



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA

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Order Instituting Rulemaking on Regulations
Relating to Passenger Carriers, Ridesharing,
And New Online-Enabled Transportation
Services

R.12-12-011

**OPENING COMMENTS OF SAN FRANCISCO INTERNATIONAL AIRPORT AND
SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY
TO ASSIGNED COMMISSIONER'S RULING INVITING/INSTRUCTING PARTY
COMMENTS ON BACKGROUND CHECKS OF PROSPECTIVE TRANSPORTATION
NETWORK COMPANY DRIVERS**

**APPENDIX B AND APPENDIX C TO COMMENTS
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PARTY COMMENTS ON BACKGROUND CHECKS OF PROSPECTIVE
TRANSPORTATION NETWORK COMPANY DRIVERS**

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INTRODUCTION

The City has long urged the Commission to require TNC drivers to undergo fingerprint-based criminal history background checks just as San Francisco taxi drivers do. Unlike Social Security numbers, fingerprints cannot be forged or stolen. The TNCs have consistently argued against requiring their drivers to undergo fingerprint-based background checks, asserting they are less accurate than background checks based on Social Security numbers, are more expensive, take too long to get accurate results, and have a disparate impact on disadvantaged drivers, particularly people of color.

Despite these arguments, Uber drivers in New York City – approximately 35,000 individuals – have all undergone fingerprint-based background checks as a condition of receiving the license required to operate in that city.¹ New York requires the same criminal background check standard for every class of drivers who transport members of the public for compensation, including taxi drivers, limousine drivers, and TNC drivers. We believe the Commission should do the same.

However, we also recognize the shortcomings of using only one background check method. Neither fingerprint-based criminal history records nor those based on names and Social Security numbers are always complete. We therefore urge the Commission to adopt a hybrid solution, employing both fingerprint-based and name-based criminal history information.

¹ See <http://www.nyc.gov/html/tlc/html/industry/drivers.shtml>, and <http://money.cnn.com/2016/07/11/news/companies/uber-new-york-city-union/>

COMMENTS

The following Comments address questions 1-15 in Section A of the Assigned Commissioner’s Ruling. Because the balance of questions in the Ruling are directed specifically to TNCs, we do not address them here.

1. What are the specifics of a fingerprint-based background check performed through the California Department of Justice (CA DOJ), and what are the comparable specifics of the process currently used by the TNCs?

According to its website regarding fingerprint background checks, the CA DOJ maintains a statewide criminal record repository made up of records of arrest and prosecution, referred to by CA DOJ as “RAP sheets.” These records are submitted to the CA DOJ by sheriffs, police departments, district attorney offices and the courts. Fingerprints are taken by certified technicians using Live Scan technology.²

Penal Code § 11105(b) requires the CA DOJ to provide criminal history information to 25 different public agencies and persons when that information is required to fulfill employment, certification, or licensing duties. The procedures for disclosing state and federal criminal history information are addressed in 11 C.C.R. §§721-724. Collectively, these regulations prohibit the CA DOJ from disclosing arrest information unless the record includes disposition information.³ When the CA DOJ database does not contain disposition information, CA DOJ is required to query the arresting agency, the prosecuting agency, the court and local probation agency, or any other criminal justice agency that might possess the missing information. After such efforts are exhausted and the CA DOJ still cannot obtain the corresponding disposition information for an arrest,

² See <https://oag.ca.gov/fingerprints>.

³ “Disposition information” is the sentencing or other final settlement of a criminal case. See, Black’s Law Dictionary.

the disposition information is deemed unavailable and the CA DOJ “shall suppress that arrest information and provide the authorized agency with a response that no criminal history exists.”⁴ CA DOJ’s website states that when there are no fingerprints that match an individual with a criminal history, the process typically takes 48-72 hours.⁵ If matching fingerprints are found, the procedures in 11 C.C.R. §§721-724 are followed, which can “take an indeterminate amount of time.”⁶ All other information, if any, must be disclosed.⁷ The CA DOJ must also maintain an audit trail of its efforts to obtain missing arrest disposition information.⁸

An exception to non-disclosure of arrests without corresponding disposition information requirement is found in Penal Code § 11105(p)(2)(B), which requires disclosure of every arrest for an offense for which the applicant is currently awaiting trial. Finally, RAP sheets are confidential. Under California law, they are available only to authorized public agencies.⁹

With respect to Uber’s process for screening applicants, in July 2015, Uber’s chief security officer Joe Sullivan posted on Uber’s website that before individuals can drive for Uber, they must provide their full name, date of birth, Social Security number, driver’s license number, a copy of their driver’s license, vehicle registration, insurance and proof of a completed vehicle inspection.¹⁰ According to its website, in California, Uber uses the firm Checkr to perform the background checks currently required by the

⁴ See 11 C.C.R. § 723.

⁵ See <https://oag.ca.gov/fingerprints>.

⁶ *Id.*

⁷ See 11 C.C.R. § 723(b)(c).

⁸ See 11 C.C.R. § 724.

⁹ See Penal Code § 11105(b) and <https://oag.ca.gov/fingerprints/security>

¹⁰ See “Kalamazoo shooting: Here’s how Uber does its background checks,” Los Angeles Times, 2/22/16; <http://www.latimes.com/business/technology/>.

Commission. Checkr runs the applicant's name, address, and Social Security number against the National Sex Offender public website and other databases.¹¹

Although Checkr's website states that it can check numerous databases, including ID verification, county criminal records, sex offender registry, national criminal records, federal criminal records, and driving records, it is unclear which specific databases it accesses.¹² If a criminal record is identified, Checkr then sends someone to review it in person at the relevant courthouse or pulls the record digitally.¹³ However, neither Checkr nor Uber can assert that they obtain the complete criminal history information for any applicant, particularly for instances when the applicant uses an alias, false name, or illegally obtained valid Social Security number, because private companies cannot access either the CA DOJ database or the FBI criminal database.¹⁴

Lyft's criminal background checks in California are done by Sterling Talent Solutions and include national and county-level databases, and when necessary, local courthouse record checks.¹⁵ According to its website, Sterling Talent Solutions uses proprietary screening methods to search county, state and federal criminal records and the U.S. Department of Justice Sex Offender Registry.¹⁶

a. Which databases does each form of background check use, and what are the pros and cons of each database, such as frequency of updates, the time

¹¹ *See Id.*

¹² *See* <https://checkr.com/>

¹³ *See* "Kalamazoo shooting: Here's how Uber does its background checks," Los Angeles Times, 2/22/16; <http://www.latimes.com/business/technology/>.

¹⁴ Checkr's website recommends that employers run a state criminal records check in addition to the criminal background check performed by the company.

¹⁵ *See* <http://get.lyft.com/ca-state-law/>

¹⁶ *See* <http://www.sterlingtalentsolutions.com/Need/Criminal-Record-Checks>.

between a conviction and when it posts to the background check service provider’s database(s), reliance on local law enforcement, and false positives?

As the repository for statewide criminal records, the CA DOJ receives all arrest and disposition information from sheriffs, police and probation departments, district attorneys and courts, and maintains its own fingerprint database. Where national criminal histories are required, CA DOJ forwards fingerprint images to the FBI, which looks for matches in the national criminal history database.¹⁷ The state criminal history data base includes the individual’s name, date of birth, physical description, fingerprints, photographs, dates of arrest, arresting agencies and booking numbers, charges, dispositions, and similar data about the person.¹⁸ We know of no statewide requirement regarding timely reporting by sheriffs, police and probation departments, district attorneys and courts to provide the CA DOJ with arrest and disposition information.

As discussed throughout these comments, with the exception of arrest for which the defendant is awaiting trial, CA DOJ is prohibited by law from disclosing an arrest record on a RAP sheet unless it includes a disposition. This prevents potential employers or licensing agencies from excluding individuals from employment or licensing/permitting simply because there is a record of an arrest.

According to its website, “Checkr accesses multiple data sources, including national criminal databases with millions of records, courthouses across all 3,200 counties in the United States, state sex offender registries, the Federal Court PACER system, and state Department of Motor Vehicles”; however, it is unclear which specific

¹⁷ See <https://oag.ca.gov/fingerprints>

¹⁸ See Penal Code § 11105(a).

databases it accesses because they are not identified.¹⁹ Similarly, Lyft uses Sterling Talent Solutions, which purports to have electronic access to criminal files in “more than 2,200 jurisdictions across the U.S.,” and performs motor vehicle records checks and Social Security number traces. Neither Checkr nor Sterling Talent Solutions are authorized by Penal Code § 11105 to access either the CA DOJ database or the FBI’s criminal database for records regarding TNC driver applicants.

The California State Legislature is currently considering a bill requiring TNCs or third parties to conduct local and national criminal background checks using “a multistate and multijurisdictional criminal records locator or similar commercial nationwide database with validation.”²⁰ The bill would not require driver applicants to provide fingerprints. The analysis of AB 1289 notes that there are varying regulations related to criminal background checks for taxis, TNCs and limousines, and that the CPUC is currently soliciting comments on whether fingerprinting should be required.²¹

The analysis succinctly lays out the pros and cons of biometric-based background checks, such as fingerprint-based checks, and those based on an applicant’s Social Security number [emphasis added]:

While no one background check system is completely full-proof, *a combination of name and social security checks with a biometric identifier, such as a fingerprint, would ensure the greatest level of accuracy, and therefore, the best protection of public safety and fairness to potential drivers.* ... Moreover, the Senate Committee on Public Safety noted in its analysis: “Historically, this Committee [Public Safety] has not passed bills providing for background checks that are not fingerprint based. Name based checks are not as reliable as similar names exist and there is not (sic) check on the information.” However, fingerprinting requires applicants to visit a police station or other channeling office in order to provide fingerprints that can be used to search in federal, state, and local law enforcement databases. The TNCs argue that such delay in hiring drivers could jeopardize their

¹⁹ See <https://checkr.com/resources/faq/>.

²⁰ See AB 1289

²¹ See http://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201520160AB1289.

business model which relies on signing-up drivers fairly instantaneously via a phone application.²²

The analysis also notes that the CA DOJ process prevents the release of arrest records without dispositions, but that “non-fingerprint checks do not utilize the DOJ database, which as a result, do not stop a TNC from receiving an arrest record where an arrest record should not be used against a person.”²³

b. Provide a chart that lists each county in California and the databases that the respective background check service provider checks for each county, including the following information for each database, as applicable:

- i. The source of the data, the name of the database used, and a brief description of the data included in the database**
- ii. The date range of the oldest data and the most recent data included**
- iii. How often the information is updated.**
- iv. How the background check service provider checks the databases (by name, social security number, fingerprints, etc.).**
- v. A list of the counties for which no data is available.**

The City lacks the information regarding which databases are used by the background check services providers used by TNCs.

c. How does the existing TNC criminal background check process specifically verify that the identity of a driver applicant is the same as purported by the applicant?

The City lacks sufficient information regarding TNC practice to respond to this question.

d. How does the existing TNC criminal background check process account for drivers who submit aliases or false SSNs?

²² See *id.*, at 5.

²³ See *id* at 6.

The City lacks sufficient information regarding TNC practice to respond to this question.

e. Compare timelines between the process conducted by TNCs today and a fingerprint-based background check performed through CA DOJ.

The City lacks sufficient information regarding the services used by TNCs to compare the timelines.

f. Under the process used by TNCs today, what empirical evidence exists, if any, that driver applicants will be approved despite having a disqualifying criminal record due to a failure to transmit this criminal record to/from the relevant database?

TNC background checks are particularly susceptible to error when individuals use aliases to pass the background checks. For example, one Houston driver cleared by Uber background check provider Hirease had 24 alias names, 5 listed birth dates, 10 listed social security numbers, and an active warrant for arrest.²⁴

Unlike commercially available databases, criminal records in government databases have unique numerical identifiers associated with a unique biometric identifier, such as a fingerprint. As alleged by the District Attorneys of Los Angeles and San Francisco in an unfair business practices lawsuit (“the DA Lawsuit”), “[t]hese numerical identifiers allow for the tracking of individuals who use aliases or who, for other reasons, have criminal records associated with different names, different addresses, or different Social Security numbers. The use of a numerical identifier associated with a unique biometric identifier enables database searches to capture all criminal history of the subject even if the subject gives untruthful or inaccurate identification information.”²⁵

²⁴ <http://www.chron.com/news/transportation/article/How-Uber-driver-eluded-background-check-process-6186467.php>

²⁵ See Appendix A, People v. Uber Technologies, et al., First Amended Complaint, at 19.

The DA Lawsuit provides detailed descriptions of Uber drivers who had previous criminal convictions that Uber’s background check firm either missed, or convictions Uber knew about but decided to approve the drivers anyway.²⁶ Uber settled that case for \$25 million.²⁷

The investigation firms retained by Lyft and Uber check sex offender status using the National Sex Offender *Public* Website (NSOPW). But as described in the DA Lawsuit, publically available websites do not include all registered sex offenders. Specifically, they do not include individuals convicted of (1) child pornography where the victims are between the ages of 16 and 18, (2) sexual exploitation of a child, (3) employment of a minor for sexual exploitation, (4) misdemeanor child molestation, (5) felony sexual battery, and (6) sexual offenses against a grandchild, child, stepchild or sibling not involving penetration.²⁸ In California, people convicted of crimes against minors may apply for an exemption from California’s “Megan’s Law” sex offender registry, and more than 30,000 registered sex offenders have applied for and received that exemption.²⁹

The DA Lawsuit provides 25 examples of TNC drivers who passed Uber’s background check but who nevertheless had criminal convictions or were driving on suspended licenses. Two of these include individuals, identified as “Uber Driver #2” and “Uber Driver #3,” with previous criminal convictions involving lewd acts against a child and sexual exploitation of children. *Together, these two drivers provided 8,870 rides to*

²⁶ See *id.*, at p. 27-37.

²⁷ See <http://sfdistrictattorney.org/san-francisco-and-los-angeles-district-attorneys-announce-25-million-settlement-with-uber>

²⁸ See Appendix A, DA Lawsuit, at 24.

