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THE HAWK EYE

Officials confirm cards used at casino hacked

Dozens of credit card numbers stolen in security breach.

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Officials at the Pzazz entertainment complex in Burlington have confirmed "computer hackers" breached security at their facility last year, resulting in dozens of credit card numbers being stolen.

Rob Higgins, general manager of the complex, recently sent letters to several American Express cardholders who were victimized last year by high-tech thieves who used the stolen card numbers to make illegal purchases throughout the United States.

"We are writing to inform you that your American Express credit card information (including your name, credit card number and expiration date), may have been compromised by computer hackers who infiltrated the computer security system that processed food service payments ... at Great River Entertainment facilities," he said in the letter. "The thefts occurred sometime between Aug. 25 and Nov. 20, 2011."

Although Higgins said it has been several months since authorities became aware of the breach, it wasn't confirmed until a few weeks ago by a private forensic auditing team hired by the complex to examine its security procedures involving credit and debit card transactions.

The audit helped the complex "determine the extent of the breach and identify individuals that may have potentially been affected as a result," Higgins said.

Under Iowa law, the casino is required to "publish a notice" informing the public there has been a breach of security involving credit cards. Pzazz purchased notices Aug. 31 in newspapers in Des Moines, the Quad Cities area, Quincy, Ill., and Columbia, Mo.

No notice was published in The Hawk Eye. Bob Winckler, assistant general manager of Pzazz, said their attorneys told them the coverage in the other papers was adequate, and it would be redundant to put it in the local paper.

Winckler said the letter was sent at the request of American Express. Although Visa, Mastercard and Discover cardholders also were compromised, American Express is the only one that asked letters be sent to cardholders, he said.

Winckler said Pzazz was notified of the hacking last fall by a local bank whose fraud unit found unusual transactions on some of its customers' debit and credit cards. Pzazz contacted the Iowa Division of Criminal Investigations and the Burlington Police Department.

The investigation continues today, said Lt. Dennis Kramer, commander of Burlington's criminal investigations unit. Tobias Lunsford, a DCI special agent assigned to Pzazz, agreed.

Neither of the law enforcement officers would say whether Pzazz was the only area business targeted or other facilities also were infiltrated.

"At this time, I'm not going to release any information in regard to the investigation because it is still ongoing," Lunsford said.

Winckler said he was told recently no arrests have been made in the case.

"I don't even think they have been able to track down the location of the hackers' operation," he said. "We were told it's very unlikely they are from this area."

Winckler also said the audit determined no Pzazz employees were involved in the thefts.

Authorities discovered some of the compromised cards were used to purchase several hundreds, sometimes thousands of dollars worth of merchandise throughout the United States.

People whose card numbers were stolen were notified almost immediately. In most cases, the old cards were canceled, and new cards were issued.

Winckler said the thefts at the entertainment complex involved only one restaurant.

"The breach wasn't in our hotel, casino or any other of our venues," he said. "It was concentrated in one restaurant."

Acting on guidelines provided by the audit team, Higgins said "the company has taken a series of steps to ensure the security breach does not happen again."

Winckler said the audit determined only names, credit card numbers and expiration dates were stolen.

"There hasn't been any indication that there has been any identity thefts related to this breach," Winckler said, indicating he's confident no Social Security numbers or birth dates were stolen. "They simply got the card numbers to make the illegal purchases."

Although Winckler admitted Higgins' recent letter to American Express customers again raises the issue of the thefts, it was important to Pzazz they make sure their customers know it is safe.

"We have done everything we were asked to do by the law enforcement agencies, along with the forensic auditors, to ensure that all cardholders' transaction information remain secure," he said. "We haven't had a recurrence of this problem since the enhancements to our computer security system was implemented."