



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of the Secretary

April 29, 2013

Mr. Mark Sokolow
State of Texas

Re: In the Matter of Cbr Systems, Inc., File No. 112 3120

Dear Mr. Sokolow:

Thank you for your comment regarding the Federal Trade Commission's proposed consent agreement in the above-entitled proceeding. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii), and has given it serious consideration.

Your comment states that the notice does not specify whether the backup tapes contained in a backpack stolen from a Cbr Systems, Inc. ("Cbr") employee's personal vehicle were recovered. You also suggest that the notice does not address the entire scope of the disclosure and the harm to the public.

The complaint in this matter alleges that on December 9, 2010, a Cbr employee removed four backup tapes from Cbr's San Francisco, California facility and placed them in a backpack to transport them to Cbr's corporate headquarters in San Bruno, California, approximately thirteen miles away. The backpack contained the four Cbr backup tapes, a Cbr laptop, a Cbr external hard drive, a Cbr USB drive, and other materials. At approximately 11:35 p.m. on December 13, 2010, an intruder removed the backpack containing the tapes from the Cbr employee's personal vehicle. The backup tapes were unencrypted and contained personal information, including, in some cases, names, gender, Social Security numbers, dates and times of birth, drivers' license numbers, credit/debit card numbers, card expiration dates, checking account numbers, addresses, email addresses, telephone numbers, and adoption type for approximately 298,000 consumers. It is our understanding that consumers whose personal information was compromised as part of this incident should have received a notification letter from Cbr.

Regarding the recovery of the tapes, pursuant to the Federal Trade Commission Act and Commission Rules, we are limited in our ability to share confidential information obtained in the course of our investigation.¹ We can, however, tell you based on publicly available information that there is no indication that the backup tapes and other items contained in the backpack have been recovered by Cbr or law enforcement.

¹ See Section 21(f) of the FTC Act, 15 U.S.C. § 57b-2(f); Commission Rule 4.10(d), 16 C.F.R. § 4.10(d).

