March 30, 2007

TJX Says Theft of Credit Data Involved 45.7 Million Cards

By THE ASSOCIATED PRESS

BOSTON, March 29 (AP) — Information from at least 45.7 million credit and debit cards was stolen by hackers who gained access to TJX’s customer information in a security breach that the discount retailer disclosed more than two months ago.

The TJX Companies, the owner of about 2,500 stores, said in a regulatory filing this week that about three-quarters of the cards had either expired at the time of the theft or data from their magnetic strips had been masked — stored as asterisks rather than numbers.

But TJX acknowledged that it still knew little about the breach, in part because the hacker or hackers gained access to the TJX encryption software and could have known how to unscramble the information.

In addition, TJX deleted much of the transaction data in the normal course of business between the time of the breach and the time that TJX detected it, making it impossible to know how many cards were affected.

“There is a lot of information we don’t know, and may never be able to know, which is why this investigation has been so laborious,” a TJX spokeswoman, Sherry Lang, said.

TJX says its computer systems were first breached in July 2005 by a hacker or hackers who gained access to information from customer transactions dating to January 2003. TJX says it did not discover the breach until about three months ago.

Information from 45.7 million cards was stolen from transactions beginning in January 2003 and continuing through Nov. 23 of that year, TJX said in the filing with the Securities and Exchange Commission. TJX did not give estimates of the number of cards from which information was stolen for transactions occurring from Nov. 24, 2003, to June 28, 2004.

The filing also said another 455,000 customers who returned merchandise without receipts had their personal data stolen, including driver’s license numbers.

The filing gives the first detailed account of the breach initially disclosed in January by TJX, the owner of T. J. Maxx, Marshall’s and other stores in North America and Britain.

Police charged six people in Florida last week with using credit card numbers that investigators say were stolen from a TJX database to buy about $1 million in merchandise with gift cards. The gift cards were purchased from Wal-Mart stores and were used to acquire electronics and jewelry at Wal-Mart’s Sam’s Club warehouse stores.

Ms. Lang said on Thursday that TJX could not yet confirm whether the data used in those thefts originated at the company.