

## Uber took users for a ride, must pay

The company agrees to \$148 million settlement for hiding data breach.

*New York Times*

SAN FRANCISCO - Uber will pay \$148 million to settle a nationwide investigation into a 2016 data breach, in which a hacker accessed information belonging to 57 million riders and drivers. The breach included names and driver's license numbers for 600,000 drivers.

The investigation, led by state attorneys general across the United States, focused on whether Uber had violated data breach notification laws by not informing consumers that their information was compromised.

Rather than disclosing the breach when it occurred, Uber paid the hacker \$100,000 through its bug bounty program, which financially rewards hackers for discovering and disclosing software flaws. The ride-hailing company persuaded him to delete the data and stay quiet about it with a nondisclosure agreement. The incident became public a year later, when Uber's chief executive, Dara Khosrowshahi, announced it as a 'failure' and fired the two employees who had signed off on the payment.

Florida will receive \$8,246,606 as its share of the settlement.

'Data breaches need to be dealt with in a very urgent and responsive manner,' Florida Attorney General Pam Bondi said in a statement. 'Not only are they often serious crimes, but people with compromised information need to be alerted immediately, so they can take steps to guard against identity

theft and financial losses. Hopefully, this settlement will send the clear message that faster reporting is essential.' Xavier Becerra, California's attorney general, called Uber's decision to cover up the breach a 'blatant violation of the public's trust.' Tony West, Uber's chief legal officer, said the settlement was part of a larger effort inside Uber to remake the company's image. He said the company recently hired a chief privacy officer and a chief trust and security officer.

'We know that earning the trust of our customers and the regulators we work with globally is no easy feat. After all, trust is hard to gain and easy to lose,' West said.

He said the breach was disclosed to the public during his first day on the job. 'Rather than ... walking the floor to meet my new colleagues, I spent the day calling various state and federal regulators,' West said.

The Federal Trade Commission settled its investigation into the breach in April. The FTC now requires Uber to submit to regular privacy audits as part of a 2017 settlement, which was revised this year to address the most recent breach.

The \$148 million settlement announced Wednesday will be divided between all 50 states and the District of Columbia.

'Companies in California and throughout the nation are entrusted with customers' valuable private information,' Becerra said. 'This settlement broadcasts to all of them that we will hold them accountable to protect that data.'