



GARY R. HERBERT
GOVERNOR

STATE OF UTAH
OFFICE OF THE GOVERNOR

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LIEUTENANT GOVERNOR

MEDIA ALERT

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Governor Details Comprehensive State Response to Data Breach

SALT LAKE CITY -- In the Capitol Board Room this afternoon, Utah Governor Gary R. Herbert, flanked by agency leadership, detailed the State's comprehensive response to the recent health and Medicaid data breach. The State response includes a full-scale, independent audit of technology security systems, the appointment of a new health data security ombudsman, investigation by law enforcement and personnel action.

"The State of Utah must restore the trust placed in it," the Governor said. "Cyber-security is the modern battlefield and we are all enlisted—you, me, our state agencies, the Legislature—all of us have a critical role to play," he added.

Confirming that the March 30 unauthorized transfer of personal files from state servers was an isolated incident, the Governor apologized to the approximately 280,000 individuals whose Social Security Numbers were compromised, as well as approximately 500,000 others who had less sensitive information also stored on the server. "The compromise of even one person's private information is a completely unacceptable breach of trust," said the Governor. "The people of Utah rightly believe that their government will protect them, their families and their personal data. As a state government, we failed to honor that commitment. For that, as your Governor and as a Utahn, I am deeply sorry."

According to law enforcement authorities, cyber attacks on public information systems have increased 600% this year, resulting in nearly a million attempts daily by cyber terrorists or hackers to infiltrate the State IT network. That reality, coupled with the recent data breach, prompted the Governor to call for a comprehensive, independent security audit of information

technology systems, both for this incident and across all agencies. The security audit, conducted by Deloitte & Touche, is now underway, as is a parallel assessment of the State's response to victims.

Another critical part of the State's response is Governor Herbert's appointment of Sheila Walsh-McDonald as the new Health Data Security Ombudman. She will oversee individual case management, credit counseling and public outreach. The Governor said, "Sheila is a trusted and experienced member of the public health and advocacy community, having dedicated her 33-year professional career to working on behalf of Utah's disparate populations, with a focus on improving and strengthening the public and private programs that serve them. It is truly an honor to have Sheila on board in this effort and I thank her for her willingness to serve."

During today's event, the Governor also announced the resignation of Stephen Fletcher, executive director of the Dept. of Technology Services (DTS), and the subsequent appointment of 28-year IT veteran Mark VanOrden as acting director of DTS. VanOrden is the IT director for the Utah Dept. of Workforce Services and recent recipient of the Merrill Baumgardner award for excellence. "Right now, I am counting on Mark's well-established ability to pull the DTS team together to focus on optimizing the value of Deloitte's audits and our efforts to rebuild public trust in our IT systems and processes," said Governor Herbert.

The Governor urged impacted individuals and families to contact the Utah Dept. of Health hotline (1-855-238-3339) with any questions and encouraged them to enroll in free credit monitoring.

He further cautioned citizens to beware of scammers and those who prey on the vulnerable and ill-informed. "Please know that no one from the State will contact you and ask for information over the phone or via email regarding this incident. Do not provide private information, especially not a Social Security Number or account information, in response to a phone call or email you did not initiate," the Governor said. "This incident is a tragic reminder that it is a different world in which we live. The dynamics continue to change and there is a very real and growing cyber threat."

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Sheila Walsh-McDonald **Health Data Security Ombudsman, Dept. of Health**



Sheila Walsh-McDonald has dedicated her 33-year professional career to working on behalf of Utah's disparate populations, with a focus on improving and strengthening the public and private programs that serve them. She earned her Bachelor of Social Work at Temple University in Philadelphia, Pennsylvania, graduating Cum Laude and completed her Master of Social Work at the University of Utah in Salt Lake City, Utah with an emphasis on community organization and public policy.

The vast majority of her career has been spent at the Salt Lake Community Action Program (SLCAP). From 1978 to the present, she has served in a variety of positions and capacities, including: organizing low-income residents to remove the food sales tax as State Director of the Community Food and Nutrition Program; serving as a health care, welfare reform, and homeless advocate; supervising the agency's community organizer, and; chairing the Salt Lake County Homeless Coordinating Council from 2000-2002.

As a health care, welfare reform, and homeless advocate, Ms. Walsh-McDonald works closely with the state agencies to assure that the best policies are put into practice to help low-income families and individuals become self-sufficient. These efforts involve working with federal, state and local policymakers to assure pertinent legislation and budgets support these initiatives.

From 1998-2008, Ms. Walsh-McDonald oversaw and successfully renewed a HUD Continuum of Care grant, which was a collaboration of four private agencies providing assistance to homeless individuals and families living in transitional housing. As the lead agency, she managed budgets, contracts with other agencies, monitoring, evaluating, and reporting to HUD.

Prior to her career with SLCAP, she worked for two years as a Constituent Services Case Manager in the district office of Utah Congresswoman Karen Shepherd. In that capacity she worked on federal welfare and health care reform efforts.