²⁹ See *id.*

unaccompanied minors while driving for Uber. In the case of Uber Driver #2, Uber's background check company did not pick up that the individual was a registered sex offender because he applied for and was granted an exemption from being identified in the Megan's Law registry. Uber Driver #3, whose crimes were committed in Wyoming, was also not detected by Uber's background check firm because it does not have access to government databases.³⁰

Other examples covered in the DA Lawsuit include people with previous convictions for identity fraud, kidnapping and numerous individuals with serious offenses related to driving.

In other contexts, name-based checks have not been reliable. A 1999 study conducted by the National Task Force to the U.S. Attorney General found that FBI fingerprint-based background checks were highly preferable to FBI name-based checks.³¹ In a study of over 90,000 Florida employment applicants, 11.7% of the applicants who were determined to have fingerprint-verified criminal history records were indicated by name checks as not having criminal records (false negatives), and 5.5% of applicants who were determined not to have fingerprint-verified criminal history records were inaccurately indicated by name checks as having criminal records (false positives). Consistent with the DA Lawsuit, the report states that false negatives occur when name checks fail to find the criminal records of individuals who provide inaccurate identification information either at the time of arrest or when applying for a job, and that

³⁰ See Appendix A, DA Lawsuit, at 27-28.

³¹ See "Interstate Identification Index Name Check Efficacy: Report of the National Task Force to the U.S. Attorney General," July 1999, NCJ-179358, at 6; <http://www.bjs.gov/content/pub/pdf/iiince.pdf>.

false positives occur when individuals are erroneously associated with criminal records that actually relate to other individuals with similar names and other identifiers.

g. Under the fingerprint-based CA DOJ process, what empirical evidence exists of the same risk set out in (f)?

As discussed in response to Question 1, above, the CA DOJ is prohibited from disclosing arrest information unless the record includes disposition information. Where the CA DOJ database does not include disposition information, CA DOJ is required under 11 C.C.R. §§721-724 to query the arresting agency, the prosecuting agency, the court and local probation agency, or any other criminal justice agency that might possess the missing information. If those efforts are exhausted, the disposition information is deemed unavailable and the CA DOJ is required to report that “no criminal history information exists.”³² The CA DOJ also searches the FBI database and the same disclosure prohibition applies when arrest information has no corresponding disposition information.³³

The FBI database integrates criminal history records, including arrest information and corresponding disposition information submitted by state, local, and federal criminal justice agencies. Each state has a criminal records repository responsible for the collection and maintenance of criminal history records submitted by law enforcement agencies in its state. The state record repositories are the primary source of criminal history records maintained at the FBI.³⁴

³² See 11 C.C.R. §723(b) and (c).

³³ See *id.*

³⁴ See Appendix B, The Attorney General’s Report on Criminal History Background Checks Department of Justice, June 2006, at 13 (“Attorney General’s Report”).

According to a 2015 GAO Report on criminal history records, the FBI's Next Generation Identification System ("NGI"), formerly known as the Integrated Automated Fingerprint Identification System, is the FBI record repository that states use to search for matching fingerprints.³⁵ But it is not a complete national database of all criminal history records in the United States.³⁶ In a June 2006 Attorney General's Report on Criminal History Background Checks ("the Attorney General's Report"), the United States Attorney General reported that many state records were not included in the FBI database or had not been updated, often because not all state criminal records or fingerprints meet the standards for inclusion in the database.³⁷

The February 2015 GAO Report indicates there has been some improvement in state reporting of final dispositions to the NGI System, and that digitally recorded fingerprints that are electronically transmitted from police departments to state agencies were a factor in improving coordination of records. Still, the GAO Report observes that as of 2012, only 20 states reported final dispositions most of the time (76-100%); 13 states reported final dispositions between 51% and 75% of the time; and the remaining 17 states either did not respond to reporting requests, or responded that final dispositions were recorded in 50% or fewer cases.³⁸

To the extent that the FBI database is incomplete, fingerprint-based TNC checks could be inaccurate since the CA DOJ database does not contain information on crimes committed outside the state of California.³⁹ However, the Attorney General's report

³⁵ See Appendix C, GAO Report, at 6.

³⁶ See Appendix B, Attorney General's Report, at 16-17.

³⁷ See *id.* at 16-17.

³⁸ See Appendix C, GAO Report, at 19.

³⁹ See <https://oag.ca.gov/fingerprints>

emphasizes that the FBI database, while far from complete, is still the most comprehensive single source of criminal history information in the United States.⁴⁰

Because CA DOJ is prohibited from reporting an arrest without a corresponding disposition, a fingerprint-based background check alone – without supplemental information provided through a name and Social Security number records check – could result in some otherwise ineligible TNC drivers being approved to drive. A well-resourced commercial background investigation firm may have the ability to locate records that the CA DOJ cannot. For example, Checkr, the firm currently used by Uber in California, sends an investigator to review court records in person.⁴¹

2. Describe any alternative background check methods aside from fingerprinting and social security number (SSN) tracking that establish a driver’s identity.

The City lacks sufficient information to respond to this question.

3. What empirical evidence demonstrates the effectiveness or ineffectiveness of fingerprint-based background checks and SSN-based background checks to establish applicant identity and produce a lawful, accurate record of the applicant’s criminal history?

See responses to 1(f) and 1(g).

4. Should individuals who apply to drive for more than one TNC be required to undergo multiple background checks?

If commercial background investigation firms use a uniform set of databases, we know of no public safety reason that driver-applicants should be required to undergo multiple background checks.

⁴⁰ See Appendix B, Attorney General’s Report, at 17.

⁴¹ See “Details on Safety at Uber,” <https://newsroom.uber.com/details-on-safety/>

a. What is the feasibility of driver applicants submitting a single background check to work for multiple TNCs?

We know of no legal basis preventing the Commission from requiring TNCs and/or the commercial background check firms retained by TNCs to use the same set of databases for a name and Social Security number-based criminal history check which, combined with a fingerprint-based background check would address public safety concerns.

5. Who should bear the costs of a fingerprint-based background check?

The TNCs should determine how these costs are borne. The TNCs could require driver-applicants to pay the fee for the Live Scan service provider, which can be obtained in San Francisco for as little as \$14.99, and the TNCs could then cover whatever additional costs remain.

6. Are Live Scan sites readily accessible to potential drivers in urban and rural areas of California?

Yes. The CA DOJ websites lists Live Scan sites in every county in the State.⁴²

7. What are the criteria beyond those set forth by the Commission in Decision 13-09-045, if any, for a TNC to reject an applicant to become a TNC driver based on the information contained in their background check?

a. Are potential drivers notified if they failed their background check?

The City lacks sufficient knowledge to respond to this question.

i. If so, how much detail are they provided about the reasons for their rejection?

ii. If so, are drivers able to appeal the rejection?

⁴² See <https://oag.ca.gov/fingerprints/locations>

b. What are the criteria, if any, for waiving or disregarding a normally-disqualifying criminal record?

The City lacks sufficient knowledge to respond to this question.

i. Is there a process for an applicant to request a waiver under these criteria?

ii. In what form (website, individual e-mail, meeting, etc.) is the process communicated to the applicant?

8. Do fingerprint-background checks return results on arrests and/or final dispositions (e.g., convictions)?

With the exception of arrests for which an individual is currently awaiting trial, only arrests with corresponding convictions are released by the CA DOJ database. See response to Question 1, above. The FBI database may include arrests without corresponding dispositions. However, because California law prohibits reporting on arrests without dispositions, an arrest in another state that lacks a disposition would not be included in a CA DOJ report.⁴³

a. If arrests are returned without corresponding final dispositions in background check results, can they be relied upon to reject a driver?

No. California law prohibits agencies and private corporations from using any record of arrest that did not result in a conviction as a factor in determining any condition of employment. *See* Cal. Labor Code § 432.7(a); *see also Gregory v. Litton Sys. Inc.*, 316 F. Supp. 401, 403 (C.D. Cal. 1970) (“[I]nformation concerning a prospective employee’s record of arrests without convictions, is irrelevant to his suitability or qualification for employment.”), *modified on other grounds*, 472 F.2d 631 (9th Cir. 1972). Although we understand that TNCs view drivers as “partners” rather than “employees,” we believe this prohibition should apply equally to their partners.

⁴³ *See* 11 C.C.R. § 723.

The U.S. Equal Employment Opportunity Commission similarly prohibits the disclosure of an arrest record, standing alone, to deny an employment opportunity.⁴⁴

b. If arrests may be relied upon to reject drivers, who bears the burden to demonstrate that an arrest did not lead to a conviction?

As discussed above, California law specifically prohibits private corporations from using any record of arrest that did not result in a conviction as a factor in determining any condition of employment. Although we understand the TNCs view drivers as “partners” or independent contractors, we believe the same rule would apply. However, we understand that tracking down dispositions is one of the services provided by firms as such as Checkr. Assuming that is the case, TNCs have already undertaken that burden.

9. Would requiring fingerprint-based background checks have a disparate impact on minority communities such as African-Americans or Latinos who are seeking to become TNC drivers? If so, explain your response and provide any available statistical data on the rate that African-Americans, Latinos, Whites and Asians are rejected due to fingerprint based background checks.

To the extent that fingerprint-based background checks or commercial background checks report incomplete information such as arrests with no dispositions, and to the extent that an employer relies on such information in making an employment decision, criminal background checks may have a disparate impact on minority communities.

It has long been documented that racial minority groups including African-Americans are arrested at substantially higher rates than white individuals.⁴⁵ Thus, any

⁴⁴ See “Enforcement Guidance on the Consideration of Arrest and Conviction Records in Employment Decisions Under Title VII of the Civil Rights Act of 1964, *as amended*, 42 U.S.C. § 2000e *et seq.*,” Apr. 25, 2012, at 12.

⁴⁵ See, e.g., *Gregory v. Litton Sys. Inc.*, 316 F. Supp. 401, 403 (C.D. Cal. 1970).

policy that disqualifies prospective employees on the sole basis of an arrest record would likely have a disparate impact on minority communities.⁴⁶

The National Employment Law Project (NELP) asserts that minority communities are more heavily disadvantaged by the incompleteness of the FBI database, which would be used in a fingerprint-based background check process. NELP argues that because the FBI database is missing final disposition information for a large percentage of records, African-Americans are at a disadvantage in the background check process due to their relatively high arrest rate.⁴⁷ But this is not an issue in California because CA DOJ is prohibited from disclosing arrest information from its own database *or* the FBI database without corresponding disposition information.⁴⁸ California Labor Code § 432.7(a) similarly prohibits employers from using information of an arrest that did not lead to a conviction as a factor in making employment decisions. Although we understand the TNCs view their drivers as independent contractors, not employees, we believe that applying the same rule to TNCs would mitigate any disparate impact. *See* Responses to Questions 8 and 8(a).

10. For TNCs that currently use it, if a fingerprint-based background check turns up potentially disqualifying information about a TNC driver applicant, does the TNC conduct a further review of the applicant to determine if there are some mitigating factors or other information that should be taken into account before deciding to accept/reject an applicant? If so, describe that process.

The City lacks sufficient knowledge to respond to this question.

⁴⁶ *See id.*

⁴⁷ *See* Madeline Neighly and Maurice Ensellem, “Wanted: Accurate FBI Background Checks for Employment,” National Employment Law Project, July 2013, at 3.

⁴⁸ *See* 11 C.C.R. § 723.

11. If a SSN-based background check turns up potentially disqualifying information about a TNC driver applicant, does the TNC conduct a further review of the applicant to determine if there are some mitigating factors or other information that should be taken into account before deciding to accept/reject an applicant? If so, describe that process.

The City lacks sufficient information to respond to this question.

12. Where a taxi company or licensed Transportation Charter Party (TCP) or Passenger Stage Corporation (PSC) has hiring practices in place that are responsive to Questions 7-11, please describe.

The City is not familiar with the hiring practices of taxi companies, TCP or PSC operators.

13. Would subjecting all prospective TNC drivers to a fingerprint-based background check violate any state statute, federal statute, decisional law, policy, order, rule, or directive? If so identify every such state statute, federal statute, decisional law, policy, order, rule, or directive and explain how a fingerprint-based background check would result in a violation.

It does not appear that subjecting prospective TNC drivers to a fingerprint-based background check would violate any state or federal statute, decisional law, policy, order, rule, or directive.

14. What would be the benefit(s), if any, in requiring all prospective TNC drivers to undergo a fingerprint-based background check?

Requiring fingerprint-based background checks would bar driver-applicants who have a conviction for any disqualifying offenses. A fingerprint-based background check would also find driver-applicants with criminal records who use multiple aliases and/or fraudulent Social Security numbers, which may conceal a disqualifying conviction. Relying on commercial background investigators alone may not alert TNCs that driver-applicants have been convicted of identity theft. For example, Uber Drivers # 9 and # 10 in the DA Lawsuit both had criminal convictions for identity theft, which the Los Angeles and San Francisco District Attorneys believe were not detected by Uber's

commercial background investigator because that firm does not have access to government criminal history databases.⁴⁹

15. Does the Commission have the authority to review records collected by a third party office other than the CA DOJ? Public Utilities Code Section 308.5 allows designated peace officers the right to see Department of Justice state summary criminal history information. Does this authority extend to third party collected criminal background checks?

It does not appear that Public Utilities Code § 308.5 gives limited purpose peace officers assigned to investigate consumer complaint and/or railway safety the authority to receive RAP sheets from the CA DOJ for prospective TNC drivers. But the Commission already has the authority to receive these records through Penal Code § 11105, which provides as follows [emphasis added]:

(b) The Attorney General shall furnish state summary criminal history information to any of the following, if needed in the course of their duties, provided that when information is furnished to assist an agency, officer, or official of state or local government, *a public utility*, or any other entity, in fulfilling employment, certification, or licensing duties, Chapter 1321 of the Statutes of 1974 and Section 432.7 of the Labor Code shall apply:

10) Any agency, officer, or official of the state if the criminal history information is required to implement a statute or regulation that expressly refers to specific criminal conduct applicable to the subject person of the state summary criminal history information, and contains requirements or exclusions, or both, expressly based upon that specified criminal conduct. The agency, officer, or official of the state authorized by this paragraph to receive state summary criminal history information may also transmit fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation.

