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MONEY *Matters*



Surprise: Target Won't Pay for Consumer Losses in Data Breach

Despite many consumers' assumptions, retailers don't pick up the tab for retail data breaches. In fact, credit unions and their members, and banks and their customers—not the retailers—will end up paying the costs for data security breaches such as those in late 2013 at Target and Neiman Marcus.



Credit Union National Association (CUNA) President/CEO Bill Cheney, Washington D.C., explains that merchants rarely are held accountable for reimbursing financial institutions for the costs of a data breach. In Target's own admission of the breach, the national retailer makes no commitment to avoid leaving card issuers, such as credit unions, responsible for the cost of dealing with the breach.

The truth of the matter is that when data breaches like the recent one at Target occur, America's credit unions spend millions of dollars without skipping a beat to protect consumers by re-issuing cards, monitoring accounts and reimbursing customers for fraud. Credit unions pay a steep price after data breaches that they did not cause, all in the name of protecting their members.

The results of a CUNA survey among credit unions show that, on average, the Target breach has cost credit unions about \$5.68 for each affected card. These costs are primarily for reissuing cards and other administrative expenses resulting from the breach; they do not include fraud losses likely to occur later. Thus far the cost to credit unions exceeds \$30 million.

“Contrary to what some may think, these expenses will not be reimbursed to credit unions and their members by Target or other retailers,” Cheney says. “Credit unions must solely cover these costs of card program administration, including in these circumstances of reacting to a merchant data breach. And, because of credit unions' cooperative structure, the costs of such breaches are ultimately borne entirely by credit union members,” he adds.

The CUNA survey asked credit unions affected by the Target data breach to outline the costs and burdens they have seen as a result. The breach resulted in the theft of 40 million debit and credit cards, and encrypted PIN (personal identification number) data, and the names, mail and email addresses, and phone numbers of up to 70 million individuals.

The Target data breach affects 10% of the credit and debit card customers of every credit union and bank in the country, CUNA and other financial services representatives said in a letter to the U.S. Senate in early February. The letter was submitted for the record of a hearing by the Senate Banking subcommittee on national security and international trade and finance entitled “Safeguarding Consumers' Financial Data.”

CUNA and credit unions are asking Congress to address the lack of retailer accountability, and to support legislation to replace various state-based data protection laws with one single, federal standard.

If you have concerns about card safety, call 800-392-2202 or stop in at Germania Credit Union.



The Twenty Eighth Annual Meeting of Germania Credit Union was called to order on February 13, 2014 at 6:00 p.m. at the Germania home office. The following directors were elected to serve three year terms: Howard Tomlinson, Lisa Eben and Traci Bagley.



DOCUMENTS AVAILABLE TO MEMBERS

Upon request, a member is entitled to review or receive a copy of the most recent version of the following credit union documents:

- 1) Balance sheet and income statement.
- 2) A summary of the most recent annual audit.
- 3) Written board policy regarding access to the articles of incorporation, bylaws, rules, guidelines, board policies, and copies thereof.
- 4) Internal Revenue Service Form 990.

Office Hours:

Monday - Friday
8:00 am - 5:00 pm
(No transactions after 4:00 pm)
Germania will be closed
Friday, April 18th & Monday, May 26th
In observance of Good Friday &
Memorial Day.

Current Rates:

Annual Percentage Yield (APY) for Regular Share Accounts is accurate as of 3-31-2014.

Regular Share Account

Dividend Rate..... 0.05%

APY 0.05%

Contact the credit union for further information about applicable rates, fees and terms.

Statistics:

(as of February 28, 2014)

Assets	\$9,993,081
Shares	\$8,564,769
Loans	\$6,575,744
Members	2476

Board of Directors

Rick Blundell, Jr., Chairman
Richard Grimmer, Vice Chairman
Trey Hardy, Treasurer
Sandy Wellbrock, Secretary
William Boer
Howard Tomlinson
Flinta Shipley
Lisa Eben
Traci Bagley

Staff

C.W. Barker, President
Janet Mantey
Jo Lynne Goldberg
Anna Hollingsworth
Chelsea Lozano

Counterfeit Check Scams Come in Many Guises



If someone you don't know offers to send you money, watch out. It's probably a counterfeit check scam. There are lots of variations of these scams, but one thing is for sure--you'll be out money if you comply.

Sure, it might be tempting to cash a check for free money. Counterfeit checks look so real that even financial institution employees can be fooled. If the check is a fraud and bounces after you've cashed it, you're the one who will be held responsible.

Counterfeit check scammers hunt for victims by scanning newspaper and online ads for people trying to sell things and people seeking employment. Scammers even send random emails and faxes hoping that someone takes the bait.

These scams take many guises, but the main thing to watch out for is someone you don't know who wants to send you a check or money order for a large sum of money--but requests that you wire a portion of the money back. If you fall for this, you can be sure of three things:

1. The check is a fraud.
2. The money you deposit in your account is not good. When the check bounces you'll be responsible for paying back the money. This will be even harder to do if you've already spent it.
3. You've just wired your money to a crook.

If you get a check that you're suspicious about, don't cash it. Report scams to the National Fraud Information Center/Internet Fraud Watch at fraud.org.



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CREDIT UNIONS™
Where people are worth more than money.™

