



The Office Of State Treasurer  
Denise L. Nappier

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# Statement

FOR IMMEDIATE RELEASE  
June 27, 2018

## **SECURITY BREACH INVOLVING THE CONNECTICUT HIGHER EDUCATION TRUST**

Connecticut State Treasurer Denise L. Nappier today issued the following statement concerning a security breach involving the Connecticut Higher Education Trust (“CHET”):

“The Treasury has been advised by the CHET Direct program manager, TIAA-CREF Tuition Financing, Inc. (“TFI”), that 21 CHET account holders had online access to their accounts established by unauthorized individuals that resulted in a total of 44 unauthorized withdrawals of funds totaling approximately \$1,416,635. Of this amount, \$442,540 was recovered or stopped. This breach has not impacted customers with CHET Advisor accounts managed by The Hartford.

Federal, state and local law enforcement agencies are conducting a coordinated investigation. In the meantime, all account holders impacted by this breach will have their CHET accounts fully restored by TFI as if the unauthorized withdrawals never occurred. In addition, TFI will provide the account holders two years of identity fraud protection services, identity restoration services and \$1,000,000 in identity theft insurance coverage.

CHET account data and online systems are housed at and maintained by TFI and its service providers. TFI has implemented system enhancements, additional internal controls, and extra manual reviews aimed at helping to protect against future fraudulent activity. The Treasury is closely monitoring these security initiatives. In addition, we have requested an independent audit of fraudulent account activity and an independent review of TFI’s cyber, telephone and manual security programs.

This is this first time that we are aware of fraudulent account activity in CHET’s 20+ year history, and I am deeply concerned that these criminal activities have impacted CHET account holders. Until it happens to you, it’s hard to capture how unsettling it is when personal accounts have been compromised. I’ve been there. Every owner of the more than 150,000 CHET accounts can and should expect our vigilance and best efforts to ensure that their funds and information are protected.

In this era of near daily cyberattacks, we encourage all Connecticut residents to monitor their accounts for any unauthorized or suspicious activity. For our CHET customers, we encourage them to establish online access to their accounts, complete the additional security questions, and to regularly review their accounts. And, as a general matter, we advise everyone to consider using different user names and passwords for each online account, and to change them periodically.”

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