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State of Texas Sues RadioShack Due to ID Theft Violations

By **Jack McGoughey**

RadioShack was sued Monday by the Texas Attorney General's office.

The Attorney General's office charges that the electronics retailer dumped records such as addresses, social security numbers, and credit card numbers in a trash bin behind one of its stores, exposing customers to potential identity theft.

The civic suit, filed in San Patricio County, Texas, accuses RadioShack of violating Texas' 2005 Identity Theft Enforcement and Protection Act. The law requires businesses to protect consumer records that contain sensitive information on the customers.

Greg Abbott's office started investigating RadioShack after reports indicated that employees at a store in Portland, near Corpus Christi, dumped customer records in trash bins behind the store in March.

Mr. Abbot said an eye witness saw about 20 boxes containing personal information of customers. Corpus Christi media then reported the problem, sparking the probe.

RadioShack, based in Fort Worth, did not return phone calls seeking comment.

RadioShack "failed to safeguard the information by shredding, erasing or other means, to make it unreadable or undecipherable before disposing of its business records ...," the complaint states.

The lawsuit seeks a permanent injunction, civil penalties, and other relief. Texas law allows the attorney general's office to seek up to \$50,000 per violation.

Abbott's office also accused RadioShack of violations under the Business and Commerce Code. The code requires businesses to develop retention and disposal procedures for their customer's personal information. The Business and Commerce Code law allows for civil penalties of up to \$500 for each abandoned record.

The suit comes on the heels of other incidents concerning identity theft risks in the retail world.

Last week, TJX Cos. Inc. admitted that information from 45.7 million credit and debit cards were stolen in a computer security breach over an 18 month period.

Other information such as names, addresses, and personal ID numbers for about 451,000 people who returned store merchandise without a receipt was also stolen. The information was revealed by the operator of the T.J. Maxx and Marshall's retail chains during a regulatory filing.

The RadioShack suit news came before markets closed on Monday.

RadioShack shares have been rising over the past few months due to an improved company outlook.

Sources:

http://www.usatoday.com/tech/news/computersecurity/infotheft/2007-04-03-radio-shack-id_N.htm

<http://www.dallasnews.com/sharedcontent/dws/bus/stories/040307dnbusradioshack.16c8790.html>

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