

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE ATTORNEY GENERAL

oag.dc.gov



FOR IMMEDIATE RELEASE: Thursday, November 19, 2015

Contact: Rob Marus, Communications Director (OAG): 202.724.5646; robert.marus@dc.gov

Attorney General Racine Joins Colleagues from Other States in Urging Credit Card Companies to Expedite New Technology

Chip-and-PIN Technology Has Significantly Reduced Data Breaches in Other Nations

WASHINGTON, D.C. – Attorney General Karl A. Racine has joined eight colleagues from around the country in urging the nation’s largest credit-card issuers to speed up implementation of chip-and-PIN technology. This technology – which uses chip readers in conjunction with Personal Identification Numbers (PINs) – is widely considered a more secure means of processing credit card transactions than traditional magnetic-strip cards or newer chip-and-signature cards.

The attorneys general asked leaders at companies including MasterCard, Visa, Discover Financial Services, Bank of America, Capital One, Citigroup, American Express and JP Morgan Chase – who have collectively begun the nationwide transition to a chip-and-signature card – to move to full chip-and-PIN technology as soon as possible. The attorneys general said that doing so would be in the best interest of consumers, who are now routinely affected by breaches involving credit and debit cards. The move, the officials say, would also be in the best interest of local businesses, which face increased financial risks as well as harm to their reputations and loss of consumer trust if they experience a breach.

“Adopting this new technology is a smart move for consumers and businesses alike, and we urge the credit-card companies to take this extra step to better protect all of their customers from fraudulent card use,” Attorney General Racine said.

The attorneys general said that while the ongoing implementation of chip-enabled cards in the United States is “imperative in order to provide stronger payment security and assurance to consumers,” most chip cards currently being issued in the country rely on a signature, rather than a PIN, as the secondary form of verification.

“There can be no doubt that this is a less secure standard, since signatures can easily be forged or copied or even ignored at the point of sale,” the attorneys general wrote. “In order to better protect consumers, the

chip-enabled cards issued in this country must be reinforced with the requirement that consumers enter a PIN to verify the transaction....absent this additional protection, your customers and our citizens will be more vulnerable to damaging data breaches. This is something we cannot accept, and nor should you.”

By the end of 2015, there will be approximately 1.62 billion chip cards in use across 80 countries around the world. Countries including France, Canada and the United Kingdom have reported significant reductions the various types of payment card fraud since their adoption of chip-and-PIN technology. Since 2003, the United States has consistently accounted for about half of the global loss from fraudulent transactions, despite being responsible for only a quarter of total card payments.

Attorneys general from the District, Connecticut, Illinois, Maine, Massachusetts, New York, Rhode Island, Vermont, and Washington state joined in the letter.

A copy of the letter is attached.

###