

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT AND BENEFITS

SEAN PARNELL, GOVERNOR

PO BOX 110203
Juneau, AK 99811-0203
TDD: (907) 465-2805
FAX: (907) 465-3086
PHONE: (907) 465-4460
TOLL-FREE: 1-800-821-2251

February 12, 2010

Pursuant to Alaska Statute 45.48, I am writing to inform you of a security failure that may have resulted in unauthorized access to your personal information, including your name, social security number (SSN), and date of birth. You should take appropriate steps as outlined in this letter to minimize the risk of becoming a victim of identity theft.

What Happened

PricewaterhouseCoopers LLP (PwC), a contractor performing analysis for a law firm on contract with the State, reported to the Alaska Department of Law that it could no longer locate information it had been analyzing on behalf of the State that contained the personal information described above.

Background

The Division of Retirement and Benefits (DRB) maintains confidential personal records on all present and former Public Employee Retirement System (PERS) and Teacher's Retirement System (TRS) members. In order to accurately determine the State's current and future retirement plan obligations, DRB hires outside "actuary" experts to analyze data on current and future retirees. DRB hired the services of Mercer to conduct this analysis for several years. During this time, DRB routinely provided Mercer with personal information on current and former State employees.

DRB terminated the services of Mercer at the end of 2005. Thereafter, in 2007, the Alaska Retirement Management Board brought a lawsuit against Mercer for failing to conduct a proper analysis of the State's retirement obligations. To pursue this litigation, the Department of Law hired outside counsel, Paul, Weiss, Rifkind, Wharton & Garrison LLP (Paul Weiss). As part of the lawsuit against Mercer, Paul Weiss asked Mercer for the data it used to perform its actuary analysis. This data was then provided to the State's expert, PwC, for review.

PwC took steps to keep this information secure. Unfortunately, the data was lost. It is unclear whether the data was misplaced or stolen. PwC has made diligent efforts to locate the information, and will continue these efforts. Law enforcement personnel have been notified. As of the date of this notice, there is no indication that any of the information has been disclosed or misused.

Number of Individuals Affected

The misplaced confidential information relates to participants in the PERS and TRS in 2003 and/or 2004 who were active or inactive employees, including retirees. This comprises approximately 77,000 current and former

Alaska residents. You are receiving this notice because we believe your name and personal information was included in the information that was lost.

Steps Taken by Alaska and PwC to Protect Consumers

Since learning of the incident, the Alaska Attorney General and PwC have worked together to implement a plan to protect the affected individuals. The plan includes the following measures. PwC will pay for either (1) at least two years of credit monitoring and identity theft protection from Equifax® for each individual affected by this incident or (2) a security freeze. PwC will not pay for both credit monitoring and identity theft protection and a security freeze. PwC will only pay for one of these options.

YOU MAY SIGN UP ANYTIME BEFORE FEBRUARY [12], 2012, BUT IN ORDER TO TAKE FULL ADVANTAGE OF THIS SETTLEMENT, I ENCOURAGE YOU TO SIGN UP TODAY. IF YOU DO NOT SIGN UP BY MAY 3, 2010, YOU MAY LOSE SOME VALUABLE RIGHTS UNDER THE SETTLEMENT AGREEMENT.

A. Credit Monitoring and Identity Theft Protection. The credit monitoring and identity theft protection product being offered to you is called Equifax Credit Watch™ Gold. This product will monitor all three major credit bureaus (Equifax, Experian, and Trans Union), and alert you when anyone accesses your credit report. Credit monitoring may not prevent all forms of identity theft, but it will alert you to suspicious activity that has occurred on your credit report. This will allow you to act quickly to stop any further unauthorized activity on your accounts. Credit monitoring is primarily a tool used to help limit new account fraud. Credit monitoring may not protect you against some kinds of identity theft, like existing account fraud, SSN fraud, debit or check fraud, criminal identity theft, or medical identity theft. The identity theft protection feature of this product will help you restore your credit if you become the victim of identity theft, and provide you with some insurance to cover losses you may incur.

Equifax Credit Watch™ Gold with 3-in-1 Monitoring

Equifax Credit Watch will provide you with an “early warning system” to changes to your credit file and help you to understand the content of your credit file at the three major credit reporting agencies. The key features and benefits are:

- Comprehensive credit file monitoring of your Equifax, Experian, and TransUnion credit reports with daily notification of key changes to your credit files from any of the three agencies.
- Wireless alerts and customizable alerts available
- One 3-in-1 Credit Report and access to your Equifax Credit Report™
- Up to \$1 million in identity theft insurance with \$0 deductible, at no additional cost to you
- 24 by 7 live agent Customer Service to assist you in understanding the content of your Equifax credit information, to provide personalized identity theft victim assistance and in initiating an investigation of inaccurate information.
- 90 day Fraud Alert placement with automatic renewal functionality (available online only)

How Can I Sign Up for Credit Monitoring and Identity Theft Protection?

Equifax Credit Watch credit reports and alerts are available with either **online delivery** or **US Mail** delivery. Online delivery means that you will be logging in to the secure Equifax systems to view your information. US Mail delivery means that your information will be mailed to you via the US Mail.

- To sign up for **online delivery**, go to www.myservices.equifax.com/tri and follow the instructions there.
- To sign up for **US Mail delivery**, dial 1-800-437-4619 for access to the Equifax Credit Watch customer enrollment process.

Please note that with either enrollment method, you will be verifying your identity with Equifax in safe and secure environments. You will need the Promotion Code found at the top of this letter to complete your enrollment.

