



Peter L. McCorkell
Senior Counsel

Law Department
MAC A0149-079
633 Folsom Street
7th Floor
San Francisco, CA 94107
415 396-0940
415 975-7863 Fax
mccorkpl@wellsfargo.com

July 26, 2006

New York State Attorney General
Consumer Frauds and Protection
Justice Building D-10 Annex
Albany, NY 12224

NEW YORK STATE
CONSUMER PROTECTION BOARD
JUL 27 2006
RECEIVED

NEW YORK STATE CONSUMER PROTECTION BOARD
5 Empire State Plaza, Suite 2101
Albany, NY 12223

NEW YORK STATE OFFICE OF
CYBER SECURITY & CRITICAL INFRASTRUCTURE COORDINATION
30 S. Pearl Street
Albany, NY 12207-3425

Ladies and Gentlemen:

Pursuant to the information compromise notification requirements of the State of New York, Wells Fargo Bank hereby notifies you that we are about to give notice to approximately 96 residents of the State of New York of a potential compromise of their Social Security numbers and student loan account numbers.

On July 18, 2006, we were notified by Nelnet Inc. that a computer tape containing that information was lost in shipment via United Parcel Service. Copies of Nelnet's letter to us and the letter we are sending to our borrowers (along with the enclosed information sheet) are enclosed herewith.

We expect to mail these notices to our customers within the next day or two.

Please contact the undersigned if you require any further information regarding this matter.

Sincerely yours,

Peter L. McCorkell
Senior Counsel

PLM:L

Enclosure



3015 SOUTH PARKER ROAD
SUITE 400
AURORA, CO 80014-2900

p 303.606.3690

www.nelnet.net
NELNET, INC.

July 18th, 2006

Dear Peggy:
Wells Fargo Education Finance Services

We are writing to inform you that a computer tape containing personal account information for a population of your borrowers was apparently lost while in the possession of United Parcel Service (UPS). The tape included data on loans serviced by Nelnet that were previously serviced by the College Access Network (CAN) between November 1, 2002 and May 31, 2006. We have no reason to believe this information has been used inappropriately and we have not received any reports of unauthorized activity regarding your borrowers' accounts. Please contact your Nelnet Support Officer to obtain a list of your borrowers whose information was on the tape.

We deeply regret this situation occurred, however, you should know we believe there is little risk of the information being compromised. Even though our current policies meet or exceed industry security standards, we are thoroughly reviewing them to protect every customer.

We initiated an investigation of this incident as soon as we were made aware of it. The situation occurred during the routine shipment via UPS of a computer tape that contained borrower names, Social Security numbers, and other related account information. The package went missing and after an exhaustive investigation, UPS was unable to locate the package. This investigation concluded that there is no indication that the package left UPS' possession at any time. UPS informed us in writing that the tape had been considered lost on July 10. Tapes of this nature require sophisticated equipment and data-mapping for information to be accessed. The process used to create these tapes is no longer utilized.

While Nelnet does not believe that the information on the tape has been acquired by an unauthorized person, we have decided to notify borrowers with Nelnet-owned loans, as well as borrowers whose loans are owned by other lenders who elect to have Nelnet provide notification to their borrowers on their behalf. Borrowers will receive a letter which includes a dedicated toll-free number they can call with questions as well as steps they can take to monitor their credit and protect their identity. Nelnet believes we can notify the borrowers whose information was on the tape in an expedient, efficient, and effective manner and is requesting your approval to begin the notification process on your behalf. To have Nelnet begin notifying your borrowers, please check the 'yes' box and sign and return this letter to your Nelnet Support Officer by the close of business on Wednesday, July 19, 2006.

Yes, our organization authorizes Nelnet to notify our borrowers.

(Authorized Signature)

(Title)

(Date)



3815 SOUTH PARKER ROAD
SUITE 400
AURORA, CO 80014-1506

P 303.690.3699

www.nelnet.net
NELNET, INC.

No, our organization does not want Nelnet to notify our borrowers. However, if we decide to distribute our own external notification, we will send a copy of any communication to our Nelnet Support Officer to help facilitate Nelnet's response to any questions Nelnet receives from our borrowers.

(Authorized Signature)

(Title)

(Date)

Please know we regret any inconvenience or concern this incident may cause you. We believe there is little risk of your borrowers' information being compromised, and Nelnet remains committed to our customers' service, privacy, and protection. Please do not hesitate to contact your Nelnet Support Officer with any questions.

Sincerely,

Brad Carlson, Privacy Manager
Nelnet, Inc.



8426 WOODFIELD CROSSING BLVD. P 877.303.0534
SUITE 401
INDIANAPOLIS, IN 46240

www.nelnet.net
NELNET, INC.

July 20, 2006

Dear [borrower name]:

We are writing to inform you that a computer tape containing personal account information about your current or former student loan was apparently lost while in the possession of United Parcel Service (UPS). We have no reason to believe this information has been used inappropriately and we have not received any reports of unauthorized activity regarding your credit or loan.

We deeply regret this situation occurred, however, you should know we believe there is little risk of your personal information being compromised. Even though our current policies meet or exceed industry security standards, we are thoroughly reviewing them to protect every customer.

We initiated an investigation of this incident as soon as we were made aware of it. The situation arose during the routine shipment of a data tape which contained borrower names, Social Security numbers, and other related account information. It was apparently lost while in the possession of UPS. An exhaustive search was conducted by UPS but the company was unable to locate the package. This investigation concluded that there is no indication that the package left UPS' possession at any time. Tapes of this nature require sophisticated equipment and data-mapping for information to be accessed. We have eliminated the process that creates these tapes and this data is now transmitted through encrypted electronic transmission.