If the Commission were to adopt a regulation requiring TNC driver applicants to submit to a fingerprint-based criminal history background check, under Cal. Penal Code § 11105(b)(10), the Commission – not a TNC or its commercial background investigator –

⁴⁹ See Appendix A, DA Lawsuit, at 31.

would receive criminal history information from CA DOJ, but only information that includes a disposition.⁵⁰

CONCLUSION

We appreciate the Assigned Commissioner's thoughtful questions on the subject of criminal history checks for TNC drivers, and urge the Commission to adopt a hybrid background check model.

Dated: August 29, 2016

Respectfully submitted,

By: _____ /s/
Ivar C. Satero
Airport Director
San Francisco International Airport

By: _____ /s/
Edward D. Reiskin
Director of Transportation
San Francisco Municipal Transportation
Agency

⁵⁰ Alternatively, the Commission could require applicant-drivers to obtain their own RAP sheets, which would then be submitted to the TNCs for assessment. Individuals can receive their own RAP sheet by paying a \$25 processing fee to the CA DOJ and providing Live Scan fingerprints. *See* <https://oag.ca.gov/fingerprints/security>.

APPENDIX A

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14 *Attorneys for Plaintiff,*
15 The People of the State of California

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA
17 CITY AND COUNTY OF SAN FRANCISCO
18 UNLIMITED JURISDICTION

19 THE PEOPLE OF THE STATE OF
CALIFORNIA,

20 Plaintiff,

21 vs.

22 UBER TECHNOLOGIES, INC., a Delaware
23 Corporation; RASIER, LLC, a Delaware
24 Limited Liability Company; RASIER-CA,
LLC, a Delaware Limited Liability Company;
and DOES 1 through 100, inclusive,

25 Defendants.
26
27

**ELECTRONICALLY
FILED**
*Superior Court of California,
County of San Francisco*
08/18/2015
Clerk of the Court
BY:WILLIAM TRUPEK
Deputy Clerk

Case No. CGC-14-543120

FIRST AMENDED COMPLAINT FOR
PERMANENT INJUNCTION, CIVIL
PENALTIES, RESTITUTION AND
OTHER EQUITABLE RELIEF

Business & Professions Code
Sections 17200 *et seq.* & 17500 *et seq.*

1 The District Attorneys for the City and County of San Francisco and the County of Los
2 Angeles, acting to protect the general public within the State of California from untrue and
3 misleading representations and unlawful and fraudulent business practices, bring this suit in the
4 name of the People of the State of California. The People hereby allege the following on
5 information and belief:

6 PARTIES AND VENUE

7 1. The authority of the District Attorneys for the City and County of San Francisco and
8 the County of Los Angeles to bring this action is derived from the statutory law of the State of
9 California, specifically Business and Professions Code sections 17200 *et seq.* and 17500 *et seq.*

10 2. Defendant UBER TECHNOLOGIES, INC. is a Delaware corporation with its
11 headquarters and primary place of business located in the City and County of San Francisco at
12 1455 Market Street, San Francisco, CA 94103.

13 3. Defendant RASIER, LLC is a Delaware limited liability company with its
14 headquarters and primary place of business located in the City and County of San Francisco at
15 1455 Market Street, San Francisco, CA 94103. It is a subsidiary of UBER TECHNOLOGIES,
16 INC. and licenses technology from defendant UBER TECHNOLOGIES, INC.

17 4. Defendant RASIER-CA, LLC is a Delaware limited liability company with its
18 headquarters and primary place of business located in the City and County of San Francisco at
19 1455 Market Street, San Francisco, CA 94103. It is a subsidiary of UBER TECHNOLOGIES,
20 INC. RASIER-CA, LLC has obtained a Class P Transportation Network Company Permit from
21 the California Public Utilities Commission (“CPUC”).

22 5. The true names and capacities, whether individual, corporate, associate, or otherwise,
23 of the defendants sued herein under the fictitious names of DOES 1 through 100, inclusive, are
24 unknown to Plaintiff, who therefore sues said defendants by such fictitious names. Each
25 fictitiously named defendant is responsible in some manner for the violations of law herein
26 alleged. Plaintiff will amend its complaint to show the true names and capacities of such
27 defendants, as well as the manner in which each fictitious defendant is responsible for the

1 violations of law herein alleged, when these facts are ascertained.

2 6. At all relevant times, each defendant has committed the acts, caused others to commit
3 the acts, ratified the commission of the acts, or permitted others to commit the acts alleged in this
4 complaint and has made, caused, ratified, or permitted others to make, the untrue or misleading
5 statements alleged in this complaint. Whenever reference is made in this complaint to any act of
6 defendants, such allegation shall mean that each defendant acted individually and jointly with the
7 other defendants. UBER TECHNOLOGIES, INC., RASIER, LLC, and RASIER-CA, LLC shall
8 be referred to collectively as “Uber,” and the term “defendants” wherever used in this complaint
9 shall mean all named defendants.

10 7. Whenever in this complaint reference is made to any act of any corporate
11 defendant, such allegation shall be deemed to mean that such corporate defendant did the acts
12 alleged in the complaint through its officers, directors, agent, employees, and/or
13 representatives while they were acting within the actual or ostensible scope of their authority.

14 8. Defendants at all times mentioned herein have transacted business within the City and
15 County of San Francisco, the County of Los Angeles and throughout the State of California. Each
16 of the violations of law herein described has been committed in whole or in part within and/or
17 from the City and County of San Francisco. The unlawful business practices alleged herein were
18 conceived, reviewed, approved and otherwise controlled from Uber’s headquarters in San
19 Francisco. The misrepresentations and omissions alleged herein were developed in and otherwise
20 emanated from San Francisco, and they were contained on, among other places, Uber’s website
21 and smartphone application, which are maintained in San Francisco. When passengers throughout
22 the State of California used Uber’s services those transactions, including but not limited to the
23 calculation of the fares, the billing and the payment for those services, were processed on Uber’s
24 servers in San Francisco. In addition, many of the violations of law herein described occurred, in
25 part, in each county in California in which Uber does business, including but not limited to the
26 County of Los Angeles.

27 ///

1 parties, and public and private property.

2 12. Through this civil enforcement action, Plaintiff seeks to address Uber's flagrant and
3 unlawful business practices, including its practice of: (1) making untrue or misleading
4 representations regarding the measures it takes to ensure customer safety in order to induce people
5 to get into a stranger's car; (2) using the Uber App to calculate fares based upon a measurement of
6 time and distance without first obtaining the statutorily required approval of the California state
7 agency charged with ensuring that measuring technology is accurate, reliable, and does not
8 facilitate fraud; (3) conducting operations at California airports without obtaining authorization
9 from the airport authorities; (4) charging a fraudulent and misleading "Airport Fee Toll" to its
10 customers who travel to California airports; and (5) charging a fraudulent and misleading \$1.00
11 "Safe Rides Fee" to its UberX customers. Plaintiff seeks injunctive relief designed to prevent
12 Uber from engaging in these and similar unlawful acts and practices in the future; civil penalties in
13 an amount sufficient to deter Uber as well as others who seek to replicate its model from flouting
14 the law in a bid to grab market share; full restitution for all California consumers who paid any
15 amount designated as an "Airport Fee Toll" which was not in fact charged by or paid to an airport
16 authority; and full restitution for all California consumers who paid any amount designated as a
17 "Safe Rides Fee" prior to November 1, 2014.

18 GENERAL ALLEGATIONS

19 UBER'S REPRESENTATIONS ABOUT SAFETY MEASURES

20 13. Uber's business model depends upon convincing its customers it is safe to get into a
21 stranger's car despite its admission in its terms and conditions through at least April 7, 2015, that
22 its customers "may be exposed to situations involving third party providers that are potentially
23 unsafe, offensive, harmful to minors, or otherwise objectionable." In a successful effort to do so,
24 Uber makes a number of representations on its webpages, in communications with customers, and
25 in the media designed to create the impression that Uber does everything it can to ensure its
26 customers' safety. The representations about safety contain true statements, false statements of
27 fact, and statements that are misleading, either on their own, or when viewed in the context of the

1 rest of Uber’s safety representations. Uber’s false and misleading statements are so woven into the
2 fabric of Uber’s safety narrative that they render Uber’s entire safety message misleading. Viewed
3 separately or together, the representations are likely to mislead consumers into believing that Uber
4 does everything it can to ensure their safety and that Uber’s background check process will capture
5 all of the criminal history of an applicant that would result in that person being disqualified from
6 driving a for-hire vehicle, whether under the criteria from Uber’s regulator imposed by law, or
7 under Uber’s own disqualification criteria, or under the most stringent criteria applied by taxi
8 regulators in any city.

9 14. Under the tagline “SAFEST RIDE ON THE ROAD – Going the Distance to Put
10 People First” on the prominent “Safety” webpage (www.uber.com/safety) Uber represented,
11 through the first week of June, 2015, that, “Wherever you are around the world, Uber is committed
12 to connecting you to the safest ride on the road.” Uber created the “Safety” page in April 2014
13 following a spate of bad press across the country concerning the criminal histories of Uber drivers.



27
Wherever you are around the world, Uber is committed to connecting you to the safest ride on the road. That means setting the strictest safety standards possible, then working hard to improve them every day. The specifics vary depending on what local governments allow, but within each city we operate, we aim to go above and beyond local requirements to ensure your comfort and security - what we're doing in the US is an example of our standards around the world.

1 15. Uber expanded on this theme, explaining below the picture of a young girl riding in
2 an Uber car, “That means setting the strictest safety standards possible, then working hard to
3 improve them every day. The specifics vary, depending upon what local governments allow, but
4 within each city we operate, we aim to go above and beyond local requirements to ensure your
5 comfort and security – and what we’re doing in the US is an example of our standards around the
6 world.”

7 16. On the same page (www.uber.com/safety) under the tagline, “RIDER SAFETY,”
8 Uber introduced the centerpiece of its advertising about customer safety under the heading
9 “BACKGROUND CHECKS YOU CAN TRUST.” Through the end of October, 2014, Uber
10 represented to its customers, “Every ridesharing and livery driver is thoroughly screened through a
11 rigorous process we’ve developed using industry-leading standards. This includes a three-step
12 criminal background screening for the U.S. — with county, federal and multi-state checks that go
13 back as far as the law allows — and ongoing reviews of drivers’ motor vehicle records throughout
14 their time on Uber.”

RIDER SAFETY

From the moment you request a ride to the moment you arrive, the Uber experience has been designed from the ground up with your safety in mind.



BACKGROUND CHECKS YOU CAN TRUST

Every ridesharing and livery driver is thoroughly screened through a rigorous process we've developed using industry-leading standards. This includes a three-step criminal background screening for the U.S. — with county, federal and multi-state checks that go back as far as the law allows — and ongoing reviews of drivers' motor vehicle records throughout their time on Uber.

[READ MORE](#)

1 17. The “read more” link on the “BACKGROUND CHECKS YOU CAN TRUST”
2 segment of Uber’s “Safety” page connected readers to an entry dated April 25, 2014 on the Uber
3 blog (formerly at <http://blog.uber.com/driverscreening>) in which Lane Kasselmann, Uber’s Head of
4 Communications for the Americas, expanded further on Uber’s theme. The Kasselmann blog entry
5 that Uber published through at least December 10, 2014 stated that, “All Uber ridesharing and
6 livery partners must go through a rigorous background check that leads the industry. . . .Screening
7 for safe drivers is just the beginning of our safety efforts. Our process includes prospective and
8 regular checks of drivers’ motor vehicle records to ensure ongoing safe driving. Unlike the taxi
9 industry, our background checking process and standards are consistent across the United States
10 and often more rigorous than what is required to become a taxi driver.”

11

12 A screenshot of a blog post title. At the top, there is a dark rectangular button with the word "POLICY" in white capital letters. Below this, the title "UBER BACKGROUND CHECKS" is displayed in large, bold, black, sans-serif capital letters.

POLICY

UBER BACKGROUND CHECKS

13
14
15 APRIL 25, 2014
16 POSTED BY LANE

17 All Uber ridesharing and livery partners must go through a rigorous background
18 check that leads the industry. The three-step screening we’ve developed across the
19 United States, which includes county, federal and multi-state checks, has set a new
20 standard. These checks go back 7 years, the maximum allowable by the Fair Credit
21 Reporting Act. We apply this comprehensive and new industry standard consistently
22 across all Uber products, including uberX.

23 Screening for safe drivers is just the beginning of our safety efforts. Our process
24 includes prospective and regular checks of drivers’ motor vehicle records to ensure
25 ongoing safe driving. Unlike the taxi industry, our background checking process and
26 standards are consistent across the United States and often more rigorous than what
27 is required to become a taxi driver.

1 18. Kasselma’s blog entry dated April 25, 2014 also represented to the public that:

2 **All drivers are screened against:**

- 3
 - 4 • County courthouse records going back 7 years for every county of residence
 - 5 • Federal courthouse records going back 7 years
 - 6 • Multi-State Criminal Database going back 7 years
 - 7 • National Sex Offender Registry screen
 - 8 • Social Security Trace (lifetime)
 - 9 • Motor Vehicle Records (historical and ongoing)

7 **Criteria for drivers to pass through Uber’s screening, going back seven years:**

- 8
 - 9 • No DUI or other drug related driving violations or severe infractions*
 - 10 • No Hit and Runs
 - 11 • No fatal accidents
 - 12 • No history of reckless driving
 - 13 • No violent crimes
 - 14 • No sexual offenses
 - 15 • No gun related violations
 - 16 • No resisting/evading arrest
 - 17 • No driving without insurance or suspended license charge in the past 3 years

14 *CA requires no DUI in the past 10 years

15 19. Kasselma’s blog entry ended, “Uber works hard to ensure that we are connecting
16 riders with the safest rides on the road. The current efforts we are undertaking to protect riders,
17 drivers and cities are just the beginning. We’ll continue innovating, refining, and working
18 diligently to ensure we’re doing everything we can to make Uber the safest experience on the
19 road.”

20 20. Uber reinforced the message about its efforts to ensure customer safety and the
21 quality of its background checks when it charged UberX customers a \$1.00 “Safe Rides Fee,”
22 which is separately itemized on the electronic receipt sent to each customer.