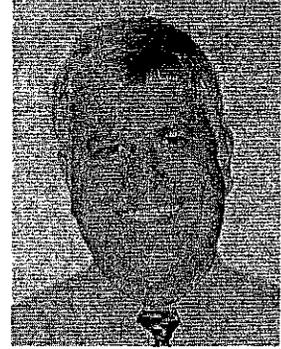
In the 1980s, Ms. Walsh-McDonald was responsible for overseeing the well-being of mothers and children as director of the Women, Infants and Children (WIC) program at the Utah Department of Health. Her duties included providing leadership to define and interpret the legislative intent and Rules and Regulations of the WIC Program with USDA, the State WIC Office, and local agencies. In the role of director, she was responsible for: overall planning, developing, and evaluation of the WIC Program statewide; oversight of budgeting, development design, and contracts with local agencies and the fiscal intermediary, and; coordinating and developing specifications for an automated delivery system and data tracking mechanism for the Program.

Outside the office she has served on the boards of the Children's Center and the University of Utah's Bennion Center, as well as chairing the United Way Allocation Panel. She has been recognized for her tireless efforts for the underserved with the 2003 Distinguished Advocacy Award from Utah Issues and the 2004 Child Advocate Award from Utah Children.

Ms. Walsh-McDonald is a resident of Salt Lake City.

Media requests should be directed to UDOH PIO Tom Hudachko at 801-538-6232.

Mark VanOrden, Acting Director Dept. of Technology Services



- Started in Information Technology with Salt Lake City in 1979.
- Joined the State of Utah as a programmer for the Department of Employment Security in 1982.
- Left the State for the private sector as a consultant in 1987.
- Rejoined the State as Systems Analyst in 1989.
- Served as the Project Manager for many large application development projects including:
 - Automated Placement Project (APP)
 - Utah Employment System (UTES)
 - Access Utah
 - Computer Automated Tax System (CATS)
 - Utah Works (UWORKS)
 - Comprehensive Unemployment Benefits System (CUBS)
 - Electronic Resource Eligibility Program (eREP)
- Served as the IT Director for the Department of Workforce Services since 2006.
- Distinguished recipient of the 2007 Merrill Baumgardner Award, presented annually to an individual who has demonstrated excellence in the field of automation in a state workforce agency. From the recognition of that award:

Mr. VanOrden's ability to 'think outside the box' and 'push the envelope' has produced several mission critical systems for DWS. He has personally overseen the design, development, implementation, and maintenance of a 'suite' of major workforce application systems that have allowed employers, customers, and employees to process information more efficiently. His achievements would be remarkable in the private sector, yet his accomplishments have been within the constraints of government, with a commitment to budget and timeframes that are probably without peer. His achievements in the development of complex IT systems for Utah are a model for other states to emulate.

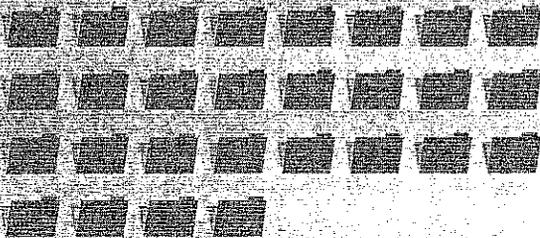
Mr. VanOrden has the rare combination of exceptional management skills and technical skills. His ability to tap into the knowledge and skills of the system line-users makes his projects successful. He sees where positive "returns on investment" can be realized and focuses on these areas. After implementation, he monitors and improves the system by requesting ongoing feedback.

In typical Mark VanOrden fashion, he credits his success to his staff. You could say that Mr. VanOrden "walks the talk," and truly appreciates the hard work and dedication of others. DWS and the workforce development system have been fortunate to have him as an employee.

Media requests should be directed to DTS PIO Stephanie Weiss at 801-538-3284.

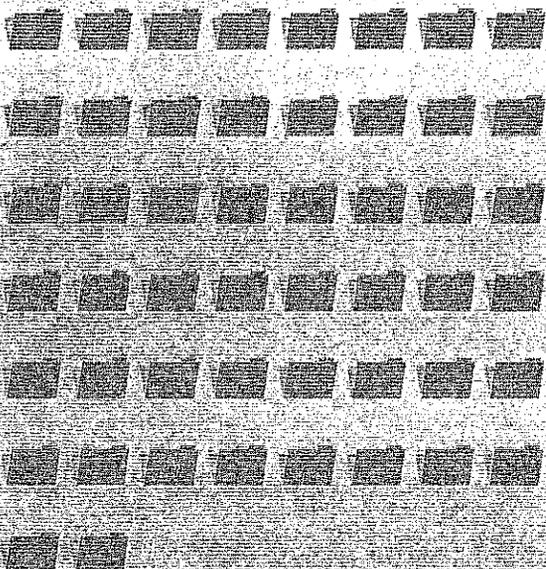
Impact of State of Utah Data Security Breach

Approximately 280,000 with SSN stolen



- ▶ Notified by letter during the month of April
- ▶ 1 year free credit monitoring through Experian

Approximately 500,000 with other Personal Identification information stolen (DOB, First Name, Last Name, Address)



Approximately 190,000 notified by letter in April-May to closely monitor credit

Approximately 100,000 with incomplete data that DTS and UDOH are still analyzing

Approximately 210,000 duplicates and partial data that is indecipherable.