



Scripps News investigation finds data breach put tens of thousands of Lifeline applicants at risk

May 20, 2013 at 6:01 AM EDT

WASHINGTON, May 20, 2013 /PRNewswire/ -- For millions of low-income families, the federal government's Lifeline program offers affordable phone service. But an online security lapse has exposed tens of thousands of them to an increased risk of identity theft.

A Scripps News investigation, *Privacy on the Line*, unearthed more than 170,000 records containing sensitive details such as Social Security numbers, home addresses and financial account information. The records were widely available online this spring after being collected for two phone companies participating in Lifeline: Oklahoma City-based TerraCom, Inc. and its affiliate, YourTel America, Inc.

Federal regulations require Lifeline carriers to secure customers' personal records.

Scripps contacted dozens of people whose private information was posted online. When they learned of the security breach, many were shocked. Linda Mendez doesn't know how she'll protect herself and her family. The risk is "just destroying us," said Mendez, who lives in San Antonio, Texas, with her husband and four children.

The investigation also revealed dubious practices for collecting sensitive personal information. A former Indianapolis worker for SafeLink Wireless, another phone company, described recording Lifeline applicants' driver's licenses, Medicaid cards and Social Security numbers in a notebook or with his personal cellphone camera -- and said his employer never asked whether he had destroyed the data. The Lifeline program strictly forbids retaining it.

The Indiana attorney general's office, responding to Scripps' reporting, has launched an investigation into the release of TerraCom applicants' personal data. The Texas attorney general's office also is scrutinizing the practices of TerraCom and YourTel. Company officials declined numerous requests for an interview. But, in a written statement, Dale Schmick, chief operating officer of both companies, said they were "actively investigating the full extent of any security breach."

A lawyer representing both TerraCom and YourTel accused Scripps of accessing the records illegally. Scripps denied the charge and offered to share a video it produced demonstrating how the reporter found the documents.

The Scripps News investigation *Privacy on the Line* is available at www.kjrh.com/privacybreach, and on Scripps TV stations and in Scripps newspapers across the country. For a complete list of Scripps stations and newspapers, see <http://www.scripps.com/brands>

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