If you have any questions about the Equifax Credit Watch product and/or the enrollment process, please call Equifax customer care center at 1-800-913-4485 between 9am and 9pm, PST Monday through Friday.

B. Security Freeze. As an alternative to monitoring your credit and providing identity theft protection, PwC will reimburse you for certain costs associated with a security freeze. A security freeze locks your credit files at the three credit reporting agencies until you unlock your file with a password or PIN. A freeze stops new accounts from being established by imposters. While a credit freeze will prevent almost all new account fraud, a credit freeze will also lock YOU out of your credit file. You will need to carefully consider the potential inconvenience of placing a security freeze on your credit file. For example, a security freeze will prevent you from engaging in any transaction that requires a check of your credit report, like opening up new credit card or other financial accounts, buying a car, or changing insurance carriers, and engaging in some on-line transactions. You must lift the security freeze each time you conduct one of these transactions by notifying all three credit reporting agencies. If you frequently engage in these transactions, be aware of the inconvenience a security freeze may cause.

How Can I Sign Up for a Security Freeze?

You will need to call all three credit bureaus (information listed below) and place a security freeze on your credit report. Under Alaska law, each credit agency can only charge you \$5 to place a freeze, and only \$2 for each request to access your credit file after a freeze is in place. They cannot charge you to remove a freeze. If you are a resident of another state, different prices may apply. To receive reimbursement for these expenses (up to \$33), you must save your receipts or invoices and forward them to PwC. Please go to <http://doa.alaska.gov/drb/> to get a reimbursement form with instructions on how and where to file your reimbursement request.

If You Become a Victim of Identity Theft.

If you become a victim of identity theft prior to January 27, 2013, due to PwC's loss of your confidential information, PwC will reimburse you for any uncovered losses you suffer. At the time you become an identity theft victim there will be a presumption that the loss resulted from this incident (except for certain credit card charges to your authorized credit cards), but only if you have enrolled in credit monitoring or placed a security freeze as described above. If you enroll prior to May 3, 2010, then this presumption will extend back to November 17, 2009. If you enroll after May 3, 2010, the presumption will only apply to identity theft that occurs during the time you are enrolled. You will need to first use the identity theft protection benefits offered by Equifax® if you have elected that product. If you do not receive full compensation for any losses you incur, you can then file a claim with PwC. Go to <http://doa.alaska.gov/drb/> to download a claim form with instructions on how to submit your claim. If you have not taken advantage of one of the offerings above, there will not be a presumption that any loss you suffer as a result of identity theft was caused by this incident.

If You Have Problems With Your Enrollment

The State is committed to providing each affected participant with easy access and enrollment to the product provided under the terms of the settlement agreement. The Attorney General wants to know if you experience any problems availing yourself of any of the items that are part of the settlement. If another organization that is not a part of this settlement tries to sell you a product, if you have difficulty enrolling in one of the products offered in this notification, or if someone tries to sell you additional products, please notify the Alaska Attorney General's Office at 907- 269-5200.

Additional Steps You Should Take

We are not aware of any misuse of your confidential information at this time, but you should take precautions to guard against the misuse of your information that could result in identity theft. In addition to credit monitoring or a security freeze, here are some things you can do that will minimize your risk:

1. Fraud Alert. If you do not sign up for free credit monitoring or a security freeze, consider placing a fraud alert on your credit report. Even if you have credit monitoring in place, you can place a fraud alert on your credit card. You can contact the three main credit reporting agencies below to place a fraud alert:

Equifax	1-800-685-1111	www.fraudalerts.equifax.com
Experian	1-888-397-3742	www.experian.com
TransUnion	1-800-680-7289	www.transunion.com

A fraud alert will not prevent access to your credit report, but it will alert the reporting agency, and businesses checking on your credit, that your information may have been compromised and encourage them to verify your identity. If you elect to place a security freeze on your credit report, a fraud alert is not necessary.

2. Review Credit Reports Regularly. The credit monitoring and identity theft protection product offered by Equifax will include access to your credit reports. Even if you do not choose this product, we encourage you to obtain and review your credit report annually. Federal law allows you to request, free of charge, your credit report from each credit reporting agency annually. Contact the agencies at the numbers listed above, or visit www.annualcreditreport.com for information on getting your free reports.

3. Monitor Accounts. Check your monthly credit and bank account statements carefully for suspicious charges, and notify your financial institution of all charges you do not recognize. Close any accounts that you think have been compromised.

4. Stay Informed. There are several consumer resources available that provide valuable information on identity theft, and how to avoid becoming a victim. The Federal Trade Commission maintains a website that contains a wealth of information on identity theft at www.ftc.gov/idtheft.

Future

The State continues to narrow the use of personally identifiable information. This incident strengthens our resolve to be more vigilant in our efforts at the Department of Administration. I have required that all Divisions conduct another review of the use of personally identifiable information to ensure this information is not provided when there is no business reason to require it. This is one way we can further protect your information, by not disclosing it to contractors when it is not required for the work being done.

If you have any questions about this event and/or enrolling in Equifax Credit Watch, please call Equifax customer care center at 1-800-913-4485 between 9am and 9pm, PST Monday through Friday. In addition, if you have any other questions, please notify the Alaska Attorney General's Office at 907- 269-5200.

As someone also affected by this incident, I am sorry for any inconvenience the loss of this information may cause you.

Sincerely,



Annette Kreitzer, Commissioner - Department of Administration