23 ///

24 ///

25 ///

26 ///

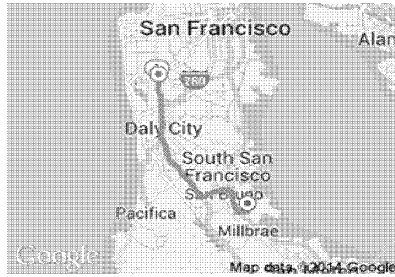
27 ///

1 UBER

OCTOBER 15, 2014

2
3 **\$26.09**

Thanks for choosing Uber.



FARE BREAKDOWN

Base Fare	2.20
Distance	14.92
Time	3.97
Subtotal	\$21.09

10:49	Pickup Location	
11:04	Airport Access Road, San Francisco International Airport (SFO), San Francisco, CA	
CAR	MILES	TRIP TIME
uberX	11.48	00:15:17

SFO Airport Fee Toll	4.00
Safe Rides Fee	1.00

CHARGED **\$26.09**
Personal

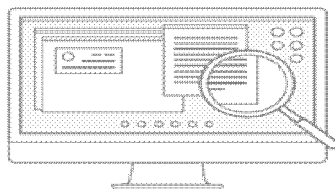
21. Beginning with Uber’s April 2014 introduction of the “Safe Rides Fee” through the end of October, 2014, a question mark next to the words “Safe Rides Fee” contained a hyperlink that connected the customer to the following explanation stating that the fee is used to support, among other things, “an industry-leading background check process.”

What Is The Safe Rides Fee?

From the beginning, we’ve always been committed to connecting you with the safest rides on the road. The Safe Rides Fee is a small fee added to uberX fares on behalf of drivers in cities with uberX ridesharing. This Safe Rides Fee supports continued efforts to ensure the safest possible platform for Uber riders and drivers, including an industry-leading background check process, regular motor vehicle checks, driver safety education, development of safety features in the app, and more. For complete pricing transparency, you’ll see this as a separate line item on every uberX receipt.

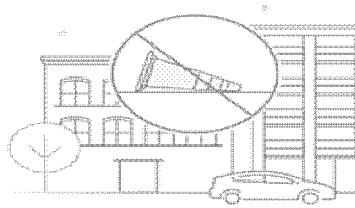
In the U.S., the Safe Rides Fee is always \$1 USD. In Canada, it is \$1 CAD.

1 22. In March of 2015, news reports came out about Uber drivers being prosecuted for
2 raping their customers in Paris, France and Santa Clara, California. Also in March of 2015, Uber
3 came out with a new advertising campaign, which appears to have been designed to respond to
4 these reports and to reassure its customers once again that it is safe to get into an Uber. In an email
5 to California customers on or about March 26, 2015, entitled “Safety By Design,” Uber told its
6 customers that, “From before the start of your trip until after it's finished, safety is built into every
7 step of the Uber experience. Look under the hood and see how.” Uber then represented to its
8 customers that “Uber prohibits drug or alcohol offenses, severe traffic violations, and sexual
9 offenses.”



BACKGROUND CHECKS

10
11
12
13
14
15 Drivers pass federal, multi-state, and county background checks before driving.



EXTENSIVE SCREENING

16
17
18
19
20
21 Uber prohibits drug or alcohol offenses, severe traffic violations, and sexual offenses.

22
23 23. Unlike Uber’s Kasselmann blog post setting forth the time limitations on how old a
24 conviction can be in order to disqualify an applicant (e.g., conviction for sex offense must be
25 within 7 years), in this email Uber set forth no time limitation whatsoever, sending the clear and
26 unequivocal message directly to the inbox of its customers that they can rest assured that they will
27 not be getting into the car with a person who has committed “drug or alcohol offenses, severe

1 traffic violations,” or “sexual offenses” no matter how old the convictions. In order to reinforce
2 Uber’s message that its “extensive screening” is robust enough to prevent the possibility that the
3 customer will get into an Uber car driven by a sex offender, Uber’s March 26, 2015 “Safety By
4 Design” email included a link to a video of a pregnant woman taking a ride alone with a male Uber
5 driver while telling the audience all of the reasons she feels safe riding with Uber.



17 24. Uber eliminated the “read more” hyperlink connecting the Rider Safety Page to the
18 Kasselman Blog sometime during the second or third week of June, 2015. Uber’s elimination of
19 the “read more” link created a new misleading impression. The “Background Checks” description
20 now simply reads:

21 Every ridesharing and livery driver in the U.S. is thoroughly screened through a
22 process that includes court, federal, and multi-state criminal background
23 checks that go back as far as the driver’s state’s law allows, and ongoing
24 reviews of drivers’ motor vehicle records throughout their time driving with
25 Uber.

26 25. The statement fails to explain any disqualification criteria, leading consumers to
27 believe that Uber eliminates drivers who have any kind of criminal convictions. The lack of any
specific time limits in the statement also amplifies the impression that Uber’s background checks
go as far back as legally possible.

1 26. Systemic failures in Uber’s background check process came to light through the
2 discovery process in this enforcement action, including the fact that in Los Angeles alone,
3 registered sex offenders, a kidnapper, identity thieves, burglars, and a convicted murderer had
4 passed Uber’s “industry leading” background check. They were discovered to be driving for Uber
5 only after being cited for an illegal airport ride or street hail. Following these revelations, Uber
6 removed the Kasselmann blog from its website altogether and replaced it with a new blog entry
7 written by Joe Sullivan, Uber’s new “Chief Security Officer” in the portion of the Uber website
8 dubbed the “Newsroom.”

9 27. Sullivan’s blog entry (“the Sullivan blog”), dated July 2, 2015, states that Uber’s
10 background check process consists of running an applicant’s name and address through databases
11 identified as “the National Sex Offender Registry, National Criminal Search, and several different
12 databases used to flag suspected terrorists.” The blog goes on to explain that if the database search
13 identifies a criminal record, then Uber’s background check provider will send someone to the
14 relevant local courthouse to gather the records. Gathering records at the courthouse, Sullivan
15 claims, “helps ensure the records match the identity of the potential driver.”

16 28. In addition to listing the National Sex Offender Registry as one of the databases Uber
17 drivers are screened against, the Sullivan blog further represents that Uber’s background check
18 process results in, “Disqualification if potential driver appears on the National Sex Offender
19 Registry”

20 29. On July 16, 2015, Uber reposted the Sullivan blog’s content to the Uber “Newsroom”
21 under the heading “Details on Safety.” According to the post, Uber added this content to the
22 “Newsroom” with the intent that “anyone can easily” see Joe Sullivan’s description of Uber’s
23 “approach to safety in California.” While Uber made some modifications to the language used in
24 the Sullivan blog, its content remained virtually unchanged.

25 30. The disqualification criteria listed in the Sullivan blog also changed certain
26 representations that Uber had made in the past. Uber had previously represented that it
27 disqualified drivers in California with convictions for driving under the influence going back ten

1 years, but the Sullivan blog represented that Uber’s background check process only looked back
2 seven years for such convictions. The Sullivan blog also added disqualification criteria that were
3 missing from Uber’s earlier representations, including convictions for fraud, theft-related offenses,
4 and any other felony conviction.

5 31. Uber had previously backed away from other of the representations it had made on
6 the Safety Page. In September of 2014, after the District Attorneys notified Uber that representing
7 its background check process as “industry-leading” is false and misleading, Uber changed the
8 words “industry-leading” under the heading “BACKGROUND CHECKS YOU CAN TRUST” to
9 “constantly improving.” In October of 2014, Uber changed the description of the background
10 check hyperlinked to the “Safe Rides Fee” on every UberX receipt by replacing the words
11 “industry-leading” with “Federal, state, and local.” Sometime in December, 2014, following the
12 filing of this enforcement action, Uber dropped the claim that its background check “leads the
13 industry” from the first sentence of the Kasselmann blog. Three months later, on or about March
14 26, 2015, Uber eliminated its claim to be the “Safest Ride on the Road” and modified the banner
15 over the picture of the little girl on its Safety Page to read, “Safety By Design,” and then “Safe
16 Rides Safer Cities – Putting People First.” Uber dropped its claim to be “setting the strictest safety
17 standards possible, then working hard to improve them every day.” Uber also stopped claiming to
18 have “BACKGROUND CHECKS YOU CAN TRUST.”

19 32. Although Uber backed away from some of its representations, Uber’s safety
20 representations continue to be misleading. Since the debut of Uber’s “Safety Page” in April of
21 2014, Uber has strengthened the impression that it does everything it can to ensure its customers’
22 safety by incorporating specific misrepresentations of fact into the very impressive sounding
23 laundry-list of process descriptions and disqualification criteria that Uber communicates to the
24 public, both in the statements made by Uber on its web-pages described above, and in statements
25 made by Uber’s spokespeople that are discussed in the succeeding paragraphs. These
26 misrepresentations include, but are not limited to Uber’s representations that:

27 ///

- 1 • “All Uber ridesharing and livery partners must go through a rigorous
2 background check that leads the industry;”
- 3 • The Safe Rides Fee supports an “industry-leading” background check
4 process;”
- 5 • Uber has “Background Checks that Exceed any Local or National
6 Standard;”
- 7 • Uber’s background check process is “often more rigorous than what is
8 required to become a taxi driver;”
- 9 • Uber’s safety measures “always exceed what is required of local taxi
10 companies;”
- 11 • “Within each city we operate, we aim to go above and beyond local
12 requirements to ensure your comfort and security;”
- 13 • Uber’s background checks “go back as far as the law allows;”
- 14 • Uber’s background checks go back “the maximum allowable by the Fair
15 Credit Reporting Act;”
- 16 • Uber checks the National Sex Offender Registry and disqualifies applicants
17 who appear on the Registry;
- 18 • “Verifying potential criminal records at the source - the courthouse records -
19 helps ensure the records match the identity of the potential driver;”
- 20 • “Uber prohibits drug or alcohol offenses, severe traffic violations, and
21 sexual offenses;”
- 22 • Uber’s background check process includes a “lifetime” disqualification for
23 sex offenders.

24 *Uber’s Background Check Process Cannot Ensure Its Information Pertains to The Applicant*

25 33. The centerpiece of Uber’s customer safety assurances — the background check
26 process Uber touts as “often more rigorous than what is required to become a taxi driver” — does
27 not use fingerprint identification and therefore cannot ensure the information Uber obtains from a
background check actually pertains to the applicant. Uber’s representations concerning the quality
of its background check process are untrue or misleading. Contrary to Uber’s multiple
representations concerning the superiority of its background check process, including but not

1 limited to representations that it uses a background check process that “leads the industry,” and
2 that its background check process is “often more rigorous than what is required to become a taxi
3 driver,” Uber’s background check process does not provide the level of security provided by the
4 fingerprint-based background check process employed for performing background checks on taxi
5 drivers in California’s most populous cities.

6 34. Instead of using fingerprints, Uber’s background check process relies upon its drivers
7 to submit personal identifiers (name, address, driver’s license number and state, and social security
8 number) through an online webpage. Uber provides this information to a private background
9 check vendor. One of the vendors Uber uses is Hirease, Inc. (a division of Accurate Background,
10 Inc.). Another vendor Uber uses is Checkr, Inc. Uber’s process cannot ensure that the information
11 in the background check report is actually associated with the applicant since it does not use a
12 unique biometric identifier such as a fingerprint.

13 35. Because of inaccuracies in background check information provided by private
14 companies, California’s Investigative Consumer Reporting Agencies Act requires those
15 companies to include on the first page of every background check report a notice, in at least
16 12-point boldface type, setting forth that “the report does not guarantee the accuracy or
17 truthfulness of the information as to the subject of the investigation, but only that it is accurately
18 copied from public records, and information generated as a result of identity theft, including
19 evidence of criminal activity, may be inaccurately associated with the consumer who is the subject
20 of the report.”

21 36. In fact, the sample report Hirease makes available on its website
22 (<http://info.hirease.com/consumer-resource>) has a disclaimer stating, “Final verification of an
23 individual’s identity and proper use of report contents are the user’s responsibility.” Similarly, the
24 report generated by Checkr has a disclaimer stating, “The report does not guarantee the accuracy
25 or truthfulness of the information as to the subject of the investigation, but only that it is accurately
26 copied from public records, and information generated as a result of identity theft, including
27 evidence of criminal activity, may be inaccurately associated with the consumer who is the subject

1 of the report.”

2 37. By contrast, the taxi regulators in the most populous parts of California require
3 drivers to undergo criminal background checks processed by the California Department of Justice
4 (the “CALDOJ”). This process (the “Live Scan/CALDOJ Process”) requires each driver to submit
5 fingerprints through a technology called “Live Scan,” and the fingerprint images are used to
6 automatically search against all other fingerprint images in government criminal record databases
7 maintained by the CALDOJ and the FBI. Taxi regulators in Uber’s home town of San Francisco,
8 as well as California’s most populous city – Los Angeles, and, at a minimum, the rest of the 10
9 most populous cities in California, and all 34 cities in Orange County all require Live Scan.

10 38. Live Scan fingerprinting in California occurs at a facility designated by the California
11 Department of Justice. The fingerprints allow a biometric search of the California Department of
12 Justice’s criminal history databases and the option to obtain a search of the Federal Bureau of
13 Investigation’s database of multistate criminal history information. The process of using a
14 biometric identifier to search government databases through the California Department of Justice
15 is the gold standard for a background check process in California.

16 39. Fingerprints vary from person to person, and as a result they are an effective way of
17 verifying a person’s identity. Because of the unique identifying characteristics of fingerprints, the
18 Live Scan/CALDOJ Process provides assurance that the person whose criminal history has been
19 run is, in fact, the applicant. This would ensure that a registered sex offender could not use his
20 law-abiding brother’s identification information to become an Uber driver, and that a convicted
21 burglar could not borrow his cousin’s identification information to become an Uber driver in order
22 to case the empty homes of customers he takes to the airport.

23 40. One of Uber’s own background check providers, Hirease, explains why a fingerprint-
24 based background check process is far superior: “Fingerprinting helps uncover criminal history not
25 discovered through traditional methods, offers extra protection to aid in meeting industry
26 guidelines, and helps prevent fraud.” Accurate Background, Inc., which is the parent company of
27 Hirease, makes the same admission: “Fingerprinting helps uncover criminal history not discovered

1 through traditional methods, offers extra protection to aid in meeting industry guidelines, and helps
2 prevent fraud.”

