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ATTORNEY GENERAL RAOUL ANNOUNCES \$600 MILLION SETTLEMENT WITH EQUIFAX

Raoul Leads 50 AGs in Largest Data Breach Settlement in History That Includes up to \$425 Million in Consumer Restitution

Chicago — Attorney General Kwame Raoul today announced a \$600 million settlement with Equifax that resolves a nationwide investigation into consumer reporting agency Equifax. Raoul's office led a coalition of 50 attorneys general investigating Equifax's 2017 data breach, and today's settlement represents the largest data breach settlement in history.

Raoul's office opened the multistate investigation in September 2017 following the massive data breach. The investigation found that Equifax's failure to maintain a reasonable security system enabled hackers to penetrate its systems, exposing the data of 56 percent of American adults and making it the largest-ever breach of consumer data. Raoul's settlement with Equifax includes a Consumer Restitution Fund of up to \$425 million, a \$175 million payment to the states that includes more than \$7.3 million for Illinois, and injunctive relief that also includes a significant financial commitment.

"The Equifax data breach compromised the personal information of millions of Illinoisans," Raoul said. "This historic settlement should send the message that companies – particularly those tasked with protecting personal information – will be held accountable for not doing enough to keep consumers' sensitive, personal information secured."

On Sept. 7, 2017, Equifax, one of the largest consumer reporting agencies in the world, announced a data breach affecting more than 147 million consumers – nearly half of the U.S. population. In Illinois alone, an estimated 5.4 million residents were impacted. Compromised information included names, social security numbers, dates of birth, addresses, credit card numbers, and in some cases, driver's license numbers.

Shortly after, Raoul led a coalition that grew to 50 attorneys general in a multistate investigation into the breach. The investigation found that the breach occurred because Equifax failed to implement an adequate security program to protect consumers' highly sensitive personal information. Despite knowing about a critical vulnerability in its software, Equifax failed to patch its systems fully. Moreover, Equifax failed to replace software that monitored the breached network for suspicious activity. As a result, attackers penetrated Equifax's system and went unnoticed for 76 days.

Under the terms of the settlement, Equifax agreed to provide a single Consumer Restitution Fund of up to \$425 million dedicated to consumer restitution. If the initial \$300 million is exhausted, Equifax will pay up to an additional \$125 million into the fund to cover remaining claims. The restitution program will be conducted in connection with settlements that have been reached in separate multi-district class action lawsuits filed against Equifax, as well as settlements that were reached with the Federal Trade Commission and Consumer Financial Protection Bureau. The settlement also requires Equifax to offer affected consumers extended credit monitoring services for 10 years.

A website has been established to accept claim forms and administer the settlement fund. That website, www.EquifaxBreachSettlement.com, will go live in the coming days as the settlement must be approved by the judge before the administrator can accept consumer claim forms. If consumers wish to be notified when the breach settlement website begins accepting claims against the settlement fund, they can go to <https://www.ftc.gov/equifax-data-breach> and submit their email addresses. This site, run by the Federal Trade

Commission, will notify consumers who submit their email address when claims begin being accepted. For questions about eligibility for restitution, filing a claim, enrolling in credit monitoring, or additional information, people should visit www.EquifaxBreachSettlement.com or they can also call 1-833-759-2982. Individuals will be able to submit claims on the website or by mail.

Under the settlement, Equifax has also agreed to take the following steps to assist people who are facing identity theft issues or who have already had their identities stolen:

- Making it easier for consumers to freeze and thaw their credit.
- Making it easier for consumers to dispute inaccurate information in credit reports.
- Maintaining sufficient staff dedicated to assisting consumers who may be victims of identity theft.

Equifax has also agreed to incorporate to strengthen its security practices going forward, including, by:

- Reorganizing its data security team.
- Minimizing its collection of sensitive data and the use of people's social security numbers.
- Performing regular security monitoring, logging and testing.
- Employing improved access control and account management tools.
- Reorganizing and segmenting its network.
- Reorganizing its patch management team, and implementing new policies to identify and implement critical security updates and patches.

In addition to Raoul, other attorneys general participating in this settlement include Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

Privacy Unit Chief Matt Van Hise, Consumer Fraud Bureau Chief Beth Blackston, and Assistant Attorney General Ronak Shah handled the historic settlement for Raoul's Consumer Fraud Bureau.