While Nelnet does not believe that the information on the tape has been acquired by an unauthorized person, there are recommended steps all consumers should consider taking to monitor their credit and protect their identity. It's always important to examine your monthly statements, watch for and report any suspicious account activity, and periodically obtain credit reports from each of the nationwide consumer reporting agencies. You can request a free credit report from one or all of the organizations listed below.

We ask that you closely monitor all credit activity over the next 12 to 24 months and immediately report suspected identity theft or fraud incidents to your financial institution as well as to one of the nationwide consumer reporting agencies listed below to have it removed from your credit file. For more information on identity theft, please visit the Federal Trade Commission at www.consumer.gov/idtheft or 1.877.IDTHEFT.

Placing a fraud alert with the nationwide consumer reporting agencies, which tells creditors to contact you before they open any new accounts or change your existing accounts, is also recommended. A fraud alert is simple to initiate by contacting any of the agencies listed below; as soon as one consumer reporting agency confirms your fraud alert, the others are notified to place fraud alerts on your credit file.

Equifax - 1.800.525.6285, or online at: <http://www.equifax.com/>
Experian - 1.888.397.3742, or online at: <http://www.experian.com/>
TransUnion Corp. - 1.800.680.7289, or online at: <http://www.transunion.com/index.jsp>

Please know we regret any inconvenience or concern this incident may cause you. We believe there is little risk of your information being compromised, and Nelnet remains committed to our customers' service, privacy, and protection. Please do not hesitate to contact us toll-free at 1.877.303.0534 with any questions.

Sincerely,

Brad Carlson
Privacy Manager
Nelnet, Inc.

Date

Dear NAME:

At Wells Fargo we value the relationship we have with you and the trust you have in us. Regretfully, we have learned from Nelnet, Inc., a third party service provider that originated, disbursed and services your student loan(s), that some of your student loan account and personal information was apparently lost while in possession of United Parcel Services (UPS) during a shipment of a computer data tape. Nelnet contacted Wells Fargo Education Financial Services (EFS) because we are your lender of choice and the holder of your student loan(s). Wells Fargo EFS takes information security very seriously, and we sincerely apologize that this incident has occurred.

According to Nelnet, the data tapes included your name, address, phone number, date of birth, student loan account number(s) and Social Security Number. Also according to Nelnet, an exhaustive search was conducted by UPS but the company was unable to locate the package containing the tape. Furthermore, Nelnet said that tapes of this nature require sophisticated equipment and data-mapping for information to be accessed and that they now transmit such data through encrypted electronic transmission. Nelnet does not believe that the information has been acquired by an unauthorized person or that the information has been misused. Nevertheless, we encourage you to take the precautions outlined in this letter and the enclosed information sheet to reduce any potential risk to you.

As a precaution, Wells Fargo has arranged for you to receive a free one-year subscription to IDENTITY GUARD[®] CREDITPROTECT[®]. This service, available from Intersections, Inc., monitors your Equifax[®] credit file and notifies you if there are certain changes to your file that could indicate possible fraudulent activity. The membership materials you will receive after enrollment will describe this service in greater detail. To activate this service at no cost to you, please visit www.identityguard.com/secure or call Intersections at 1- 866-324-2903 by Aug. 28, 2006. You will need to provide this validation code POAS951268 when you enroll. At the end of your free, one-year subscription, your subscription will be canceled and you will not be billed. Please be aware that if you want this service you must take one of these steps to enroll. By law we cannot enroll for you. We also suggest that you take the steps outlined in the enclosed information sheet to reduce any potential risk to you.

At Wells Fargo we take significant steps to safeguard your information when it is in our possession and when it is in the possession of our vendors and service providers. We apologize again that this situation has occurred and for any inconvenience or worry it may cause you. If you have any questions or if we can be of any further help to you, please call (800) 687-5120, a toll-free number established specifically to address questions related to this matter. Wells Fargo team members will be available from 8:00 a.m. CDT to 8:00 p.m. CDT Monday through Friday to address your questions.

Sincerely,

NAME
TITLE

CREDITPROTECT[®] is a service provided by Intersections Inc.



Steps you can take to safeguard your personal information

To protect against the misuse of your personal information, we recommend that you consider placing a security alert on your credit bureau file. If you are enrolling in a credit monitoring service, you may wish to do so before placing the security alert. A security alert marker would cause any issuer of credit to use additional scrutiny for any request for new or increased credit. This provides a significant layer of protection; however, it may limit your ability to get "instant credit" such as the offers often available at retail stores. You must contact one of the credit bureaus, below, directly to request this alert.

TransUnion
Fraud Victim Assistance Department
P.O. Box 6790
Fullerton, CA 92634
1-800-680-7289

Equifax
P.O. Box 740241
Atlanta, GA 30374
1-800-525-6285

Experian
P.O. Box 9532
Allen, TX 75013
1-888-397-3742

We recommend that you also take these additional precautions with your accounts:

- Review account activity often, for at least the next 12 months, and report any suspicious activity immediately to the appropriate financial institution. You can monitor your Wells Fargo account activity online by visiting www.wellsfargo.com.
- Place password protection on all your accounts. You can add a password to Wells Fargo accounts by going into any Wells Fargo store. Do not use any part of your Social Security number as a password.
- If you suspect someone is using your information for fraudulent activity, you can contact the Federal Trade Commission's Identity Theft Hotline at 1-877-ID-THEFT (1-877-438-4338).

We suggest you periodically check your credit report to ensure all your information is correct. You can obtain a free credit report once a year by visiting www.annualcreditreport.com or calling 877-322-8228.