



**BY FAX:** (604) 276-6441

August 19, 2010

Michael Graydon  
President and Chief Executive Officer  
BC Lottery Corporation  
10760 Shellbridge Way  
Richmond BC V6X 3H1

Dear Mr Graydon:

**Breach Notification—BC Lottery Corporation—OIPC File F10-42797**

I write further to my investigation regarding the breach of personal information that was reported to my office by the BC Lottery Corporation (“BCLC”) on July 16, 2010. The breach occurred on July 15, 2010, the same day as the launch of the online gaming casino portion of the PlayNow.com website, when some customers reported to BCLC that they were able to view the personal information of other customers. After investigating these phone calls, BCLC revoked public access to PlayNow.com and the website remains offline.

BCLC provided my office with timely notification of the breach and worked effectively with my office in ensuring that BCLC provided the affected customers with appropriate notification.

BCLC then conducted an internal investigation to identify the cause of the breach. BCLC determined that the root cause was a “data crossover” caused by a configuration setting within the computer server environment that, under certain conditions, resulted in the incorrect assignment of stored customer credentials to a customer who was not the rightful owner of the credentials. The effect was that the “data crossover” caused some customers to be switched to the accounts of other customers.

After my discussions with you and Derek Sturko, Assistant Deputy Minister, Gaming Policy and Enforcement Branch, BCLC agreed that it would not reactivate the PlayNow.com website until an independent review had been conducted. Deloitte & Touche LLP Canada (“Deloitte & Touche”) was hired to confirm the cause of the breach, review the adequacy of the proposed remediation and to conduct a broader review of BCLC’s PlayNow.com site. This independent review was divided into two phases, an immediate review of the cause and remediation and a broader review of BCLC’s PlayNow.com website.

After conducting the first part of its review, Deloitte & Touche issued its August 17, 2010 report, *PlayNow.com incident and remediation review*. Deloitte & Touche concluded:

Deloitte is confident that the root cause identified by BCLC did cause the data crossover issue and that the remediation plans developed and implemented by

BCLC, effectively remediates the root cause. These conclusions are based on our evaluations as at August 7, 2010.

Based on my investigation, including a technical review of the above reports and other information provided by BCLC, I accept that the cause of the July 15, 2010 privacy breach has been identified and that the remediation plans developed and implemented by BCLC will prevent "data crossover" from occurring again.

As you know, during the initial stages of our investigation my office has been focussed on confirming the specific cause of the privacy breach and on determining whether BCLC has taken reasonable measures to ensure that the cause has been corrected.

Gambling websites require the collection, use and disclosure of customer financial information. The nature of these websites exposes personal information to greater risk. My office will continue its investigation of this matter, including the monitoring of Deloitte & Touche's comprehensive review of BCLC's PlayNow.com site and governance relating to the management of system risk. My office's investigation will also consider whether the PlayNow.com network architecture and related components implemented by BCLC ensure that appropriate levels of security are in place for the protection of the personal information of BCLC's customers.

At the conclusion of our investigation, my office will make a public report.

Sincerely,

## **ORIGINAL SIGNED BY**

Elizabeth Denham  
Information and Privacy Commissioner  
for British Columbia

Copy: Derek Sturko  
Assistant Deputy Minister  
Gaming Policy & Enforcement  
Ministry of Housing & Social Development