

April 26, 2023

VIA Electronic Mail: consumer@ag.iowa.gov

Consumer Protection Division
Security Breach Notification
Office of the Attorney General of Iowa
1305 E. Walnut Street
Des Moines, Iowa 50319

Re: Notice of a Data Security Incident

To the Office of the Attorney General:

I write on behalf of my client, Carrington Mortgage Services, LLC (the "Company"), to inform you that the Company's vendor, Alvaria, Inc. ("Alvaria"), experienced a data security incident that affected the personal information of some of the Company's customers. Alvaria is a workforce management and call center technology solution company. Alvaria handles personal information to perform services for the Company.

I. Nature of the Security Incident

On March 9, 2023, Alvaria was the victim of a sophisticated ransomware attack on a portion of its customer environment that maintained some of its customers' data. Upon discovery, Alvaria immediately secured its networks, restored its systems and operations via backups, and initiated an investigation of the incident with the assistance of forensic experts. Its investigation determined that, on March 9, 2023, the unauthorized actor obtained some data associated with the Company maintained in technical system log and temp files. While Alvaria performed its forensic investigation, the Company completed its analysis of the affected data on April 4, 2023.

II. Affected Data

The affected data may include an individual's name, mailing address, telephone number, loan number, current loan balance, and the last four digits of the individual's Social Security number. Notices to Iowa residents were sent via first-class mail on April 26, 2023.

III. Steps Alvaria and Carrington have Taken to Address the Incident

To help protect against a similar attack in the future, Alvaria has implemented additional measures and controls to enhance its security and to aggressively monitor its environment. Alvaria also notified the

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Federal Bureau of Investigation of the incident. In addition, it arranged to have Experian help protect the affected individuals from identity theft by offering, free of charge, 24 months of credit monitoring, fraud consultation, and identity theft restoration services. It also provided an explanation of additional steps that affected individuals may consider taking to further protect themselves and their information, including checking credit reports, utilizing fraud alert services, and placing a security freeze on credit reports. Enclosed is a copy of the notification letter to individuals.

The Company's information security diligence process prior to engaging vendors is extremely rigorous, and has been subjected to favorable review by multiple regulators at both the state and federal levels as well as by numerous rating agencies and major banking counterparties. Nevertheless, in light of this event, the Company has begun an additional assessment of Alvaria's technical security measures to ensure that Alvaria has been providing and will continue to provide the security measures promised to the Company and to help ensure this type of incident does not happen again. The assessment will go beyond the initial review the Company conducted prior to engaging Alvaria. The Company is also reviewing its own internal policies, procedures, and processes related to supply chain cybersecurity risk management to help ensure its vendors are properly protecting personal information. This review will be in addition to the Company's regular and ongoing reviews of its policies and procedures. Additionally, the Company is taking steps to prevent access to customers' accounts through the use of the information affected by the incident. The Company continues to evaluate ways to better protect customers and their personal information.

Please contact me if you have any questions.

Sincerely,



Wendell J. Bartnick
Reed Smith LLP

Enclosure

Cc: Eric Manski, Reed Smith LLP



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SAMPLE A. SAMPLE - L02

APT ABC



123 ANY ST

ANYTOWN, US 12345-6789



Re: Notice of Data Incident [Extra1]

April 26, 2023

Dear Sample A. Sample:

Alvaria, Inc. ("Alvaria") is a workforce management and call center technology solution company. We write to inform you about a recent incident experienced by Alvaria that may have involved some of your personal information, which came into our possession due to the services we provide [Company]. We are providing you with information about the incident and steps you can take to protect yourself, should you feel it necessary to do so.

What Happened? On March 9, 2023, Alvaria was the victim of a sophisticated ransomware attack on a portion of our customer environment that maintained some of our customers' workforce management and/or outbound dialer data. Upon discovery, we immediately secured our networks, safely restored our systems and operations via viable backups, and initiated an investigation of the incident with the assistance of forensic experts. Our investigation determined that, on March 9, 2023, the unauthorized actor obtained access to and procured some data associated with [Company], which may have contained your personal information. Presently, we have no evidence of actual or attempted misuse of your personal information.

What Information Was Involved. The impacted files may have contained your personal information, including your name, [Extra2].

What We Are Doing. Upon discovery of the incident, we immediately secured our networks, implemented measures to further improve the security of our systems, safely restored our systems and operations via viable backups, initiated an investigation of the incident with the assistance of forensic experts, and notified the Federal Bureau of Investigation ("FBI"). We also are notifying you so that you may take further steps to protect your information, should you feel it appropriate to do so. In addition, we are providing you with access to 24 months of credit monitoring and identity restoration services through Experian at no charge to you. You must enroll by July 31, 2023.