3 41. The private background check companies employed by Uber do not conduct finger-
4 print based checks for Uber. Rather, they search certain databases using personally identifiable
5 information provided by applicants (“names-based checks”). The use of name-based checks
6 decreases the accuracy of the information that the checks produce. Name-based checks can result
7 in false positives because one person may be associated with another person’s records. They can
8 also result in false negatives. For example, if an individual provides false personally identifiable
9 information or for some other reason has a criminal history under a different name, such as a
10 maiden name, the name-based checks can miss the individual’s criminal history.

11 42. In the July, 2015 Sullivan blog, Uber attempted to diffuse the impact of several
12 matters raised by the District Attorneys in this case. One was the fact that Uber’s background
13 check process cannot ensure the information Uber obtains actually pertains to the applicant.
14 Uber’s response in the Sullivan blog was to double-down on its misleading representations by
15 asserting that its background check process does, in fact “ensure the records match the identity of
16 the potential driver” because Uber’s “background check provider sends someone to review the
17 record in-person at the relevant courthouse or, if possible, pulls the record digitally.” This
18 representation is untrue or misleading. Obtaining records at a courthouse does not verify the
19 identity of the applicant. If an applicant provides Uber with incorrect identifying information, then
20 Uber will search for the wrong name in the databases it searches and never go to the correct
21 courthouse. Even if Uber went to a courthouse to obtain records, it would request the wrong
22 records because it would have the wrong name.

23 43. In light of the fact that Uber does not use fingerprint identification, and therefore
24 cannot ensure the information Uber obtains from a background check actually pertains to the
25 applicant, Uber’s factual representations described above, when viewed separately or together, are
26 false or misleading. For instance, Uber cannot ensure that “all drivers are screened against”
27 county courthouse records going back seven years for every county of residence, because Uber’s

1 background check process cannot ensure that Uber actually learns of every county where a driver
2 may have been convicted during the past seven years while living under an alias that the driver has
3 not given to Uber. Furthermore, Uber cannot ensure that “all drivers are screened” for criminal
4 histories because applicants who provide inaccurate or false information are effectively not
5 screened at all.

6 *Uber’s Background Check Process Does Not Access Complete Criminal Record Repositories*

7 44. The private background check companies employed by Uber do not have access to
8 the CALDOJ and federal databases of criminal history repositories. Rather, the background check
9 companies employed by Uber search for criminal convictions in commercial databases that do not
10 index their records by unique biometric identifiers.

11 45. By contrast, the criminal records in government criminal record databases contain
12 unique numerical identifiers associated with a unique biometric identifier, such as a person’s
13 fingerprints. These numerical identifiers allow for the tracking of individuals who use aliases or
14 who, for other reasons, have criminal records associated with different names, different addresses,
15 or different social security numbers. The use of a numerical identifier associated with a unique
16 biometric identifier, enables database searches to capture all criminal history of the subject even if
17 the subject gives untruthful or inaccurate identifying information.

18 46. The private background check companies employed by Uber cannot search their
19 databases using a unique identifier associated with a person’s fingerprints to identify criminal
20 history information that otherwise might have been missed if the person was convicted under an
21 alias name, or gave a false date of birth or social security number. The private databases are
22 inferior to the government databases because the background check companies must rely upon the
23 truthfulness and accuracy of the information given to them by the subject of the search.

24 47. In order to bolster public perception about its own background check system, Uber
25 affirmatively mischaracterizes the accuracy of the Live Scan/CALDOJ background check process.
26 Uber’s Sullivan blog represents that the Live Scan/CALDOJ process relies on databases that
27 include arrest records for people who were never charged or convicted of crimes. According to

1 Uber, the Live Scan/CALDOJ process therefore flags innocent people and impacts minorities in
2 particular. These representations are untrue or misleading. They are also irrelevant in light of the
3 fact that Uber does not – and cannot by law in California – disqualify drivers based on arrests that
4 did not result in convictions.

5 48. If a background check processed by the CALDOJ includes a record of arrest with no
6 corresponding disposition, the CALDOJ is required by law to make a “genuine effort” to
7 determine the disposition. The CALDOJ may contact the law enforcement agency who made the
8 arrest, the district attorney’s office that prosecuted the case, and the relevant court. The CALDOJ
9 completes the records for out-of-state and federal arrests, as well as in-state arrests. Only after
10 completing the record will the CALDOJ disseminate the results of the background check.

11 49. In fact, the July 2013 report of the National Employment Law Project (“NELP”),
12 which Joe Sullivan and other Uber employees and officers misleadingly cite to criticize the
13 accuracy of the Live Scan/CALDOJ Process, specifically praises California’s process as follows:
14 “California Tracks Down Problem FBI Records to Ensure Fair Access to Jobs and Occupational
15 Licenses.” More specifically, the NELP report states that the CALDOJ “timely ensures that the
16 completeness and accuracy of records that are requested for employment and licensing decisions.”

17 50. In light of the fact that Uber does not access complete criminal record repositories,
18 and therefore cannot ensure Uber obtains all of an applicant’s criminal history, Uber’s factual
19 representations described above, when viewed separately or together, are false or misleading. For
20 instance, Uber cannot ensure that it screens out all drivers who have disqualifying criminal
21 histories, because Uber cannot ensure that it actually obtains complete or accurate criminal history
22 information.

23 *Uber’s Background Check Process Does Not Go Back As Far As The Law Allows*

24 51. The information available to taxi regulators using the Live Scan/CALDOJ Process is
25 unlimited in duration. Uber, in contrast, limits its background check to criminal convictions going
26 back seven years. On Uber’s “Safety” webpage and in the Sullivan blog, Uber represents that state
27 or federal law bars it from considering convictions older than seven years. This representation is

1 untrue or misleading.

2 52. Federal law allows criminal convictions to be reported indefinitely. The Fair Credit
3 Reporting Act cited by Uber does not have time limitations on reporting criminal convictions for
4 employment purposes.

5 53. California’s Investigative Consumer Reporting Agencies Act (“ICRAA”), Civil Code
6 section 1716.18, allows Uber’s background check providers to report criminal convictions of a
7 driver that are older than seven years, so long as the date of release or parole is no more than seven
8 years before the date of the background check report. Thus, the law allows Uber’s background
9 check provider to report a driver applicant’s 1995 murder conviction when he was released on
10 parole in 2014. Yet, Uber’s background check process does not report or identify that conviction.

11 54. Uber’s regulator, the CPUC, requires Uber to disqualify, “any person who has been
12 convicted, within the past seven years, of driving under the influence of drugs or alcohol, fraud,
13 sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage,
14 and/or theft, acts of violence, or acts of terror.” These disqualification criteria established by the
15 CPUC set a floor, not a ceiling, for Uber’s background checks and do not prohibit Uber from
16 utilizing a background check process that goes back as far as allowed under California’s
17 Investigative Consumer Reporting Agencies Act. Rather than going “above and beyond local
18 requirements to ensure your comfort and security” as Uber claims to do, Uber instead chooses to
19 apply disqualification criteria that meet the bare minimum durational requirements imposed by its
20 regulator.

21 55. San Francisco has a Fair Chance Ordinance that bars employers from basing hiring
22 decisions on convictions older than seven years. However, this ordinance only applies to
23 employees who must work eight or more hours per week in San Francisco. Uber does not require
24 that its drivers work in San Francisco for any amount of time, so the Fair Chance Ordinance is
25 inapplicable.

26 56. Another matter raised by the District Attorneys in this case was that Uber’s
27 background check process does not, as represented, go back “as far as the law allows.” Rather

1 than correct this false statement, Uber’s Sullivan blog repeats the untrue and misleading claim that
2 California law limits private background check companies to a “lookback” period of seven years,
3 and claims that this period of time “strikes the right balance between protecting the public while
4 also giving ex-offenders the chance to work and rehabilitate themselves.”

5 57. In the Sullivan blog, Uber cites two California laws that it claims limit its ability to
6 consider convictions older than seven years. AB 218 is a “Ban the Box” law that prevents public
7 employers – not private employers like Uber – from asking applicants to disclose certain criminal
8 history information on applications prior to an initial interview. SB 530 prevents private
9 employers from considering arrests that did not result in convictions, as well as convictions that
10 were subsequently dismissed or expunged. Neither law has anything to do with Uber’s ability to
11 consider convictions older than seven years.

12 58. Uber may have decided that seven years is the proper limit for achieving a balance
13 between rehabilitation and opportunity for former offenders. The law, however, imposes no such
14 limit on Uber. If Uber has decided on its own to limit its background checks to seven years in
15 order to provide employment opportunities for former offenders, such efforts do not give Uber
16 license to make false or misleading statements to its consumers which prevent them from making
17 an informed decision about using Uber’s services.

18 59. In light of the fact that Uber’s background check process is limited in duration and
19 does consider criminal convictions going back as far as the law allows, Uber’s factual
20 representations described above, when viewed separately or together, are false or misleading. For
21 instance, Uber cannot ensure that it screens out all drivers who have disqualifying criminal
22 histories going back as far as the law allows, because Uber does not gather information concerning
23 the date that an offender was released from prison or the date that an offender was released from
24 parole.

25 *Uber’s Background Check Process Cannot Uncover Many Categories of Sex Offenders*

26 60. While Uber’s background check process will only identify applicants whose sex
27 offense convictions occurred within the past seven years, the Live Scan/CALDOJ process used by

1 the taxi regulators in California’s most populous cities identifies all sex offense convictions
2 regardless of when they occurred. To bolster its claims that its background check process “leads
3 the industry” despite this critically important difference, Uber has undertaken a campaign to
4 convince the general public, its existing customers, and various regulators that its screening would
5 disqualify all applicants who are registered as sex offenders anywhere in the United States no
6 matter when the conviction occurred.

7 61. The campaign began with factual representations in the Kasselmann blog that were
8 likely to lead a reasonable California consumer to believe that Uber’s background check process is
9 robust enough to prevent the possibility that the customer will get into an Uber car driven by a sex
10 offender. Kasselmann represented that all drivers “are screened against” county courthouse records
11 going back seven years for every county of residence, federal courthouse records going back seven
12 years, and a purported multi-state criminal database going back seven years.

13 62. On top of these supposedly comprehensive checks, the Kasselmann blog also
14 represented that all drivers “are screened against” a “National Sex Offender Registry screen.” This
15 reinforces the message that Uber’s background check process enables Uber to identify any
16 registered sex offender, since the “National Sex Offender Registry” (NSOR) is a government sex-
17 offender registry maintained by the FBI’s National Criminal Information Center (NCIC).

18 63. Uber’s General Counsel, Salle Yoo, repeated Uber’s messaging about sex offenders
19 in a June, 2015 Marie Claire Magazine article questioning the efficacy of Uber’s background
20 check process. The article discussed 14 reported instances of Uber drivers assaulting passengers in
21 Chicago, Los Angeles, Philadelphia, Washington, D.C., London, and Paris. It also discussed
22 charges of kidnapping and rape brought against a New Delhi Uber driver, and charges of sexual
23 assault brought in early April against an Uber driver in Houston. The Marie Claire article quoted
24 General Counsel Yoo as trotting out the company’s public-relations script message that Uber’s
25 safety measures “always exceed what is required of local taxi companies.”

26 64. Uber’s public-relations machine often repeats this refrain. In an Uber blog entry
27 dated January 5, 2015 and entitled “Uber Chicago Team Unveils New Safety Team Initiatives,”

1 Uber spokesperson “Chris” represented that Uber has “Background Checks that Exceed any Local
2 or National Standard.” In other local blogs, such as the Uber “Newsroom” blog for Pittsburgh and
3 for Chicago, Uber represents that its background check process, which is “consistent” throughout
4 the country, includes a “lifetime” disqualification for sex offenders.

5 65. Uber’s statements that it searches the National Sex Offender Registry are false. The
6 NSOR is a database available to law-enforcement personnel only. Uber kept the Kasselmann blog
7 visible to consumers on its website through June 30, 2015.

8 66. The publicly-available government websites that allow private parties to search for
9 registered sex offenders do not list all registered sex offenders. The Dru Sjodin National Sex
10 Offender Public Website maintained by the United States Department of Justice (the “NSOPW”),
11 omits approximately one quarter of the registered sex offenders in California. The list of
12 registered sex offenders NOT included on NSOPW include certain California offenders convicted
13 of:

- 14 • child pornography offenses where the victims are between the ages of 16 and 18,
- 15 • sexual exploitation of a child,
- 16 • employment of a minor for sexual exploitation,
- 17 • misdemeanor child molestation,
- 18 • felony sexual battery, and
- 19 • sex offenses against a grandchild, child, stepchild or sibling not involving
20 penetration.

21 67. Under California law, offenders convicted of these offenses may apply for an
22 exemption from being reported on the publicly-available website of sex-offenders maintained by
23 the California Department of Justice, the “Megan’s Law Website.” According to the California
24 Department of Justice, there are more than 30,000 registered sex offenders who have received this
25 exemption and, therefore, do not appear on the Megan’s Law Website. This category of registered
26 sex offenders will also not appear on the NSOPW because, for California registered sex offenders,
27 NSOPW simply reports the information available on the Megan’s Law Website.

1 68. Moreover, other sex offenses do not require registration at all. For instance, an Uber
2 driver convicted of misdemeanor sexual battery, Penal Code § 243.4, or engaging in lewd conduct
3 in a public place, Penal Code § 647(a), would not have to register as a sex offender - and a search
4 of the NSOPW would not disclose the convictions.

5 69. Because Uber's background check process only identifies sex offense convictions less
6 than seven years old, and must rely upon publicly-available sex-offender data sources that omit
7 30,000 registered sex offenders in California, Uber's process will miss any one of the more than
8 30,000 registered sex offenders who fall into this category and whose conviction is more than
9 seven years old, and Uber's process will miss them 100 percent of the time. This means, for
10 example, that Uber's background check process will NEVER disqualify a registered sex offender
11 who applies to become an Uber driver in 2015 who was convicted in 2007 for molesting his
12 daughter or for committing felony sexual battery on a stranger, so long as the applicant had
13 successfully petitioned to have his name removed from the public website.

