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MasterCard, Visa warn security breach may compromise data

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By [Byron Acohido](#), USA TODAY

Visa and MasterCard have begun notifying member banks around the nation to contact patrons whose card accounts may have been compromised in the Heartland Payment Systems data breach.

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Robert Baldwin, Heartland's President and CFO, said in a USA TODAY interview that Visa and MasterCard are "instructing many card issuers" to offer fraud-monitoring protection, replace cards, or do a combination of both for customers whose card purchases were processed by Heartland. "We're heartsick over this," Baldwin said.

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DATA THEFT: [Hackers breach Heartland Payment credit card system](#)
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Visa ([V](#)) and MasterCard ([MA](#)) declined to elaborate, citing an ongoing FBI criminal investigation.

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Heartland disclosed Tuesday that intruders cracked the system it uses to process 100 million card transactions per month from 175,000 merchants. Heartland began investigating late last fall, tipped by Visa and MasterCard; but its tech staff was stumped. "We brought in a forensic auditor and worked for over a month, and only last week we found proof that our system had been breached," Baldwin said. "Up to that point we had no internal data suggesting any breach."

The case could turn out to be the largest data breach yet reported. Anyone who used a payment card at one of the restaurants or retailers that rely on Heartland to process card transactions could be at risk. These merchants include "independent business people in towns and cities across America," including some franchise chains, "but not any corporate names anybody would recognize," Baldwin said. Heartland has been unable to ascertain "a specific start and end date" for the intrusion, and has not been able to determine how many transaction records were stolen, he said.

Security and privacy experts say Heartland should assume all accounts that made transactions when the intruders were on the system are compromised. "Are we talking two weeks or two months?" says Roel Schouwenberg, senior antivirus researcher at Kaspersky Lab. "With proper forensics they should be able to conclude the maximum number of possible victims."

Whatever the number, it will be costly. Retail giant TJX set aside \$197 million in reserves to deal with the 2007 theft of 94 million records. "This is TJX on steroids," says Paul Davie, COO of database management company Secerno.

Heartland should feel urgency to notify everyone who could be a victim, says Todd Davis, CEO of LifeLock, a fraud-monitoring service. "Victims are sitting naked, not knowing whether to take extra steps to protect themselves," he says. "The default should be toward notifying all possible victims."

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Spad wrote: 16m ago

NSU224 wrote: 21m ago


I am really really tired of stuff like this. You can't count on the bank to protect your money and you can't count on the people who process your credit card transactions. First, anyone caught and convicted of doing this type of thing should face the harshest possible punishments, life without the possibility of parole. Second, the companies should be responsible for all loses to customers, even if that drives them out of business. Lastly, those at the company whose system was breached should be subject to civil fines if they failed to do their job properly.

=====



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I understand the outrage. I really do - and I sympathize with those who's data has been compromised.

HOWEVER:

The problem is multifaceted. Most people don't have the foggiest clue how a computer works, and of those who do - a very small fraction know how to actually protect one. Policies that are meant to 'protect' systems typically cripple a decent Security Analyst from doing so. PCI compliance (standards companies conducting credit card transactions must adhere to) IS NOT security. You mention rules and laws. Good luck. The law-making process takes years to address issues, tactics, and technologies that last days, if not hours. Laws and policies are barely addressing the technological security issues of the late 1990's.

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Spad wrote: 24m ago

dont know wrote: 42m ago

If these companies can not keep people's info secure maybe it's time they get put out of business. They can give their ceo's big bonuses take that money and make your systems secure.

=====

Just to make sure we crucify everyone appropriately - you do what, exactly, to protect your own data?

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HangingChad wrote: 30m ago

Can I charge them a \$29 breach fee?

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barbi.girl wrote: 33m ago

Mr Baldwin from Heartland writes "These merchants include "independent business people in towns and cities across America," including some franchise chains, "but not any corporate names anybody would recognize," Baldwin said.

Gosh, I am sure we have all heard of Wal-Mart --

I want to know who owns Heartland Payment Systems.

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MidWest Guy2 wrote: 34m ago

I will place my money on an outsource to India.

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butter wrote: 41m ago

Database Administrators and Software architects have been outsourced and ignored for the past 5 years or so. Data security and integrity will continue to erode over the next year or so. You will see a lot more of this until companies realize a senior level person that speaks english has to be on site and working on these systems ALL THE TIME. Have fun Heartland - I'll bet millions you cut money on I.T. in the past 3 years somewhere and were just asking for this!

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NSU224 wrote: 42m ago


I am really really tired of stuff like this. You can't count on the bank to protect your money and you can't count on the people who process your credit card transactions. First, anyone caught and convicted of doing this type of thing should face the harshest possible punishments, life without the possibility of parole. Second, the companies should be responsible for all loses to customers, even if that drives them out of business. Lastly, those at the company whose system was breached should be subject to civil fines if they failed to do their job properly.

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acerani wrote: 1h 5m ago

Not only does their security suck, but you can't even access their website: www.heartlandpaymentsystems.com

 nor the site they created to advise about the breach www.2008breach.com. Sounds fishy!

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dont know wrote: 1h 8m ago

If these companies can not keep people's info secure maybe it's time they get put out of business. They can give their ceo's big bonuses take that money and make your systems secure.

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