

Security blunder admitted by Sanity; E-MAIL ROW

Sydney Morning Herald (Australia)

December 22, 1999 Wednesday, Late Edition

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Section: BUSINESS; Bizcom; Pg. 27

Length: 557 words

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Body

Sanity.com, the fledgling e-commerce spin-off from the **Sanity** retail music chain, admitted breaching its **security** policy and angering customers by accidentally revealing the e-mail addresses of **more** than 140 people using its service.

It was the second furore **Sanity**.com has been involved in since its launch in October, when it was revealed that the company had accidentally given away free CDs through its Web site.

In its latest blunder, **Sanity**.com yesterday sent an e-mail to remind customers who hadn't supplied their credit card details to do so before Christmas Eve or their orders would be cancelled.

But instead of including the e-mail addresses of all the relevant customers in the invisible field known as "blind carbon copy", each e-mail address was added in the "To:" field. This made all the e-mail addresses viewable by everyone.

Sanity.com's **security** policy states that "the details that you provide us through our Web site are transmitted via a secure link and will not be available to any persons or legal entities other than **Sanity**.com".

Customers started responding by Monday evening, with one person called "Knievel" contacting all of the revealed e-mail addresses with his complaint.

"So much for privacy at **Sanity**.com," he began. "For those who haven't realised, your e-mail addresses have just been exposed. If I wanted, I could now go ahead and annoy you with persistent spamming, or post your e-mails to a newsgroup for other people to spam you ...

"After this, do you really expect me to e-mail you my credit card details?"

The managing director of **Sanity**.com, Mr Brett Blundy, whose shares in the company are worth almost \$5 million while his parent company Brazin holds an interest in **Sanity**.com worth **more** than \$68 million, was not aware of the privacy breach but said the

customers could expect an apology.

"This is clearly a mistake and I agree it is a privacy concern," Mr Blundy said.

"We are very sorry and we will apologise. We will also have to determine the extent of the problem. When we do, it will be fixed to our customers' satisfaction"

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Under current law, customers do not have any form of legal recourse when their privacy is breached by a private company. However, the Federal Attorney General is accepting submissions on a proposed tightening of privacy laws, the Privacy Amendment (Private sector) Bill which would be introduced to Parliament in February.

The Australian Privacy Commissioner, Mr Malcolm Crompton, said: "Once the new privacy law is in place, a case such as this would almost certainly be a breach of the national privacy principles.

"If **Sanity**.com didn't inform customers that they were collecting e-mail addresses for the purposes of broadcasting those addresses publicly, then they would be in breach."

If the privacy law is passed, then consumers will be able to lodge a complaint and ask for recompense.

"If someone had spent money setting up an anonymous e-mail account and suddenly started receiving spam thanks to a company accidentally revealing their addresses, there would be a case to be made for financial recompense," Mr Crompton said.

Sanity.com's share price has been a strong performer in the past two days, and rose 14c to \$1.50 yesterday.

Competing online music site, ChaosMusic, has not fared so well, suffering a decline since the listing on Wednesday. ChaosMusic fell 12c to 93c.

Classification

Language: ENGLISH

Publication-Type: Newspaper

Subject: PUBLIC POLICY (89%); HOLDING COMPANIES (76%); PARENT COMPANIES (76%); PRIVATELY HELD COMPANIES (76%); EMAIL MARKETING (75%); INVASION OF PRIVACY (75%); CUSTOMER SATISFACTION (70%); LAW & LEGAL SYSTEM (69%); ATTORNEYS GENERAL (67%); LAWYERS (62%); PRIVACY RIGHTS (62%); ELECTRONIC COMMERCE (56%); CHRISTMAS (52%); Company/**Sanity** Com; Politics/Civil Rights/Privacy

Industry: ELECTRONIC MAIL (89%); MUSIC STORES (75%); EMAIL MARKETING (75%); CREDIT CARDS (72%); RETAIL & WHOLESALE TRADE (71%); CUSTOMER SATISFACTION (70%); LAWYERS (62%); ELECTRONIC COMMERCE (56%)

Geographic: SYDNEY, AUSTRALIA (59%); AUSTRALIA (59%)

Load-Date: August 8, 2007