



DATE: January 8, 2016
TO: Members of Council
FROM: Jennifer Teal, City Administrator
SUBJECT: Council Report for Monday January 11, 2016

Action Items:

None

Update Items:

Update Item #1--RITA Security Breach

Background

On Thursday, December 31st, the Regional Income Tax Agency (RITA) notified its members of a potential data security incident that occurred the previous month. While preparing to destroy a limited number of DVDs, used as part of their previous back-up system, RITA discovered that one of the DVD cases was empty and the DVD missing. They immediately began an investigation and determined that the missing DVD mostly likely contained backup copies of income tax documents submitted on or before June 2012. Unfortunately, these documents include taxpayers' names, addresses, Social Security numbers, and possibly date of birth. If the taxpayer included financial information with their municipal income tax document, this data may also have been contained on the DVD.

RITA conducted a thorough investigation to try and locate the DVD, including multiple searches of their third-party off-site storage facility, but were unable to locate it. RITA believes the DVD was most likely destroyed in accordance with their process for unlabeled DVDs. If an unlabeled DVD is found, it is shredded and destroyed. However, out of an abundance of caution they are communicating with taxpayers about this incident and offering them credit monitoring and identity theft protection services through Experian®. Approximately 50,000 individuals, including 706 Gahanna residents, will be receiving this communication. The total number of taxpayers affected make up less than 2% of RITA's accounts.

We have received a handful of calls and emails from residents who received this notification from RITA and are concerned about data security and our relationship with the Agency. While we are disappointed to learn of the incident, their response has been appropriate based on legislative and industry standards. Even before the incident took place, RITA had implemented more secure processes for backing up their systems and managing data security.

Gahanna's Relationship with RITA

The City transitioned to RITA in 2010 in order to achieve efficiencies and access to more technologically advanced tax collection tools. These include online filing and account management and access to Federal Tax Information (FTI) which enhance our ability to identify taxpayers and increase collections. The efficiencies of scale associated with collecting taxes for over 250 Ohio municipalities allows RITA to invest in the some of the most advanced and secure systems available, far beyond what we could accomplish on our own.

Since we began working with RITA, they have identified more than 3,000 new taxpayer accounts, and our collections have increased by nearly 25% (\$13.3M in 2009 & \$17.6M in 2015 –*cash basis*). When the City self-collected, our average cost of collection was \$30 per \$1,000 collected (3%). Our most recently reconciled collection rate was \$19 per \$1,000 collected (1.9%).

Frequently Asked Questions

The following FAQ has been posted to RITA's website, www.ritaohio.com, which may aid in responding to Gahanna residents that may contact you regarding this incident.

Regional Income Tax Agency Frequently Asked Questions (FAQ) Online

1. What happened?

On November 10, 2015, while in the process of preparing a limited number of DVDs for secure destruction, we discovered that one was missing. We immediately began an investigation to try and locate the missing DVD and to identify what information was on this device. On November 17, 2015, we determined that the DVD contained backup copies of income tax documents submitted on or before June 2012. The DVD may have included a limited number of taxpayers' names, addresses, Social Security numbers, and possibly dates of birth. If financial information was submitted with the municipal income tax documents, this may also have been contained on the DVD.

2. What was the DVD used for/why was it created?

The previous process for backing up some of our systems required that we use the DVD to store data. We have a new process in place that is more secure, and no longer requires the use of DVDs as part of this process.

3. How did you learn about this event?

After changing our back-up process to a more secure system, we recalled the DVDs used as part of the previous process that were stored at an off-site facility to have them destroyed securely. It was at this time that we discovered the DVD was missing.

4. How could something like this happen?

From our investigation, we believe the DVD was most likely destroyed in accordance with our usual process for unlabeled DVDs. If an unlabeled DVD is found, it is shredded and destroyed.

5. Why did you have my information in the first place?

You or your tax preparer submitted tax return or refund request information on or before June 2012. You either have (or had) income earned while living or working in an Ohio municipality that uses RITA to handle municipal income tax collections.

6. What personal information was exposed?

The DVD appears to have contained backup copies of income tax documents submitted on or before June 2012. The DVD may have included a limited number of taxpayers' names, addresses, Social Security numbers, and possibly dates of birth. If financial information was included with the municipal income tax documents, this may also have been contained on the DVD.

7. What are you doing to protect me or my information?

We have partnered with Experian® to provide impacted individuals with identity protection services at no cost to the individual. A letter has been sent to impacted individuals with instruction on how to enroll in these services.

8. What are you doing to prevent this from happening again?

We discovered the DVD was missing because we had already changed our backup system to a more secure process. This new process no longer requires the use of DVDs to backup this type of data. These changes are part of our commitment to look for ways to improve our security processes and systems.

Update Item #2—GoForward Gahanna

We are making great progress in planning our public engagement sessions for *GoForward Gahanna*, our results-oriented, citywide strategic planning process. We have just finalized the schedule for our 9 public engagement sessions, as follows:



WEEK OF JANUARY 18TH

Tuesday January 19th

Topic: General Meeting (Ward 1)
Time: 6:00-7:30pm
Location: Royal Manor Elementary School

Wednesday January 20th

Topic: Business and Economy
Time: 8:00-9:30
Location: The Rehabilitation and Health Center of Gahanna; 5151 N. Hamilton Rd.

Topic: General Meeting (Ward 2)

Time: 6:00-7:30pm
Location: Chapelfield Elementary

Sunday January 24th

Topic: Community Involvement
Time: 3:00-4:30pm
Location: Gahanna Senior Center

WEEK OF JANUARY 25TH

Tuesday January 26th

Topic: Parks and Recreation
Time: 6:00-7:30pm
Location: Gahanna Senior Center

Wednesday January 27th

Topic: Roads and Infrastructure
Time: 6:00-7:30pm
Location: Gahanna Senior Center

Thursday January 28th

Topic: General Meeting (Ward 4)
Time: 6:00-7:30pm
Location: High Point Elementary

WEEK OF FEBRUARY 1ST

Tuesday February 2nd

Topic: Youth / Student Engagement
Time: 3:00-4:30pm
Location: Gahanna Lincoln HS

Topic: General Meeting (Ward 3)

Time: 6:00-7:30pm
Location: Gahanna Lincoln HS

In the last week more than 400 people “liked” the *GoForward Gahanna* Facebook group and we’ve had numerous inquiries from the community from people who have heard about the project through the Outreach Team, project business cards, or online. We are pleased with the positive reception we are receiving and the amount of interest the project is generating.

Please direct interested residents to the project webpage www.GoForwardGahanna.org or our Facebook group <https://www.facebook.com/goforwardgahanna/> to stay up to date on the project and opportunities for engagement.