14 70. And, because Uber's background check process does not use fingerprints or other
15 biometrics to verify the identity of the applicant, it will miss a registered sex offender who applies
16 by using the identifying information of someone with a clean criminal history and driving record
17 100 percent of the time. This means, for example, that Uber's background check process will
18 NEVER disqualify a registered sex offender who was convicted of rape in 2007 and released from
19 prison in 2015 just weeks before he applied to Uber by using the identifying information of
20 someone with a clean criminal history and driving record.

21 71. By contrast, the Live Scan/CALDOJ background check process used by taxi
22 regulators in California's most populous counties will identify that same applicant as a registered
23 sex offender by: (1) revealing all convictions, including convictions for sex offenses, regardless of
24 when the conviction occurred and (2) ensuring the applicant has not avoided detection as a
25 registered sex offender by using someone else's identifying information.

26 72. Uber's misleading representations present a special danger to public safety in light of
27 the well-documented phenomenon of parents sending their teenage children unaccompanied in

1 Uber vehicles. Parents' increasing reliance on Uber to shuttle their children from school to sports
2 practice, music lessons and after-school activities has been reported in national news-media
3 articles such as the Washington Post's March 10, 2015 article, "Harried Parents Embracing Uber
4 To Move Kids Around Town," the Wall Street Journal's December 17, 2014 article, "Uber Is the
5 New Family Chauffeur - Teens Gain Independence; Parents Track the Rides," and the New York
6 Times' April 17, 2015 article, "For Some Teenagers, 16 Candles Mean It's Time to Join Uber."

7 73. When confronted through the discovery process in this enforcement action with the
8 fact that Uber's background check process has systemic deficiencies that prevent Uber from
9 identifying a large number of sex offenders, Uber made assertions designed to mislead consumers
10 into believing that Uber's process is as comprehensive as the Live Scan/CALDOJ Process. The
11 Sullivan blog continues to lie to the public and assert that Uber searches the National Sex Offender
12 Registry. The Sullivan blog also falsely claims that not every registered sex offender appears on
13 the California Department of Justice's registry of sex offenders, and thus creates the implication
14 that the Live Scan/CALDOJ Process will also, like Uber's process, miss approximately 25% of
15 registered sex offenders in California. The CALDOJ/Live Scan background check process
16 identifies all convictions, including sex offenses, without time limitation.

17 *Drivers With Disqualifying Criminal Histories Pass Uber's Background Check*

18 74. Since the filing of the original Complaint eight months ago, the People have received
19 records of Uber drivers who were issued citations by airport police at San Francisco and Los
20 Angeles International Airports and the Los Angeles Police Department's Bandit Cab detail. From
21 this small sample, the People have identified drivers with disqualifying criminal histories or
22 driving records who nonetheless passed Uber's background check. The criminal histories include
23 convictions for murder, sex offenses, kidnapping, assault, robbery burglary, fraud, and identity
24 theft. The individuals' driving records include convictions for driving under the influence, driving
25 with a suspended license, and reckless driving, as well as individuals who had more than three
26 DMV points within the preceding three years. What follows is a sample of the drivers who passed
27 Uber's background check process despite having criminal histories and driving records that are

1 disqualifying under Uber's own representations, PUC rules and regulations, and/or the rules and
2 regulations applied by local taxi regulators.

3 75. Uber Driver # 1 was convicted of second degree murder, a felony, in Los Angeles in
4 1982. After spending 26 years in prison, he was released on parole in 2008. He applied to drive
5 for Uber using a different name than the name appearing on the court records relating to his
6 murder conviction. A background report generated by Hirease on November 10, 2014 states that
7 Driver # 1 had no known aliases. The background report shows no criminal history for Driver # 1.
8 In November of 2014, less than seven years after being released from prison, he became an Uber
9 driver. Uber Driver #1 drove for Uber in Los Angeles until May 28, 2015 and provided 1,168
10 rides to consumers. California law allowed Hirease to report Uber Driver #1's criminal history to
11 Uber, since he was released from prison within seven years of the Uber background check. Uber's
12 background check process did not identify Driver #1's murder conviction because Uber's process
13 (a) does not utilize a unique biometric identifier, (b) does not access criminal record repositories
14 that allow for the tracking of individuals using aliases, and (c) does not actually go back as far as
15 the law allows. The Live Scan/CALDOJ Process does not have the same limitations and would
16 have identified Driver # 1's criminal history.

17 76. Uber Driver # 2 was convicted of committing lewd or lascivious acts against a child
18 under 14, a felony, on July 25, 1999. He is required to register as a sex offender in the State of
19 California. He applied for, and was granted, exclusion from the California Megan's Law Website.
20 And his name does not appear on the NSOPW. In February of 2014, he applied to drive for Uber.
21 A background report generated by Hirease on February 17, 2014 did not uncover Driver # 2's
22 conviction for lewd or lascivious acts with a child under 14, or the fact that he is a registered sex
23 offender. Driver # 2 drove for Uber until May of 2015. He provided 5,697 rides to Uber
24 passengers, including unaccompanied children. Uber's background check process did not identify
25 Driver # 2's conviction or his status as a registered sex offender because Uber's process (a) does
26 not access criminal record repositories of unlimited duration and (b) does not access databases
27 with complete criminal history information. The Live Scan/CALDOJ Process does not have the

1 same limitations and would have identified Driver # 2's criminal history.

2 77. Uber Driver # 3 was convicted of felony sexual exploitation of children in Wyoming
3 on November 7, 2005. According to publicly available court records, he was found to be in
4 violation of his probation in April 2011. He was not released from probation until March 2013.
5 He registers as a sex offender in the State of California. In August 2013, he applied to drive for
6 Uber. A background report generated by Hirease on August 19, 2013 did not uncover Driver # 3's
7 conviction for felony sexual exploitation of children, his status as a registered sex offender, or the
8 fact that he was on probation until just five months earlier. He drove for Uber in Los Angeles until
9 May 22, 2015 and provided 3,173 rides to consumers, including unaccompanied children.
10 California law allowed Hirease to report Driver # 3's conviction to Uber because he was released
11 from probation within seven years of the background check. Uber's background check process did
12 not identify Driver # 3's conviction or his status as a registered sex offender because Uber's
13 process (a) does not access databases with complete criminal history information, (b) does not
14 access criminal record repositories of unlimited duration, and (c) does not actually go back as far
15 as the law allows. The Live Scan/CALDOJ Process does not have the same limitations and would
16 have identified Driver # 3's criminal history.

17 78. Uber Driver # 4 was convicted of felony kidnapping for ransom with a firearm on
18 November 21, 1994 in Los Angeles, and he was sentenced to a term of eight years to life in prison.
19 He has earlier convictions for a variety of crimes including felony robbery with a firearm, felony
20 sale of cocaine, and driving under the influence in San Bernadino and Pomona. He was released
21 from prison in 2013, and he remains on parole. He applied to drive for Uber in March of 2015. A
22 background report generated by Checkr on March 18, 2015 did not uncover Driver # 4's extensive
23 criminal history. The Checkr report indicates that a county-level check was only performed in San
24 Bernadino, California and Middlesex, Massachusetts, but not in Los Angeles where Driver # 4 had
25 been convicted of kidnapping. California law allowed Checkr to report Driver # 4's conviction to
26 Uber because, within seven years of the background check, he was released from prison after
27 serving a prison sentence for a violent crime. Uber's background check process either failed to

1 identify Uber Driver # 4's criminal history, or identified the history and passed him nonetheless.
2 Uber's background check process did not identify Driver # 4's conviction for kidnapping because
3 Uber's process (a) does not access databases with complete criminal history information, (b) does
4 not access criminal record repositories of unlimited duration, and (c) does not actually go back as
5 far as the law allows. The Live Scan/CALDOJ Process does not have the same limitations and
6 would have identified Driver # 4's criminal history. Upon learning of Driver # 4's criminal
7 history, Uber temporarily deactivated his account. Uber subsequently reactivated his account, and
8 Driver # 4 continues driving for Uber in Los Angeles at this time.

9 79. Uber Driver # 5 was convicted on December 14, 1999 of assault with a firearm in Los
10 Angeles. Publicly available court records show he was sentenced to 14 years in state prison.
11 Under California law, Driver # 5 was required to serve 85% of his sentence and was therefore
12 released from prison no earlier than mid-2011. Upon his release from prison, he became an Uber
13 driver. Uber Driver # 5 drives for Uber in the Los Angeles area. California law allowed Hirease
14 to report Driver # 5's conviction to Uber because he was released from prison within seven years
15 of the background check. Uber's background check process either failed to identify Uber Driver #
16 5's criminal history, or identified the history and passed him nonetheless. On information and
17 belief, Uber's background check process did not identify Driver # 5's conviction for assault
18 because Uber's process (a) does not access databases with complete criminal history information,
19 (b) does not access criminal record repositories of unlimited duration, and (c) does not actually go
20 back as far as the law allows. The Live Scan/CALDOJ Process does not have the same limitations
21 and would have identified Driver # 5's criminal history.

22 80. Uber Driver # 6 was convicted of felony assault with a firearm in 1994. In 2000, he
23 was convicted of residential burglary, and he was sentenced to 13 years in state prison. Under
24 California law, Driver # 6 was not eligible for release from prison until 2010. On information and
25 belief, he drives for Uber in the Los Angeles area. California law allowed Uber's background
26 check provider to report Driver # 6's conviction to Uber because, within seven years of the
27 background check, he was released from prison after serving a sentence for a violent crime.

1 Uber's background check process either failed to identify Uber Driver # 6's criminal history, or
2 identified the history and passed him nonetheless. On information and belief, Uber's background
3 check process did not identify Driver # 6's conviction for residential burglary because Uber's
4 process (a) does not access databases with complete criminal history information, (b) does not
5 access criminal record repositories of unlimited duration, and (c) does not actually go back as far
6 as the law allows. The Live Scan/CALDOJ Process does not have the same limitations and would
7 have identified Driver # 6's criminal history.

8 81. Uber Driver # 7 was convicted in 2010 of 29 felony counts of theft, grand theft, filing
9 false or fraudulent real estate trust deeds, and money laundering. Court records show that he
10 victimized nine people – three of whom were elderly or disabled – and that he stole \$3 million.
11 The victims were only able to recover \$1 million. On information and belief, he drives for Uber in
12 the Los Angeles area. California law allowed Uber's background check provider to report Driver
13 # 7's conviction to Uber because he was convicted within seven years of the background check.
14 Uber's background check process either failed to identify Uber Driver # 7's criminal history, or
15 identified the history and passed him nonetheless. On information and belief, Uber's background
16 check process did not identify Driver # 7's conviction for assault because Uber's process does not
17 access databases with complete criminal history information. The Live Scan/CALDOJ Process
18 does not have the same limitations and would have identified Driver # 7's criminal history.

19 82. Uber Driver # 8 was convicted of felony robbery on July 5, 2006. He was sentenced
20 to serve a term of two years in prison. He was subsequently convicted of driving on a suspended
21 license in 2009 and again in 2010. Also in 2010, Driver # 8 was convicted of a felony for being an
22 ex-felon in possession of a gun. Uber Driver # 8 began driving for Uber in June 2013 in Los
23 Angeles. In March 2014, he was arrested for residential burglary. He was convicted of that crime
24 in August 2014. And he is currently in state prison serving his sentence for this offense. Uber did
25 not deactivate his account until June 2015. California law allowed Hirease to report Driver # 8's
26 criminal history to Uber because he was convicted of robbery and being an ex-felon in possession
27 of a gun within seven years of the background check. Uber's background check process either

1 failed to identify Uber Driver # 8's convictions for residential burglary or being an ex-felon in
2 possession of a gun, or identified the history and passed him nonetheless. On information and
3 belief, Uber's background check process did not identify Driver # 8's conviction for robbery
4 because Uber's process does not access databases with complete criminal history information. The
5 Live Scan/CALDOJ Process does not have the same limitations and would have identified Driver
6 # 8's criminal history.

7 83. Uber Driver # 9's criminal history includes convictions for misdemeanor identity
8 theft in 2008, as well as for felony identity theft in 2012. On information and belief, he drives for
9 Uber in the Los Angeles area. California law allowed Hirease to report Driver # 9's criminal
10 history to Uber because he was convicted of multiple disqualifying offenses within seven years of
11 the background check. Uber's background check process either failed to identify Uber Driver #
12 9's criminal history, or identified the history and passed him nonetheless. On information and
13 belief, Uber's background check process did not identify Driver # 9's convictions for identity theft
14 because Uber's process does not access databases with complete criminal history information. The
15 Live Scan/CALDOJ Process does not have the same limitations and would have identified Driver
16 # 9's criminal history.

17 84. Uber Driver # 10 was convicted of 14 counts of felony identity theft in 2011. After
18 his release from incarceration, he applied to work for a commercial transportation company but
19 was rejected after undergoing a fingerprint-based background check. He began driving for Uber in
20 February of 2013 in Los Angeles, and his account was deactivated on March 25, 2015. California
21 law allowed Uber's background check provider to report Driver # 10's criminal history to Uber
22 because he was convicted of a disqualifying offense within seven years of the background check.
23 Uber's background check process either failed to identify Uber Driver # 10's criminal history, or
24 identified the history and passed him nonetheless. On information and belief, Uber's background
25 check process did not identify Driver # 10's conviction for identity theft because Uber's process
26 does not access databases with complete criminal history information. The Live Scan/CALDOJ
27 Process does not have the same limitations and would have identified Driver # 10's criminal

1 history.

2 85. Uber Driver # 11 was convicted of felony welfare fraud in 2009 and felony burglary
3 in 2011. On information and belief, she drives for Uber in the Los Angeles area. California law
4 allowed Uber's background check provider to report Driver # 11's criminal history to Uber
5 because she was convicted of multiple disqualifying offenses within seven years of the background
6 check. Uber's background check process either failed to identify Uber Driver # 11's criminal
7 history, or identified the history and passed her nonetheless. On information and belief, Uber's
8 background check process did not identify Driver # 11's convictions for welfare fraud and
9 burglary because Uber's process does not access databases with complete criminal history
10 information. The Live Scan/CALDOJ Process does not have the same limitations and would have
11 identified Driver # 11's criminal history.

