



## LEGAL ALERT

November 29, 2018

### **Damages for Data Breach Says Pa. Supreme Court Employers Must Use “Reasonable Care” to Safeguard Sensitive Employee Data**

**Pennsylvania employers now have a common law duty to protect sensitive employee information collected and stored on internet-accessible computer systems.**

On November 21, 2018 the Pennsylvania Supreme Court held that employers have a legal duty to exercise reasonable care to safeguard sensitive personal information collected by an employer and stored on an internet-accessible system. A variety of safeguarding measures were noted in the court’s opinion.

The class action case involved a data breach of UPMC’s computer system, resulting in the access and theft of social security numbers, birth dates, addresses, bank account information and tax forms for an alleged 62,000 employees. Thieves used the stolen information to file fraudulent tax returns and steal tax refunds. Affected employees sued UPMC for its failure to adequately protect their personal data.

The case, *Dittman v. UPMC*, 2018 WL 6072199 (Pa. Nov. 21, 2018), is a major decision for all businesses. It provides employees with a private cause of action against employers and imposes damages for data breach. *Dittman* may open the door to a flood of lawsuits by employees against their employers when their personal data is stolen by hackers.

**Employers Take Note:** Continue to treat employee personal information with care and ensure that you take appropriate measures to protect information stored on internet-accessible computers. In the event of a data breach, you now have significantly more exposure than fines and notification requirements.

**Need more information or want help assessing your current policies and practices? Contact our Employment and IT Legal Team by phone (717) 731-1700 or by email:**

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