

STANLEY

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Date: Tuesday, February 06, 2007

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To: Security Breach Notification

From: Scott D. Chaplin

CO.: Consumer Protection Board (CPB)

Phone: (703) 310-3286

Phone: _____

Fax: (703) 682-1547

Fax: 518-474-2474

E-mail: scott.chaplin@stanleyassociates.com

Comments:

www.stanleyassociates.com

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TELEPHONE: (703) 684-1125
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**Reporting Form
For Business, Individual or NY State Entity reporting a
"Breach of the Security of the System"
Pursuant to the Information Security Breach
and Notification Act (General Business Law § 889-aa;
State Technology Law § 208)**

Name of Business, Individual or State Entity: Stanley, Inc. ("Stanley")
Date of Discovery of Breach: Stanley's vendor, Towers Perrin, first discovered breach (laptop theft) at Towers Perrin's office on 12/1/06; On or about 1/5/07 Towers Perrin's investigation revealed that personal information related to employees and former employees of Stanley was on one of the laptops on or about January 5, 2007.

Estimated Number of Affected Individuals: Approximately 4 New York residents
Date of Notification to Affected Individuals: Stanley mailed notices on January 31, 2006, Towers Perrin began mailing on February 2, 2007

Manner of Notification: written notice
 electronic notice (email)
 telephone notice

Are you requesting substitute notice? Yes No (if yes, attach justification)

Content of Notification to Affected Individuals: Describe what happened in general terms and what kind of information was involved. Please attach copy of Notice.

On December 1, 2006, Towers Perrin, a Stanley vendor, first learned that laptops containing personal information belonging to its clients had been stolen from Towers Perrin's offices by an employee. On or about January 5, 2007, Towers Perrin learned that one of the laptops contained personal information, including names and social security numbers of Stanley employees and former employees. The laptop was not encrypted, but the laptop and the email program were separately password protected. We have no information indicating that personal data has been misused. Towers Perrin reported the theft to the New York City Police Department (Mid-Town South Precinct) on December 7, 2006. The police report number is 2006-014-17855. Subsequently, the District Attorney's Office for the County of New York requested that notification to affected individuals be delayed until after January 5, 2007. We understand that the thief has been apprehended, but that the investigation is ongoing. Attached is a copy of the notice to affected individuals sent by Stanley. Towers Perrin has also sent a notice.

Name of Business or Individual Contact Person:

Scott Chaplin

Title:

Stanley, Inc.

Telephone number:

General Counsel

Email:

(703) 310-3286

scott.chaplin@stanleyassociates.com

Dated:

February 6, 2007

Submitted by:

Scott D. Chaplin

Stanley, Inc.

Address:

3101 Wilson Blvd., Suite 700

Arlington, VA 22201

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STANLEY 

WWW.STANLEYASSOCIATES.COM

TELEPHONE: 703.682.1547
FAX: 703.682.1547

January 26, 2007

Dear ESOP Participant:

Last year, Stanley engaged Towers Perrin, a management consulting firm, to provide compensation and ESOP analysis services during our recent IPO. Earlier this month, Towers Perrin informed Stanley that their firm experienced a theft of some of their laptops. One of these laptops contained personal information about our employees, including names and social security numbers.

At this time, Towers Perrin has no information indicating that any information on the laptops has been misused. In most instances of laptop theft, the thieves seek only the hardware, that is the laptop itself, and are not interested in accessing specific information on the laptops. Towers Perrin has been diligently working with law enforcement and a computer forensic specialty firm to assist in the investigation of the theft. This investigation is ongoing.

Towers Perrin has taken this situation very seriously and has taken additional measures to help protect our employees. Over the next week, you will receive a notification letter from Towers outlining the measures taken to protect your privacy. These measures will include:

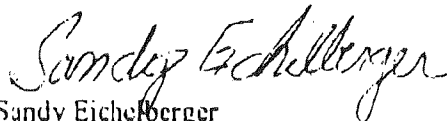
- Useful information regarding precautions you can take
- Opportunity to enroll in Equifax Credit Watch Gold for 2 years at Towers' expense
- A toll-free hotline for our employees who have questions regarding their notification letter

Rest assured we are working closely with Towers Perrin to ensure that our employees' concerns regarding their personal information are treated with concern and respect.

We encourage you to utilize Towers Perrin toll-free hotline if you have questions after you receive your notification letter. If you have concerns you would like to share directly with Stanley, you can direct them to TowersPerrin@stanleyassociates.com.

We join Towers Perrin in expressing regret over this situation. Stanley will continue to monitor the situation.

Sincerely,



Sandy Eichelberger
Vice President, Human Resources