

Target Accelerates Implementation of Chip-Enabled Smart Card Technology to Protect Consumers from Fraud
Tuesday, February 04, 2014 05:49:00 PM (GMT)

Target Chief Financial Officer John Mulligan, in testimony before the Senate Committee on the Judiciary in Washington, D.C., announced today that the company will be accelerating its implementation of smart card technology designed to dramatically reduce the threat of credit and debit card fraud among guests shopping in its stores.

Mulligan appeared on behalf of Target to discuss the company's response to the data breach, its efforts to protect its guests and its continued support of industry initiatives to strengthen data security.

During his testimony, Mulligan said Target will equip its proprietary REDcards and all of its store card readers in the U.S. with chip-enabled smart-card technology by the first quarter of 2015, more than six months ahead of previous plans. The accelerated timing is part of a \$100 million effort to put in place chip-enabled technology in all of Target's nearly 1,800 U.S. stores.

"Updating payment card technology and strengthening protections for American consumers is a shared responsibility and requires a collective and coordinated response. On behalf of Target, I am committing that we will be an active part of that solution," Mulligan said.

In 2012, Target became a founding and steering committee member of the EMV Migration Forum at the Smart Card Alliance, a cross-industry body whose goal is to facilitate the adoption and use of smart card technology.

In Tuesday's hearing, Mulligan committed to working with the business community and other stakeholders to find effective solutions to the ongoing, pervasive challenge of cyber attacks. "To prevent this from happening, none of us can go it alone," Mulligan said.

Chip-enabled smart cards contain a tiny microprocessor chip that encrypts the transaction data shared with sales terminals used by merchants. As a result, even if the card number is stolen in a data breach, the thieves cannot counterfeit the card. Similar technology already in use in the United Kingdom, Canada and Australia has drastically reduced the incidence of fraud for consumers at physical store locations.

"At Target, we take our responsibilities to our guests very seriously, and this attack has only strengthened our resolve," Mulligan said in his testimony. "We will learn from this incident and, as a result, we hope to make Target and our industry more secure for consumers in the future."

About Target

Minneapolis-based Target Corporation (NYSE: TGT) serves guests at 1,917 stores – 1,793 in the United States and 124 in Canada – and at Target.com. Since 1946, Target has given 5 percent of its profit through community grants and programs; today, that giving equals more than \$4 million a week. For more information about Target's commitment to corporate responsibility, visit target.com/corporateresponsibility.

For more information, visit Target.com/Pressroom.

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Industries: Department Stores, Discount/Variety, Professional Services, Banking, Finance, Retail

Languages: English

Primary Identifiers: TGT-US

Related Identifiers: TGT-US, TGT

Source: Target Corporation

Subjects: Product/Service