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Subject: WYFF: Cyberattack final tally released; SCDOR head replaced

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Governor: We did not do enough

<http://www.wyff4.com/news/columbia-statewide-news/Cyberattack-final-tally-released-SCDOR-head-replaced/-/9324106/17489378/-/ax1yul/-/index.html>

COLUMBIA, S.C. — Gov. Nikki Haley shared the final tally of how many people have been affected by the cyberattack on South Carolina Department of Revenue at a news conference on Tuesday in which she said repeatedly the state “did not do enough” to protect against hackers.

She also announced that she has accepted the resignation of South Carolina Department of Revenue Director Jim Etter. Executive Director of the South Carolina Public Employee Benefit Authority Bill Blume will take over when Etter’s resignation is effective on Dec. 31.

Haley said Mandiant’s Public Incident Report on the cyberattack indicates that the total number of those compromised includes 3.8 million people who filed electronic tax returns in the state since 1988, 1.9 million dependents who were included in those tax returns, 699,900 businesses, 3.3 million bank accounts and 5,000 expired credit cards.

She identified two areas of vulnerability that left the SCDOR open to attack. Haley said there was no dual verification needed to get into the system. She said the other vulnerability was caused by the state being compliant to the Internal Revenue Service, which doesn't require encryption.

Haley said the vulnerabilities combined with 1970s equipment left the SCDOR open to hacking.

She said that those affected by the security breach will be notified either by the state or by Experian, if they have signed up for the protection. She said only those who filed tax returns electronically in South Carolina since 1988 are affected.

Haley said she is going to encourage other governors to make sure their constituents tax returns are protected and that IRS compliance is not enough.

Haley said experts have told her that no one will ever be 100 percent safe from hackers, but that the more layers of protection that are added, the more unlikely a security breach will be.

Regarding Etter's resignation, she said he agreed with her that a "new set of eyes" were needed to look at security data and tax policy. She said Etter will work with Blume during the transition.

She said several times that the state could have done a better job, but she put much of the blame on "out of date" federal compliance standards and old equipment.

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