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<http://chronicle.augusta.com/news/metro/2012-11-14/sc-gov-nikki-haley-skipping-republican-governors-association-conference-deal>

By Seanna Adcox

COLUMBIA — Gov. Nikki Haley is skipping the annual Republican Governors Association conference to remain in South Carolina while officials grapple with a massive security breach at the state's tax collection agency.

Haley, a member of the RGA's executive committee, was supposed to speak Tuesday night at a Goldwater Institute dinner in Phoenix, but didn't. Then she planned to fly to Las Vegas for the association's biggest event of the year, which runs Wednesday through Friday, and return on Saturday.

"She felt she needed to focus on what was going on here," said Haley senior adviser Tim Pearson, who left Haley's office as chief of staff last month to manage her potential run for re-election.

Haley and other officials announced Oct. 26 that a computer hacker accessed millions of tax returns filed since 1998, exposing unencrypted Social Security numbers and bank account information. Most of the credit and debit card numbers accessed were encrypted. The number of affected taxpayers has climbed from an initial estimate of 3.6 million to 3.95 million individual filers, plus 657,000 businesses.

Haley planned a news conference Wednesday afternoon to give another update.

The state expects to spend about \$14 million on its response to what experts say might be the largest cyber-attack against a state tax agency in the nation's history.

The cost includes an estimated \$100,000 for outside attorneys, \$150,000 for a public

relations firm, \$500,000 on a computer security company, and \$741,000 on postage to inform taxpayers who live outside South Carolina.

Haley has been urging residents to sign up for a credit monitoring service paid for by the state. As of Tuesday, more than 778,000 people had signed up for Experian's ProtectMyID service. Haley negotiated a \$12 million cap on the cost of the service and an Experian-operated call center.

Haley said 7,100 business owners had signed up by Tuesday for a similar monitoring service for businesses. Dunn & Bradstreet Credibility Corp. is providing that service for free to both businesses and the state.

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