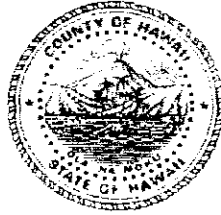


William P. Kenoī
Mayor



Ronald K. Takahashi
Director of Human Resources

Sharon Toriano
Deputy Director of Human Resources

County of Hawai'i
Department of Human Resources

Aupuni Center * 101 Pauahi Street, Suite 2 * Hilo, Hawai'i 96720 * (808) 961-8361 * Fax (808) 961-8617
website: <http://jobs.co.hawaii.hi.us> e-mail: jobs@co.hawaii.hi.us

October 31, 2012

The Honorable Shan Tsutsui, President
and Members of the Senate
Hawaii State Capitol, Room 409
415 S. Beretania Street
Honolulu, HI 96813

DEPARTMENTAL COMMUNICATION

No. 43

The Honorable Calvin Say, Speaker
and Members of the House of Representatives
Hawaii State Capitol, Room 431
415 S. Beretania Street
Honolulu, HI 96813

**REPORT OF SECURITY BREACH
PURSUANT TO CHAPTER 487N, HRS**

Dear President Tsutsui, Speaker Say, and Members of the Senate and House of Representatives:

Pursuant to Hawaii Revised Statutes Section 487N-4, Reporting requirements, the County of Hawai'i, Department of Human Resources, Health & Safety Division, Workers' Compensation Branch, is providing this report of a security breach affecting ten (10) workers' compensation claimants ("the claimants"). As explained below, the Workers' Compensation Branch received notification of this breach on October 26, 2012.

Our records indicate that during the course of their claim, the claimants received services from ClubREHAB Physical Therapy ("ClubREHAB") in Kailua-Kona on the referral of their attending physician.

On October 26, 2012, we received a letter from ClubREHAB (a copy of which is enclosed for your reference) stating:

Hawai'i County is an Equal Opportunity Provider and Employer.

Between the closing of [ClubREHAB's] office on Wednesday, August 29, 2012, and the opening of our office on Thursday, August 30, 2012, our Kailua Kona office was accessed by force. We discovered this the morning of August 32 [sic], 2012. We regret to inform you that, despite safeguards, information (DOB, SSN, Address, Phone, Referring Doctor, and Treatment Plans) may have been compromised. This unauthorized access breached physical security measures allowing access to records not yet electronically stored. We believe the person(s) involved in this breach were looking for capital assets and not patient information based on the fact that our files appear undisturbed. All information stored electronically is secure and there is no evidence of any attempt to access those records.

The security of medical information is paramount. We are taking steps to ensure future breaches don't occur; *The Club in Kona* (the building in which we are located) has enhanced security. Additionally, we are taking action to ensure more information is stored digitally in an encrypted format to add an additional barrier against unauthorized access.

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As current or former patients of ClubREHAB, the claimants may have already received the same or similar notification letter directly from the company.

We do not have specific information from ClubREHAB indicating that the claimants' medical records in their respective claims were part of the "records not yet electronically stored." As indicated in its letter, ClubREHAB reports it is taking steps to ensure future breaches don't occur.

Pursuant to Section 487N-2, Notice of security breach, HRS, we have also sent written notices to each of the ten (10) claimants, at their last known addresses, to advise them of the breach. A copy of one of our letters is enclosed for your reference, with personal information redacted.

We will continue to monitor this matter and forward to you any updates we receive on the status of the security breach.

The Honorable Shan Tsutsui and Members of the Senate
The Honorable Calvin Say and Members of the House of Representatives
October 31, 2012
Page 3 of 3

Please contact our Human Resources Manager, Charmaine Kamaka, at 961-8180, if you have any questions or require additional information.

Thank you for your attention to this matter.

Sincerely,



Ronald K. Takahashi
Director of Human Resources

Enclosures (2)