable Laurie Slade Funderburk  
The Honorable Dwight Loftis  
The Honorable James Merrill  
The Honorable Andy Patrick  
The Honorable Ronnie Sabb  
The Honorable Bakari Sellers  
The Honorable Gary Simrill

**FROM:** The Honorable Bruce Bannister, Chairman

**DATE:** January 4, 2013

**SUBJECT:** **SCDOR Data Breach Investigative Committee Meeting**

The following meeting has been scheduled for the SCDOR Data Breach Investigative Committee:

**Thursday, January 10, 2013: 1 ½ hours after adjournment in Room 521 of the Blatt Building.**

The committee will hear testimony about the Department of Revenue data breach and related security issues. Other items may be added.

cc: Ann Martin (5<sup>th</sup> Floor Receptionist - Blatt Building)  
Sergeant at Arms (Mitch Dorman 2<sup>nd</sup> Floor State House)  
Press Room (3<sup>rd</sup> Floor State House)  
The Honorable Robert W. Harrell, Jr., Speaker of the House (506 Blatt Building)

*Kim Jackson*  
Executive Secretary  
South Carolina House of Representatives  
Ways and Means Committee  
803.734.3144 Telephone  
803.734.2826 Fax  
*kimjackson@schouse.gov*

## Pitts, Ted

---

**From:** Milton Kimpson <KimpsoM@sctax.org>  
**Sent:** Monday, December 31, 2012 4:03 PM  
**To:** Pitts, Ted  
**Cc:** Stirling, Bryan; Patel, Swati  
**Subject:** FW: Procurement timelines

FYI

---

**From:** Jaquetta Campbell Wright  
**Sent:** Monday, December 31, 2012 3:57 PM  
**To:** Milton Kimpson  
**Subject:** RE: Procurement timelines

With regards to an RFP the time frame could be as long as 60-75 days with the protest period factored in, the timeframe for an IFB can be as long as 30-45 days. Both solicitation processes factor in a protest period of 15 days (SC Consolidated Procurement Code: 11-35-4210)

An RFP (Request for Proposal) is used when other award criteria will be factor in determination of award (technical ability, research methods, etc.) Cost must be a factor in determination of award and cannot be weighted at less than sixty percent.

An IFB (Invitation for Bid) or RFQ (Request for Quotation) is used when the award will be made to the lowest responsible and responsive bidder. Cost is the only determining factor.

An IFB has to be advertised for a minimum of 7 days in SCBO (South Carolina Business Opportunities), this is a publication that is available to potential vendors that captures goods and services over \$10,000.00 being procured by SC state agencies.

As previously stated, the only person who has been given the authority to shorten this time period is the Chief Procurement Officer.

I can't find where there is a published timeline.

I hope this information is helpful.

Thank you,

*Jaquetta Wright, CPPB*  
SC Department of Revenue  
Purchasing Supervisor  
O: (803)898-5468  
F: (803)898-5354  
[campbej@sctax.org](mailto:campbej@sctax.org)

---

**From:** Milton Kimpson  
**Sent:** Monday, December 31, 2012 2:53 PM  
**To:** Jaquetta Campbell Wright  
**Subject:** RE: Procurement timelines

Thank you. Is the protest period built into the 30-45 day figure for normal RFPs? If we shorten the time frame to 7 days, is there still a protest period? I have never heard of the IFB. How quickly can that be done? Are there any other ways to accomplish a quick procurement of services? Thanks so much for all of your help!

Milton

---

**From:** Jaquetta Campbell Wright  
**Sent:** Monday, December 31, 2012 2:47 PM  
**To:** Milton Kimpson  
**Subject:** RE: Procurement timelines

Good afternoon Milton,

It is my understanding that the Experian contract was issued as an Emergency Procurement under the direction of the Governor's Office, and the agency director.

The normal RFP can take anywhere from 30-45 days, but some RFP's can achieve the same end result by the use of an IFB (Invitation for Bid).

In emergency situations, the timeline is established at 7 days, be can shortened with the approval of the State Procurement Office-ITMO Chief Procurement Officer, Michael Spicer.

I will work to see if I can find a published timeline.

Thank you,

*Jaquetta Wright, CPPB*  
SC Department of Revenue  
Purchasing Supervisor  
O: (803)898-5468  
F: (803)898-5354  
[campbej@sctax.org](mailto:campbej@sctax.org)

---

**From:** Milton Kimpson  
**Sent:** Monday, December 31, 2012 2:15 PM  
**To:** Jaquetta Campbell Wright  
**Subject:** Procurement timelines

Hope you had a good holiday. Need your thoughts on some procurement issues.

We are preparing for another House subcommittee hearing on Thursday. There are questions about why we did the Experian contract under the emergency procurement provisions. Essentially the answer is that we needed to act quickly. But, that begs the question, what is the minimum time frame for the normal FRP process. Can we shorten times? Do you have any kind of published timeline that we may be able to use? Thanks

Milton  
803-898-5131  
803-898-5147 (fax)

## Pitts, Ted

---

**From:** Toomey, Bob  
**Sent:** Saturday, December 29, 2012 4:35 AM  
**To:** Mike Shealy  
**Cc:** Pitts, Ted  
**Subject:** RE: Several Ideas

Mike,  
How about lunch on Wednesday the 2nd?  
If you are already booked, I can come by earlier at (say) 11:00 for chat...

Look forward to seeing you---amazing how time slips away.

Bob

---

**From:** Mike Shealy [MikeShealy@scsenate.gov]  
**Sent:** Friday, December 28, 2012 4:25 PM  
**To:** Toomey, Bob  
**Cc:** Pitts, Ted  
**Subject:** Several Ideas

Bob – As you may know, we are staffing a subcommittee that is looking into the Department of Revenue technology breach. Last week I met with John Gardner to listen to his perspective on our information breach. His comments were enlightening. As I reflected on his comments, it became clear to me that the safe keeping of the millions of pieces of personal information in state government was really more process establishment, standards and training of employees and less about the medium of electronic technology.

John mentioned that you made the decision to have DAODAS employees trained on the proper treatment of personally identifiable information. I'd really like for you to present to our subcommittee just what you did and why you did it. The legislative branch will need to set up the outline of a process and fund the activity, but the hard work must be done by the various agencies that have day to day interaction with customers.

So, at your earliest convenience, please call me at 803-██████████ or 803-██████████ Better yet, we could go to lunch. I will be in on New Year's Eve too.

Thanks, Mike Shealy

**Pitts, Ted**

---

**From:** Maley, Patrick  
**Sent:** Monday, October 29, 2012 10:02 AM  
**To:** 'director@sctax.org'; Pitts, Ted  
**Subject:** Re: Legislative Conf Call?

?

----- Original Message -----

**From:** Maley, Patrick  
**Sent:** Monday, October 29, 2012 09:07 AM  
**To:** 'director@sctax.org' <director@sctax.org>  
**Subject:** Legislative Conf Call?

Don't have any coordinating numbers yet. Standing by.

Thanks

## Pitts, Ted

---

**From:** Maley, Patrick  
**Sent:** Monday, October 29, 2012 10:06 AM  
**To:** Pitts, Ted  
**Subject:** Re: Conf call

Roger

---

**From:** Pitts, Ted  
**Sent:** Monday, October 29, 2012 10:05 AM  
**To:** Maley, Patrick  
**Subject:** Conf call

Call this number at 11. 800 [REDACTED]

---

**From:** Adams, Marcia  
**Sent:** Sunday, October 28, 2012 10:45 PM  
**To:** Pitts, Ted  
**Subject:** Fwd: Important information regarding your reservation, #21609835 - To be confirmed

Ted,  
Please see instructions below. Speakers for the call will use a different number. I will call to confirm the number and order of speakers.

Marcia

Sent from my iPhone

Begin forwarded message:

**From:** "Hogue, Nathan" <[nhogue@cio.sc.gov](mailto:nhogue@cio.sc.gov)>  
**Date:** October 28, 2012 10:25:54 PM EDT  
**To:** "Adams, Marcia" <[madams@oed.sc.gov](mailto:madams@oed.sc.gov)>  
**Cc:** "Earley, Jimmy" <[jeasley@cio.sc.gov](mailto:jeasley@cio.sc.gov)>  
**Subject:** FW: Important information regarding your reservation, #21609835 - To be confirmed

Good evening,

Please find the revised conference call information attached to this email. I have summarized the highlights below:

The conference call has been scheduled for 11:00 AM EST on Monday, October 29, 2012. Participants wishing to join the call should dial 1-800-708-6791.

1. All participants will be asked to provide their first and last name to the operator before being placed into the conference. No password is required.
2. All participants will be muted for the duration of the call.
3. Participants should plan to join the call 10 to 15 minutes before the designated start time.

4. After being placed into the conference, participants will hear music until the conference begins.
5. For operator assistance during the call, please press \*0.

\*\*\*\*\*

Ted Pitts, Jim Etter, Mark Keel and Patrick Maley are designated as speakers and will dial into the call using a separate number. This number is 1-800-XXXXXXXXXX

The following script will be used to open the call:

"Thank you for joining the call, Ted Pitts is the first speaker."

We can change this and any other operator function as needed before and during the call if needed.

Thanks and please let me know if you need any additional information.

Nathan

Nathan Hogue  
SC B&CB Division of State IT  
Customer Service Manager  
[nhogue@cio.sc.gov](mailto:nhogue@cio.sc.gov)  
1-803-896-0353  
1-803-237-0984

---

From: The Conference Center [[conference\\_center@cfer.com](mailto:conference_center@cfer.com)]  
Sent: Sunday, October 28, 2012 9:46 PM  
To: Hogue, Nathan; CANRES; BILLY SOLOMON; ENRIQUE ROSADO  
Subject: Important information regarding your reservation, #21609835 - To be confirmed

Valued Customer,

This is an auto-generated email. Do not reply to this address.  
Please call the Customer Care number in your confirmation for assistance.

Attached is an HTML confirmation containing your important conference information.  
For best viewing and/or printing use Internet Explorer, version 5.0 and above or  
Netscape(R) version 4.5 and above.

The information in this e-mail and any attached files is CONFIDENTIAL and  
may be legally privileged or prohibited from disclosure and unauthorized use.

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At present the integrity of e-mail across the Internet cannot be guaranteed and messages sent via this medium are potentially at risk.

Thank you

Netscape(R) is a registered trademark of Netscape(R).

## Pitts, Ted

---

**From:** Bill Sandifer <[REDACTED]@bellsouth.net>  
**Sent:** Monday, October 29, 2012 10:21 AM  
**To:** Pitts, Ted  
**Subject:** Hacking

Ted, Several questions that I would like to be sure get answered in conference call. They express concerns of a huge number of my constituents who have contacted me.

- 1) How many other states have been similarly hacked?
- 2) Why are callers being told that we are not doing anything about under 18 "at this time"? This is especially critical for young people who anticipate being able to go to college & for small children whose ID theft might not be realized for many years.
- 3) What about businesses which have filed returns, etc. using EIN's?
- 4) Why was call center which was touted so greatly by the Gov. not appropriately staffed & ready?
- 5) How could this be happening at the very same time that the *Inspector General* was doing a "thorough" investigation of the agencies and finding Revenue to be fine?
- 6) If state is paying for one year of credit protection, what are we doing about making whole the people who have been affected? And, what is the intention after the one year?
- 7) Lastly, why weren't the members of the General Assembly at least given a "heads up" about what was going on? As it was, we were caught off guard when questioned by our constituents.

*Representative Bill Sandifer*

112 Cardinal Drive  
Seneca, SC 29672  
Message Center:(864)885-2240  
Fax: (864) 888-3125

## Pitts, Ted

---

**From:** Rep. Phyllis Henderson <[REDACTED]@gmail.com>  
**Sent:** Monday, October 29, 2012 11:31 AM  
**To:** Pitts, Ted  
**Subject:** Question

Ted:

The biggest question I have heard from my constituents is how/when will they know if their information was hacked or not? Many people believed based on the first media reports on Friday that when they called the 866 number they were going to be informed if their information was stolen or not. We now all know that everyone is to sign up for the Experion coverage, but people want to know about their information.

Will they be contacted and when? The Experion website tells you after you sign up that if you are not affected by the hacking you will be offered coverage at a charge to you - I assume that means if I sign up and my information was not stolen I am not covered unless I pay?

This needs to be cleared up. Thanks for all you are doing. Phyllis

--

Representative Phyllis Henderson  
SC House District 21  
864-423-3149

*Sign up for my District 21 newsletter! Click here:*

<http://oi.vresp.com?fid=58d852d7a6>

*On Twitter: @phyllish21*

*View my vote record: <http://is.gd/henderson21> and click on "voting record"*

## Pitts, Ted

---

**From:** Holly, Jim  
**Sent:** Monday, October 29, 2012 12:22 PM  
**To:** Pitts, Ted  
**Subject:** RE: Legislative Conference Call moved to 11 am

Thanks for letting us participate—CG listened in.

---

**From:** Pitts, Ted  
**Sent:** Monday, October 29, 2012 10:49 AM  
**To:** hankpage@scstatehouse.gov; Leidinger, Bill; Holly, Jim  
**Subject:** FW: Legislative Conference Call moved to 11 am

All,

Sorry for the late notice.

You or members of the staff are welcome on the call.

Ted Pitts  
Deputy Chief of Staff  
Governor Nikki Haley  
Cabinet and Legislative Affairs  
803.767.7862  
[TedPitts@gov.sc.gov](mailto:TedPitts@gov.sc.gov)

---

**From:** Pitts, Ted  
**Sent:** Monday, October 29, 2012 9:20 AM  
**To:** Schimsa, Rebecca  
**Cc:** Jeff Gossett; Charles Reid ([charlesreid@schouse.gov](mailto:charlesreid@schouse.gov))  
**Subject:** Legislative Conference Call moved to 11 am

Members of the General Assembly,

We have had to move the legislative conference call to 11:00 am. Please note the instructions below.

Email any specific questions to [TedPitts@gov.sc.gov](mailto:TedPitts@gov.sc.gov)

The conference call has been rescheduled for 11:00 AM EST on Monday, October 29, 2012. Participants wishing to join the call should dial 1-800-708-6791.

1. All participants will be asked to provide their first and last name to the operator before being placed into the conference. No password is required.
2. Due to large number of participants those that are attending will be in listen only mode.
3. Participants should plan to join the call 10 to 15 minutes before the designated start time.

- 
4. After being placed into the conference, participants will hear music until the conference begins.
  5. For operator assistance during the call, please press \*0.

The briefers are: Ted Pitts Governor's Office, Jim Etter Director Department of Revenue, and Mark Keel Chief SLED.

\*\*\*\*\*

**Pitts, Ted**

---

**From:** Joan AOL <[REDACTED]@aol.com>  
**Sent:** Monday, October 29, 2012 3:02 PM  
**To:** Pitts, Ted  
**Subject:** DOR breach questions

Ted,  
Are young adults that previously filed in SC and now live out of state covered?  
Are checking account routing numbers compromised?

I will look for legislative group email response.

