



North Carolina Security Breach Reporting Form  
Pursuant to the Identity Theft Protection Act of 2005

Attachment to Notification provided by NACCO Materials Handling Group, Inc.

Circumstances surrounding the Security Breach(es):

(1) This breach was an electronic breach. An access database that contained the names and social security numbers of approximately 348 current and former employees was available on an unsecured intranet computer drive within the NACCO Materials Handling Group, Inc. Greenville, NC computer network. We have no information to indicate there was any inappropriate action or use of any personal information.

(2) This breach was an electronic breach. The company utilizes a third party software program for employee performance reviews. Due to an implementation oversight, while utilizing the system, an employee's social security number was visible in the URL for the webpage being viewed. This situation involved approximately 2860 current and former employees. We have no information to indicate there was any inappropriate action or use of any personal information.

Password protection or encryption:

- (1) This data was not password protected or encrypted.
- (2) This data was not encrypted but a password was required to access the software program.

Measures Taken to prevent a similar security breach from occurring in the future:

- (1) All data has been re-secured and can only be accessed with a password.
- (2) Passwords are and will be limited only to those employees who have a business need to access the information.
- (3) Review of company computer networks has been completed and personal information has been or will be secured on secure networks.
- (4) Employee Performance Review system has been revised so that social security numbers will not be used with this software program.
- (5) Programs that have used employee social security numbers as an identifier have been modified.
- (6) All employees have been assigned a random employee ID number and social security number use has been discontinued.
- (7) Relevant employees in Human Resources and Information Technology have been trained.



## MATERIALS HANDLING GROUP, INC.

1400 Sullivan Drive • Caller No. 12011 • Greenville, North Carolina 27834-2011  
(252) 931-5100

Date

Name

Address

Dear (first name):

We would like to bring to your attention two recent incidents that affected certain personal information of some NMHG employees, including your information. These incidents were brought to our attention recently, and we have taken steps to mitigate any results of these incidents. While our investigation has revealed no reason whatsoever to believe that any improper activity has taken place in connection with your information, we cannot definitively rule out that possibility. Because it is very important to NACCO Materials Handling Group to ensure the ongoing confidentiality of company and employee information, you will see in detail below the steps we are taking to protect your data. We will also make available to you a credit monitoring product that you can use, at NMHG's cost, to protect yourself in the unlikely event that these incidents result in any inappropriate consequences.

### What Happened:

First, we learned that a former NMHG employee, while leaving the company, copied certain computer files onto a shared computer drive, making those files available to all NMHG employees in the Greenville, NC location. These files included one document that contained certain personal information about NMHG employees (such as job title, Social Security Number, salary grade and office location). We learned about this activity after the employee left NMHG and have not been able to discuss the incident with him. From information available to us, we believe that this information was placed on the shared drive to assist a successor employee to access work the former employee had performed while at NMHG, but we are not certain if there were other purposes. As soon as we learned of this development, immediate steps were taken to secure this information and to review the procedures surrounding employee access of systems.

Second, we learned of a situation involving the Success Factors performance review system. Due to an implementation oversight, in certain situations it was possible for an NMHG employee using the system to view the Social Security Numbers of other employees. This system was immediately taken out of service and will remain so until we are satisfied that your personal information is fully secure.

We have no reason to believe that any improper access to information has occurred in either situation, or that there was any improper use of this information. However, because we have no means of ruling out the possibility of misuse, we wanted to bring these situations to your attention.

### Next Steps:

Although we have no reason to believe that there is any risk to you in connection with your personal information, because NMHG places high importance on the security of our employees' data, and because you may have ongoing concerns, we have arranged with Equifax Personal Solutions to help you protect your identity and credit information at no cost to you for one year from the time you enroll. This service is designed to determine if there has been any improper use of your information in connection with the credit system in our country.



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### Credit Monitoring Options:

To access this credit monitoring service, we strongly recommend that you enroll in the Equifax Credit Watch™ Gold with 3-in-1 Monitoring program. **To take advantage of this service, you must enroll within ninety (90) days of the receipt of this letter.**

Equifax Credit Watch will provide you with an “early warning system” that will monitor changes to your credit file and help you to understand the content of your credit file at the three major credit reporting agencies. The key features and benefits of this service are:

- Comprehensive credit file monitoring and automated alerts of key changes to your Equifax, Experian, and TransUnion credit files
- Wireless alerts and customizable alerts available
- One 3-in-1 Credit Report and access to your Equifax Credit Report™
- \$20,000 in identity theft insurance with \$0 deductible, at no cost to you<sup>1</sup>
- 24 by 7 live agent Customer Service to assist you in understanding the content of your Equifax credit information, to provide personalized identity theft victim assistance and to assist in initiating an investigation of any inaccurate information.

