Q&A / Huntington CEO Steve Steinour

Bold approach helps bank survive, thrive

By Mark Williams

The Columbus Dispatch

W hen Steve Steinour took over as CEO of Huntington Bancshares four years ago, he found himself in the middle of a banking crisis so severe that there were worries about whether the bank founded in 1866 by Pelatiah Webster Huntington would survive.

Like other banks, Huntington was absorbing losses from bad mortgages. At the same time, the nation’s economy was tanking during the worst recession since the Great Depression.

Today, it’s a much different story. The bank is making record profits, and its stock price is at a four-year high.

But the approach Steinour, 54, the former CEO of Citizens Financial Group in Rhode Island, and the bank took to getting back on track was far different from other banks.

Rather than imposing more fees on customers and shutting down operations, the bank did the opposite. It has struck deals to add operations in Giant Eagle stores in Ohio and Meijer stores in Michigan, it expanded small-business lending throughout its Midwest footprint and has become more customer-friendly with its fee-free, no-contingency checking accounts and 24-hour grace period to cover an overdraft before imposing a fee.

Because of the turnaround, American Banker magazine named Huntington one of the “best banks.”

“There is a pride, a level of support, a recognition of the importance of locally headquartered companies, and that works to our great advantage.”

By Broke Lavalley

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Steve Steinour took over as Huntington Bancshares’ president and CEO in 2009.

Jobs & the economy

Confidence is coming back — if cautiously

By Michael Kanel and Craig Schneider

The Atlanta Journal-Constitution

For Rizwan Peera, the feeling hit when he spotted “Sold” stickers slapped on “For Sale” signs in his Norcross, Ga., neighborhood.

Lisa Tilt noticed that she was hearing fewer “yeah, but” conversations among other small-business owners, conversations laced with statements like, “Yeah, we’re getting by, but you never know these days.”

Maya Miller noticed that the kids’ party business her husband created while he struggled to find a good job was fully booked every weekend.

Call them “exhale moments” — the point at which a person finally feels a loosening of that Hellenic embrace of “vissismos” — the mental fog that is coming.

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Banking & finance

Big banks’ bankruptcy plans not up to snuff

By Jesse Hamilton and Craig Torres

Bloomberg News

WASHINGTON — An increasingly vocal chorus of current and former U.S. regulators says the biggest banks still have not provided adequate plans to safely wind down in bankruptcy and might need to be restructured to reduce the risk they pose to the financial system.

Jim Wigand, a Federal Deposit Insurance Corp. official responsible for planning for the failures of big banks such as JPMorgan Chase, Goldman Sachs and Citigroup, said none has yet been able to draw up bankruptcy plans that wouldn’t threaten to detonate the financial system. The plans, known as “living wills,” were a core demand of the 2010 Dodd-Frank Act overhaul of financial

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Cybersecurity
Rising data breaches expose private data

By Tom Beyerlein, Ken McCall and Carrie Matthews
DAYTON DAILY NEWS

While the public lately has focused attention on a fugitive banker and the government regulation agencies he helped uncover, data breaches in recent years have exposed hundreds of millions of records containing personal information of the type often used by criminals seeking profit.

And experts say the data-breaching trend is likely to worsen as an increasing amount of information is stored electronically, some of it living on a proliferating number of devices, such as laptops and thumb drives, that are targeted by more and more pervasive malware and easily lost or stolen.

Nobody has a precise count, but more than 600 million personal-identification records have been breached in nearly 3,800 incidents since 2005, according to the J.D. Power & Associates analysis of data breaches maintained by the nonprofit Privacy Rights Clearinghouse of San Diego. The stolen or lost records often contain personal identifiers such as Social Security numbers that can be used for identity theft and private details like medical claims. Attacks by hackers and malware, loss and theft of mobile devices, and improper disposal of paper records are some of the ways records are breached.

"It happens a lot," said David Salisbury, associate professor of information systems at the University of Dayton School of Business. "You can read the news and see the straight-up breaches are getting worse and worse and worse."

A Dayton Daily News analysis of the Privacy Rights Clearinghouse database shows that Ohio-based entities, mostly companies, have suffered 142 breaches of at least 6 million records collected on individuals. Each breach involved at least 10 records. Hacking and malware were the cause of almost 66 percent of breaches, followed by a quarter stemming from loss or theft of portable devices.

Nationally, businesses dominated the types of organizations that experienced data loss, led by banks and insurance companies, which had 256 million breached records, 42 percent of the total. Not all of the breaches resulted in the exposure of personal information. The breaches are putting more people at risk of having their identities stolen for criminal purposes.

Across the state, a number of breaches have topped 1 million or more records. In October, a portion of the computer network used by Nationwide and Allied Insurance agents was breached by cybercriminals, totaling 1 million records. About 1.4 million records in DSW Shoe Warehouse's possession were hacked in 2005 when credit-card information from customers in 23 states was compromised. And in June 2007, a backup computer-storing system that was maintaining personal information of every state worker was stolen out of an intern's car, exposing 1 million records.

Twenty-three of Ohio's breaches, involving 938,000 records in retail companies, schools and government agencies headquartered in the Miami Valley. Among the local cases:

• In separate incidents over a period of four years, a criminal gang tied to the Mafia, a Nigerian scam artist and a group of young hackers broke into computer systems owned by LexisNexis of Miami Township, stealing the personal information of 363,000 people. In the largest of the cases, five men between the ages of 19 and 24 breached a Florida police department's computer system in a plot that led to the theft of personal information on 310,000 people. Among their reported targets were celebrities, including Paris Hilton and Arnold Schwarzenegger. The group broke into an office building of an Arta vendor in Dayton and stole computer backup files containing personal identifiers and medical claims of 396,000 people.

• Officials at Miami University reviewed a report containing nearly 22,000 students' grades and Social Security numbers online, where it was maintained by a vendor for the university by three years.

• A laptop belonging to a student was stolen from the official car while it was garaged at home, exposing the students' social security numbers, and three years ago, about 1,600 Springfield City School employees.

"Somebody breaking into your system can be very devastating," said Junjie Zhang, an assistant professor of computer science at Wright State University. "At the same time, the IT industry is working very hard to protect data privacy. It's sort of a war between the good guys and the bad guys."

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Steinour its Banker of the Year for 2012. The bank also was selected No. 1 in customer service in the Ohio, Indiana, Kentucky, and West Virginia region, according to the J.D. Power & Associates annual survey of retail customer satisfaction with banks. It is the first time the bank has come in first in the study.

The board's take on recent events:

Q: What was your reaction when you found out that you had been named Banker of the Year? A: I wasn't looking for it, didn't expect it. But I'm very pleased.

Q: What about the J.D. Power & Associates ranking? A: Those are big deals when you're named No. 1. It's very exciting to be recognized in a complicated environment that has a lot of regulatory change and other operating stress. To come through that with these sorts of awards I think is remarkable, and so we want to do more with the bank.

Q: What about the IT industry is working very hard to protect data privacy. It's sort of a war between the good guys and the bad guys.