Rep. Joan Brady

Sent from my iPad

## Pitts, Ted

---

**From:** Rep. Phyllis Henderson <[REDACTED]@gmail.com>  
**Sent:** Tuesday, October 30, 2012 3:37 PM  
**To:** Pitts, Ted  
**Subject:** More questions

Ted:  
I've had another good question from a constituent - he wanted to know why the State did not automatically enroll the affected persons in the protectmyid program. Why did they have to call/log in and sign up? He cited the example of a recently security breach with MetLife (he is a policyholder) and they automatically signed their policyholders up for the coverage. Good point given that we had so much mix up over the call in/log in. Also, I have been asked if other States have been hacked or are we the first. Then, the logical next question as to why we weren't protected to begin with and who is going to be held accountable for this breach.  
Phyllis

--  
Representative Phyllis Henderson  
SC House District 21  
864-423-3149

*Sign up for my District 21 newsletter! Click here:*

<http://oi.vresp.com?fid=58d852d7a6>

*On Twitter: @phyllish21*

*View my vote record: <http://is.gd/henderson21> and click on "voting record"*

## Pitts, Ted

---

**From:** Bill Sandifer <[REDACTED]@bellsouth.net>  
**Sent:** Wednesday, October 31, 2012 10:02 AM  
**To:** Pitts, Ted  
**Cc:** 'Andy Fiffick'; jameygoldin@schouse.gov  
**Subject:** More questions

Ted,  
I just received an email with a number of questions. I was able to answer some of them. I am forwarding, by this email, the ones I could not answer.

Why were the records accessible to hacking? Why weren't they more securely stored?

Why is the one-year protection service from Experian being touted as "free" when we all know that means "at taxpayer expense?"

What can we do to assess whether our records were compromised without going through this third-party?

And one other question that does not relate to the hacking:

Why the bloody bleep are some horse's patoot from bleeping Belarus and some mule's patoot from bleeping France monitoring South Carolina elections, Phase II, in Columbia, in the name of the bleeping Useless Nitwits, also known as the UN? Doesn't SC have a Texas-style law against this? Why isn't the Governor telling them to bug off?

We as US citizens, voters, and SC taxpayers go on the record as being absolutely unquestioningly opposed to foreigners butting their fat noses into United States business, especially elections. Perhaps the "monitors" can be re-routed to Oconee where folks seem to know how to take care of these things ...

I know you are under a lot of pressure from all directions. I also know that our citizens are frustrated and mad. The only people they have to turn to are their elected Representatives & Senators. The only way we can provide them answers is by asking you. I am sure that all of us are trying to field as many questions as we can without bothering you. But we simply don't have the answers to many of the questions.

Thanks, Bill

*Representative Bill Sandifer*

112 Cardinal Drive

Seneca, SC 29672

Message Center:(864)885-2240

Fax: (864) 888-3125

## Pitts, Ted

---

**From:** Director <director@sctax.org>  
**Sent:** Wednesday, October 31, 2012 3:22 PM  
**To:** Pitts, Ted  
**Cc:** Harry Cooper; etter\_jf@sctax.org  
**Subject:** FW: Business Credit Monitor - Press Urgent

**Importance:** High

I took this call and asked him to put it in email form to [Director@sctax.org](mailto:Director@sctax.org) address.

Jenny Renedo  
Office of the Director  
SC Department of Revenue

---

**From:** Aaron Stibel [mailto:astibel@dandb.com]  
**Sent:** Wednesday, October 31, 2012 2:58 PM  
**To:** Director  
**Subject:** Business Credit Monitor - Press Urgent  
**Importance:** High

Thanks for taking my call and reviewing this email.

As a background I was with RSI for 12 years and was one of the original architects of DiscoverTax. I figured I would reach out directly since I know the state fairly well.

I am the CTO at Dun & Bradstreet Credibility Corp now . Jennifer with WISTV contacted our CMO about what we were doing for SC businesses. I understand that the press release does not mention specifically FEIN being compromised, but optically, this is becoming part of the story. We are planning to launch a South Carolina web site that will offer any SC business free business credit monitoring products.

We owe the press a call back **today**, but I wanted to reach out to DOR so we can either keep you informed or have you be a part of this release. We would like the DOR to have input into how we position our release that best reflects the department's efforts.

I would suggest we have a call ASAP.

Please see our product offer below:

Dun & Bradstreet Credibility Corp will give SC businesses a free CreditAlert product that will help them stay alerted to changes in their scores or ratings and other indicators of fraudulent activity that could be taking place on their business. If someone were to steal your business identity, your bills could go unpaid, new lines of credit could be opened up. This product will alert customers to changes taking place in their business credit file. Even something as simple as a change to a business address or a company officer change would set off an alert to the business owner.

Thanks,  
-Aaron

Aaron Stibel

SVP, Technology  
[astibel@dandb.com](mailto:astibel@dandb.com)  
(310) 919 - 2214

**Dun & Bradstreet**  
CREDIBILITY CORP



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## Pitts, Ted

---

**From:** Aaron Stibel <astibel@dandb.com>  
**Sent:** Wednesday, October 31, 2012 3:41 PM  
**To:** Pitts, Ted  
**Cc:** Judy Hackett; Jeff Stibel  
**Subject:** RE: Call me

Ted:

Email intro to Judy (CMO) and Jeff (CEO)

My cell is 617-6425413

-Aaron

Aaron Stibel  
SVP, Technology  
astibel@dandb.com  
(310) 919 - 2214

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-----Original Message-----

From: Pitts, Ted [mailto:TedPitts@gov.sc.gov]  
Sent: Wednesday, October 31, 2012 12:28 PM  
To: Aaron Stibel  
Subject: Call me

Aaron

Can you call me?

Ted Pitts  
Deputy Chief of Staff  
Gov Nikki Haley  
South Carolina  
8037677862

## Pitts, Ted

---

**From:** Maley, Patrick  
**Sent:** Wednesday, October 31, 2012 3:48 PM  
**To:** Abdallah Haddad; Alton "Al" Hoy; Franklin, Ami; Ford, Andrew; Anthony Caldwell; Bailey, Barbara; Barry Langley; Hartman, Betsy; Bill Croteau; Bill Hogue; Bill Miller; Bob Cape; Boles, Les; Leach, Brian; Hoverman, Bryce; Camille Brown; Candice Pou; Catherine Lee; Fallaw, Chuck; Cliff Stanley; Smith, Dave; David "Ric" Lawson; David Beverly; David Elwart; David Foshee; Ross, David; Hipp, Dawn; Del Collins; Don Cantrell; Douglas Harper; Elaine Knight; Fletcher, Gayle; Guang Zhao; Hammond, Carol; Harrill, Ken; Herbert Drucker; James Hammond; James Manning; James Swindler; MacDougall, James R.; Jay Rolin; Jeff Baumann; Jeffrey Smith; Jim Bottom; Jim Scurry; Joan Assey; John Dixon; John Supra; Katie Harrison; Pandy, Kevin; Steele, Kevin; Khush Tata; Larry Hubbard; Nichols, Lisa; Margaret Sanders; Mark Phipps; Baker, Matt; Matt Faile; Melissa Forinash; Harris, Mike; Michael Wingard; Michelle Moore; Mike Garon; Pam Everitt; Pat Smith; Paul Harmon; Randy.Erskine; Dzek, Renee; Richard Nelson; Rasmussen, Richard; Green, Richards; Robert Clark; Robert Wilson; Robin Lawrence; Rolf Dolder; Ron Mitchell; Ronnie Finley; Sandee Sprang; Houston, Scott; Copeland, Sherry; Steve Flowers; Sklar, Steve; Susan Worthy; Thomas Smith; Trad Robinson; Trevis Shealy; Troy Pound; Yolanda McKnight; jlowder@dew.sc.gov; Adams, Marcia; Pitts, Ted; Earley, Jimmy; Jones, Sam; Oliver, Walt; bryanstirling@sc.gov.sc  
**Subject:** IG State-Wide Information Security Initiative--MEETING NOTIFICATION, 10AM, THURSDAY, 11/1  
**Attachments:** Short Term Cyber Security Action Plan.docx; IT Agency Self Assessment.doc

---

Attached to this email are the following **DRAFT** documents: 1) "short term cyber security action plan" for each agency; and 2) IT Agency Self-Assessment.

The 10AM, Thursday, 11/1 meeting is NOT MANDATORY for all CIOs; however, all CIOs/designee are encouraged & welcome. It is an opportunity to get direct and dynamic input on the attached **DRAFT** documents from those on the "front-line" of information security. Feel free to email me direct your input to be factored into the final documents. The meeting is also an opportunity to start the conversation and get input on developing a plan to fully assess state-wide information security.

I appreciate the talent and expertise in the agencies on information security. However, given the public's confidence level in state information security, we must double check ourselves as an initial step while we pursue a better understanding of this significant state-wide issue and opportunities to improve.

Thanks for your attention to this important issue.

### **10/30 IG email:**

I was overwhelmed by the show of support for this effort--thanks. As set out in the below email last Friday & reinforced by media reports of the public's concern, we will be having a meeting at **10AM, Thursday, November 1, at the Forestry Commission, 5500 Broad River Road, Columbia.** The primary purpose of this meeting will be to seek input on immediate measures/protocols that can be deployed to agencies state-wide to increase our collective information security confidence in the short-run, as well as identify critical weaknesses needing immediate attention.

To start the conversation, I will be sending an email out shortly (later today or Wednesday morning) containing a list of **DRAFT** recommendations from DSIT on this topic. Please look at this list prior to the meeting, and add/subtract/modify. We need everyone's experience & perspective on how best to swiftly check our own information security programs, deploy pragmatic measures, and identify any area that has immediate exposure to compromising PII.

Although the topic for this meeting will be a short-term response, similar to a military stand down day to re-emphasize and re-focus the importance of information security, the meeting will also start the process of planning a way forward to address longer-term issues.

I need four full-time volunteer subject matter experts from Agencies to fully staff the initial task force of six. I will personally lead this group. The group will set up the task force at DSIT offices, 4430 Broad River Road, Columbia. This task force will get it done in several months. We will add more staff if needed to hit that timeline rather than elongate a review given the significance and impact of the issue on the state. Please email me direct with your volunteer.

Thanks for your interest & support.

↓  
G Email to CIOs, Friday, 10/26:

If you have not already heard via media outlets, the Department of Revenue had a cyber intrusion resulting in the loss of 3.6 million names and social security numbers, as well as 387,000 credit card numbers. The Governor requested the Inspector General lead a state-wide information security (INFOSEC) initiative to assess our INFOSEC and make recommendations. This computer intrusion could have happened to anyone of us, but this large data loss of tax information has to impact our citizen's trust & confidence in state government to professionally protect their confidential information. After 30 years in the FBI, I don't get over-excited unless someone is shooting at me, but in my opinion, this is a crisis situation for information technology in state government.

I need your help. I am not an INFOSEC expert. My expertise is taking a mission, assembling the right team, developing objectives, collecting data on the objectives, and arriving at options & recommendations. I do know enough at this time to break this initiative into two phases. Phase I will identify measures or protocols to deploy to all agencies state-wide for immediate due diligence to give confidence to the public, as well as each other, that the collective IT components in state government are at a common quality assurance baseline. After our due diligence baseline, then Phase II will look at issues from a state-wide, longer term strategy perspective.

I will be assembling a team of subject matter IT experts to work full-time on this task force. I ask each agency CIO to think about voluntarily contributing a qualified staff member to this full-time task force. It will certainly be highly developmental, as well as contribute to an outcome having a long lasting impact on state government IT.

I am also soliciting volunteer CIOs to attend an initial organizing/strategy meeting to primarily address Phase I which has a time sensitive quality. If you are interested, please email me back at [patrickmaley@oig.sc.gov](mailto:patrickmaley@oig.sc.gov) or call my cell (803) 429-4946.

Due to time constraints, I am unable to send a copy to each of your respective Agency Heads for situational awareness, so I would appreciate you forwarding this email up your chain of command.

I will be back in touch to all CIOs early next week.

Thanks in advance for your time & interest in this critical initiative.

## Pitts, Ted

---

**From:** Judy Hackett <jhackett@dandb.com>  
**Sent:** Wednesday, October 31, 2012 3:50 PM  
**To:** Pitts, Ted  
**Cc:** Aaron Stibel; Jeff Stibel  
**Subject:** D&B Credibility Corp.

**Importance:** High

### What we can do today:

- Dun & Bradstreet Credibility Corp will give South Carolina businesses affected, a CreditAlert product that will help them stay alerted to changes in their scores or ratings and other indicators of fraudulent activity that could be taking place on their business. The cost will be waived for residents of the state.
- They should visit DandB.com/SC starting Friday, 11-2 or they can call customer service toll free at this dedicated phone number 800-279-9881

### For Background

- How does the product help? If someone were to steal your business identity, items could be purchased, your bills could go unpaid, new lines of credit could be opened up. This product will alert customers to changes taking place in their business credit file. Even something as simple as a change to a business address or a company officer change would set off an alert to the business owner.

As we mentioned on the phone, if you need anything else now or in the future, please do not hesitate to reach out.

Also if you need a quote from our CEO, feel free to use what he said on the phone:

Chairman and CEO Jeff Stibel said, "When our nation or our states are in need, Dun & Bradstreet Credibility Corp. will drop everything to help. We are honored to serve this great state and tremendous governor."

Judy Hackett  
Chief Marketing Officer  
Dun & Bradstreet Credibility Corp  
22761 Pacific Coast Highway  
Malibu, CA 90265  
O: 310-919-2233  
C: 770-337-4869  
F: 310-919-2948  
[www.DandB.com](http://www.DandB.com)

**Dun & Bradstreet**  
**CREDIBILITY CORP**



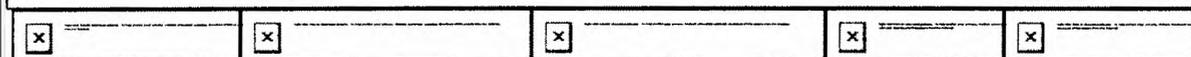
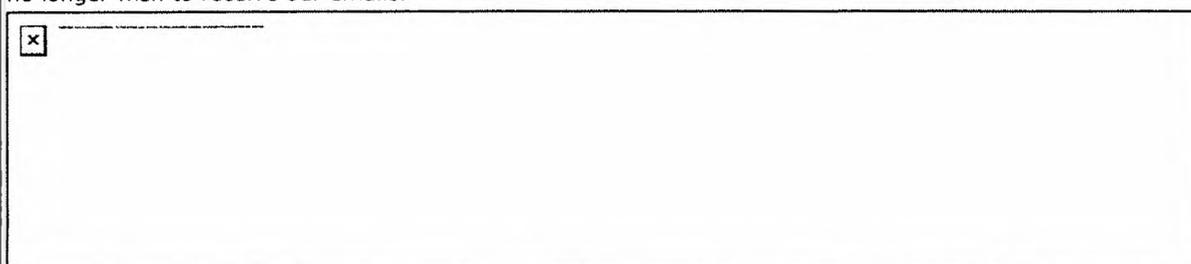
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sender; do not disclose, copy, distribute, or take any action in reliance on the contents of this information; and delete it from your system. Any other use of this e-mail is prohibited. Thank you.

**Pitts, Ted**

**From:** Rep. Bill Taylor <bill@taylorschouse.com>  
**Sent:** Wednesday, October 31, 2012 3:53 PM  
**To:** Pitts, Ted  
**Subject:** SC 's HACKED - FAQs

You're receiving this email because of your relationship with **TaylorSCHouse**. You may **unsubscribe** if you no longer wish to receive our emails.



 **HACKING - FAQs**   
(Informational Newsletter)

Dear Friends:

I trust you're keeping up-to-date on the S.C. cyber hacking situation through various news media reports. As you know, the Department of Revenue's computer system was hacked and 3.6 million Social Security numbers were stolen along with nearly 400,000 credit card numbers. This is a troubling situation for every South Carolinian and for state government. Every day there are new developments with more questions. To help provide answers, here are the most Frequently Asked Questions:

 **How bad is the situation?**

Information hacked from DOR could haunt SC taxpayers for years to come. Hackers could have in their possession taxpayer information that would allow crooks to take over bank accounts, file for bogus tax refunds or get fraudulent loans. One security analyst was quoted. "This is about the worst you can get."