How to Enroll: There are two (2) methods you can use to enroll: on-line or by mail. Directions for each are provided below.

1. On-line: Equifax has a simple Internet-based ID verification and enrollment process available. To enroll on-line, please visit [www.myservices.equifax.com/tri](http://www.myservices.equifax.com/tri). When you visit this website, the steps you will take include:
  - a. Consumer Information: Complete the form with your contact information (name, address and e-mail address) and click “Continue” button. The information is provided in a secured environment.
  - b. Identity Verification: Complete the form with your Social Security Number, date of birth, telephone numbers, create a User Name and Password, agree to the Terms of Use and click “Continue” button. The system will ask you up to two security questions to verify your identity.
  - c. Payment Information: During the “check out” process, provide the following promotion code: <XXXXXX> in the “Enter Promotion Code” box. (no spaces, include dash.) After entering your code press the “Apply Code” button and then the “Submit Order” button at the bottom of the page. (This code eliminates the need to provide a credit card number for payment.)
  - d. Order Confirmation: Click “View My Product” to access your 3-in-1 Credit Report and other product features.
2. US Mail: If you don’t want to enroll on-line, you can enroll by US Mail. To enroll by mail, please call 1-866-937-8432 for access to the Equifax Credit Watch automated enrollment process.
3. Note that all credit reports and alerts will be sent to you via US Mail only. During the automated phone call process, the steps you will take include:

<sup>1</sup> Identity Fraud Expense Reimbursement Master Policy underwritten by Travelers Casualty and Surety Company of America and its property casualty affiliates, Hartford, CT 06183. Coverage for all claims or losses depends on actual policy provisions. Availability of coverage can depend on our underwriting qualifications and state regulations. Coverage not available for residents of New York.  
This product is not intended for minors (under 18 years of age). Equifax’s credit monitoring products are protected by US Patent 7,028,052.



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- a. Promotion Code: You will be asked to enter your promotion code as shown above (no spaces, no dash)
- b. Customer Information: You will be asked to enter your home telephone number, home address, name, date of birth and Social Security Number.
- c. 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 can not process your enrollment.
- d. 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).

Although we strongly recommend that you enroll in this credit monitoring service, even if you are not interested in doing so, you may wish to review your own credit report to evaluate whether any improper activity has taken place, whether connected to these incidents or to the wide range of other incidents that are reported in the media and otherwise involving companies across the country. More information is available at <http://www.idtheftcenter.org/> or at <http://www.ftc.gov/bcp/edu/microsites/idtheft/>.

Additionally, whether or not you enroll in the Equifax Credit Watch program, you may choose to adopt an increased level of protection by placing a fraud alert on your credit file at Equifax and the other two credit reporting agencies. A fraud alert is a consumer statement added to your credit report. This statement alerts creditors of possible fraudulent activity within your report as well as requests that they contact you prior to establishing any accounts in your name. Once the fraud alert is added to your credit report, all creditors should contact you prior to establishing any account in your name. To place a fraud alert on your credit file, visit: [www.fraudalerts.equifax.com](http://www.fraudalerts.equifax.com), or you may contact Equifax's auto fraud line at 1-877-478-7625, and follow the simple prompts. Once the fraud alert has been placed with Equifax, a notification will be sent to the other two credit reporting agencies, Experian and Trans Union, on your behalf.

### In Summary:

It is unfortunate this has happened and we apologize for any inconvenience this may cause. In addition to having taken steps both to resolve these problems and to prevent further incidents of this nature, we see this as an excellent opportunity for both NMHG and our employees to better educate ourselves in this important area, including taking proactive steps to understand identity theft and credit reporting. NMHG had already been working on a project to further secure your data when this occurred; we have completed this project and all NMHG employees in the United States have been assigned a unique employee ID number. NMHG will no longer use Social Security Numbers for any process other than those legally required. Details on this unique employee ID number will be sent to your home within the next month. The company will continue to review its processes and take appropriate actions as may be needed.

We urge you to take advantage of this opportunity to utilize the Equifax 3-in1 Gold Monitoring system at no charge, and thereafter to consider what tools you may wish to employ in the future. If you have any questions about these incidents or the steps we have taken, please contact your local human resources department.

Sincerely,

Jim Phillips  
Vice President Human Resources