What You Can Do. Please review the enclosed "*Steps You can take to Help Protect Your Information*" which describes the services we are offering, how to activate them, and provides further details on how to protect yourself. We encourage you to remain vigilant against the potential for identity theft and fraud and to monitor your accounts and credit reports for any suspicious activity.

For More Information. We sincerely regret any inconvenience this incident may have caused you. If you have additional questions, you may call our dedicated assistance line [Extra3] (toll-free), Monday–Friday, from 9:00 a.m. to 11:00 p.m. Eastern Time, and Saturday–Sunday, 11:00 a.m. to 8:00 p.m. Eastern Time. Please be prepared to provide engagement number [Engagement Number].

Sincerely,



Jacques Greyling
Chief Operations Officer



STEPS YOU CAN TAKE TO HELP PROTECT YOUR INFORMATION

Enroll in Complimentary Identity Monitoring Services

We are providing you with a 24-month membership of Experian's IdentityWorks. A credit card is not required for enrollment in the identity monitoring services. To enroll, at no cost to you,

- **Visit** the Experian IdentityWorks website to enroll: <https://www.experianidworks.com/credit>
- Provide your **activation code: ABCDEFGHI**
- Ensure that you **enroll by: July 31, 2023** (Your code will not work after this date.)

With Experian IdentityWorks, you can contact Experian **immediately** regarding any fraud issues, and have access to the following features once you enroll:

- **Experian credit report at signup:** See what information is associated with your credit file. Daily credit reports are available for online members only. Offline members may call for additional reports quarterly.
- **Credit Monitoring:** Actively monitors Experian file for indicators of fraud.
- **Identity Restoration:** Identity Restoration specialists are immediately available to help you address credit and non-credit related fraud.
- **Experian IdentityWorks ExtendCARE™:** You receive the same high-level of Identity Restoration support even after your Experian IdentityWorks membership has expired.
- **Up to \$1 Million Identity Theft Insurance*:** Provides coverage for certain costs and unauthorized electronic fund transfers.

If you have questions about the product, need assistance with identity restoration, or would like an alternative to enrolling in Experian IdentityWorks online, please contact Experian's customer care team at [Extra3] by **July 31, 2023**. Be prepared to provide engagement number **[Engagement Number]** as proof of eligibility for the identity restoration services by Experian.

If you believe there was fraudulent use of your information and would like to discuss how you may be able to resolve those issues, please reach out to an Experian agent at [Extra3]. If, after discussing your situation with an agent, it is determined that Identity Restoration support is needed, then an Experian Identity Restoration agent is available to work with you to investigate and resolve each incident of fraud that occurred (including, as appropriate, helping you with contacting credit grantors to dispute charges and close accounts; assisting you in placing a freeze on your credit file with the three major credit bureaus; and assisting you with contacting government agencies to help restore your identity to its proper condition).

The Terms and Conditions for this offer are located at www.ExperianIDWorks.com/restoration. You will also find self-help tips and information about identity protection at this site.

Free Credit Report

Under U.S. law, you are entitled to one free credit report annually from each of the three major credit reporting bureaus (Equifax, Experian, and TransUnion). Obtaining a copy of your credit report from each agency on an annual basis, and reviewing it for suspicious activity, can help you spot problems and address them quickly. You can request your free credit report online at www.annualcreditreport.com or by phone at 1-877-322-8228. You can also request your free credit report by completing the request form at: www.annualcreditreport.com, and mailing it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. You may wish to stagger your requests so that you receive a free report by one of the three credit bureaus every four months.

* The Identity Theft Insurance is underwritten and administered by American Bankers Insurance Company of Florida, an Assurant company. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.

Fraud Alert

As a precaution against identity theft, you can consider placing a fraud alert on your credit file. A “fraud alert” tells creditors to contact you before opening a new account or changing an existing account. A fraud alert also lets your creditors know to watch for unusual or suspicious activity. To place a fraud alert, call any one of the three major credit reporting agencies listed below. An initial fraud alert remains effective for ninety days, and is free of charge. If you wish, you can renew the fraud alert at the expiration of this initial period. As soon as one credit agency confirms your fraud alert, the others are notified to place fraud alerts on your file.

Equifax®

P.O. Box 105069
Atlanta, GA 30348-5069
1-800-685-1111
<https://www.equifax.com/personal/credit-report-services/credit-fraud-alerts>

Experian

P.O. Box 9701
Allen, TX 75013-9701
1-888-397-3742
www.experian.com/fraud/center.html

TransUnion®

P.O. Box 2000
Chester, PA 19016-1000
1-800-916-8800
<https://www.transunion.com/fraud-alerts>

Security Freeze

Under the law, you have the right to obtain any police report filed in regard to this incident. If you are the victim of identity theft, you also have the right to file a police report and obtain a copy of it.