 **How do I sign up for credit monitoring?**

Anyone who has filed a South Carolina tax return since 1998 should visit <http://www.protectmyid.com/scdor> and enter the code "**scdor123**" to enroll in one year of credit monitoring provided by Experian. **You need to click the button that says "Click to redeem your activation code"** instead of pressing enter. Or, call 1-866-578-5422 to determine if your information is affected and to enroll in one year of credit monitoring provided by Experian.

 **Could we not have a portal provided that would allow quicker, more direct and easier access?**

Based on my experience today, using the Experian website is easy; it took me about two minutes to complete the form. A way to confirm that you are on the correct page is the picture of the person/model on the page should be a female. Some people are being bounced directly to the Experian home page (the picture on this page is a male) this is a problem on the user's end not Experian's. If you don't have access to the internet, please call 1-866-578-5422. The wait times are getting shorter.

 **Why was it so difficult to get through on the phone lines over the weekend?**

Even with 300+ phone operators, the Experian call center was overwhelmed. To alleviate the

congestion the code "scdor123" was made available publically rather than forcing people to call the phone center.

**What's my protection against future fraud?**

Experian's ProtectMyID™ Alert is designed to detect, protect, and resolve potential identity theft and includes daily monitoring of all three credit bureaus.

**How long will state government protect me from fraud?**

Under a deal negotiated with a credit monitoring agency Experian, SC citizens whose tax returns were hacked will be eligible for credit fraud resolution for life.

**Are young adults that previously filed in SC covered?**

If a tax return was filed from 1998 until present and a person's SS# was listed on the return as the filer or a dependent - they can sign up for the protection. Individuals currently 18 and older must enroll themselves. Individuals currently 17 and younger must be added on the family plan by their parent or legal guardian. Laws do not allow them to consent to this agreement on their own. SCDOR will cross check SS#s with all enrollments.

**Why doesn't SCDOR just enroll taxpayers?**

It is against the law to enroll taxpayers without their consent.

**How much time should deployed, overseas military expect to wait before they are contacted? Is there any "extra" contact, perhaps specifically assigned to this group, that we can share to get them in touch with the right people without having a phone line wait?**

The Governor's office and DOR are in the process of working with the Department of Defense to make the notification enrollment process as easy as possible. Details will be released when confirmed.

**Were checking account routing numbers compromised?**

Of the files accessed an individual's entire return was accessed. The Social Security #'s and bank information were not encrypted. Credit cards were encrypted on returns after 2003. Any unencrypted credit card information would be for cards that have expired.

**Were business accounts compromised?**

The state DOR doesn't know if business accounts were compromised by a hacker who broke into the agency's computer files of tax returns. As the investigation is still ongoing, a DOR spokesperson says it cannot determine at this time exactly who was affected.

**What about my credit card I had on file with DOR?**

DOR says that the vast majority of credit cards are protected by strong encryption, but about 16,000 of the card numbers are not encrypted.

**Why wasn't the DOR database information encrypted?**

The state had used the same standards as banks and other private institutions when it decided not to encrypt your data. The state has now opted to begin encrypting all of the agency's files - a process that should be completed in the next several months. Increasing security for all of the state's informational technology has also become a priority.

**Should we be concerned with scammers taking advantage of the situation?**

Yes! One constituent wrote me that she received two e-mails already from what appeared to be American Express asking for her to update some of her information. She says the Web Site looked OK, but the information requested was too detailed. She didn't fall for the scam and instead called Amex. They confirmed both emails are from hackers. Amex has put a fraud alert on her account. We all have to be personally vigilant and smart.

**Who is to blame?**

Sophisticated international cyber crooks are at fault. No one at DOR has been cited for being at fault. A senate legislative committee is investigating.

**What's being done to see this doesn't happen again?**

Gov. Haley has signed an executive order directing all of her Cabinet agencies to designate someone to cooperate with state Inspector General Patrick Maley on a new effort to improve the state's cyber-security. She's stated, "State government's fragmented approach to IT security makes South Carolina vulnerable to serious cyber and information breaches,"

**More Questions?**

These FAQ's don't answer everything, so if you have a question send it to me and I'll do my best to get you an answer. Please be patient because with the process - it's a dynamic situation.

**OF SPECIAL NOTE:** I urge you take advantage of the protection offer by going to <http://www.protectmyid.com/scdor> and enter the code "**scdor123**" to enroll in one year of credit monitoring provided by Experian. You need to click the button that says "Click to redeem your activation code" instead of pressing enter. Or, call 1-866-578-5422 to determine if your information is affected and to enroll in one year of credit monitoring provided by Experian. **REMEMBER:** We all have to be personally vigilant and smart.

In your Service,

**Bill Taylor**

**803-270-2012**

Representative  
South Carolina General  
Assembly

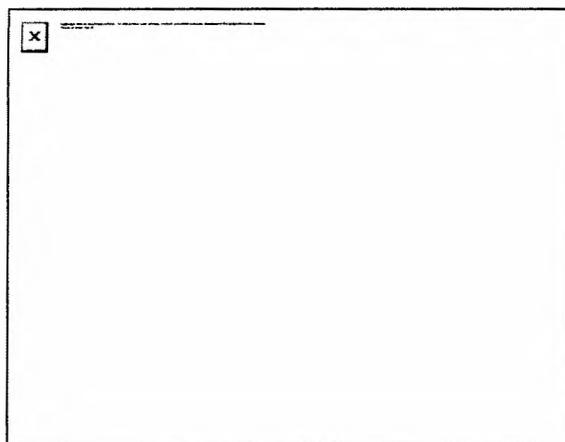
[Bill@taylorschouse.com](mailto:Bill@taylorschouse.com)

[www.Taylorschouse.com](http://www.Taylorschouse.com)

Newsletter not paid for by  
taxpayer funds.

Paid for by TaylorSCHouse

**Picture of the Week**



**Aiken's Vocational Rehabilitation Center is about a 'Hand Up' as opposed to a 'Hand Out'. House Candidate Don Wells and I were accompanied by Center Manager John McMurtrie on a tour of the York Street facility. These folks partner with local industries to train and re-train people who want to work. It's all about JOBS!**



This email was sent to [tedpitts@gov.sc.gov](mailto:tedpitts@gov.sc.gov) by [bill@taylorschouse.com](mailto:bill@taylorschouse.com)  
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).  
Bill Taylor for SC House District 86 | P.O. Box 2646 | Aiken | SC | 29801

## Pitts, Ted

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**From:** Meredith Cleland <CLELANM@sctax.org>  
**Sent:** Wednesday, October 31, 2012 4:25 PM  
**To:** Pitts, Ted  
**Subject:** FW: Questions for Experian

**Importance:** High

Hey Ted!

Here's some questions for Experian.

In addition, there were a couple of questions that related to trusts and conservators as to how they can register for the free service.

Thanks for all of your help.

Someone signs up for Experian and gets a reply saying that they have no credit history and therefore cannot be signed up – what do these people need to do? (They cannot get through to the 866 line)

We have aggravated taxpayers that have been hung up on when they dial the line because it is so busy – can the line just ring continuously until someone eventually picks up?

We have people who cannot access the website because someone else has already signed up from that IP address and therefore the computer is recognizing other individuals as already being signed up. Any suggestions for one computer with multiple users?

Through our district offices and public libraries, we want to be able to help people sign up via web. Those people that would come in to sign up wouldn't have email addresses (more than likely, the elderly) therefore can we REMOVE the necessary email box from the online sign up and have it OPTIONAL to receive correspondence via email or to their home address? People who sign up online should be able to choose which way their receive information from Experian.

We have had instances where taxpayers are being requested to enter their credit card information in order to sign up for ProtectMyID – why is that?

*Samantha Cheek*

Public Information Director  
SC Department of Revenue  
P.O. Box 125, Columbia, SC 29214  
P: 803.898.5281 | F: 803.898.5020  
[www.sctax.org](http://www.sctax.org) | Twitter: @SCDOR

## Pitts, Ted

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**From:** Tom Young <tyoung@tomyounglaw.com>  
**Sent:** Wednesday, October 31, 2012 5:08 PM  
**To:** Pitts, Ted  
**Cc:** Veldran, Katherine; Stirling, Bryan  
**Subject:** RE: Legislative follow up

**Importance:** High

Ted:

More questions:

1. When can dependents be enrolled? If not now, why not?
2. According to the recording at this number, you are only eligible to receive the free year of credit monitoring if you are currently a South Carolina resident. This does not protect anyone who works in SC and lives elsewhere, nor does it protect former residents of SC that have since moved away. Why is that? Is something being done about this?
3. Were 3.6 Million ssn's involved or 3.6 Million tax returns?
4. How does someone know if their SSN has been affected? Ie one of the ones taken in the attack?
5. Did the hacker(s) get the bank account and routing info for SC taxpayers who pay taxes by bank draft?
6. Are business tax id numbers affected?
7. Are business bank account numbers affected? Could they have been taken by the hacker?
8. Are business credit card numbers affected?
9. How to respond to these from constituents?
  - a. I don't think I'll ever understand the reasoning behind distributing the same activation code to millions of people. This, in my mind, defeats the purpose of an activation code. But nevertheless, the activation code, because it is the same for everyone, and because there to be no real way for a citizen to determine if their information was affected, is being used unnecessarily by individuals who may not be affected. This is a complete and utter waste of money. I have not seen reported yet how much money is being spent to provide "affected" South Carolinians with this year of credit monitoring, but however much it is, it should be minimized as much as possible.
  - b. Citizens are being led to believe as long as they sign up for this year of credit monitoring, they'll be ok. This is simply not true. If the credit monitoring service determines that your information is being used without your consent, you are the one still responsible for resolving the issue, and potentially still liable for the damage if it can't be proven to be linked to this incident. And what's one year? Big whoop, a smart criminal will simply sit on the information and use it after a year so that it is less likely to be tracked to one particular data breach. Sure, ProtectMyID will be happy to allow "consumers to continue to have access to fraud resolution agents and services beyond the first year," for a fee. This free year of credit monitoring is

merely a band-aid on a gushing wound and ultimately not very effective at minimizing the damage that's been done. Attached is a brochure that was shared with me from a representative at SRP Federal Credit Union describing a much more effective approach to protecting your identity. Citizens will be far better protected if they place a security freeze on their credit reports as described in this brochure. Citizens also need to be informed that since their dependents' Social Security Numbers are included on tax returns, it's highly likely their information was stolen as well. Not many people monitor the credit reports of their minor dependents, but this is also a necessary step to minimize damage.

- c. Can the governor really just spend extremely excessive amounts of state money without any approval from Congress?
- d. How is it possible that a state agency such as the DOR is not required to encrypt our information? It is absolutely outrageous and incompetent for only a portion of the payment card information and none of the Social Security numbers to have been encrypted.
- e. What assessment is being conducted to ensure the strategies put in place to manage this fiasco are actually effective? The governor wants complete transparency from higher education and other agencies, and assessment matrices in place to ensure adequate measuring of performance, but I have seen no attempt to measure the extent of damage being done with our stolen information.

Thank you.

Tom

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**From:** Pitts, Ted [mailto:TedPitts@gov.sc.gov]  
**Sent:** Tuesday, October 30, 2012 7:11 PM  
**To:** Pitts, Ted  
**Cc:** Veldran, Katherine; Stirling, Bryan  
**Subject:** Legislative follow up

All,

I am having the attorneys, Experian, SLED, the Inspector General and SCDOR review the answers to the questions we have received. We want to make sure that you have accurate information to distributed to your constituents.

Below are answers to the most frequently asked questions that I can confirm:

Are young adults that previously filed in SC covered? If a tax return was filed from 1998 until present and a person's SS# was listed on the return as the filer or a dependent they can sign up for the protection. Individuals currently 18 and older must enroll themselves. Individuals currently 17 and younger must be added on the family plan by their parent or legal guardian. Laws do not allow them to consent to this agreement on their own. SCDOR will cross check SS#s with all enrollments.

Why doesn't SCDOR just enroll taxpayers? It is against the law to enroll taxpayers without their consent.

Could we not have a portal provided that would allow quicker, more direct and easier access? Experian has a South Carolina portal/page it is- [www.protectmyid.com/scdor](http://www.protectmyid.com/scdor) . The activation code is SCDOR123 (not case

sensitive) to enroll. A way to confirm that you are on the correct page is the picture of the person/model on the page should be a female. Some people are being bounced directly to the Experian home page (the picture on this page is a male) this is a problem on the user's end not Experian's. If they don't have access to the internet, they can call 1-866-578-5422. Experian is working to address wait times.

How much time should deployed, overseas military expect to wait before they are contacted? Is there any "extra" contact, perhaps specifically assigned to this group, that we can share to get them in touch with the right people without having a phone line wait? We are in the process of working with the Department of Defense to make the notification enrollment process as easy as possible. Details will be released when confirmed.

Were checking account routing numbers compromised? Of the files accessed an individual's entire return was accessed. The Social Security #'s and bank information were not encrypted. Credit cards were encrypted on returns older 2003. Any unencrypted credit card information would be for cards that have expired.

We will follow up as soon as possible regarding other questions, our goal is to email the General Assembly a comprehensive FAQs packet as soon as it is finished.

Thanks,  
Ted

Ted Pitts  
Deputy Chief of Staff  
Governor Nikki Haley  
Cabinet and Legislative Affairs  
803.767.7862  
[TedPitts@gov.sc.gov](mailto:TedPitts@gov.sc.gov)

## Pitts, Ted

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**From:** Judy Hackett <jhackett@dandb.com>  
**Sent:** Wednesday, October 31, 2012 5:53 PM  
**To:** Pitts, Ted  
**Cc:** Aaron Stibel; Jeff Stibel; Stirling, Bryan  
**Subject:** RE: D&B Credibility Corp.

Ted,

We watched the press conference. Great job by the Governor. One point of clarification is that our official name is Dun & Bradstreet Credibility Corp. The reason that's important is because we are the business that does credit monitoring for businesses. D&B focuses on other areas. We don't want your constituents confused and calling the wrong group. I have notified their press and customer support operations so that they can transfer the calls to us but it would be great if we could make that distinction clear in any future communications so that your constituents aren't transferred needlessly. We've already seen incorrect messaging come across the media wires. Perhaps we should draft a joint release of this information so that we make sure that the information is accurate and the product readily available. I have asked my PR firm to get this started just so that we have something to respond to but happy to let your team take the lead.

Judy Hackett  
Chief Marketing Officer  
Dun & Bradstreet Credibility Corp  
22761 Pacific Coast Highway  
Malibu, CA 90265  
O: 310-919-2233  
C: 770-337-4869  
F: 310-919-2948  
[www.DandB.com](http://www.DandB.com)

**Dun & Bradstreet**  
**CREDIBILITY CORP**



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**From:** Judy Hackett  
**Sent:** Wednesday, October 31, 2012 12:50 PM  
**To:** 'TedPitts@gov.sc.gov'  
**Cc:** Aaron Stibel; Jeff Stibel  
**Subject:** D&B Credibility Corp.  
**Importance:** High

What we can do today:

- Dun & Bradstreet Credibility Corp will give South Carolina businesses affected, a CreditAlert product that will help them stay alerted to changes in their scores or ratings and other indicators of fraudulent activity that could be taking place on their business. The cost will be waived for residents of the state.
- They should visit [DandB.com/SC](http://DandB.com/SC) starting Friday, 11-2 or they can call customer service toll free at this dedicated phone number 800-279-9881

For Background

- How does the product help? If someone were to steal your business identity, items could be purchased, your bills could go unpaid, new lines of credit could be opened up. This product will alert customers to changes taking place in their business credit file. Even something as simple as a change to a business address or a company officer change would set off an alert to the business owner.

