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December 3, 2021

Office of the Attorney General
State of Idaho
700 W. Jefferson Street, P.O. Box 83720
Boise, ID 83720

Re: Notice of Data Breach

Dear Attorney General Wasden:

This notice is provided on behalf of my client, the City of Arco, located in Butte County, Idaho (the "City"). By way of background, the City is the county seat for Butte County with a population of approximately 900 people. On November 8, 2021, the City learned that a large number of emails had been sent without authorization from an employee's email account. The City's IT staff immediately reset the credentials for that account, launched an investigation, and engaged legal counsel with an expertise in cybersecurity. Legal counsel also hired a nationally-recognized cyber security and digital forensics firm to assist with the investigation so that the City could better understand what happened, and, more importantly, prevent something like this from happening again.

The City was able to quickly and fully recover from the incident and deployed Sentinel One, an endpoint detection and response tool to monitor system activity. It has been reported to us by the City's vendor that Sentinel One has not identified anything of concern. The City notified the Idaho ITS Chief Information Security Officer ("ITS CISO") of the incident on November 15, 2021 and provided weekly updates throughout the investigation. The U.S. Department of Homeland Security is also aware of the situation.

The investigation revealed that one City email account was accessed without authorization on November 8, 2021 through a proxy server, and that the threat actor may have acquired the contents of the affected mailbox. As a result, legal counsel reviewed the contents of the compromised email box in order to determine what information was involved, who may have been affected, and where those people reside so that the City could provide any necessary notices. On December 2, 2021, legal counsel discovered that the compromised email account contained one Idaho resident's driver's license number.

The City will provide written notice of a data breach to the affected resident next week. The notice letter will include general advice on how to protect one's identity and obtain free credit reports and security freezes, as well as instructions for enrolling in a one-year, complimentary membership with Experian for credit monitoring and identity theft services. The City is also notifying the Office of Risk Management, ITS CISO and ITS Chief Information Officer. The City remains committed to protecting the security and confidentiality of sensitive information and will continue to invest in the internal resources and tools necessary to effectively safeguard its systems and information.

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

/s/ Matthew H. Meade, Esq.

From: Brian Wonderlich [mailto:Brian.Wonderlich@bcidaho.com]
Sent: Wednesday, December 8, 2021 2:24 PM
To: DeLange, Brett <brett.delange@ag.idaho.gov>
Cc: Elaine Nichenko <Elaine.Nichenko@bcidaho.com>; Karen Maciejewski <Karen.Maciejewski@bcidaho.com>
Subject: Notice of Vendor Breach

Hello Brett. I wanted to make you and the Idaho Attorney General's Office aware of the following in case you get contacted about it.

BCI was notified on Friday December 3, 2021, that one of its external review vendors experienced a data breach on November 9, 2021, impacting twenty-two (22) BCI members, ten (10) of whom reside in Idaho. On Sunday December 5, 2021, we learned that social security numbers may have been included in the data breached. At this time, it appears that the vendor was able to recover the data without the data being misused. The vendor will be providing affected members with a personalized notification letter and free credit monitoring consistent with HIPAA requirements.

We anticipate that member notification will occur in the near future and will provide you with additional information, including a copy of the member notification letter, once it is received.

Feel free to contact me if you have any questions. I hope you are well.

Brian C. Wonderlich
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Blue Cross of Idaho, 3000 E. Pine Ave, Meridian, ID 83642