12 86. Uber Driver # 12 was convicted of multiple felonies on February 26, 2007, including
13 burglary, identity theft, access card fraud, and receiving stolen property. Court records show that
14 on May 25, 2007, he was sentenced to a term of two years in prison, but the court suspended the
15 sentence. Court records show that on June 29, 2009, the court became aware that a new and
16 unrelated criminal case had been filed against Uber Driver # 12. He was subsequently found in
17 violation of his probation. On August 17, 2009, he was ordered to serve the two-year prison
18 sentence, which had been suspended. On information and belief, Uber Driver # 12 drives for Uber
19 in the Los Angeles area. He received a citation on March 3, 2015 while driving for Uber at Los
20 Angeles International Airport. He was driving a car that was not registered to him, but rather to
21 somebody else with no criminal history. California law allowed Uber's background check
22 provider to report Driver # 12's criminal history to Uber because he was released from prison
23 within seven years of the background check. Uber's background check process either failed to
24 identify Uber Driver # 12's criminal history, or identified the history and passed him nonetheless.
25 On information and belief, Uber's background check process did not identify Driver # 12's
26 multiple convictions for fraud and theft offenses because Uber's process does not utilize a unique
27 biometric identifier and does not access databases with complete criminal history information.

1 The Live Scan/CALDOJ Process does not have the same limitations and would have identified
2 Driver # 12's criminal history.

3 87. Uber Driver # 13 was convicted in 2007 of felony taking a vehicle without consent.
4 In August 2008, he was convicted of being an ex-felon with a gun. On information and belief, he
5 drives for Uber in the Los Angeles area. California law allowed Uber's background check
6 provider to report Driver # 13's criminal history to Uber because he was convicted of multiple
7 disqualifying offenses within seven years of the background check. Uber's background check
8 process either failed to identify Uber Driver # 13's criminal history, or identified the history and
9 passed him nonetheless. On information and belief, Uber's background check process did not
10 identify Driver # 13's convictions because Uber's process does not access databases with complete
11 criminal history information. The Live Scan/CALDOJ Process does not have the same limitations
12 and would have identified Driver # 13's criminal history.

13 88. Uber Driver # 14 was convicted in 2011 of two theft-related felonies: filing a forged
14 power of attorney and filing a forged real estate grant deed. He was ordered to pay \$47,500 in
15 restitution, which he had unlawfully obtained from the victim of his crime. According to publicly
16 available court records, he failed to pay the court-ordered restitution, and the court then imposed a
17 two-year prison sentence. On information and belief, he drives for Uber in the Los Angeles area.
18 California law allowed Uber's background check provider to report Driver # 14's criminal history
19 to Uber because he was convicted of multiple disqualifying offenses within seven years of the
20 background check. Uber's background check process either failed to identify Uber Driver # 14's
21 criminal history, or identified the history and passed him nonetheless. On information and belief,
22 Uber's background check process did not identify Driver # 14's conviction for two theft-related
23 felonies because Uber's process does not access databases with complete criminal history
24 information. The Live Scan/CALDOJ Process does not have the same limitations and would have
25 identified Driver # 14's criminal history.

26 89. Uber Driver # 15 was convicted of misdemeanor driving under the influence in 2007.
27 He drove for Uber in the Los Angeles area. Uber terminated his driving privileges in January of

1 2015 after a well-publicized incident in which he was accused of sexually assaulting a passenger.
2 Uber has represented that it disqualifies drivers with convictions for driving under the influence
3 going back 10 years. Uber's background check process either failed to identify Uber Driver # 15's
4 criminal history, or identified the history and passed him nonetheless. On information and belief,
5 Uber's background check process did not identify Driver # 15's conviction for driving under the
6 influence because Uber's process does not access databases with complete criminal history
7 information. The Live Scan/CALDOJ Process does not have the same limitations and would have
8 identified Driver # 15's criminal history.

9 90. Uber Driver # 16 was convicted of misdemeanor driving under the influence and
10 driving with a suspended license in 2010. On information and belief, he drives for Uber in the Los
11 Angeles area. Uber has represented that it disqualifies drivers with convictions for driving under
12 the influence going back 10 years, and currently represents that it disqualifies drivers with
13 convictions for driving under the influence going back seven years. Uber's background check
14 process either failed to identify Uber Driver # 16's criminal history, or identified the history and
15 passed him nonetheless. On information and belief, Uber's background check process did not
16 identify Driver # 16's conviction for driving under the influence because Uber's process does not
17 access databases with complete criminal history information. The Live Scan/CALDOJ Process
18 does not have the same limitations and would have identified Driver # 16's criminal history.

19 91. Uber Driver # 17 was convicted of misdemeanor driving under the influence in 2011.
20 On information and belief, he drives for Uber in the Los Angeles area. Uber has represented that it
21 disqualifies drivers with convictions for driving under the influence going back 10 years, and
22 currently represents that it disqualifies drivers with convictions for driving under the influence
23 going back seven years. Uber's background check process either failed to identify Uber Driver #
24 17's criminal history, or identified the history and passed him nonetheless. On information and
25 belief, Uber's background check process did not identify Driver # 17's conviction for driving
26 under the influence because Uber's process does not access databases with complete criminal
27 history information. The Live Scan/CALDOJ Process does not have the same limitations and

1 would have identified Driver # 17's criminal history.

2 92. Uber Driver # 18 was convicted of misdemeanor driving under the influence in 2006.
3 On information and belief, he drives for Uber in the Los Angeles area. Uber has represented that it
4 disqualifies drivers with convictions for driving under the influence going back 10 years, and
5 currently represents that it disqualifies drivers with convictions for driving under the influence
6 going back seven years. Uber's background check process either failed to identify Uber Driver #
7 18's criminal history, or identified the history and passed him nonetheless. On information and
8 belief, Uber's background check process did not identify Driver # 18's conviction for driving
9 under the influence because Uber's process does not access databases with complete criminal
10 history information. The Live Scan/CALDOJ Process does not have the same limitations and
11 would have identified Driver # 18's criminal history.

12 93. Uber Driver # 19 was convicted of misdemeanor driving under the influence in 2013.
13 On information and belief, he drives for Uber in the San Francisco area. Uber has represented that
14 it disqualifies drivers with convictions for driving under the influence going back 10 years, and
15 currently represents that it disqualifies drivers with convictions for driving under the influence
16 going back seven years. Uber's background check process either failed to identify Uber Driver #
17 19's criminal history, or identified the history and passed him nonetheless. On information and
18 belief, Uber's background check process did not identify Driver # 19's conviction for driving
19 under the influence because Uber's process does not access databases with complete criminal
20 history information. The Live Scan/CALDOJ Process does not have the same limitations and
21 would have identified Driver # 19's criminal history.

22 94. Uber Driver # 20 was convicted in 2007 of misdemeanor reckless driving and driving
23 in excess of 100 miles per hour. On information and belief, he has been driving for Uber since at
24 least December 2013 in the Los Angeles area. Uber represents that it disqualifies drivers with
25 convictions for reckless driving going back seven years. Uber's background check process either
26 failed to identify Uber Driver # 20's criminal history, or identified the history and passed him
27 nonetheless. On information and belief, Uber's background check process did not identify Driver

1 # 20's conviction for reckless driving because Uber's process does not access databases with
2 complete criminal history information. The Live Scan/CALDOJ Process does not have the same
3 limitations and would have identified Driver # 20's criminal history.

4 95. Uber Driver # 21 sustained a misdemeanor conviction in March 2013 for driving
5 under the influence. In July 2013, he was convicted of a felony conviction for possession of
6 methamphetamine. On information and belief, he drives for Uber in the Los Angeles area. Uber's
7 background check process either failed to identify Uber Driver # 21's criminal history, or
8 identified the history and passed him nonetheless. On information and belief, Uber's background
9 check process did not identify Driver # 21's convictions because Uber's process does not access
10 databases with complete criminal history information. The Live Scan/CALDOJ Process does not
11 have the same limitations and would have identified Driver # 21's criminal history.

12 96. Uber Driver # 22 sustained a felony conviction for maintaining a place for the sales of
13 methamphetamine in April 2012. On information and belief, he drives for Uber in the Los
14 Angeles area. Uber's background check process either failed to identify Uber Driver # 22's
15 criminal history, or identified the history and passed him nonetheless. On information and belief,
16 Uber's background check process did not identify Driver # 22's conviction because Uber's process
17 does not access databases with complete criminal history information. The Live Scan/CALDOJ
18 Process does not have the same limitations and would have identified Driver # 22's criminal
19 history.

20 97. Some Uber drivers evade the background check process entirely by using an account
21 belonging to another person. At this time, the People have identified at least three Uber drivers
22 who used another person's account to drive for Uber even though they did not hold a valid driver's
23 license.

24 98. Uber Driver # 23 received a citation at SFO on May 4, 2014. He provided San
25 Francisco Police with a driver's license that had expired in December of 2007. When the citing
26 police officer noticed that the photograph on the driver's Uber profile did not look like Driver #
27 23, Driver # 23 stated that he was using his brother's Uber account.

1 99. Uber Driver # 24 was taken into custody at SFO on May 21, 2014. Uber Driver # 24
2 provided San Francisco Police with two different names, neither of which matched any valid
3 driver's license. When the San Francisco Police officer noticed that the photograph on the driver's
4 Uber profile did not look like Driver # 24, Driver # 24 stated that he was using the account of his
5 cousin.

6 100. Uber Driver # 25 received a citation at LAX on June 7, 2015. Uber Driver # 25 did
7 not hold a valid driver's license. His interim driver's license had expired. Driver # 25 stated that
8 he was leasing his car from someone else and using their Uber account.

9 *Uber's Misleading Statements In Response To Incidents Involving Its Drivers*

10 101. During 2014 and 2015 Uber has consistently repeated its misleading statements
11 about the quality of its background checks and commitment to safety in response to a series of
12 well-publicized incidents involving Uber drivers. Trotting out the company line about its
13 background check process is a corporate policy set at the very top of the organization. In
14 September, 2013 Uber CEO Travis Kalanick wrote in an internal email, "we need to make sure
15 that these writers don't come away thinking we are responsible, even when things do go bad. . .
16 [T]hese writers are starting to think that we are somehow liable for these incidents that aren't even
17 real in the first place."

18 102. In January 2014, online news site PandoDaily.com reported that an Uber driver in
19 San Francisco who had been accused of verbally and physically assaulting a passenger had a
20 significant criminal history which should have disqualified him from becoming an Uber driver. In
21 June 2014, Forbes.com reported that the driver had been on probation for a battery conviction
22 when Uber hired him in October 2013. When questioned about the decision to allow an applicant
23 with a conviction for violent crime to drive for Uber, spokesperson Kasselmann told NBC Bay Area
24 News that "Uber works with Hirease to conduct stringent background checks, which all drivers
25 must undergo and clear to partner with Uber." Kasselmann then claimed that the driver "had a
26 clean background check in October."

27 ///

1 103. On December 31, 2013, an Uber driver struck and killed a six-year-old girl while
2 driving in San Francisco. In response to the incident, the next day Uber posted a “Statement on
3 New Year’s Eve Accident” on its blog in which the company represented, “We are committed to
4 improving the already best in class safety and accountability of the Uber platform, for both riders
5 and drivers.” Two weeks after Uber made its statement, the San Francisco Business Times
6 reported that the driver had been convicted of reckless driving in Florida in September 2004.

7 104. In February 2014, the Chicago Tribune reported that a 24-year-old Uber driver had a
8 felony conviction for residential burglary in 2010, a misdemeanor conviction for criminal damage
9 to property in 2009, another misdemeanor conviction in 2008 for breaking into a car to steal a GPS
10 and satellite radio receiver, a history of speeding tickets, and had his license suspended twice in
11 2008. Uber posted an apology on its website: “[W]e have already taken steps to prevent this from
12 happening again, by expanding our background check process to set new industry-leading
13 standards. . . We are sincerely sorry for this error, and want to assure all riders that we are taking
14 the necessary steps to fix it and build the safest option for consumers.”

15 105. Two months later, on April 24, 2014, an NBC television affiliate in Los Angeles
16 aired an investigative report about Uber’s driver background checks in which the station enlisted a
17 woman to apply to become an Uber driver. She was on felony probation for making criminal
18 threats (willfully threatening to commit a crime which will result in death or great bodily injury to
19 another person), and during the broadcast described the conduct leading to her arrest: “I pulled a
20 girl out of a car and almost beat her to death.” On March 3, 2014, Uber sent the woman an email
21 notifying her that she passed her background check. According to the NBC report, Uber would not
22 respond to the station’s request for comment about this case. Instead, Uber spokesperson Lane
23 Kasselmann sent an email explaining Uber’s background screening policy. The email ended with,
24 “We’re confident that every ride on Uber is safer than a taxi.”

25 106. In July 2014, WDIV-TV 4 in Detroit broadcast a segment on an investigation it had
26 performed in which it found Uber drivers who had previously had their licenses suspended, Uber
27 drivers who had been in a serious accident with injuries, Uber drivers with speeding tickets, Uber

1 drivers who been cited for no proof of insurance, and Uber drivers who were driving vehicles
2 registered to other people. In response to the report, Uber spokesperson Lauren Altmin issued this
3 statement: “We work every day to connect riders with the safest rides on the road and go above
4 and beyond local requirements in every city we operate. Uber only partners with drivers who pass
5 an industry-leading screening that includes a criminal background check at the county, federal and
6 multi-state level going back as far as the law allows. We also conduct ongoing reviews of drivers’
7 motor vehicle records during their time as an Uber partner. . . . For more information on what
8 makes Uber the safest rides on the road, please see our website: <https://www.uber.com/safety>.”

9 107. In December, 2014 the United States edition of The Guardian reported that Uber
10 admitted that a driver accused of sexual assault had been driving on an account created in his
11 wife’s name. Uber’s response was to blame the victim, and repeat the false assertion that Uber’s
12 background check “far exceeds what’s expected of taxis.” The Guardian quoted Uber
13 spokesperson Jennifer Mullin as telling the Associated Press that, “We do our best to send drivers
14 though our background check process, which far exceeds what’s expected of taxis. But there is
15 also a responsibility for the rider to make sure that when they get into an Uber that they’re
16 checking the license plate and they’re checking the driver’s face and making sure all that matches
17 up.”