As we mentioned on the phone, if you need anything else now or in the future, please do not hesitate to reach out.

Also if you need a quote from our CEO, feel free to use what he said on the phone:

Chairman and CEO Jeff Stibel said, "When our nation or our states are in need, Dun & Bradstreet Credibility Corp. will drop everything to help. We are honored to serve this great state and tremendous governor."

Judy Hackett  
Chief Marketing Officer  
Dun & Bradstreet Credibility Corp  
22761 Pacific Coast Highway  
Malibu, CA 90265  
O: 310-919-2233  
C: 770-337-4869  
F: 310-919-2948  
[www.DandB.com](http://www.DandB.com)

**Dun & Bradstreet**  
**CREDIBILITY CORP**



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## Pitts, Ted

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**From:** Loretta Goodwin <LGoodwin@ppp.state.sc.us>  
**Sent:** Friday, October 26, 2012 2:20 PM  
**To:** Pitts, Ted  
**Subject:** RE: Press Conference

Thanks Ted, Have a great weekend!

>>> "Pitts, Ted" <TedPitts@gov.sc.gov> 10/26/2012 2:17 PM >>>

That is fine.

Ted

---

**From:** Loretta Goodwin [mailto:LGoodwin@ppp.state.sc.us]  
**Sent:** Friday, October 26, 2012 1:40 PM  
**To:** Pitts, Ted  
**Subject:** Press Conference

Hey Ted,

I hope you are doing well! Kela is traveling back from DC today and she wanted me to see if it would be ok to submit our information for the press conference by close of business on Monday. We are waiting for some data to include. Please let me know. Thanks

*Loretta H. Goodwin, Executive Administrative Assistant*

Director's Office  
South Carolina Department of Probation, Parole, and Pardon Services  
P.O. Box 50666  
Columbia, South Carolina 29250  
803-734-9278-Office  
803-667-2208-Cell  
803-734-9440-Fax

**Pitts, Ted**

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**From:** Stillinger, Linda <Linda.Stillinger@dss.sc.gov>  
**Sent:** Friday, October 26, 2012 2:16 PM  
**To:** Pitts, Ted  
**Subject:** Security Initiatives  
**Attachments:** DSS Current Security Initiatives.docx

Ted,

Per your recent request, Ms. Koller asked me to forward to you our current DSS Security Initiatives.

If you have any questions, please contact Ms. Koller.

Thanks,

Linda K. Stillinger  
Office of the State Director  
SC Department of Social Services  
1535 Confederate Ave. Ext., Rm. 601  
Columbia, SC 29201  
(803) 898-1390 – Office  
(803) 898-7277 – Fax  
[Linda.Stillinger@dss.sc.gov](mailto:Linda.Stillinger@dss.sc.gov)

## Pitts, Ted

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**From:** Jim Etter <Etter\_JF@sctax.org>  
**Sent:** Friday, October 26, 2012 9:25 AM  
**To:** Pitts, Ted  
**Subject:** Pre meeting time

Ted,  
Do you want us to meet 30 minutes prior to the press conference??  
Or some earlier time.

Jim Etter  
Director  
SC Department of Revenue  
803-315-0192

## Pitts, Ted

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**From:** Jim Etter <Etter\_JF@sctax.org>  
**Sent:** Friday, October 26, 2012 9:21 AM  
**To:** rush.smith@nelsonmullins.com; Rick.Silver@chernoffnewman.com;  
Emily.Brady@chernoffnewman.com; Tim.Kelly@chernoffnewman.com; Maley, Patrick;  
Samantha Cheek; Harry Cooper  
**Cc:** Pitts, Ted  
**Subject:** Press Conference

The 11:30 will be delayed. It will happen today but is still in the air.  
I will keep you posted.

Jim Etter  
Director  
SC Department of Revenue  
803-315-0192

**Pitts, Ted**

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**From:** Jim Etter <Etter\_JF@sctax.org>  
**Sent:** Sunday, October 28, 2012 9:14 PM  
**To:** Stirling, Bryan; Pitts, Ted  
**Subject:** Fwd: revised  
**Attachments:** Schedule of project cost 1028.xlsx; ATT00001.htm

Sorry for the delay, staff has worked all to get best estimate

Jim

Sent from my iPhone

Begin forwarded message:

**From:** "jim etter" <[REDACTED]@gmail.com>  
**Date:** October 28, 2012, 9:11:32 PM EDT  
**To:** "jim Etter" <etter\_jf@sctax.org>  
**Subject:** revised

**Pitts, Ted**

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**From:** Charles Reid <CharlesReid@schouse.gov>  
**Sent:** Monday, October 29, 2012 9:30 AM  
**To:** H-MEMBER  
**Cc:** Charles Cannon; Michael R. Thompson; Pitts, Ted  
**Subject:** FW: Legislative Conference Call moved to 11 am

FYI – please see the updated information below.

By copy of this e-mail I am requesting that the House Republican and House Democratic Caucuses also forward this information to their memberships to help ensure that House members know of the change in the conference call.

Sincerely,  
Charles Reid

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**From:** Pitts, Ted [mailto:TedPitts@gov.sc.gov]  
**Sent:** Monday, October 29, 2012 9:20 AM  
**To:** Schimsa, Rebecca  
**Cc:** Jeff Gossett; Charles Reid  
**Subject:** Legislative Conference Call moved to 11 am

Members of the General Assembly,

We have had to move the legislative conference call to 11:00 am. Please note the instructions below.

Email any specific questions to [TedPitts@gov.sc.gov](mailto:TedPitts@gov.sc.gov)

The conference call has been rescheduled for 11:00 AM EST on Monday, October 29, 2012. Participants wishing to join the call should dial 1-800-708-6791.

1. All participants will be asked to provide their first and last name to the operator before being placed into the conference. No password is required.
2. Due to large number of participants those that are attending will be in listen only mode.
3. Participants should plan to join the call 10 to 15 minutes before the designated start time.
4. After being placed into the conference, participants will hear music until the conference begins.
5. For operator assistance during the call, please press \*0.

The briefers are: Ted Pitts Governor's Office, Jim Etter Director Department of Revenue, and Mark Keel Chief SLED.

\*\*\*\*\*

## Pitts, Ted

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**From:** Maley, Patrick  
**Sent:** Friday, October 26, 2012 6:40 PM  
**To:** peveritt@scspa.com; lhubbard@sos.sc.gov; sflowers@saf.sc.gov; mmore@sled.sc.gov; acaldwell@scsu.edu; smithp@wlgos.sc.gov; pharmon@scsah.state.sc.us; jb@clemson.edu; jswindler@sccb.sc.gov; Hoverman, Bryce; dfoshee@ddsn.sc.gov; Leach, Brian; cpou@lac.sc.gov; youlanda.mcknight@pcf.sc.gov; Randy.Erskine; jmanning@ic.sc.gov; Harris, Mike; Fallaw, Chuck; hammondj@winthrop.edu; hed00@scdmh.org; Baker, Matt; clee@arts.sc.gov; ssprang@scag.gov; del.collins@sclot.com; Nichols, Lisa; jdixon@fmarion.edu; rlawrence@lander.edu; tsmith@cfma.sc.gov; scurryj@dnr.sc.gov; Copeland, Sherry; Hipp, Dawn; elaine.knight@scseagrant.org; Boles, Les; bcroteau@statelibrary.sc.gov; hogue@sc.edu; msanders@scal.net; Steele, Kevin; Ford, Andrew; Davis, Brian; Davis, Brian; Sklar, Steve; abdallah@coastal.edu; rwilson@sccommerce.com; mhunt@irf.sc.gov; Rasmussen, Richard; Smith, Dave; jassey@sccourts.org; troypound@scstatehouse.gov; susan.worthy@scmuseum.org; delwart@scprt.com; lphipps@retirement.sc.gov; Fletcher, Gayle; Dzek, Renee; rick.green@ganking.sc.gov; mark.phipps@schousing.com; Jones, Sam; Earley, Jimmy; Adams, Marcia; Pitts, Ted; Davis, George; Alison Hammett (ahamett@emd.sc.gov); Alton "Al" Hoy (aphoy@scdjj.net); Barry Langley (BarryLangley@scdps.net); Hartman, Betsy; Bill Miller (bmiller@ppp.state.sc.us); Bob Cape (caper@cofc.edu); Camille Brown (cbrown@che.sc.gov); Cliff Stanley (cliff.stanley@delahowe.k12.sc.us); Cooper, Doug; David "Ric" Lawson (ric.lawson@dss.sc.gov); David Beverly (dbeverly@scetv.org); Ross, David; Derrick Brown; Don Cantrell (dcantrel@ed.sc.gov); Douglas Harper (harperds@scdot.org); Guang Zhao (zhaog@dhec.sc.gov); Harrill, Ken; MacDougall, James R.; Jay Rolin (jrolin@scvrd.state.sc.us); Jeff Baumann (jbaumann@forestry.state.sc.us); Jeffrey Smith (jsmith@sccid.sc.gov); John Supra (supra@scdhhs.gov); Katie Harrison (katie@sctuitiongrants.org); Pondy, Kevin; Khush Tata (tata@sctechsystem.edu); Marshall Hollis; Melissa Forinash (forinash@musc.edu); Michael Wingard (mhwingard@sccja.sc.gov); Richard Nelson (richard.nelson@citadel.edu); Robert Clark (rclark@patriotspoint.org); Rolf Dolder (Rolf.Dolder@scdmv.net); Ron Mitchell (mitchellrw@tag.scmd.state.sc.us); Ronnie Finley (ronnie.finley@us.army.mil); Houston, Scott; Thad Robinson (trobinson@scsdb.org); Trevis Shealy (shealy.trevis@doc.state.sc.us); Oliver, Walt; Yarbrough, Stan  
**Subject:** Inspector General Notification: State-Wide Information Security Initiative

If you have not already heard via media outlets, the Department of Revenue had a cyber intrusion resulting in the loss of 3.6 million names and social security numbers, as well as 387,000 credit card numbers. The Governor requested the Inspector General lead a state-wide information security (INFOSEC) initiative to assess our INFOSEC and make recommendations. This computer intrusion could have happened to anyone of us, but this large data loss of tax information has to impact our citizen's trust & confidence in state government to professionally protect their confidential information. After 30 years in the FBI, I don't get over-excited unless someone is shooting at me, but in my opinion, this is a crisis situation for information technology in state government.

I need your help. I am not an INFOSEC expert. My expertise is taking a mission, assembling the right team, developing objectives, collecting data on the objectives, and arriving at options & recommendations. I do know enough at this time to break this initiative into two phases. Phase I will identify measures or protocols to deploy to all agencies state-wide for immediate due diligence to give confidence to the public, as well as each other,

that the collective IT components in state government are at a common quality assurance baseline. After our due diligence baseline, then Phase II will look at issues from a state-wide, longer term strategy perspective.

I will be assembling a team of subject matter IT experts to work full-time on this task force. I ask each agency CIO to think about voluntarily contributing a qualified staff member to this full-time task force. It will certainly be highly developmental, as well as contribute to an outcome having a long lasting impact on state government IT.

I am also soliciting volunteer CIOs to attend an initial organizing/strategy meeting to primarily address Phase I which has a time sensitive quality. If you are interested, please email me back at [patrickmaley@oig.sc.gov](mailto:patrickmaley@oig.sc.gov) or call my cell (803) 429-4946.

Due to time constraints, I am unable to send a copy to each of your respective Agency Heads for situational awareness, so I would appreciate you forwarding this email up your chain of command.

I will be back in touch to all CIOs early next week.

Thanks in advance for your time & interest in this critical initiative.

**Pitts, Ted**

---

**From:** Rep. Bill Taylor <bill@taylorschouse.com>  
**Sent:** Friday, October 26, 2012 7:26 PM  
**To:** Pitts, Ted  
**Subject:** UPDATE ON COMPUTER HACKING - Please Read

You're receiving this email because of your relationship with **TaylorSCHouse**. You may **unsubscribe** if you no longer wish to receive our emails.



## SC's Computer Hacking Update

(Informational Newsletter)

### UPDATE

The web link provided in the initial 'Hacker' newsletter doesn't seem to be useful. That web address, which was provided by the Governor's office and is being used by the news media, delivers you to a page that asks for an activation code.

We're told you have to call 866-578-5422 to get the activation code. Of course, the phones lines are so jammed, as one would expect in an event like this, you get a recording asking you to call back later.

It appears patience is the best prescription at the moment.  
I'll send out updates as we learn more.



This email was sent to tedpitts@gov.sc.gov by [bill@taylorschouse.com](mailto:bill@taylorschouse.com) |  
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).  
Bill Taylor for SC House District 86 | P.O. Box 2646 | Aiken | SC | 29801

## Pitts, Ted

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**From:** Jim Etter <Etter\_JF@sctax.org>  
**Sent:** Friday, October 26, 2012 4:44 PM  
**To:** Adams, Marcia  
**Cc:** Pitts, Ted; Jimmy Early  
**Subject:** Thanks

Marcia and Jimmy

Your group deserves a big Thank You for your support!!!!

Jim

Sent from my iPhone

**Pitts, Ted**

---

**From:** [REDACTED]@[REDACTED].com>  
**Sent:** Friday, October 26, 2012 4:48 PM  
**To:** Pitts, Ted  
**Subject:** SCDOR Hacking

**Importance:** High

Dear Ted Pitts;

[REDACTED] gave me your contact info, and I would like to tell you what happened to me and how this all might have been avoided, I started working for the SCDOR as a consultant on [REDACTED] 2012, and my job, was to go through all your systems, run Security and go through all your firewalls, infrastructure and network Designs, to ensure this kind of hacking could not happen.

On [REDACTED], my contract was terminated, not for my work, but because [REDACTED]

[REDACTED] they still let me go.

To let you know, I could have had this fixed and taken care of, I was going through the entire system looking for these types of vulnerabilities, and would have discovered this at any time, and maybe avoided this whole event.

While I was going through the Network I discovered many issues, for instance there is no Disaster Recovery in place or Business Continuity design and there are several points of failure that I was looking into before my contract was terminated. So the situation you are experiencing now could have been a lot worse if the hackers had crippled your servers, you would not have been able to recovery.

I would be happy to come in and help you with this issue immediately, and make sure it never happens again; I have 20+ years' experience in the business and have worked with the Federal Reserve Bank of New York and many other financial institutions. I have attached my resume for your review, and Certificates and accreditations.

I have run many projects and have even been a Director and CIO.

I am asking you to bring me in immediately to head the task force, I am here to help you with this situation. After only 2 weeks I uncovered all of these issues and was working on fixing them only to be let go without cause.

Please email me back or call me directly at 803-[REDACTED] or Cell [REDACTED], maybe I can help you.