Federal law also allows consumers to place, lift or remove a security freeze on their credit reports at no charge. A security freeze prohibits a credit reporting agency from releasing any information from a consumer's credit report without written authorization. Be aware that placing a security freeze on your credit report may delay, interfere with, or prevent the timely approval of any requests you make for new loans, credit mortgages, employment, housing, or other services.

To place a security freeze on your credit report, you must send a written request by regular, certified, or overnight mail at the addresses below to *each* of the three major credit reporting agencies: Equifax (www.equifax.com); Experian (www.experian.com); and TransUnion (www.transunion.com). You may also request the security freeze through *each* of the credit reporting agencies' websites or over the phone:

Equifax®

P.O. Box 105788
Atlanta, GA 30348-5788
1-888-298-0045
<https://www.equifax.com/personal/help/place-lift-remove-security-freeze/>

Experian

P.O. Box 9554
Allen, TX 75013
1-888-397-3742
www.experian.com/freeze/center.html

TransUnion®

P.O. Box 160
Woodlyn, PA 19094
1-800-916-8800
www.transunion.com/credit-freeze

In order to request a security freeze, you will need to provide the following information:

1. Your full name (including middle initial as well as Jr., Sr., II, III, etc.);
2. Social Security Number;
3. Date of birth;
4. If you have moved in the past five (5) years, provide the addresses where you have lived over the prior five years;
5. Proof of current address such as a current utility bill or telephone bill;
6. A legible photocopy of a government issued identification card (state driver's license or ID card, military identification, etc.);
7. If you are a victim of identity theft, include a copy of either the police report, investigative report, or complaint to a law enforcement agency concerning identity theft; and
8. If you are not a victim of identity theft, include payment by check, money order, or credit card (Visa, MasterCard, American Express or Discover only). Do not send cash through the mail.

The credit reporting agencies have three (3) business days after receiving your request to place a security freeze on your credit report. The credit bureaus must also send written confirmation to you within five (5) business days and provide you with a unique personal identification number (PIN) or password, or both that can be used by you to authorize the removal or lifting of the security freeze.



To lift the security freeze in order to allow a specific entity or individual access to your credit report, you must call or send a written request to the credit reporting agencies by mail and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze as well as the identities of those entities or individuals you would like to receive your credit report or the specific period of time you want the credit report available. The credit reporting agencies have three (3) business days after receiving your request to lift the security freeze for those identified entities or for the specified period of time.

To remove the security freeze, you must send a written request to each of the three credit bureaus by mail and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze. The credit bureaus have three (3) business days after receiving your request to remove the security freeze.

Additional Information

You may obtain additional information about identity theft (including, a security freeze) by contacting the above, your state Attorney General, or the Federal Trade Commission (FTC). The Federal Trade Commission can be reached at: 600 Pennsylvania Avenue NW, Washington, DC 20580; www.identitytheft.gov; 1-877-ID-THEFT (1-877-438-4338); and TTY: 1-866-653-4261.

For Iowa residents, you are advised to report suspected incidents of identity theft to local law enforcement or the attorney General. The Attorney General may be contacted at 1305 E. Walnut Street, Des Moines, IA 50319; 515-281-5164; or www.iowaattorneygeneral.gov.

For Oregon residents, you are advised to report suspected identity theft to law enforcement, including the Attorney General and the FTC. The Attorney General may be contacted at 1162 Court St. NE, Salem, OR 97301; 503-378-4400; or www.doj.state.or.us.

For New Mexico residents, you have rights pursuant to the Fair Credit Reporting Act, such as the right to be told if information in your credit file has been used against you, the right to know what is in your credit file, the right to ask for your credit score, and the right to dispute incomplete or inaccurate information. Further, pursuant to the Fair Credit Reporting Act, the consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information; consumer reporting agencies may not report outdated negative information; access to your file is limited; you must give your consent for credit reports to be provided to employers; you may limit “prescreened” offers of credit and insurance you get based on information in your credit report; and you may seek damages from violators. You may have additional rights under the Fair Credit Reporting Act not summarized here. Identity theft victims and active duty military personnel have specific additional rights pursuant to the Fair Credit Reporting Act. We encourage you to review your rights pursuant to the Fair Credit Reporting Act by visiting www.consumerfinance.gov/f/201504_cfpb_summary_your-rights-under-fcra.pdf or by writing to Consumer Response Center, Room 130-A, Federal Trade Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.