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March 25, 2022

VIA EMAIL (Idtheft@oag.state.md.us)

Office of the Maryland Attorney General
Attn: Security Breach Notification
200 St. Paul Place
Baltimore, MD 21202

Re: Rick Hug & Associates – Incident Notification

Dear Sir/Madam:

McDonald Hopkins PLC represents Rick L. Hug CPA, P.C. dba Rick Hug & Associates (“Rick Hug”). We are providing courtesy notice of Rick Hug’s mailing of letters to approximately four (4) Maryland residents concerning fraudulent tax filings experienced by a number of Rick Hug clients. Rick Hug conducted an extensive forensic investigation and concluded that there was no evidence that any client or other data was accessed or removed from its systems. Nonetheless, out of an abundance of caution, Rick Hug is notifying its clients of the issue.

Rick Hug was recently advised by the Oregon Department of Revenue that tax returns had been filed in 2022 using Rick Hug’s PTIN numbers (Preparer’s Tax identification number). Upon learning of this issue, Rick Hug immediately commenced a prompt and thorough investigation, working very closely with external cybersecurity professionals experienced in handling these types of incidents. Additionally, it has been in nearly constant communication with the Oregon Department of Revenue and the Internal Revenue Service. After an extensive and thorough forensic investigation, including an outside forensic team and the full cooperation of our existing IT team that monitors our systems 24/7, the investigators concluded on February 27, 2022 that there was no evidence that any client or other data was accessed or removed from our systems. Nonetheless, in connection with Rick Hug’s tax consulting services, its systems contain (to the extent individuals have provided it to Rick Hug), the following information for individuals receiving notice: full name, Social Security number, and financial account information.

As a courtesy, Rick Hug wanted to voluntarily inform you (and its clients) of the incident and to explain the steps that it is taking to help safeguard its clients against identity fraud. Rick Hug is providing its clients with written notification of this incident commencing on or about March 25, 2022 in substantially the same form as the letter attached hereto. Rick Hug is offering its clients complimentary one-year membership with a credit monitoring service. Rick Hug will advise its clients to always remain vigilant in reviewing financial account statements for

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fraudulent or irregular activity on a regular basis. Rick Hug will advise its clients about the process for placing a fraud alert and/or security freeze on their credit files and obtaining free credit reports. Rick Hug's clients are also being provided with the contact information for the consumer reporting agencies and the Federal Trade Commission, and the Maryland Attorney General.

At Rick Hug, protecting the privacy of personal information is a top priority. Rick Hug is committed to maintaining the privacy of personal information in its possession and has taken many precautions to safeguard it. Rick Hug continually evaluates and modifies its practices to enhance the security and privacy of the personal information it maintains.

Should you have any questions regarding this notification, please contact me at (248) 593-2952 or cbattersby@mcdonaldhopkins.com. Thank you for your cooperation.

Very truly yours,



Colin M. Battersby

Encl.

Rick Hug & Associates
Return Mail Processing Center
P.O. Box 6336
Portland, OR 97228-6336

IMPORTANT INFORMATION
PLEASE REVIEW CAREFULLY

Dear [REDACTED]:

The privacy and security of the personal information we maintain for our clients is of the utmost importance. We are writing to inform you that the Oregon Department of Revenue and the Internal Revenue Service have recently alerted us to fraudulent tax filings affecting some of our clients. We want to provide you with information about the reports, let you know about the services we are providing to you, and let you know that we continue to take significant measures to protect your information.

Rick Hug & Associates was recently advised by the Oregon Department of Revenue that tax returns had been filed in 2022 using Rick Hug & Associates PTIN numbers (Preparer's Tax identification number). Upon learning of this issue, we immediately commenced a prompt and thorough investigation, working very closely with external cybersecurity professionals experienced in handling these types of incidents. Additionally, we have been in nearly constant communication with the Oregon Department of Revenue and the Internal Revenue Service. **After an extensive and thorough forensic investigation, including an outside forensic team and the full cooperation of our existing IT team that monitors our systems 24/7, the investigators concluded on February 27, 2022 that there was no evidence that any client or other data was removed from our systems.** Nevertheless, we truly value all of our customers and it is important to us to provide you with this information and the resources needed to protect yourself in light of the rampant tax fraud that is going on around the country, across financial institutions and other industries.

THE OREGON DEPARTMENT OF REVENUE AND THE INTERNAL REVENUE SERVICE WILL NOT INFORM US OF WHO HAS HAD A FRAUDULENT RETURN FILED. We will only know that you have been affected if either: (a) you receive a notice and inform us; or (b) we efile your return and see that it is rejected. **If you receive a notice from the Oregon Department of Revenue or Internal Revenue Service about any fraudulent filing in your name, please let us know immediately and we will help you prepare a tax return which will have to be paper filed. You will need to sign the return and send it to the Internal Revenue Service and the Oregon Department of Revenue via certified mail.** Please note, for this year only and in response to this issue, we have worked hard to set up systems with the Oregon Department of Revenue and the Internal Revenue Service that allows them to verify the legitimacy of your return before we file it, which should prevent additional fraudulent filings.