Thanks,

Dan White

## Pitts, Ted

---

**From:** Brooks, Bonnie <BonnieBrooks@SCDPS.GOV>  
**Sent:** Tuesday, November 20, 2012 5:26 PM  
**To:** mhbarb@scdjj.net; dblack@doi.sc.gov; byars.bill@doc.state.sc.us; bhitt@sccommerce.com; keck@scdhhs.gov; Keel, Mark; lillian.b.koller@dss.sc.gov; dparrish@scprt.com; kevin.shwedo@scdmv.net; stongerj@scdot.org; kthomas@ppp.state.sc.us; Toomey, Bob; abrahamjturner@yahoo.com; catherine.templeton@dhec.sc.gov  
**Cc:** Pitts, Ted; Stirling, Bryan; Smith, Leroy  
**Subject:** Message from Director Leroy Smith Regarding "Flier" - SCDOR Security Breach  
**Attachments:** KMBT28220121120165153.pdf; ID THEFT FLIER NEW 1.pub

Please see below message from Director Smith

Dear Fellow Cabinet Agency Directors:

My office has created the attached flier detailing the security breach at the S.C. Department of Revenue (SCDOR) of taxpayer information and what steps should be taken by the public in protecting their identity. It is our intent to distribute these fliers throughout the state via our law enforcement resources to members of the public during traffic stops or other types of public contact. We have enlisted the S.C. Department of Corrections to print these fliers and Judge Byars has graciously offered to assist us in this endeavor.

I am sharing this flier with you in the event your respective agency would like to do something similar and get the word out to your immediate constituency. Please feel free to coordinate any printing requests you may have directly with the Department of Corrections or by utilizing your own print facilities. Attached please find a copy of the flier and a copy of the final proof for your use.

Sincerely,  
Leroy Smith  
Director  
S.C. Department of Public Safety

## **Pitts, Ted**

---

**From:** Mike Shealy <MikeShealy@scsenate.gov>  
**Sent:** Wednesday, November 21, 2012 3:04 PM  
**To:** Pitts, Ted  
**Cc:** Lisa Catalanotto; Craig Parks  
**Subject:** Questions  
**Attachments:** Questions relating to DOR Breach.docx

Ted – Attached are the questions we discussed. We are hopeful that preparing for these types of questions will enable the subcommittee to gain relevant information in a reasonable amount of time. Lisa Catalanotto and Craig Parks are working with me in supporting the subcommittee, so feel free to contact either of them.

Thanks for all of your help and enjoy Thanksgiving.

Mike

**Pitts, Ted**

---

**From:** Rep. Phyllis Henderson <[REDACTED]@gmail.com>  
**Sent:** Tuesday, November 27, 2012 11:26 AM  
**To:** Pitts, Ted; Veldran, Katherine  
**Subject:** TransUnion

Ted, Katherine:

I received this email yesterday from a constituent. Is there any followup with TransUnion about their service? Let me know if you have anything specific I can share with her. Phyllis

----- Forwarded message -----

**From:** Jane [REDACTED] <[REDACTED]@yahoo.com>  
**Date:** Mon, Nov 26, 2012 at 11:42 AM  
**Subject:** Re: SC Hacking - More FAQ's - Autoforwarded  
**To:** [REDACTED]@gmail.com

Dear Rep. Henderson,

Thanks for all these updates.

Any advice on how to get through by telephone to TransUnion? I have tried asking them to institute a security freeze on mine and my husband's SS# online with no luck and can't get through to anyone on their phone number. I'm reluctant to send a letter with our names and SS# asking them to institute the freeze.

Equifax and Experion were a breeze.

Thank you,

Jane Burke

---

**From:** Rep. Phyllis Henderson <[Rep. Phyllis\\_Henderson@mail.vresp.com](mailto:Rep. Phyllis_Henderson@mail.vresp.com)>  
**To:** [REDACTED]@yahoo.com  
**Sent:** Tuesday, November 13, 2012 7:12 PM  
**Subject:** SC Hacking - More FAQ's

[Click to view this email in a browser](#)

### **SC Hacking Update - More FAQ's**

Here's the latest information on protecting yourself as a result of the hacking of personal information from the S.C. Department of Revenue computers. The Governor's staff has just prepared another round of FAQ's submitted by legislators and citizens. A review of these items will help insure your information is as safe as possible. Questions are categorized:

- Social Security Numbers
- Coverage
- Out-of-State/Out-of-Country
- Non Profits/Churches
- Other

**A:** Yes, Business Credit Advantage provides real-time access to view your business credit score and complete business credit report. These included features make Business Credit Advantage a great way for business owners to keep aware of key changes and protect their business from fraudulent activity.

**More Questions?**

These FAQ's don't answer everything, so if you have a question send it to me. I'll do my best to get you an answer.

**Please take this issue seriously and IF YOU HAVE NOT DONE SO** - I urge you take advantage of the protection offer by going to <http://www.protectmyid.com/scdor> and enter the code "**scdor123**" to enroll in one year of credit monitoring provided by Experian. You need to click the button that says "Click to redeem your activation code" instead of pressing enter. Or, call [1-866-578-5422](tel:1-866-578-5422) to determine if your information is affected and to enroll in one year of credit monitoring provided by Experian. **REMEMBER:** We all have to be personally vigilant and smart.

It has been a privilege representing you over the past two years. Please contact me if I can be of service to you.

Rep. Phyllis Henderson  
110 Silver Creek Court  
Greer, SC 29650  
email: [phyllishenderson@schouse.gov](mailto:phyllishenderson@schouse.gov)  
cell: [864-423-3149](tel:864-423-3149)  
Twitter: [@phyllish21](https://twitter.com/phyllish21)

---

If you no longer wish to receive these emails, please reply to this message with "Unsubscribe" in the subject line or simply click on the following link: [Unsubscribe](#)

---

Rep. Phyllis Henderson  
110 Silver Creek Court  
Greer, SC 29650  
US  
[Read the VerticalResponse marketing policy.](#)

--  
Representative Phyllis Henderson  
SC House District 21  
864-423-3149

*Sign up for my DIstrict 21 newsletter! Click here:*

<http://oi.vresp.com?fid=58d852d7a6>

*On Twitter: [@phyllish21](https://twitter.com/phyllish21)*

*View my vote record: <http://is.gd/henderson21> and click on "voting record"*

**A:** Visit [www.DandB.com/SC](http://www.DandB.com/SC) anytime beginning Friday, November 2, 2012 or call customer service toll free at 800-279-9881.

**Q: How will I be alerted to activity in my D&B® business credit file?**

**A:** Businesses will receive email alerts when there are changes in their D&B business credit files. Businesses may also sign into their account on DandB.com to view the recent alerts that have occurred in their credit file.

**Q: How long will I have access to the CreditAlert product?**

**A:** Businesses who have registered for CreditAlert will have free access for the life of the business or the life of the product.

**Q: Can any business register for the free CreditAlert product?**

**A:** CreditAlert will be made available for free to any business that has filed a tax return from 1998 to the security breach date.

**Q: Will I be able to see my D&B® scores and ratings?**

**A:** CreditAlert provides real-time alert notifications to changes that occur on your D&B® credit file. To view actual scores and ratings in your D&B® credit file or to learn about industries that have inquired on your business, we recommend that you upgrade to one of D&B's credit monitoring or credit building solutions.

**Experian® - Business Credit Advantage<sup>SM</sup> monitoring service**

**Q: Why is Experian® offering Business Credit Advantage to South Carolina businesses?**

**A:** Experian® takes data security very seriously and is committed to protecting U.S. consumers and businesses from fraudulent misuse of their information. Experian® is providing Business Credit Advantage to South Carolina businesses to alert them of changes in their business credit report as well as deliver the resources to view their full business credit report and score as often as they need for one year.

**Q: Is there a charge for Business Credit Advantage?**

**A:** There is no charge for Business Credit Advantage, which includes one-year of unlimited business credit report access and monitoring.

**Q: Will I be required to provide a credit card to register for Business Credit Advantage?**

**A:** No credit card is required to register for Business Credit Advantage.

**Q: What is Business Credit Advantage?**

**A:** This membership service offers South Carolina business owners and principals unlimited access to the most comprehensive business credit report Experian has on the company for one-year. It also includes notifications via email alerts. Examples of some key changes include: business address changes, notice of inquiries from others on the business credit profile, newly opened credit lines formed in the business name, score changes, detected derogatory payments, postings of business public records and legal filings, and more.

**Q: How do I get Business Credit Advantage for my business?**

**A:** Visit [www.SmartBusinessReports.com/SouthCarolina](http://www.SmartBusinessReports.com/SouthCarolina) to register online to get an Experian Business Credit Advantage access code. An email is sent to the registrant's email address instantly with the access code. Then they need to follow instructions on the email to redeem the access code from the website provided.

**Q: How will I be alerted to activity in my Experian® business credit file?**

**A:** Business owners and subscribers to the service will receive email alerts when there are changes in their Experian® business credit report. Business owners and principals may also sign into their account on SmartBusinessReports.com to view their current business credit report as often as they choose.

**Q: How long will I have access to the Business Credit Advantage product?**

**A:** Businesses who have registered for Business Credit Advantage will have free unlimited access to their report and alerts for one-year.

**Q: Can any business register for the Free Business Credit Advantage product?**

**A:** Business Credit Advantage will be made available for free to any South Carolina business (whether Sole Proprietor, Partnership, LLC, or Corporation of any size) that has filed a tax return from 1998 to the breach date with South Carolina.

**Q: Will I be able to see my Experian® business credit score and report details?**

matching is one of the pieces of data used by Experian® for credit file authentication. We recommend out-of-country South Carolina taxpayers impacted by the breach sign up using their last U.S. mailing address and, if issues arise, they should speak to an Experian® customer care representative.

**Q: When will people be notified who no longer live in the U.S.?**

A: They will be notified, along with residents of other states who are South Carolina taxpayers, over the next month.

**NON-PROFITS / CHURCHES**

**Q: Are non-profits included in the "businesses" that were possible victims of the security breach?**

A: Yes, non-profits may have been exposed.

**Q: Are church EIN numbers being compromised, because they appear on the 941 and W-2 forms issued?**

A: Church EIN numbers could have been compromised from W-2 forms. Form 941 would be filed with the federal government.

**Q: Should churches enroll for identity theft protection as "businesses"?**

A: Churches should enroll for the identity protection. Form 941 would be filed with the federal government. However, W-2 filings or individuals filing personal returns with attached W-2s may cause churches to be included with the possibly affected "businesses".

**OTHER**

**Q: If taxpayers had their tax returns directly deposited into their bank account (and therefore their bank account numbers and routing numbers were written on their return forms), were the bank account and routing numbers also exposed to the hackers?**

A: Any information contained on a tax return may have been compromised.

**Q: Can someone without an email address sign up online for the protection service?**

A: An email address is required to register online; however, ProtectMyID® is also available by calling 1-866-578-5422.

**Q: Where are the Experian® Call Centers located?**

A: Experian® call centers are located in Arkansas and Texas.

**Q: Will Experian® ever ask me for my credit card number?**

A: Not for enrollment in the State's free one-year membership. Once those memberships expire, a credit card will be required to renew at the individual's expense.

**Q: Why can't the State register me?**

A: To enroll South Carolina taxpayers for the fraud protection services offered, without their knowledge or consent, would be a violation of federal law. In addition, registration would require answering personal questions that SCDOR would not have information to answer.

**BUSINESS QUESTIONS**

**Dun & Bradstreet (D&B)**

**Q: Why is Dun & Bradstreet Credibility Corp. offering CreditAlert to South Carolina businesses?**

A: Dun & Bradstreet Credibility Corp. will give South Carolina businesses affected by the security breach a free CreditAlert product that will help them stay alerted to changes in their scores or ratings and other indicators of fraudulent activity that could be taking place on their business.

**Q: Is there a charge for CreditAlert?**

A: There is no charge for the CreditAlert product.

**Q: Will I be required to provide a credit card to register for CreditAlert?**

A: No credit card is required to register for CreditAlert.

**Q: What is CreditAlert?**

A: CreditAlert helps businesses stay alerted to changes in their D&B® business scores and ratings and other indicators of fraudulent activity that could be taking place on your business.

**Q: Why is it important for me to use CreditAlert for my business?**

A: This product will alert customers to changes taking place in their D&B® business credit file. Even something as simple as a change to a business address or a company officer would set off an alert to the business owner.

**Q: How do I get CreditAlert for my business?**

• Business Questions

**SOCIAL SECURITY NUMBERS (SSN)**

**Q: Why do South Carolina taxpayers have to give Experian® their Social Security Numbers during the enrollment process?**

**A:** In order to protect the identities of those who may have been compromised in the breach, multiple authentication points are required during enrollment, including requiring one's complete SSN.

**Q: What assurance do South Carolina taxpayers have that their Social Security Number is protected with Experian®?**

**A:** Experian® has a legal obligation to protect social security numbers, and also offers its customers many assurances regarding security, [Read More](#)

**Q: Will hackers be able to redirect Social Security checks since they have Social Security Numbers and bank routing/account information?**

**A:** The answer depends on whether the information compromised was enough to circumvent the authentication processes of your bank and the Social Security Administration. Taxpayers should consult with their banks. Any information on tax returns could have been compromised.

**Q: Why weren't South Carolina Social Security Numbers and credit card numbers stored in an encrypted format?**

**A:** The vast majority of credit card numbers were stored and protected with strong encryption. SCDOR is moving rapidly toward encryption of SSNs, which should be completed in approximately 60 to 90 days.

**Q: Will SCDOR call or email me and ask for my personal information? If we receive an email or call like this, what should we do?**

**A:** SCDOR would not initiate contact with a taxpayer and ask for personal information. If you do receive this type of call or email, hang up the call or don't respond to the email. If you are suspicious of any such email or phone call, please contact SCDOR at [\(803\) 898-5000](tel:803-898-5000).

**COVERAGE**

**Q: Can a taxpayer without a credit history sign up for ProtectMyID®?**

**A:** Experian's National Consumer Assistance Center will attempt to assist consumers that do not have a credit file. This can be coordinated by calling [1-866-578-5422](tel:1-866-578-5422).

**Q: When does the Experian® coverage begin and end both for an individual and for Family Secure™?**

**A:** Taxpayers can register for a one-year membership of Experian's ProtectMyID® and Family Secure™ products beginning on the date that they register with each product. The last date to register is January 31, 2013.

**Q: What happens after the state-provided one-year membership with ProtectMyID® and Family Secure™ expires?**

**A:** When the one-year membership expires, South Carolina taxpayers will, at their own expense, have the opportunity to enroll in the retail offerings of ProtectMyID® and/or Family Secure™.

**Q: If I see anything I consider potentially fraudulent on my credit report, who should I call?**

**A:** If you have reviewed your credit report and believe that certain information may be the result of fraud, you're ProtectMyID® membership gives you access to a fraud resolution specialist who will assist you. Please call [1-866-578-5422](tel:1-866-578-5422) and they will assign you a fraud resolution specialist.

**Q: When will Experian® alert me if there is any fraudulent activity on our credit report, banking, or debit card information?**

**A:** ProtectMyID® alerts are issued when a credit report reflects new activity - for example, the addition of a new credit card or personal loan or a lender's review of the report as part of the process to approve a loan application. It is the responsibility of the individual who receives the alert to determine if the new information is accurate and reflects recent financial activity known to the individual or if it is unknown and possibly fraudulent.

