



June 10, 2005

Dear Current and Former FDIC Employees:

Recently we were advised of a security breach involving unauthorized access to personal information on a large number of current and former FDIC employees. According to the FBI and the FDIC's Office of Inspector General (OIG), your name, date of birth, salary, social security number, and length of service information has been obtained without authorization by a person or persons outside the FDIC. The Corporation regrets that this release of personal information occurred and is taking steps to mitigate the possibility of such a breach occurring in the future. This breach was not the result of a failure of our information systems security programs.

The unauthorized release apparently occurred in early 2004 and included information on all FDIC employees in an official pay status with the FDIC as of July 2002. In a small number of cases, this information is known to have been used to obtain fraudulent loans from a credit union. Those individuals were immediately contacted so that prompt action could be taken to minimize any further harm.

We are contacting all potentially affected current and former employees to ensure that you are aware of the steps you can take to protect yourself from possible misuse of this information. You are advised to contact the three major credit bureaus to obtain a free, full credit report and review them closely for any suspicious activity. Recent federal legislation grants all consumers the ability to obtain annually a credit report, free of charge, from each of the three credit reporting agencies (listed below). This legislation allowed for phased implementation across the country. A number of states in the Mid-Atlantic and Northeastern Regions of the country and the District of Columbia will not be covered by this federal requirement until September 1st of this year. However, some of these states currently require annual free credit reports under state law. To the extent that your state of residence does not provide an annual free copy of these reports, you may submit a petty cash claim and seek reimbursement for those costs (estimated at no more than \$30 for the three reports).

You should remain vigilant over the next 12 to 24 months and promptly report incidents of suspected identity theft to the local police and the credit bureaus. If you report such activity, we recommend that you place a fraud alert on your credit report. Individuals can place a fraud alert on their consumer reports for 90-days, for free. When you place these alerts, anyone accessing your credit report in the next 90 days will receive the fraud flag with the report and by law, they have to take extra steps to identify the person that is seeking credit. If identity thieves are seeking credit, this alert will help prevent them from opening fraudulent credit in your name. Providing a police report to the credit bureaus will keep this alert on your records beyond the 90 day period.

The process of placing a fraud alert is entirely automated and takes about two minutes. If you call one credit bureau and provide correct identifiers (social security number, the number portion of your home address, and two digit year of birth), they will process the alert and forward it on to the other two nationwide consumer reporting agencies.

To receive a credit report or place a fraud alert, call the fraud departments of any of these credit reporting agencies: Equifax at 800-525-6285, Experian at (888) 397-3742 and TransUnion at (800) 680-7289. Get addresses and other details at www.equifax.com, www.experian.com and www.transunion.com. For additional information on identity theft, you may visit the Federal Trade Commissions (FTC) website at www.consumer.gov/idtheft or write FTC, Consumer Response Center, Room 130-B, 600 Pennsylvania Avenue, N.W. Washington, D.C. 20580.

The FBI and the OIG are continuing to jointly investigate this matter and the FDIC is fully cooperating in this investigation. We will continue to monitor this situation and will provide further information as necessary. If you have any questions, need any information, or require any assistance in regard to this matter, you may contact the FDIC at a special toll-free number 1-866-621-9281 where you will be asked to record your question and contact information or submit your questions or concerns online at IDAlert@fdic.gov. Also, the FDIC's OIG has asked that you contact Special Agent Michael Rexrode at 202-416-4061 if you have any information relevant to this particular investigation.

Sincerely,



Arleas Upton Kea, Director
Division of Administration