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PRESS RELEASE

Attorney General Frosh Announces Settlement with Target Corporation Over 2013 Data Breach

BALTIMORE, MD (May 23, 2017) – Maryland Attorney General Brian E. Frosh today announced that he, together with the Attorneys General of 46 other states and the District of Columbia, entered into a settlement with the Target Corporation to resolve the states' investigation into Target's 2013 data breach. Under the settlement, which represents the largest multistate data breach settlement achieved to date, Target agreed to pay \$18.5 million and to institute a variety of measures to protect consumer information.

The states alleged that the breach affected more than 41 million customer payment card accounts and contact information for more than 60 million customers, exposing consumers' full names, telephone numbers, email addresses and mailing addresses; payment card numbers, expiration dates and CVV1 codes; and encrypted debit PINs.

"Consumers' personal information needs to be protected by reasonable security measures," said Attorney General Frosh. "As a result of this settlement agreement, Target will bolster its security to prevent future data breaches. Maryland consumers should remain vigilant in protecting their personal information and take necessary steps if their identities have been stolen."

The states alleged that on or about November 12, 2013, cyber attackers accessed Target's gateway server through a third-party vendor's credentials. Multiple weaknesses in Target's system were exploited and allowed the attackers to access a customer service database, to install malware on the system and to capture consumers' personal information.

The settlement agreement requires Target to develop, implement and maintain a comprehensive information security program and to employ an executive or officer who is responsible for executing the plan. The company is required to hire an independent, qualified third-party to conduct a comprehensive security assessment.

The settlement further requires Target to maintain and support software on its network; to maintain appropriate encryption policies, particularly with regard to cardholder and personal information data; to segment its cardholder data environment from the rest of its computer network; and to undertake steps to control access to its network, including implementing password rotation policies and two-factor authentication for certain accounts.

In addition to Maryland, the other states participating in this settlement are Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South

Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington and West Virginia and the District of Columbia.

For more information on how to protect your identity, or what to do in the event of a data breach, please visit the Maryland Office of Attorney General's <u>Identity Theft Guide</u>.

In making today's announcement, Attorney General Frosh thanked Assistant Attorney General Richard Trumka Jr. for his work on the case.