



# NEWS RELEASE

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## County's Former Flexible Spending Vendor Reports Data Security Breach

Wake County's former flexible benefit spending accounts administrator, Interactive Medical Systems, recently reported that it experienced a data security breach that disclosed the personal information of nearly 1,900 Wake County Government employees to an unauthorized third party.

"We sincerely regret any inconvenience or concern that this matter may have caused," said Eric Ludwig, president of Interactive Medical Systems.

IMS is in the process of sending letters via first class mail to the affected employees to notify them about the breach and inform them of protective measures they can take. IMS will also offer a hotline that affected employees can call to ask questions and express concerns.

The breach exposed the names, dates of service and partial social security numbers of the majority of the 1,900 affected employees. A small group had their names, addresses and full social security numbers exposed, and they will be eligible for a year of free credit monitoring from IMS.

No personal information of any other Wake County employees or residents was affected.

“It’s important to note that this was **not** a breach of a county system, nor was it caused by a county employee,” said Wake County’s Chief Information and Innovation Officer Bill Greeves. “IMS has confirmed the breach was the result of a phishing attack against an IMS employee.”

The breach occurred from July 19, 2019 to Dec. 31, 2019. IMS discovered it on Dec. 31, 2019. IMS mailed a letter to Wake County on Jan. 29, 2020 confirming that a breach had occurred.

To prevent further breaches, IMS has taken the following actions:

- Upgraded security systems;
- Implemented stricter password policies; and
- Increased security training for employees.

Wake County’s contract with IMS ended on Dec. 31, 2019. The decision to change vendors was not connected to the security breach.

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