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University Accused of Misleading Public on Data Breaches

Class counsel for 100,000 University of Hawai'i ("UH") data breach victims today accused the University of misleading the public, faculty, students, and alumni by not releasing an evaluation report and improvement plan for its data security system. They also criticized the University for not implementing a credit monitoring and fraud restoration program for data breach victims.

"Five months ago, University of Hawai'i officials said that they would release a consultant report evaluating its data security system and would release a plan and budget for the system improvements. To date, neither document has been released," said Thomas Grande, one of the attorneys for the class.

After an October 2010 data security breach, the University retained technology expert Cedric Bennett, who prepared an evaluative report that was supposed to be completed by mid-December. On January 11, 2011, University representative David Lassner announced the implementation of a \$1.9 million security system upgrade with \$764,000 in additional annual expenditures. Testimony before Senate Committees on Education and Technology quoted in January 12, 2011 Honolulu Star-Advertiser ("Securing Data Will Be Costly, UH Says"). The announcement came after a November 17, 2010 report by the Liberty Coalition gave the UH an "F" in its data security protection as a result of four data breaches at three university campuses.

"The fact that the University has not released the consultant report and its recommendations can only lead to speculation that the University is not taking active steps to prevent the recurrence of data breaches. Release of the report and the implementation plan is necessary to restore public confidence in the University data system," Grande noted.

"Identity theft as a result of data breaches is a serious problem," said Bruce Sherman, who also represents the class. "After the breach, the UH told the breach victims that they were at risk for identity theft and should monitor their financial accounts and credit reports," Sherman noted.

"We have researched more than forty (40) data breaches at colleges and universities across the country. In almost every instance, credit monitoring and fraud restoration was offered to data breach victims immediately after the breach," Sherman said.

Sherman and Grande called on the University to implement a similar credit monitoring program. "It's now twenty-four months after the first breach that affected over 15,000 plus individuals and six months after the fourth and most recent breach, which affected another 40,000 plus individuals. That is more than enough time to take steps to protect the data breach victims," they said.

Grande said that the University recently decided that it would contest the lawsuit. "Irrespective of what happens with the lawsuit, protecting the people that they put at risk should be the University's top priority," Grande noted.

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