



**THE OFFICE OF STATE TREASURER
DENISE L. NAPPIER**

PRESS STATEMENT

For Immediate Release
December 5, 2013

Press Contact
David S. Barrett
Director of Communications
860-702-3164
david.s.barrett@ct.gov

**STATEMENT OF STATE TREASURER DENISE L. NAPPIER
REGARDING THE DATA BREACH AT JPMORGAN CHASE**

HARTFORD, CT – JPMorgan Chase, provider of banking services to various Connecticut state agencies, has informed my Office that the personal information of some holders of prepaid debit cards may have been exposed, between mid-July and mid-September, during the course of an attack on the bank's servers which support its UCard website.

First and foremost, I want to assure all citizens who have these cards that my Office considers this incident a serious breakdown in security, and holds JPMorgan Chase accountable. We expect JPMorgan Chase to take immediate steps to notify affected account holders, to offer credit protection services to those impacted, and to properly safeguard all private personal information of citizens who receive payments from the State via JPMorgan Chase debit cards. Our constituents deserve nothing less.

According to JPMorgan Chase, the breach affected cardholders in multiple states, including 14,335 accounts in Connecticut. Published accounts suggest that as many as 465,000 accounts across the country may be exposed. The Connecticut accounts are prepaid debit cards issued by the State's Department of Revenue Services (DRS), Department of Labor, Department of Social Services, and Department of Children and Families. These cards are issued in place of checks to provide payments such as tax refunds, unemployment benefits or child support payments.

My office has been advised by JPMorgan Chase that during the two-month period between July and September, certain information entered by cardholders on the UCard website -- particularly during the process of activating cards and of transferring balances -- was subject to unauthorized access. Such information that could have been exposed includes: name, social security number, bank account number, card number, date of birth, security answer, password, address, phone number and e-mail address.

While JPMorgan Chase represents that it has found no evidence of improper activity on these accounts since September, as a precaution – and at our direction – the company is notifying all affected cardholders that it will provide them two years of credit monitoring free of charge.

Nonetheless, I am dismayed that JPMorgan Chase delayed informing my Office of this security breach for two and a half months -- from mid-September, when they first learned of it, until this week. They should have picked up the phone immediately and called us. That the company failed to communicate this security breach in a timely manner raises concerns over its culture of compliance and broader governance issues.

Upon learning of this data breach on Tuesday, my Office promptly informed all state agencies affected, and we are now working with JPMorgan Chase to ensure that all affected cardholders are notified immediately. The company will explain to cardholders what specific personal information may have been compromised. My office also has been in contact with Attorney General Jepsen's office, and has been advised that his office's privacy task force was recently notified of the breach and will be looking into it.

DRS Commissioner Kevin Sullivan estimates that this breach affects about 7,000 debit cardholders, or 2 percent out of the 360,000 total cards issued to date. As Treasurer, I will continue to work with DRS and all affected agencies to resolve the immediate situation. And Commissioner Sullivan has pledged to work with us to "evaluate JPMorgan's future as a vendor, our remedies under the contract, and the future security of income tax refund debit cards."

JPMorgan Chase has multiple business relationships with our state government and the Connecticut Treasury, in particular. As an institutional customer, my office is in the process of conducting intense scrutiny of the company's debit card service. We have requested that the company provide more detail about how this breach happened in the first instance, what steps it has taken to minimize the risk of a reoccurrence, and greater assurance that it can maintain the confidentiality of personal information going forward.

At the end of the day, JPMorgan Chase has some work to do not only to assure the holders of its debit cards, but also to restore the State's confidence in the company's ability to remain worthy of our continued business. I have no tolerance for anything less than quality customer service, and I expect the management of JPMorgan Chase to direct their full attention to remediating this problem.

##