

## Local banks work to clean up Target mess

Written by Austin Benson

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Financial institutions, including Gothenburg State Bank and First State Bank, had to pick up the pieces after information was compromised from 40 million credit cards and debit cards at Target stores around the county.

The 18-day attack starting Nov. 27 and ending Dec. 15 is the second largest in U.S. retail history behind a 2007 data theft of TJX, Cos. Inc., of more than 90 million cards.

On Friday, Target released a statement in USA Today that PIN numbers for the cards were safe and secure. Hackers didn't breach personal information because of the company's Triple Data Encryption Algorithm. In other words, since the PIN numbers were encrypted, Target didn't collect personal information either.

But just because no personal information was gathered in the hack doesn't mean a commotion wasn't caused with local banks and their customers.

Gothenburg State Bank financial officer Brandon Kauffman said 176 Gothenburg State Bank customers were on a list of affected cards. First State Bank security officer Patty Barkmeier said 130 customers had breached cards. None from either bank revealed actual known fraud.

Both Gothenburg State Bank and the First State Bank were proactive in dealing with the national issue.

A small team including Kauffman worked at GSB for four business days to contact those on the list with letters and phone calls. He said the team reached 85% of customers on the released list and they were given different options including being given a new card on site.

"We have the ability to issue cards immediately," Kauffman said. "We either had those who cancelled their card come in for a new one, or mailed it out to them."

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Barkmeier said she contacted all but three of the 130 customers.

“I wanted to handle this as quickly as possible,” she said. “Those contacted came in and ordered a new card and cancelled the compromised ones. We wanted to make it an easy transition.”

In the case of a possible future breach, both banks offer systems in place to protect their customers to monitor spending and disable the card if it's needed.

FSB uses a fraud watch program that alerts Barkmeier of a high rate/outside-the-country purchase, for example as well as a statement providing purchases made by the customer.

“When I get an alert and open it up, I can stop the card and contact the person,” Barkmeier said. “There are three fraud forces in the program that lets us know if something comes up.”

GSB offers a couple different options for credit card protection, Kauffman said.

The bank offers a mobile application that has the customers card on it and gives them the ability to turn their card on and off instantly, he said. GSB also offers ID Theft 911, a free service to customers about providing safe guarding and looking at account activity.

Unfortunately, even with all the precautions in place, sometimes events like this happen GSB bookkeeper Jessie McNally said.

“This was just a freak thing that happened,” when McNally was asked how to prevent this again.

With the timing of the breach before the Christmas Holiday, Barkmeier said FSB was worried about their customers over the holiday with shopping and traveling.

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“The bank made sure the customers had money or a means to stay away from tough situations,” Barkmeier said. “Banks are assuming all the debt so we wanted to handle this as quickly as we could.”

American Bankers Association president and chief executive officer Frank Keating said in a press release that security lapses like Target’s mean banks have to clean up after someone else’s mess.

Barkemeier said FSB knew they had to get a jump on fixing this problem.

“This generation knows nothing but cards,” Barkemeier said. “We had to get on the solution and get it done.”

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