**OUT-OF-STATE / OUT-OF-COUNTRY**

**Q: What if I no longer live in the U.S. but have filed taxes sometime between 1998 to the present?**

**A:** A U.S. address must be provided when enrolling. If you are an expat or otherwise living abroad, you should provide the U.S. address you utilized to obtain credit within the U.S., as address-

## Pitts, Ted

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**From:** Mike Shealy <MikeShealy@scsenate.gov>  
**Sent:** Friday, December 07, 2012 5:05 PM  
**To:** 'Hancock, Jeremy'  
**Cc:** Ozzie Fonseca; Pitts, Ted; 'Thad Westbrook'  
**Subject:** RE: South Carolina State Senate Hearing  
**Attachments:** DOR Breach Senate Subcommittee Agenda for 12-13-12 CParks.docx

Mr. Hancock,

Thanks for the response. I am attaching a list of questions in preparation for the meeting. I am including questions our staff has prepared for the Department of Consumer Affairs and the SC Bankers Association so that the appropriate individual from Experian might understand the larger context of the meeting. Also, please keep in mind that these questions are our staff suggestion to State Senators. As elected officials they are free to ask whatever questions they feel important in discharging the responsibilities of their office.

As soon as the appropriate individual from Experian is identified, please notify me and include a short biography including their position within the company. As there are 4.6 million angry South Carolinians related to this issue, the members of the Subcommittee are hopeful that Experian will provide someone to testify of a senior executive level.

I appreciate your cooperation.

Mike Shealy  
Budget Director  
SC Senate Finance Committee

---

**From:** Hancock, Jeremy [mailto:Jeremy.Hancock@experian.com]  
**Sent:** Friday, December 07, 2012 3:03 PM  
**To:** Mike Shealy  
**Cc:** Ozzie Fonseca  
**Subject:** RE: South Carolina State Senate Hearing

Mr. Shealy,

Thank you for the Subcommittee's request to participate in the hearing. We are in the process of identifying an appropriate individual from the company to respond the Subcommittee's questions and will send the requested material. In the meantime, please feel free to send any related correspondence directly to me.

Thank you,

Jeremy Hancock

--  
Jeremy Hancock  
Manager, Government Affairs  
Experian  
(202) 682-4612

---

**From:** Mike Shealy [<mailto:MikeShealy@scsenate.gov>]  
**Sent:** Thursday, December 06, 2012 1:33 PM  
**To:** Ozzie Fonseca  
**Cc:** 'Pitts, Ted'; 'Thad Westbrook'  
**Subject:** South Carolina State Senate Hearing

Mr. Fonseca,

I am Mike Shealy, Budget Director for the South Carolina Senate Finance Committee. The Chairman of the Finance Committee, Senator Hugh Leatherman, appointed a subcommittee several weeks ago comprised of four Senators to conduct hearings related to the technology security breach at the South Carolina Department of Revenue. The Subcommittee will be meeting again on Thursday, **December 13<sup>th</sup> at 10:00 AM EST in Room 308 of the Gressette Senate Office Building next to our State Capitol in Columbia.** The Subcommittee would like for an official from Experian to attend, offer an overview of the credit monitoring services purchased by the State of South Carolina and answer questions. Whomever will be in attendance at this meeting should be well versed in the contractual arrangement with the State and the specific services offered taxpayers. Ideally, the Experian official in attendance should be of an executive level in order to authoritatively respond.

The focus of this meeting will be steps that citizens should consider to protect personal information. We are inviting officials from our State Department of Consumer Affairs as well as a representative of the Banking Community to explain the risk of compromised bank routing information. We are in the process of developing a list of questions to submit to Experian's representative who will attend the meeting in order to facilitate the exchange of information. These questions will be forwarded in advance. As you might imagine, media coverage of our previous meetings has been widespread, and I would not expect any difference with the upcoming meeting.

Would you please let me know as soon as possible who will be attending this meeting from Experian to present to the Subcommittee and answer questions. Also, biographical information and responsibilities of the official within Experian would be helpful information to the Subcommittee.

By way of information, the Subcommittee members are:

Senator William H. "Billy" O'Dell (R) Co-Chair  
Senator Kevin Bryant (R) Co-Chair  
Senator John Matthews (D)  
Senator Darrell Jackson (D)

Please let me know whatever information you may need.

Thank you,

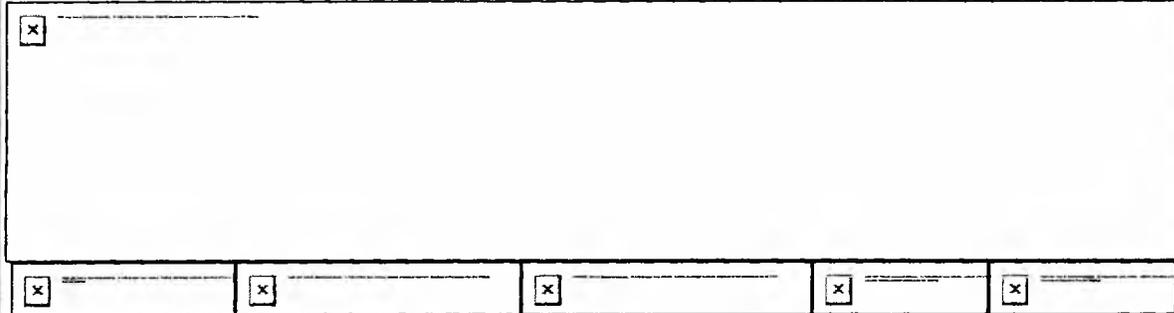
Mike Shealy  
Budget Director  
South Carolina Senate Finance Committee  
P.O. Box 142  
Columbia, S.C. 29202  
803-212-6640

**Pitts, Ted**

---

**From:** Rep. Bill Taylor <bill@taylorscheuse.com>  
**Sent:** Saturday, December 08, 2012 9:56 AM  
**To:** Pitts, Ted  
**Subject:** Ethics, Education, Hacking & Guns

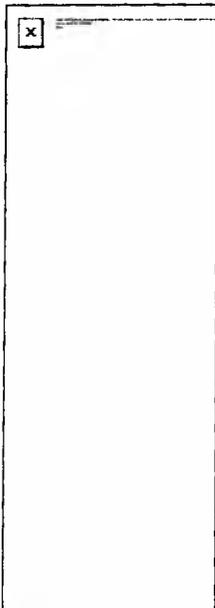
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**Ethics, Education, Hacking & Guns**

Dear Friends:

I hope this newsletter finds you well and enjoying the preparations for the Christmas season. It's hard to believe that 2012 is coming to an end and the New Year will soon begin. For your S.C. House of Representatives, the 'New Year' arrived this week.



Mace of the House of Representatives

**The 120th Legislative Session Begins**

The S.C. House met this week for it's biennial reorganization in which we elect leadership, determine committee assignments and select our new seats in the House Chambers. Seat selection is an amusing tradition of drawing names from a bowl. Fortunately, I secured my old, comfortable desk, but I have a new desk mate (see picture of the week at the end of this newsletter).

**Ethics Reform is #1**

Our first substantive vote this week dealt with Ethics Reform. Republicans and Democrats came together in a bi-partisan approach and voted to expand the six member House Ethics Committee to ten members equally divided between both parties. Historically, the majority party dominated this committee. This was only the first salvo in ethics reform, and not the end of the job. Four different independent panels are working on a comprehensive package of reforms that we expect to receive in January. Since the House elects the members to the Ethics Committee during the organizational session, it was imperative that this step be taken during the first week.

**My Education Focus - My New Role**

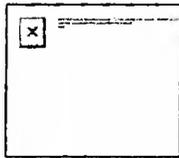
During this week's organizational session I was elected 1st Vice Chairman of the House Education Committee. Schools are the largest expense to state government. Improving education in S.C. is imperative for the continued success of our children and our economy. Citizens deserve a better outcome as a return on their investment of tax dollars. Working with legislators, school administrators and teachers who are closest to the classroom challenges, I will help lead education reforms aimed at transforming the lives of our children though the advantage of a solid education.

### Hacking Investigation Launched

In the wake of S.C.'s biggest and most serious cyber theft of private data, the House has launched an official Legislative Investigation to find answers. A bi-partisan House committee was formed this week and charged with finding answers and proposing solutions. Gov. Haley moved swiftly in addressing the immediate fallout of this security breach, but an independent outside investigation is needed to answer many of the questions moving forward. Every South Carolinian is entitled to answers and assurances that a strong security solution will be put in place.

### 'Restaurant Carry' for CWP Holders

Next Tuesday is the first day to pre-file legislation. One of the bills I am pre-filing calls for those who possess a Concealed Weapons Permit (CWP) to be able to carry into a restaurant that serves alcohol as long as they don't consume alcohol. Some refer to this as the 'Applebee's Law'. Statistics prove that the presence of more concealed weapons by law-abiding citizens reduces crime. I walked the bill around the House floor Wednesday and quickly gained 30 sponsors, including most of House leadership. After Tuesday many more House members will have to opportunity to co-sponsor this bill.



### It's Free!

Just a reminder - there are many holiday events and Christmas celebrations around Aiken County between now and Christmas - parades, concerts, displays, light shows and more. Most of it is FREE. I hope you will take advantage of the activities our communities offer.

Thank you for the privilege of serving you in Columbia. If I can ever be of assistance to you, or if you have ideas on issues you want me to share with the rest of the General Assembly, please don't hesitate to contact me.

In your Service,

**Bill Taylor**

**803-270-2012**

Representative  
South Carolina General  
Assembly

[Bill@taylorscheuse.com](mailto:Bill@taylorscheuse.com)

[www.Taylorscheuse.com](http://www.Taylorscheuse.com)

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### Photo of the Week



A big welcome to my new desk mate, Rep. Don Wells, (R-Aiken), on the first day of the legislative session.



This email was sent to tedpitts@gov.sc.gov by [bill@taylorscheuse.com](mailto:bill@taylorscheuse.com)  
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).  
Bill Taylor for SC House District 86 | P.O. Box 2646 | Aiken | SC | 29801

**Pitts, Ted**

---

**From:** Ozzie Fonseca <ofonseca@experianinteractive.com>  
**Sent:** Monday, December 10, 2012 1:48 PM  
**To:** Pitts, Ted  
**Subject:** RE: South Carolina State Senate Hearing

Thanks for your note. Paul reached out and we are coordinating the visit.

**Ozzie Fonseca, CIPP/US**  
**Senior Director, Data Breach Resolution**



Experian Consumer Direct  
535 Anton, Suite 100. Costa Mesa, CA 92626  
(949) 567-3851 - Desk  
(949) 302-2299 - Cell  
(949) 242-2938 - Fax  
[ozzie.fonseca@experian.com](mailto:ozzie.fonseca@experian.com)

Blog: [www.Experian.com/blogs/data-breach](http://www.Experian.com/blogs/data-breach)  
Follow us on Twitter: [www.Twitter.com/Experian\\_DBR](http://www.Twitter.com/Experian_DBR)  
Visit us at <http://www.experian.com/databreach>

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**From:** Pitts, Ted [<mailto:TedPitts@gov.sc.gov>]  
**Sent:** Monday, December 10, 2012 7:14 AM  
**To:** Ozzie Fonseca  
**Cc:** Paul Patrick ([PaulPatrick@schouse.gov](mailto:PaulPatrick@schouse.gov))  
**Subject:** RE: South Carolina State Senate Hearing

Ozzie,

The SC House may want to hear from Experian's Rep while they are in town Thursday. I have copied Paul Patrick from the South Carolina House on this email. He will reach out to you.

Thanks,

Ted Pitts  
Deputy Chief of Staff  
Governor Nikki Haley  
Cabinet and Legislative Affairs  
803.767.7862  
[TedPitts@gov.sc.gov](mailto:TedPitts@gov.sc.gov)

---

**From:** Ozzie Fonseca [mailto:ofonseca@experianinteractive.com]  
**Sent:** Thursday, December 06, 2012 4:36 PM  
**To:** Mike Shealy  
**Cc:** Pitts, Ted; 'Thad Westbrook'  
**Subject:** RE: South Carolina State Senate Hearing

Mr. Shealy:

Thank you for your email. I will inform our executives about the hearing and will respond to you as soon as possible with details about who will attend.

Regards,

**Ozzie Fonseca, CIPP/US**  
**Senior Director, Data Breach Resolution**



Experian Consumer Direct  
535 Anton, Suite 100. Costa Mesa, CA 92626  
(949) 567-3851 - Desk  
(949) 302-2299 - Cell  
(949) 242-2938 - Fax  
[ozzie.fonseca@experian.com](mailto:ozzie.fonseca@experian.com)

Blog: [www.Experian.com/blogs/data-breach](http://www.Experian.com/blogs/data-breach)  
Follow us on Twitter: [www.Twitter.com/Experian\\_DBR](http://www.Twitter.com/Experian_DBR)  
Visit us at <http://www.experian.com/databreach>

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---

**From:** Mike Shealy [mailto:MikeShealy@scsenate.gov]  
**Sent:** Thursday, December 06, 2012 1:33 PM  
**To:** Ozzie Fonseca  
**Cc:** 'Pitts, Ted'; 'Thad Westbrook'  
**Subject:** South Carolina State Senate Hearing

Mr. Fonseca,

I am Mike Shealy, Budget Director for the South Carolina Senate Finance Committee. The Chairman of the Finance Committee, Senator Hugh Leatherman, appointed a subcommittee several weeks ago comprised of four Senators to conduct hearings related to the technology security breach at the South Carolina Department of Revenue. The Subcommittee will be meeting again on Thursday, **December 13<sup>th</sup> at 10:00 AM EST in Room 308 of the Gressette Senate Office Building next to our State Capitol in Columbia.** The Subcommittee would like for an official from Experian to attend, offer an overview of the credit monitoring services purchased by the State of South Carolina and answer questions. Whomever will be in attendance at this meeting should be well versed in the contractual arrangement with

the State and the specific services offered taxpayers. Ideally, the Experian official in attendance should be of an executive level in order to authoritatively respond.

The focus of this meeting will be steps that citizens should consider to protect personal information. We are inviting officials from our State Department of Consumer Affairs as well as a representative of the Banking Community to explain the risk of compromised bank routing information. We are in the process of developing a list of questions to submit to Experian's representative who will attend the meeting in order to facilitate the exchange of information. These questions will be forwarded in advance. As you might imagine, media coverage of our previous meetings has been widespread, and I would not expect any difference with the upcoming meeting.

Would you please let me know as soon as possible who will be attending this meeting from Experian to present to the Subcommittee and answer questions. Also, biographical information and responsibilities of the official within Experian would be helpful information to the Subcommittee.

By way of information, the Subcommittee members are:

Senator William H. "Billy" O'Dell (R) Co-Chair  
Senator Kevin Bryant (R) Co-Chair  
Senator John Matthews (D)  
Senator Darrell Jackson (D)

Please let me know whatever information you may need.

Thank you,

Mike Shealy  
Budget Director  
South Carolina Senate Finance Committee  
P.O. Box 142  
Columbia, S.C. 29202  
803-212-6640

**Pitts, Ted**

---

**From:** Shwedo, Kevin A <Kevin.Shwedo@scdmv.net>  
**Sent:** Monday, December 10, 2012 1:53 PM  
**To:** Pitts, Ted  
**Subject:** FW: Security Alert

Ted – think you know these breaches are more common than most people consider, they are just not advertised quite the same way. That said, this is what I got from Florida on my kids loss of PII. It basically suggests where I can go for help. It DOES NOT provide the same comprehensive solution our state is providing.  
Kevin

**Kevin A. Shwedo**  
**Executive Director**  
**South Carolina Department of Motor Vehicles**  
**10311 Wilson Boulevard**  
**Post Office Box 1498**  
**Blythewood, South Carolina 29016**

**(O) 803-896-8925**  
**(C) 803-609-4218**

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***"It's a GREAT day in South Carolina!"***

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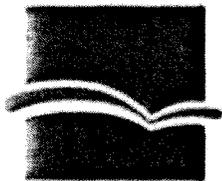
**From:** [REDACTED]@aol.com [mailto:[REDACTED]@aol.com]  
**Sent:** Monday, December 10, 2012 7:20 AM  
**To:** Shwedo, Kevin A  
**Subject:** Fwd: Security Alert

Was clearing out the email on my phone and found this. Could effect Cameron and Ryan. Will you check on this?

