

Former Winn-Dixie employee sues over security breach

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JACKSONVILLE — After filing his 2011 tax return, former Winn-Dixie Stores Inc. employee Patrick Burrows was informed via letter from Winn-Dixie that there had been a security breach affecting employees' personal data.

Shortly thereafter, Burrows was informed by the Internal Revenue Service that he was not eligible for a tax refund because someone else had already filed for one using his identity.

On July 31, Burrows' attorney filed a class-action lawsuit against Winn-Dixie and a third-party vendor called Purchasing Power

LLC. The suit, which claims damages of more than \$5 million, states that the personal information that was breached included Winn-Dixie employee names, addresses, birth dates, salaries and Social Security numbers.

"Information of this type is extremely confidential," said Burrows' attorney, John Yanchunis.

"It has tremendous value and can cause tremendous harm if it is breached."

Purchasing Power, based in Atlanta, provides an employee benefit program in which employees have the option to pay for new electronics and appliances

SEE BREACH, PAGE 27

BREACH: Lawsuit seeks \$5 million in damages from identity theft

FROM PAGE 1

through a payroll deduction program. Employees had the option to enroll in the program, but Burrows was not enrolled. The suit states that in the fall of 2011, a Purchasing Power employee inappropriately accessed the personal data of Winn-Dixie employees.

A representative of Purchasing Power did not return an emailed request for comment.

Delay in notification

The suit, filed in the U.S. District Court for the Southern District of Florida, states that Winn-Dixie employees should have been notified of the breach sooner. The breach occurred in October,

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but Winn-Dixie did not send out letters to employees notifying them of the breach until January. Purchasing Power has still not informed the employees about the breach, said Yanchunis, a Tampa-based attorney at Morgan & Morgan PA.

Yanchunis said the IRS is now investigating Burrows' tax return fraud case. The money from the return, which Yanchunis said is in the thousands, is the largest amount of money Burrows has lost since the breach, but there have been other, smaller cases of identity theft.

Winn-Dixie, based in Jacksonville, operates grocery stores in five states throughout the Southeast. Since the breach occurred, the company merged into Jacksonville-based Bi-Lo Holdings LLC, which is now the ninth-largest grocery store chain in the United States with 687 grocery stores in eight Southeastern states.

Although he has not yet heard of any other identity theft cases from Winn-Dixie employees, Yanchunis expects to certify the case as a class-action suit within 90 days. Burrows has since left the company, but at the time of the breach, he worked at a Winn-Dixie store in Miami. Yanchunis said the breach potentially impacted all of the employees in the state. He is not yet sure if employees in other states were impacted.

A representative of Winn-Dixie declined to comment on the case.

Robert White, a shareholder at Gunster, Yoakley & Stewart PA who specializes in corporate law and technology and entrepreneurial companies, said security breach cases are becoming more common as companies store more personal data and criminals become more adept at stealing it.



White

Companies should do their due diligence before signing an agreement with a third-party provider, and should continue to monitor third-party providers during the term of the agreement to help prevent security breaches, White said.

"Winn-Dixie was trying to do something nice," said White, who has no personal knowledge of the case. "You've just got to be so careful. There seems to be failures on multiple levels here. It's a huge problem for Winn-Dixie and for Purchasing Power."