

Wyndham Worldwide settles FTC charges that it placed consumers' payment card information at risk
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- Wyndham Hotels and Resorts has agreed to settle FTC charges that the company's security practices unfairly exposed the payment card information of hundreds of thousands of consumers to hackers in three separate data breaches.
- Under the terms of the settlement, the company will establish a comprehensive information security program designed to protect cardholder data – including payment card numbers, names and expiration dates. In addition, the company is required to conduct annual information security audits and maintain safeguards in connections to its franchisees' servers.
- The settlement concludes federal court litigation initiated by the FTC in 2012 and follows an August 2015 opinion by the Third Circuit Court of Appeals upholding the FTC's authority over data security practices it charges are unfair.
- The proposed stipulated federal court order requires Wyndham Hotels and Resorts to obtain annual security audits of its information security program that conform to the Payment Card Industry Data Security Standard for certification of a company's security program. In addition, the order requires Wyndham's audit to:
 - certify the "untrusted" status of franchisee networks, to prevent future hackers from using the same method used in the company's prior breaches;
 - certify the extent of compliance with a formal risk assessment process that will analyze the possible data security risks faced by the company; and
 - certify that the auditor is qualified, independent and free from conflicts of interest.
- Wyndham's obligations under the settlement are in place for 20 years.

Reference Links:

- [FTC](#)

Industries: Hotels & Motels

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Subjects: Antitrust (DOJ, FTC, EC, etc.), Regulatory

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