Sent from my iPhone

Begin forwarded message:

**From:** osfa@fldoe.org  
**Date:** October 20, 2012, 3:03:51 AM EDT  
**To:** [REDACTED]@AOL.COM  
**Subject:** Security Alert



# NORTHWEST FLORIDA STATE COLLEGE

100 College Boulevard • Niceville, FL 32578-1295 • (850) 678-5111 • [www.nwfsc.edu](http://www.nwfsc.edu)

Your personal data may have been compromised.

Northwest Florida State College (NWFSC), formerly known as Okaloosa-Walton Community College, has discovered an information security breach at the college involving employees and students. A person (or persons) unlawfully gained access to files at NWFSC containing confidential information.

NWFSC conducted an internal review finding that records containing personal information including your name, date of birth and Social Security number were compromised sometime between May 21, 2012 and September 24, 2012. **The security breach included information for all students eligible for Bright Futures scholarships in 2005-06 and 2006-07.** All participating postsecondary institutions in Florida receive this eligibility information to ensure funding is available for students regardless of the institution of enrollment.

NWFSC is working closely with local, state, and federal agencies to determine the extent of the breach and ensure information security mechanisms are strengthened to extinguish any vulnerabilities.

In an effort to ensure that all potentially affected students are notified, the Department of Education has agreed to provide this letter for the College. As a precaution, the Department and NWFSC recommend that you place a fraud alert by calling any one of the three major credit reporting companies. A fraud alert results in creditors contacting you before they open any new accounts or change your existing accounts. As soon as one credit reporting company confirms your fraud alert, the others will be notified to place fraud alerts on their system. You may contact the three major credit reporting companies provided below:

- Equifax  
800-525-6285  
[www.equifax.com](http://www.equifax.com)
- Experian  
888-397-3742  
[www.experian.com](http://www.experian.com)
- TransUnion  
800-680-7289  
[www.transunion.com](http://www.transunion.com)

If, after monitoring your credit reports, you notice unusual activity on your account(s), you may then wish to

1. Close the accounts that you know or believe have been tampered with or opened fraudulently.

2. File a complaint with the Federal Trade Commission. You can file a complaint with the FTC using the online complaint form at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft); or call the FTC's Identity Theft Hotline, toll-free: 1-877-ID-THEFT (438-4338); TTY: 1-866-653-4261;
3. Write the Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580.
4. File a report with your local police or the police in the community where the identity theft took place. When you file your report, bring a printed copy of your FTC ID Theft Complaint form , your cover letter (PDF), and your supporting documentation. The cover letter explains why a police report and an ID Theft Complaint are important to victims.

Other steps for those potentially affected are available at <http://www.fldoe.org/creditinfo.asp>. According to the Federal Trade Commission, you may be able to tell if your information has been stolen if...

- you see unexplained withdrawals from your bank account
- you don't get your bills or other mail
- merchants refuse your checks
- debt collectors call you about debts that aren't yours
- you find unfamiliar accounts or charges on your credit report
- medical providers bill you for services you didn't use
- your health plan rejects your legitimate medical claim because the records show you've reached your benefits limit
- the Internal Revenue Service (IRS) notifies you that more than one tax return was filed in your name
- you have income from an employer you don't work for
- you get notice that your information was compromised by a data breach at a company where you do business or have an account

Students who are potentially affected may visit <http://www.fldoe.org/creditinfo.asp> for more information.

NWFSC apologizes for this inconvenience. Should you have additional questions, you may call the Florida Department of Education toll-free at 1-800-688-0656. Formal notification regarding this matter will be sent to you via U.S. mail.

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NWF State College Fort Walton Beach Campus • (850) 863-6500 Chautauqua Center, DeFuniak Springs • (850) 200-4100  
 Eglin Center, Eglin Air Force Base • (850) 200-4180 Hurlburt Center, Hurlburt Field • (850) 200-4190  
 Robert L. F. Sikes Education Center, Crestview • (850) 200-4141 • South Walton Center (850) 200-4160  
*"An Equal Access/Equal Opportunity Institution"*

## Pitts, Ted

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**From:** Adams, Marcia  
**Sent:** Monday, December 10, 2012 7:57 PM  
**To:** Pitts, Ted  
**Subject:** Amended loan agreement - IRF as source of funds  
**Attachments:** CommLoanIRF v2.doc.doc

Ted,  
Paul has amended the loan agreement to reflect the IRF as the source of funds for the loan. Please note that the date to pay the loan back is September 30, 2013. We will have copies of the agreement for you to hand out at tomorrow's meeting. If we need to make changes to the agreement after discussion at the meeting, we will do so and e-mail the amended agreement to the Board offices.

Marcia



**Marcia S. Adams**  
Executive Director | SC Budget & Control Board  
1200 Senate Street | Columbia, SC 29201 | Office: (803) 734-2320

## Pitts, Ted

---

**From:** Jim Etter <Etter\_JF@sctax.org>  
**Sent:** Thursday, November 01, 2012 3:52 PM  
**To:** Pitts, Ted; Stirling, Bryan  
**Subject:** FW: Call In Info

This is the same number every day.

Jim Etter  
Director  
SC Department of Revenue  
803-315-0192

---

**From:** Dale Brown  
**Sent:** Thursday, November 01, 2012 3:49 PM  
**To:** Jim Etter  
**Subject:** Call In Info

Jim,  
Here is the call in information that you requested.

Conference Number – (803)726-9796  
Meeting ID – 1639  
Pass Code – 66929 #

If you need anything else, just let me know.

Thanks,

Dale Brown, PMP  
SC Department of Revenue  
Acting CIO/Administrator  
(803)898-5513 Office  
(803)727-2510 Cell  
(803)898-5507 FAX  
[brownd@sctax.org](mailto:brownd@sctax.org)

**Pitts, Ted**

---

**From:** Kim Jackson <KimJackson@schouse.gov>  
**Sent:** Tuesday, December 11, 2012 9:27 AM  
**Subject:** SCDOR Data Breach Investigative Committee Meeting - Tuesday, December 13, 2012

**MEMORANDUM**

**TO:** The Honorable Harry Ott  
The Honorable Shannon Erickson  
The Honorable Laurie Slade Funderburk  
The Honorable Dwight Loftis  
The Honorable James Merrill  
The Honorable Andy Patrick  
The Honorable Ronnie Sabb  
The Honorable Bakari Sellers  
The Honorable Gary Simrill

**FROM:** The Honorable Bruce Bannister, Chairman

**DATE:** Dec 11, 2012

**SUBJECT:** **SCDOR Data Breach Investigative Committee Meeting**

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The following meeting has been scheduled for the SCDOR Data Breach Investigative Committee:

**Thursday, December 13, 2012, 10:30 AM, in Room 516 of the Blatt Building.**

The committee will hear testimony about the Department of Revenue data breach and related security issues. Other items may be added.

cc: Ann Martin (5<sup>th</sup> Floor Receptionist - Blatt Building)  
Sergeant at Arms (Mitch Dorman 2<sup>nd</sup> Floor State House)  
Press Room (3<sup>rd</sup> Floor State House)  
The Honorable Robert W. Harrell, Jr., Speaker of the House (506 Blatt Building)

*Kim Jackson*  
Executive Secretary  
South Carolina House of Representatives  
Ways and Means Committee  
803.734.3144 Telephone  
803.734.2826 Fax  
*kimjackson@schouse.gov*

## Pitts, Ted

---

**From:** Adams, Marcia  
**Sent:** Tuesday, December 11, 2012 6:55 PM  
**To:** Pitts, Ted  
**Subject:** Board script and language for motions for agenda items #1 and #2  
**Attachments:** SCPT121212.docx.docx; motions 12122012.docx

Ted,

Please let me know if there are questions. We will provide the Governor with a color copy of the script at the meeting. If there are changes to the agenda during the meeting, I will give the Governor her amended script at the appropriate place.

Marcia

Marcia



**Marcia S. Adams**

**Executive Director | SC Budget & Control Board**

1200 Senate Street | Columbia, SC 29201 | Office: (803) 734-2320

## Pitts, Ted

---

**From:** Mike Shealy <MikeShealy@scsenate.gov>  
**Sent:** Wednesday, December 12, 2012 11:47 AM  
**To:** 'Hancock, Jeremy'  
**Cc:** Pitts, Ted; Lisa Catalanotto; Craig Parks  
**Subject:** South Carolina State Senate Hearing  
**Attachments:** DOR Breach Senate Subcommittee Agenda for 12-13-12.docx

Mr. Hancock,

Our staff has added a couple of questions to the list I sent to you several days ago in preparation for Mr. Kapczynski's testimony before the SC Senate Finance Subcommittee. The additional questions are highlighted in yellow. Would you please provide these updated questions to Mr. Kapczynski. If there is anything we as staff can do to help him please let us know.

The location for our meeting has changed from Room 308 to Room 105 of the Gressette Senate Office Building. Our building is located adjacent to the State House in downtown Columbia. Should Mr. Kapczynski arrive a few minutes before 10:00, I would be happy to greet him and show him the room set up for the testimony. Our office is in Room 111 of the Gressette Building.

Again, thank you for your company's willingness to appear before the Subcommittee.

Mike Shealy  
Budget Director  
South Carolina Senate Finance Committee  
P.O. Box 142  
Columbia, S.C. 29202  
803-212-6640

**Pitts, Ted**

---

**From:** Kim Jackson <KimJackson@schouse.gov>  
**Sent:** Wednesday, December 12, 2012 1:28 PM  
**Subject:** SCDOR Data Breach Investigative Committee - Agenda - Thursday, December 13



## **SCDOR Data Breach Investigative Committee**

Thursday, December 17, 2012  
516 Blatt Building  
10:30 AM

### Agenda

The Committee will hear testimony from the following on Thursday. Others may be added and the agenda is subject to change.

**I. Mandiant**

**II. Department of Revenue**

**III. Nelson Mullins**

**IV. Experian**

The Honorable Bruce Bannister, Chairman  
The Honorable Harry Ott, Vice-Chairman  
The Honorable Shannon Erickson  
The Honorable Laurie Slade Funderburk  
The Honorable Dwight Loftis  
The Honorable James Merrill  
The Honorable Andy Patrick

The Honorable Ronnie Sabb  
The Honorable Bakari Sellers  
The Honorable Gary Simrill

*Kim Jackson*

Executive Secretary

South Carolina House of Representatives

Ways and Means Committee

803.734.3144 Telephone

803.734.2826 Fax

*kimjackson@schouse.gov*

**Pitts, Ted**

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**From:** Kim Jackson <KimJackson@schouse.gov>  
**Sent:** Wednesday, December 12, 2012 1:50 PM  
**Subject:** FW: SCDOR Data Breach Investigative Committee - Agenda - Thursday, December 13



The date has been corrected below. The meeting is tomorrow, December 13, 10:30 AM.

## **SCDOR Data Breach Investigative Committee**

Thursday, December ~~17~~ 13, 2012  
516 Blatt Building  
10:30 AM

### Agenda

The Committee will hear testimony from the following on Thursday. Others may be added and the agenda is subject to change.

- I. Mandiant**
- II. Department of Revenue**
- III. Nelson Mullins**
- IV. Experian**

The Honorable Bruce Bannister, Chairman  
The Honorable Harry Ott, Vice-Chairman  
The Honorable Shannon Erickson

The Honorable Laurie Slade Funderburk  
The Honorable Dwight Loftis  
The Honorable James Merrill  
The Honorable Andy Patrick  
The Honorable Ronnie Sabb  
The Honorable Bakari Sellers  
The Honorable Gary Simrill

*Kim Jackson*

Executive Secretary

South Carolina House of Representatives

Ways and Means Committee

803.734.3144 Telephone

803.734.2826 Fax

*kimjackson@schouse.gov*

**Pitts, Ted**

---

**From:** Shwedo, Kevin A <Kevin.Shwedo@scdmv.net>  
**Sent:** Thursday, January 10, 2013 2:51 PM  
**To:** Pitts, Ted  
**Subject:** FW: PD  
**Attachments:** IT security.pdf

Ted – need your help. Per our earlier discussion, I rewrote the PD for an FTE to go to DSIT to support the Security Officer position. I am being told that we are now to fund the position. The position is being advertised at \$80K, which will equate to about \$105K when they throw in benefits. I did not understand that as part of the commitment. I have not been able to fund my own position at this point and now going to be told to fund another's. I understand how the chain of command works and will support decisions made, but did not think this was your intent.

I think you know that this department has the lowest paid positions in state government (according to newspaper article last week). I lost about \$1.5M at the end of the FY due to increased pay and benefits, which over time has resulted in over \$10M lost annual spending power over the last 10 years - with no way to recover the costs. I already have one proposed bill this year that is considering whether to drop 1<sup>st</sup> time reinstatement fees for DUI arrests IF they use an Ignition Interlock device. At \$100 per reinstatement fee and 30K arrests last year, that could mean a \$3M decrease in potential revenue (realistically \$1.5 because I believe many will be multiple offenders or not get their licenses suspended).

I am trying to be a good steward of the money we collect and do not want to have to balance the checkbook at the end of the year on the backs of my employees by having to resort to a furlough / RIF. I am accepting risk now by committing money to IT improvements to sure up security of the data we collect, but making those decisions on current income.

Thanks for letting me vent – look forward to your guidance.  
Kevin

**Kevin A. Shwedo**  
**Executive Director**  
**South Carolina Department of Motor Vehicles**  
**10311 Wilson Boulevard**  
**Post Office Box 1498**  
**Blythewood, South Carolina 29016**

**(O) 803-896-8925**  
**(C) 803-609-4218**

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Begin forwarded message:

To ensure compliance with the requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including the attachments) is not intended or written to be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or tax-related matter[s]. To provide you with a communication that could be used to avoid penalties under the Internal Revenue Code will necessarily entail additional investigations, analysis and conclusions on our part.

## Pitts, Ted

---

**From:** Mike Shealy <MikeShealy@scsenate.gov>  
**Sent:** Monday, January 14, 2013 3:13 PM  
**To:** 'Bill Blume'  
**Cc:** Cleland, Meredith; Craig Parks; Lisa Catalanotto; Pitts, Ted  
**Subject:** Meeting

Bill – The Senate Finance Subcommittee on the Cyber Hacking incident will be meeting this coming Wednesday at 4:00 (probably in Room 308 Gressette). I would like for you to testify and bring the subcommittee up to speed on any organizational plans you might have and to tell them of the encryption contract.

It is my intent to invite Scott Shealy to testify before you take the podium. The thrust of this is to drive home the point that the breach was much more about organizational communication and decision making rather than a lack of technological tools. This is why organizational solutions are important as we move forward. After your presentation, we will ask Jimmy Earley and Marcia Adams to tell the subcommittee about the B&C Board's RFP for technology planning.

Thanks, Mike S.