As you know, in connection with providing you with tax consulting services, our systems contain (to the extent you have provided it to us), your name, Social Security number, and financial account information. Again, we have no evidence that our systems were compromised. Nevertheless, to protect you from potential misuse of your information, we are offering a complimentary one-year membership in Equifax® Credit Watch™ Gold. Equifax® Credit Watch™ Gold is completely free to you and enrolling in this program will not hurt your credit score. For more information on identity theft prevention and Equifax® Credit Watch™ Gold, including instructions on how to activate your complimentary one-year membership, please see the additional information provided in this letter.

This letter also provides other precautionary measures you can take to protect your personal information, including placing a fraud alert and/or security freeze on your credit files, and/or obtaining a free credit report. Additionally, you should always remain vigilant in reviewing your financial account statements and credit reports for fraudulent or irregular activity on a regular basis. We remain fully committed to maintaining the privacy of personal information in our possession and have taken many precautions to safeguard it. We continually evaluate and modify our practices to enhance the security and privacy of your personal information.

If you have any further questions regarding this incident, please contact our office at [REDACTED] from Monday through Friday, 9:00 a.m. to 5:00 p.m. Pacific.

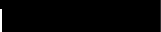
Sincerely,

Rick Hug & Associates



– OTHER IMPORTANT INFORMATION –

1. Enrolling in Complimentary 12-Month Credit Monitoring.

Activation Code: 
Enrollment Deadline 

Equifax® Credit Watch™ Gold with 3-in-1 Credit Monitoring provides you with the following key features:

- 3-Bureau credit file monitoring¹ and alerts of key changes to your Equifax®, Transunion®, and Experian® credit reports
- One Equifax 3-Bureau credit report
- Automatic Fraud Alerts² With a fraud alert, potential lenders are encouraged to take extra steps to verify your ID before extending credit
- Wireless alerts (available online only) Data charges may apply.
- Access to your Equifax® credit report
- Up to \$1 MM Identity Theft Insurance³
- Live agent Customer Service 7 days a week from 8 a.m. to 3 a.m.

Enrollment Instructions

To sign up online for online delivery go to www.myservices.equifax.com/tri

- 1. Welcome Page:** Enter the Activation Code provided above in the “Activation Code” box and click the “Submit” button.
- 2. Register:** Complete the form with your contact information (name, gender, home address, date of birth, Social Security Number and telephone number) and click the “Continue” button.
- 3. Create Account:** Complete the form with your email address, create a User Name and Password, review the Terms of Use and then check the box to accept and click the “Continue” button.
- 4. Verify ID:** The system will then ask you up to four security questions to verify your identity. Please answer the questions and click the “Submit Order” button.
- 5. Order Confirmation:** This page shows you your completed enrollment. Please click the “View My Product” button to access the product features.

To sign up for US Mail delivery, dial 1-866-937-8432 for access to the Equifax Credit Watch Gold with 3-in-1 Credit Monitoring automated enrollment process. Note that all credit reports and alerts will be sent to you via US Mail only.

- 1. Activation Code:** You will be asked to enter your Activation Code provided above.
- 2. Customer Information:** You will be asked to enter your home telephone number, home address, name, date of birth and Social Security Number.
- 3. Permissible Purpose:** You will be asked to provide Equifax with your permission to access your credit file and to monitor your file. Without your agreement, Equifax cannot process your enrollment.
- 4. Order Confirmation:** Equifax will provide a confirmation number with an explanation that you will receive your Fulfillment Kit via the US Mail (when Equifax is able to verify your identity) or a Customer Care letter with further instructions (if your identity can not be verified using the information provided). Please allow up to 10 business days to receive this information.

2. Placing a Fraud Alert on Your Credit File.

Whether or not you choose to use the complimentary 12 month credit monitoring services, we recommend that you place an initial one (1) year “fraud alert” on your credit files, at no charge. A fraud alert tells creditors to contact you personally before they open any new accounts. To place a fraud alert, call any one of the three major credit bureaus at the numbers listed below. As soon as one credit bureau confirms your fraud alert, they will notify the others.

Equifax
P.O. Box 105788
Atlanta, GA 30348
<https://www.equifax.com/personal/credit-report-services/credit-fraud-alerts/>
(800) 525-6285

Experian
P.O. Box 9554
Allen, TX 75013
<https://www.experian.com/fraud/center.html>
(888) 397-3742

TransUnion LLC
P.O. Box 6790
Fullerton, PA 92834-6790
<https://www.transunion.com/fraud-alerts>
(800) 680-7289

1. Credit monitoring from Experian® and Transunion® will take several days to begin.

2. The Automatic Fraud Alert feature is made available to consumers by Equifax Information Services LLC and fulfilled on its behalf by Equifax Consumer Services LLC.

3. Identity theft insurance is underwritten by American Bankers Insurance Company of Florida or its affiliates. The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions and exclusions of coverage. Coverage may not be available in all jurisdictions.

