



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

KATIE HOBBS
GOVERNOR

EXECUTIVE OFFICE

July 28, 2023

The Honorable Tom Horne
Superintendent of Public Instruction
1535 W. Jefferson Street
Phoenix, AZ 85007

Superintendent Horne,

On July 24, 2023, it was reported that the Director of the Empowerment Scholarship Account (ESA) Program at the Arizona Department of Education, Christine Accurso, resigned. Additionally, reporting on July 25, 2023 indicated that Linda Rizzo, another high ranking ESA program administrator, also resigned.

These resignations come at the heels of a cybersecurity incident in which thousands of personal information data points, including student names and disability categories, were viewable through the program's financial management platform, ClassWallet. This incident has prompted the Arizona Department of Homeland Security (AZDOHS) to activate the state Incident Response Team to review all details of this situation.

As students and parents prepare for a new school year, the sudden and unexpected departures of Director Accurso and Linda Rizzo raise concerns and questions about the administration of the ESA voucher program and the protection of student data under your supervision.

In addition to your cooperation with AZDOHS, pursuant to Article V, § 4 of the Arizona Constitution and A.R.S. § 41-101(A)(10), I hereby demand a special report in writing by August 3, 2023 that includes answers to the following questions:

1. How is your administration responding to the data breach that occurred through ClassWallet and what actions are being taken to prevent a similar event in the future?
2. How have ESA parents been notified of the unauthorized data disclosure of their children's personal information?
3. What steps is your administration taking to address any potential violations of the Family Educational Rights and Privacy Act's (FERPA) provisions on release of education records and disclosure consent requirements? (*See, e.g.,* disclosure consent requirements for the release of education records, as set forth in 34 C.F.R. § 99.30.)

4. What steps is your administration taking to address any potential violations of State statutes relating to student data privacy including, without limitation, A.R.S. §§ 15-1045 and 15-1046?
5. Have you referred this matter to the Attorney General for an investigation under the consumer fraud statutes as contemplated in A.R.S. § 15-1046(G)? If not, please explain whether and when you intend to do so.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Katie Hobbs
Governor
State of Arizona

Cc: Kimberly Yee, State Treasurer