

Privacy watchdog's probe of data breach widens to second federal department

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Privacy Commissioner Jennifer Stoddart

Photograph by: Sean Kilpartrick/The Canadian Press , Postmedia News

OTTAWA — The last person to have a memory stick holding the names, social insurance numbers and personal information of about 5,000 Canadians was a government lawyer working on their Employment Insurance appeals, Postmedia News has learned.

The lawyer at [Human Resources and Skills Development Canada](#) used the [USB memory stick](#) on Nov. 15, but couldn't find the USB key the very next day. According to testimony before a parliamentary committee and a department spokeswoman, the lawyer looked everywhere for the

USB key — including checking with the taxi company the female lawyer had used on Nov. 15 — but was unable to locate the device.

The lawyer working on a secure floor at an HRSDC building in Gatineau, Que., across the river from Ottawa, was on loan from the [Department of Justice](#) — information the privacy commissioner's office told Postmedia News has led her to [open a complaint](#) against that department, widening the investigation into the data breach to a second government department.

Opening a complaint allows Privacy Commissioner [Jennifer Stoddart](#) to vet the department's compliance with the [Privacy Act](#). Stoddart's office began the complaint against the justice department on Jan. 28.

“We're seeing we just don't know how deep this is. We don't know the reach on either end of the problem,” said Liberal human resources critic Rodger Cuzner.

“It's not just the breach, but the response by the federal government has been less than stellar. It's been feeble.”

The unencrypted USB key contained information on Canadians who were in the midst of appealing the department's decision on their applications for disability payments. A department spokeswoman said the lawyer was using the information to prepare for the appeals process.

Despite the breach having been identified more than three months ago, the department said it is still conducting “administrative investigations ... to determine all the facts surrounding this matter.”

“If it is concluded that there has been misconduct in violation of government policies, then appropriate measures will be applied pursuant to the government's disciplinary and security regimes,” the department said in an email, adding that searches were continuing for the USB key.

When Postmedia News contacted the lawyer involved, she said she was not authorized to speak to the press and directed all queries to the media relations office.

The department's media relations team would not confirm the identity of the lawyer involved, citing privacy reasons.

“The department cannot comment either way as to whether someone has been involved or not in this matter. To comment either way would be to provide ‘personal information’ which is protected from disclosure under the federal [Privacy Act](#) and [Access to Information Act](#),” the department said in an email.

The loss of the USB key was reported while the department was also searching for a portable, external hard drive containing the [personal information of 583,000 Canada Student Loan borrowers](#), including their social insurance numbers. As with the USB key, the drive was neither encrypted nor password protected.

The department says it has no evidence the information on the devices has been used for fraudulent purposes.

In the wake of the latest breaches, the department destroyed all non-approved USB sticks, and has ordered a “large amount” of encrypted USB sticks as replacements. The department has also banned the use of external hard drives and will be using network monitoring software to track and prevent unauthorized transfer of data.

In testimony before the Commons ethics committee, senior department officials wouldn't say what, if any, disciplinary action HRSDC has taken against any employees involved. The department's deputy minister, Ian Shugart, told the committee he didn't want to speculate on what could happen, saying the department was still investigating the three-month-old breaches.

On Monday, the NDP told the Commons ethics and privacy committee that it wanted the committee to study whether to force companies and organizations to report all data breaches and losses to the privacy commissioner, and give Stoddart more powers. On Tuesday, Cuzner will ask the human resources committee to have HRSDC explain how the credit alerts being offered to affected Canadians through Equifax in the student loan breach compares to what the company normally offers, extend the service to include TransUnion, and reimburse anyone whose information is used to commit fraud.

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