3. **Placing a Security Freeze on Your Credit File.**

If you are very concerned about becoming a victim of fraud or identity theft, you may request a “security freeze” be placed on your credit file, at no charge. A security freeze prohibits, with certain specific exceptions, the consumer reporting agencies from releasing your credit report or any information from it without your express authorization. You may place a security freeze on your credit report by contacting all three nationwide credit reporting companies at the numbers below and following the stated directions or by sending a request in writing, by mail, to all three credit reporting companies:

Equifax Security Freeze

P.O. Box 105788
Atlanta, GA 30348
<https://www.equifax.com/personal/credit-report-services/credit-freeze/>
(800) 349-9960

Experian Security Freeze

P.O. Box 9554
Allen, TX 75013
<http://experian.com/freeze>
(888) 397-3742

TransUnion Security Freeze

P.O. Box 2000
Chester, PA 19016
<http://www.transunion.com/credit-freeze>
(888) 909-8872

In order to place the security freeze, you’ll need to supply your name, address, date of birth, Social Security number and other personal information. After receiving your freeze request, each credit reporting company will send you a confirmation letter containing a unique PIN (personal identification number) or password. Keep the PIN or password in a safe place. You will need it if you choose to lift the freeze.

If you do place a security freeze *prior* to enrolling in the credit monitoring service as described above, you will need to remove the freeze in order to sign up for the credit monitoring service. After you sign up for the credit monitoring service, you may refreeze your credit file.

4. **Obtaining a Free Credit Report.**

Under federal law, you are entitled to one free credit report every 12 months from each of the above three major nationwide credit reporting companies. Call 1-877-322-8228 or request your free credit reports online at www.annualcreditreport.com. Once you receive your credit reports, review them for discrepancies. Identify any accounts you did not open or inquiries from creditors that you did not authorize. Verify all information is correct. If you have questions or notice incorrect information, contact the credit reporting company.

5. **Addressing Potential Tax Fraud**

If your tax return is rejected or you receive a tax notice from a government agency (such as a notice from the IRS indicating someone was otherwise using your Social Security number), we recommend that you follow the below guidance with our assistance:

- Send us a copy of any Federal or state notice received.
- **File an Identity Theft Affidavit (Form 14039 and send it to us (the form can be downloaded at: <https://www.irs.gov/pub/irs-pdf/f14039.pdf>). We will prepare and attach this Identity Theft Affidavit to your current year’s tax return;**
 - *Additional instructions for filing the Affidavit are included on the following pages.*
- You may choose to opt-in to the IRS Identity Protection (IP) PIN Program. An IP PIN is a six-digit number that prevents someone else from filing a tax return using your Social Security number. The IP PIN is known only to you and the IRS and helps the IRS verify your identity when you file your electronic or paper tax return. To opt-in, you should use the online “Get an IP PIN” tool (which can be found here: <https://www.irs.gov/identity-theft-fraud-scams/get-an-identity-protection-pin>). If you don’t already have an account on IRS.gov, you must register to validate your identity. An IP PIN is valid for one calendar year. You must obtain a new IP PIN each year. The IP PIN tool is generally unavailable mid-November through mid-January each year.
 - A complete listing of each state tax agency’s website can be found at: <https://www.taxadmin.org/state-tax-agencies>. *Additional information for reporting tax-related identity fraud to state tax agencies can be found on the following pages.*
- Review guidance from the IRS about tax-related identity theft at: <https://www.irs.gov/uac/taxpayer-guide-to-identity-theft> (*Taxpayer Guide to Identity Theft*) and <https://www.irs.gov/pub/irs-pdf/p5027.pdf> (*IRS Publication 5027, Identity Theft Information for Taxpayers*); and/or

Keep in mind that if you have an open identity theft case that is being worked on by the IRS, you need to continue to file your tax returns while the investigation is ongoing. Additional information regarding preventing tax related identity theft can be found at: <http://www.irs.gov/uac/Identity-Protection>.

6. **Additional Helpful Resources.**

Even if you do not find any suspicious activity on your initial credit reports, the Federal Trade Commission (FTC) recommends that you check your credit reports periodically. Checking your credit report periodically can help you spot problems and address them quickly.



If you find suspicious activity on your credit reports or have reason to believe your information is being misused, report it to law enforcement: that could include notifying the Attorney General and Federal Trade Commission, as well as calling your local law enforcement agency and filing a police report. Be sure to obtain a copy of the police report, as many creditors will want the information it contains to absolve you of the fraudulent debts. You may also file a complaint with the FTC by contacting them on the web at www.ftc.gov/idtheft, by phone at 1-877-IDTHEFT (1-877-438-4338), or by mail at Federal Trade Commission, Consumer Response Center, 600 Pennsylvania Avenue, NW, Washington, DC 20580. Your complaint will be added to the FTC's Identity Theft Data Clearinghouse, where it will be accessible to law enforcement for their investigations. In addition, you may obtain information from the FTC about fraud alerts and security freezes.

If your personal information has been misused, you may file a police report in the city in which you currently reside.

Maryland Residents: You may obtain information about avoiding identity theft from the Maryland Attorney General's Office: Office of the Attorney General of Maryland, Consumer Protection Division, 200 St. Paul Place, Baltimore, MD 21202, www.oag.state.md.us/Consumer, Telephone: 888-743-0023.