**Pitts, Ted**

---

**From:** Kim Jackson <KimJackson@schouse.gov>  
**Sent:** Thursday, January 17, 2013 2:58 PM  
**Subject:** Economic Development and Natural Resources Subcommittee Meetings - January 22 - 23, 2013

**MEMORANDUM**

**TO:** The Honorable Dwight Loftis  
The Honorable Leon Stavrinakis

**FROM:** The Honorable Gary Simrill, Chairman

**DATE:** January 17, 2013

**SUBJECT:** Economic Development and Natural Resources Subcommittee Meeting

---

The following meetings have been scheduled for the Economic Development and Natural Resources Budget Subcommittee:

**Tuesday, January 22, 2013, 1.5 hours after adjournment, in Room 523 of the Blatt Building.** The Subcommittee will hear from the following agencies:

- Department of Revenue
- S.C. Small Business Development Centers

**Wednesday, January 23, 2013, 11:00am, in Room 523 of the Blatt Building.** The Subcommittee will hear from the following agencies:

- S.C. State PSA
- Sea Grant Consortium
- S.C. Research Authority (SCRA)

Other agenda items may be added. The order of the agencies listed above may not be indicative of the presentation order. Please mark your calendar and plan to attend.

cc: Ann Martin (5<sup>th</sup> Floor Receptionist - Blatt Building)  
Sergeant at Arms (Mitch Dorman 2<sup>nd</sup> Floor State House)  
Press Room (3<sup>rd</sup> Floor State House)  
The Honorable Robert W. Harrell, Jr., Speaker of the House (506 Blatt Building)

*Kim Jackson*  
Executive Secretary  
South Carolina House of Representatives  
Ways and Means Committee  
803.734.3144 Telephone  
803.734.2826 Fax  
*kimjackson@schouse.gov*

## Pitts, Ted

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**From:** South Carolina Chamber of Commerce <chamber@scchambervoice.com>  
**Sent:** Friday, January 18, 2013 12:30 PM  
**To:** Pitts, Ted  
**Subject:** Competitiveness Update

---

January 18, 2013

[Click here](#) for a printable version of the *Competitiveness Update*.

**Legislation Update:** To Public Utilities Review Committee members for instituting a lobbying ban on PSC candidates, a policy should be put in place for all judicial candidates.

**Legislation Update:** To the entire South Carolina Senate for passing two major reform bills during the first two weeks of the legislative session, a trend we look forward to continuing as the Senate addresses infrastructure funding priorities.

### **Governor Outlines Priorities in State of the State**

Governor Nikki Haley called the state of our state "productive" during her annual address Wednesday evening. The governor spoke of 31,574 jobs created and the more than \$6 billion in new investment. She reiterated her commitment to creating a pro-business state.

"It has always been my belief that the best way to recruit new businesses in our state is to take care of the businesses we already have. That with the business community as our biggest cheerleaders, there is nothing we can't accomplish in the great state of South Carolina," she said.

Governor Haley spoke of regulations that continue to cost businesses time and money. To that end, she announced the formation of a gubernatorial Task Force, largely to be made up of members of the business community, that will review regulations and recommend those that can be eliminated.

The governor also called for attention to the state's crumbling infrastructure, which is a core function of government and an economic development issue. The governor dismissed the idea of funding infrastructure needs with an increase in the motor fuel user fee, or gas tax, but instead proposed using millions of dollars that are currently being diverted from roads and bridges. The South Carolina Chamber of Commerce has commended Governor Haley for including more than \$90 million in her Executive Budget for road and bridge improvements.

In response, South Carolina Chamber of Commerce President and CEO Otis Rawl said, "Governor Haley has made economic development and job creation her No. 1 priority since taking office. Tonight she laid out a plan to address the state's infrastructure needs as a top priority for businesses across the state that depend on a reliable transportation system to move their products expeditiously and safely. Investing in the state's deteriorating road system is necessary this year - and in future years - and will undoubtedly drive economic growth and job creation. We hope the General Assembly will join Governor Haley in finding common sense solutions to finance our infrastructure needs."

Governor Haley also again called on the General Assembly to pass government restructuring in two areas: allowing the Superintendent of Education to be appointed by the governor and creating a Department of Administration, both are initiatives supported by the South Carolina Chamber.

governor reiterated her stance on Medicaid expansion. "As long as I am governor, South Carolina will not implement the public health care expansion that is Obamacare's Medicaid expansion," she said.

ally, Governor Haley said she wanted to "start the conversation" on K-12 funding. "There is no surer path out of poverty and toward opportunity life than having a good education," she said. "But it's not only that. Having a well-educated workforce is a real factor in attracting new businesses and jobs to our state. There's a real economic element to improving education as well."

### **State Begins Infrastructure Talks**

is week, South Carolina Secretary of Transportation Robert St. Onge laid out the state's infrastructure needs before the Senate Transportation Committee. Business leaders have identified many areas in which the Palmetto State must take immediate action to be successful, and the most pressing issue is infrastructure.

Secretary St. Onge told the committee that the South Carolina Department of Transportation (SCDOT), which maintains the fourth largest highway system in the country, grades roads based on capacity (bottlenecks, heavy traffic) and pavement condition (condition of surface and road base). SCDOT estimates that between 2005 and 2011, South Carolina lost \$2.6 billion in economic activity due to congestion. It is estimated that by 2030 an additional 400 lane miles will be needed for increased capacity. A recent SCDOT study identified nearly \$30 billion in road and bridge needs, but SCDOT's budget is less than \$1.5 billion annually.

The South Carolina Chamber and allied organizations are advocating for a statewide strategy to invest \$6 billion over the next decade on major highways that have a significant impact on the flow of commerce: \$2.5 billion for expansion of existing highways, \$2 billion for replacement of weight restricted and structurally deficient bridges, and \$1.5 billion for resurfacing projects in all 46 counties.

Number of bills have been filed addressing infrastructure. Annually dedicating just 20 percent of all new revenue and revenue from the Capital Reserve Fund, along with the transfer of the sales tax on vehicles, could finance well over \$250 million in infrastructure needs on its own.

Members of the General Assembly must understand that infrastructure drives commerce and economic development and is core function of government. With the critical needs and challenges facing the state's transportation system, policy makers must make road and bridge a key priority in this year's budget process.

### **Air Quality Program in Danger of Federal Control**

is week, South Carolina Department of Health and Environmental Control (DHEC) Director Catherine Templeton presented the agency's budget request to a House Ways and Means subcommittee, chaired by Representative Murrell Smith (Sumter). Director Templeton warned subcommittee members of a looming crisis within the agency's Air Quality Program. Currently, 70 percent of the Air Quality Program is funded through emission fees. With more stringent regulations from the Environmental Protection Agency (EPA) in recent years, many companies have shut down operations or converted facilities to cleaner operations. This decrease in emissions has left the Air Quality Program with a \$1.7 million deficit for the next fiscal year.

States have an option: adequately run the air program through the state environmental agency or let EPA run the program. South Carolina chose the first option and now must adequately fund the program in accordance with the law. If DHEC does not cover its deficit, EPA will take over the air program. If that occurs, fees will increase and anyone looking to obtain an air permit in South Carolina will have to go to Atlanta to visit EPA's regional office.

The South Carolina Chamber of Commerce has been working with DHEC to develop a longer term solution to keep the air program under DHEC's purview. The Chamber supports DHEC's General Fund request for this fiscal year because it is critical to maintaining the current air program at DHEC.

### **South Carolina Ranks No. 1 in Foreign Investment**

South Carolina ranked first in attracting jobs through foreign investment, according to an analysis by IBM-Plant Location International (IBM-PLI). The Palmetto State ranked above Texas and North Carolina, which were ranked second and third, respectively, in the 2012 report. Each year, IBM-PLI publishes a report titled Global Location Trends examining foreign investment around the globe.

South Carolina is just right for business, and plenty of international companies know it. Hundreds of foreign firms employ tens of thousands of residents throughout our state, creating wealth and helping make the communities they're in sustainable," said Secretary of Commerce Bobby Hitt.

The latest edition of the Global Location Trends report can be downloaded from IBM's website at [www.ibm.com/gbs/pli](http://www.ibm.com/gbs/pli).

### **Other News...**

is week, Senate Finance Committee Chairman Hugh Leatherman (Florence) introduced S.262, the **High Growth Small Business Creation Act**, legislation that would encourage angel investment in emerging high-growth South Carolina companies. Rep. Dwight

tis (Greenville) introduced a similar bill, H.3319, which is a House Republican Caucus agenda priority. The **South Carolina Chamber** supports the legislation as part of its *2013 Competitiveness Agenda*.

2, **government restructuring** legislation creating a Department of Administration, passed a Senate Judiciary subcommittee and will go to full committee next week. The **Chamber supports** the legislation, which transfers executive power back to the executive branch and increases legislative oversight and accountability.

Legislation **prohibiting local flow control (H.3920) ordinances** unanimously passed a House Agricultural subcommittee chaired by Rep. David Hiott (Pickens) and will go to full committee next week. This legislation, **supported by the Chamber** and other business leaders, prohibits local governments from interfering with free market principles.

South Carolina Secretary of Commerce Bobby Hitt presented his budget this week to a House Ways and Means subcommittee. Secretary Hitt requested \$17 million for the **Department of Commerce Closing Fund**, which helps finalize economic development deals in South Carolina. The more dollars invested in this account equates to more economic development deals being closed.

The Chamber commends the **Public Utilities Review Committee (PURC)**, which includes the following legislators: Senators Thomas Hargett (Oconee), Brad Hutto (Orangeburg) and Luke Rankin (Horry) and Representatives Bill Sandifer (Oconee), Mike Forrester (Orangeburg) and Harry Ott (Calhoun) on their unanimous decision to institute a lobbying ban for Public Service Commission (PSC) candidates. The lobby ban includes prohibiting PSC candidates from attending legislative receptions, meetings and caucus events.

**Stay up-to-date on the latest business issues at the State House by following the S.C. Chamber on Twitter and Facebook.**

If you no longer wish to receive e-mail from us, please click [here](#).



**Pitts, Ted**

---

**From:** Kim Jackson <KimJackson@schouse.gov>  
**Sent:** Friday, January 18, 2013 1:13 PM  
**Subject:** Ways and Means Committee Meetings - January 22 - 24, 2013  
**Attachments:** 1.22-24.13 Weekly Summary.pdf

## **Ways and Means Committee January 22<sup>nd</sup> through 24<sup>th</sup>, 2013**

Document Created: Friday, January 18, 2013

### **Tuesday, January 22<sup>nd</sup>, 2013**

#### **Economic Development & Natural Resources**

(Simrill, Loftis, Stavrinakis - Staff Liaison- Daniel Boan)

Tuesday, January 22<sup>nd</sup>, 2013, one and one-half hours after adjournment in Room 523 of the Blatt Building. The subcommittee will hear presentations from the following: Department of Revenue, S. C. Small Business Development Centers and others that may be added.

#### **Higher Education, Technical and Cultural**

(Limehouse, Clyburn, Skelton, G. Smith - Staff Liaison - Blythe Bundrick)

Tuesday, January 22<sup>nd</sup>, 2013, one hour after adjournment in Room 321 of the Blatt Building. The subcommittee will hear presentations from the following: Francis Marion University, State Museum, Arts Commission and others that may be added.

#### **Law Enforcement and Criminal Justice**

(Pitts, Hosey, Whitmire - Staff Liaison- Katie Owen)

Tuesday, January 22<sup>nd</sup>, 2013, at 2:30 PM in Room 305 of the Blatt Building. The Subcommittee will hear presentations from the following: Attorney General and others that may be added.

#### **Legislative, Executive and Local Government**

(Merrill, Cobb-Hunter, Barfield - Staff Liaison - Kara Brurok)

Tuesday, January 22<sup>nd</sup>, 2013, at 10:30 AM in Room 511 of the Blatt Building. The Subcommittee will hear presentations from the following: Office of the State Treasurer and others that may be added.

#### **Legislative, Executive and Local Government**

(Merrill, Cobb-Hunter, Barfield - Staff Liaison - Kara Brurok)

Tuesday, January 22<sup>nd</sup>, 2013, at 2:30 PM in Room 511 of the Blatt Building. The Subcommittee will hear presentations from the following: S. C. Retirement Investment Commission, Public Employee Benefit Authority, Local Government Entities and others that may be added.

#### **Public Education & Special Schools**

(Bingham, Allison, Anthony, Hayes - Staff Liaison - Emily Heatwole)

Tuesday, January 22<sup>nd</sup>, 2013, one and one-half hours after adjournment, in Room 521 of the Blatt Building. The subcommittee will hear presentations from the following: Wil Lou Gray Opportunity School, John de la Howe and others that may be added.

#### **Transportation and Regulatory**

(R. Smith, Neal, Huggins - Staff Liaison - Ryan Burnaugh)

Tuesday, January 22<sup>nd</sup>, 2013, at 10:00 AM, in Room 501 of the Blatt Building. The Subcommittee will hear presentations from the following: Department of Labor, Licensing and Regulation, Department of Employment and Workforce, Human Affairs Commission and others that may be added.

## **Wednesday, January 23<sup>rd</sup>, 2013**

### **Economic Development & Natural Resources**

(Simrill, Loftis, Stavrinakis - Staff Liaison- Daniel Boan)

Wednesday, January 23<sup>rd</sup>, 2013, at 11:00 AM, in Room 523 of the Blatt Building. The subcommittee will hear presentations from the following: S. C. State PSA, Sea Grant Consortium, S. C. Research Authority (SCRA) and others that may be added.

### **Healthcare**

(M. Smith, Ott, Edge, Herbkersman, - Staff Liaison - Tim Rogers)

Wednesday, January 23<sup>rd</sup>, 2013, 10:00 AM, in Room 108 of the Blatt Building. The Subcommittee will hear a presentation from Department of Mental Health and others that may be added.

### **Higher Education, Technical and Cultural**

(Limehouse, Clyburn, Skelton, G. Smith - Staff Liaison - Blythe Bundrick)

Wednesday, January 23<sup>rd</sup>, 2013, at 10:00 AM, in Room 321 of the Blatt Building. The subcommittee will hear presentations from the following: The Citadel, S. C. State University, University Center of Greenville and others that may be added.

### **Law Enforcement and Criminal Justice**

(Pitts, Hosey, Whitmire - Staff Liaison- Katie Owen)

Wednesday, January 23<sup>rd</sup>, 2013, at 10:00 AM in Room 305 of the Blatt Building. The Subcommittee will hear presentations from the following: State Law Enforcement Division, Department of Natural Resources and others that may be added.

### **Legislative, Executive and Local Government**

(Merrill, Cobb-Hunter, Barfield - Staff Liaison - Kara Brurrok)

Wednesday, January 23<sup>rd</sup>, 2013, at 9:00 AM in Room 511 of the Blatt Building. The Subcommittee will hear presentations from the following: Lt. Governor's Office, Budget & Control Board and others that may be added.

### **Public Education & Special Schools**

(Bingham, Allison, Anthony, Hayes - Staff Liaison - Emily Heatwole)

Wednesday, January 23<sup>rd</sup>, 2013, at 10:00 AM in Room 521 of the Blatt Building. The subcommittee will hear presentations from the following: South Carolina School for the Deaf and Blind, Members of the Public, Other Entities and others that may be added.

### **Transportation and Regulatory**

(R. Smith, Neal, Huggins - Staff Liaison - Ryan Burnaugh)

Wednesday, January 23<sup>rd</sup>, 2013, at 10:00 AM, in Room 501 of the Blatt Building. The Subcommittee will hear presentations from the following: Board of Financial Institutions, State Accident Fund, Department of Transportation, State Infrastructure Bank and others that may be added.

## **Thursday, January 24<sup>th</sup>, 2013**

No Meetings Scheduled

*Kim Jackson*

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South Carolina House of Representatives

Ways and Means Committee

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