18 108. An April 10, 2015 article in the Houston Press reported that an Uber driver whom
19 Houston prosecutors charged with raping a female passenger had been released from federal prison
20 in 2012 and was on probation after serving 14 years in prison on a felony drug charge. According
21 to the article, Uber's third party background check did not disqualify the driver. The article
22 reported that, when questioned by Texas lawmakers about the failure, Uber Spokesperson Sally
23 Kay told them “that the company's third party system is better than the FBI fingerprint check -- she
24 said the employment background check company Uber uses, called Hirease, sends people directly
25 to courthouses to pull records for each applicant.”

26 109. Uber’s response to well-publicized incidents involving its drivers is to repeat its
27 misleading mantra about the quality of its background check process, and to continue to assure the

1 public that it does everything it can to ensure its customers' safety. Uber continues to repeat its
2 claims that it aims "to go above and beyond local requirements to ensure your comfort and
3 security," that it "is committed to connecting you to the safest ride on the road," that it makes
4 "continued efforts to ensure the safest possible platform for Uber riders," and that it goes "above
5 and beyond local requirements in every city we operate."

6 110. Uber's representations are untrue or misleading. At the same time Uber was stating
7 that it is "working diligently to ensure we're doing everything we can to make Uber the safest
8 experience on the road," it was instead working diligently to ensure it was doing everything it
9 could to successfully defeat a bill pending in the California legislature that would have actually
10 made Uber safer for its customers and the public. Introduced in the 2013-2014 California
11 legislative session, Assembly Bill 612 would have made three important changes to current
12 California law.

13 111. First, the legislation would have required Transportation Network Companies
14 ("TNCs") to use the Live Scan/CALDOJ Process to obtain background check information from the
15 same government repositories of criminal history information used by law enforcement. The
16 legislative analysis prepared for hearings by the Assembly Committee on Transportation noted that
17 existing California Public Utilities Commission regulations allow TNCs to "use a third party firm
18 that fails to provide a comprehensive search." The analysis stated that the bill would provide "a
19 uniform process by using the DOJ system to ensure the most comprehensive and updated data of
20 an employee is provided"

21 112. Second, the legislation would have required mandatory controlled substance and
22 alcohol testing for TNC drivers. This would have provided a mechanism for identifying drivers
23 with substance abuse problems before a rider or member of the public was hurt, and would have
24 put teeth into Uber's "Zero Tolerance Policy" which currently relies upon after-the-fact complaints
25 from riders.

26 113. Third, the legislation would have required TNCs to participate in the Department of
27 Motor Vehicles Employer Pull Notice Program ("EPN"). Participants in the program receive

1 automatic notification of any driving-related convictions, failures to appear in court, accidents,
2 driver's license suspensions or revocations, and any other actions taken against the driving
3 privileges of their drivers. Although Uber represents to the public that it conducts "ongoing
4 reviews of drivers' motor vehicle records during their time as an Uber partner," the company does
5 not choose to participate in EPN, and therefore does not receive automatic and timely notification.
6 While Uber does not disclose how often it checks its drivers' motor vehicle records, under current
7 California law it is only required to do so quarterly.

8 114. Within six weeks of creating a blog posting devoted to safety in which Uber
9 represented, "We'll continue innovating, refining, and working diligently to ensure we're doing
10 everything we can to make Uber the safest experience on the road," Uber mounted a campaign to
11 defeat Assembly Bill 612. As part of this campaign, Uber created its June 11, 2014 blog posting
12 with the heading "California: Get on Board" in which it described the legislation as "a flagrant
13 attempt to stymie innovation and competition." Uber listed the names and contact information for
14 all of the members of the California Senate Energy, Utilities and Communications Committee,
15 encouraged the public to contact the legislators to oppose the bill, and provided a link for the
16 public to "tweet your support for Uber in California!"

17 115. As a result of its successful efforts, Uber is not required to fingerprint drivers during
18 the application process, is not required to test its drivers for abuse of controlled substances and
19 alcohol that could impair their ability to drive safely, and is not required to participate in the
20 program that would provide automatic notification of significant events reflecting on its drivers'
21 ability to drive safely. Moreover, contrary to its representations that it goes "above and beyond
22 local requirements in every city we operate," Uber has not chosen to do any of these things
23 voluntarily.

24 116. Uber's untrue or misleading representations regarding the measures it takes to ensure
25 customer safety, taken together and separately, have violated and continue to violate California
26 Business and Professions Code sections 17500 and 17200. Uber has violated the law by making
27 these representations on its website, to the media, on its blog, in email communications to its

1 customers, and in connection with receipts sent to UberX customers.

2 COMMERCIAL USE OF THE UBER APP TO MEASURE TIME AND DISTANCE
3 WITHOUT APPROVAL OF THE CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

4 117. Before any weighing or measuring device can be sold or used in California, it must
5 first be evaluated and approved by the Department of Food and Agriculture. This process is
6 known interchangeably as “type certification,” “certification,” or “type evaluation.” The process
7 examines the design, features, operating characteristics, and performance of devices for
8 compliance with legal requirements. Its purpose is to ensure devices are accurate, reliable, and do
9 not facilitate fraud.

10 118. California Business and Professions Code section 12500.5 prohibits anyone from
11 using a weighing, measuring or counting instrument or device for commercial purposes in the
12 State of California without first obtaining approval of the measuring or counting instrument or
13 device from the California Department of Food and Agriculture. Business and Professions Code
14 section 12500.5 states, in relevant part:

15 *It shall be unlawful to sell or use for commercial purposes any weight or*
16 *measure, or any weighing, measuring, or counting instrument or device, of a*
17 *type or design that has not first been so approved by the department*

18 119. The California Department of Food and Agriculture’s Division of Measurement
19 Standards (“DMS”) reviews and certifies the accuracy of weighing, measuring, and counting
20 instruments or devices that are used for commercial purposes in California. DMS’s mission is to
21 ensure the accuracy of commercial weighing and measuring devices in order to ensure fair
22 competition for industry and accurate value comparison for consumers.

23 120. DMS has adopted, by regulation and pursuant to statute, the latest standards for
24 tolerances, specifications, and other technical requirements recommended by the National
25 Conference on Weights and Measures and published in the National Institute of Standards and
26 Technology Handbook 44, “Specifications, Tolerances, and other Technical Requirements for
27 Weighing and Measuring Devices” (“Handbook 44 Standards”). The National Conference on

1 Weights and Measures is a voluntary organization that develops model standards. California's
2 Business and Professions Code permits the Secretary of the California Department of Food and
3 Agriculture to establish tolerances and specifications for commercial weighing and measuring
4 devices not governed by the Handbook 44 Standards, and the Secretary does so when necessary.

5 121. DMS's type evaluation of weighing, measuring, and counting instruments or devices
6 includes type evaluation of any software written to interact with, control, connect into, or receive
7 output from, a commercial weighing or measuring system or device. Such software is "an
8 accessory used or connected therewith" under California Business and Professions Code section
9 12500, subdivisions (a) and (b), and must be evaluated.

10 122. Uber uses the Uber App technology to measure time and distance in order to
11 calculate its customers' fares. The Privacy Policy Effective July 13, 2013 that Uber posts on its
12 website disclosed this fact:

13 *If you are traveling in a vehicle requested via our Services, the driver's mobile phone*
14 *will send your GPS coordinates, during the ride, to our servers. Most GPS enabled*
15 *mobile devices can define one's location to within 50 feet. We collect this information for*
16 *various purposes – including to determine the charge for the transportation you*
17 *requested via our Services, to provide you with customer support, to send you*
promotions and offers, to enhance our Services, and for our internal business purposes.

18 123. In order to obtain type evaluation of a measuring technology, an applicant must
19 submit a written application for type evaluation and one or more of the applicant's measuring
20 devices preloaded with any controlling software as part of the type evaluation process. Submission
21 of a device and its controlling software is necessary to enable DMS's type evaluation personnel to
22 verify that the measuring device operates within the specifications and tolerances established by
23 the California Department of Food and Agriculture, and that the measuring device does not
24 facilitate fraud. DMS evaluates the software and any other component of a weighing or measuring
25 device as part of the type evaluation process. Submission of a device and its controlling software
26 also allows DMS to determine which of the Handbook 44 Standards is applicable to components of
27 the particular technology, or in cases where the Handbook 44 Standards do not govern, to establish

1 tolerances and specifications for the particular technological components which have a
2 metrological effect on the device.

3 124. The Uber App technology is a "measuring instrument" within the meaning of
4 California Business and Professions Code section 12500, subdivision (b), which states,
5 "‘Measuring instrument’ means any device, contrivance, apparatus, or instrument used, or
6 designed to be used, for ascertaining measure and includes any tool, appliance, or accessory used
7 or connected therewith.”

8 125. From at least 2010 up until May 19, 2015, Uber used its Uber App technology in
9 California to calculate each and every fare without having ever submitted the Uber App
10 technology to DMS for type evaluation.

11 126. Uber violated Business and Professions Code section 12500.5 with each use of the
12 Uber App technology to calculate a customer’s fare in California.

13 127. In October, 2010, the San Francisco Municipal Transit Agency sent Uber a cease-
14 and-desist letter in which it informed Uber that, “Because you have a system that measures time
15 and distance, you are clearly in violation of type certification requirements that are placed upon
16 such devices by the Department of Agriculture's Weights and Measures Division.” Uber’s CEO at
17 the time, Ryan Graves, posted the cease-and-desist letter on Uber’s website and told a Techcrunch
18 reporter, "We are working with the agencies [involved] to figure out their exact concerns and make
19 sure that we're in compliance." But, Uber did not cease operations in San Francisco, and did not
20 submit the Uber App technology to DMS for type evaluation.

21 128. In December of 2012, DMS contacted Uber’s CEO Travis Kalanick to discuss type
22 evaluation of the Uber App technology. That same month the Director of the Consumer Protection
23 Safety Division of the California Public Utilities Commission (“the CPUC”) forwarded to Mr.
24 Kalanick an email from the DMS Director explaining that the Uber App technology must be type
25 evaluated by DMS and that Business and Professions Code section 12500.5 prohibits the
26 commercial use of a measuring device that has not been type evaluated by DMS. Despite
27 correspondence over several months between Uber CEO Kalanick and the DMS Director, Uber

1 never submitted the Uber App for certification.

2 129. DMS continued its efforts to convince Uber to comply with the law over the next
3 year and, in December of 2013, the DMS Director wrote a formal letter to CEO Kalanick
4 requesting a meeting to discuss the steps Uber must take to obtain type evaluation of the Uber App
5 technology. On February 14, 2014, the DMS Director and Chief of Enforcement met with
6 representatives from Uber, including in-house counsel and Uber's outside counsel. The DMS
7 Director sent a detailed confirming letter to Uber's outside counsel on February 28, 2014. In the
8 letter, the Director informed Uber that a DMS evaluator was available to test the Uber App
9 technology beginning March 25, 2014, and asked Uber to contact the DMS Enforcement Division
10 to arrange for submission of the Uber App technology to DMS.

11 130. Uber once again did not submit the Uber App technology to DMS for type
12 evaluation. On April 7, 2014, the DMS Director wrote Uber another letter in which she informed
13 Uber that it must immediately submit the Uber App technology for type evaluation.

14 131. In response to the April 7, 2014 letter, a member of Uber's public policy group, Sally
15 Kay, left a voice mail for the DMS Enforcement Branch Chief. When they spoke by telephone on
16 or about April 16, 2014, the Enforcement Branch Chief reiterated to Ms. Kay that Uber must
17 submit the Uber App technology for type evaluation, and offered to provide assistance to Uber
18 with the application forms. Ms. Kay responded that she knew where to find the information.

19 132. A week later Ms. Kay sent the Enforcement Branch Chief an email saying, "Hi
20 Steve, didn't want you to think I had forgotten about you! Just got some new staff on board that
21 may be able to help with this. Thanks for understanding! Talk soon, Sally Kay."

22 133. Despite Ms. Kay's assurances, Uber took no further action to comply with the law.

23 134. In September of 2014 the District Attorneys sent Uber a letter informing Uber that it
24 was violating the law by failing to submit its measuring technology to DMS for approval.

25 135. On October 10, 2014, the DMS Director sent Uber yet another letter directing Uber
26 to submit the Uber App technology for type evaluation. She gave Uber a deadline of October 17,
27 2014 to submit the Uber App technology to DMS.

1 136. Uber ignored the October 17, 2014 deadline, and continued to violate the law each
2 time it uses its non-approved Uber App technology to calculate a customer fare.

3 137. On May 19, 2015, about six months after the People instituted this enforcement
4 action, Uber finally submitted the Uber App technology to DMS for type evaluation. On August
5 5, 2015, DMS announced that it had issued Uber a Temporary Use Permit, temporarily authorizing
6 legal use of the Uber App technology for commercial purposes while DMS and Uber continue to
7 work through technical requirements.

8 138. In an announcement following the issuance of the Temporary Use Permit, Uber
9 admitted that its Uber App technology meets the criteria for regulation by DMS in that it
10 “recommends fares by processing Global Positioning System (GPS) data from smartphones on its
11 servers to measure time and distance.” Similarly, in a blog post following the issuance of the
12 Temporary Use Permit, DMS described the Uber App technology as follows: “The company’s
13 software application . . . provides on-demand transportation services with fares determined using
14 the Global Positioning System to measure time and distance.”

15 UNLAWFUL OPERATION AT CALIFORNIA AIRPORTS

16 139. In January of 2013, Uber CEO Travis Kalanick signed a term sheet with the
17 California Public Utilities Commission (“CPUC”) that allowed Uber to operate pending the
18 CPUC’s rulemaking proceedings. As a condition of the term sheet, Kalanick agreed that Uber
19 drivers “shall not transport passengers for hire onto airport property unless such transportation
20 provider possesses the requisite authority or license from the airport authority involved.”

21 140. On September 23, 2013, when the CPUC issued Rulemaking 12-12-011 Decision
22 13-09-045 (“Decision 13-09-045”), the Commission mandated that, “TNCs shall not conduct any
23 operations on the property of or into any airport unless such operations are authorized by the
24 airport authority involved.”

25 141. On April, 7, 2014 the California Public Utilities Commission issued a permit to Uber
26 (“Uber CPUC Permit”) to operate as a Transportation Network Company (“TNC”) in California.
27 The Uber CPUC Permit explicitly states that the company continues to be subject to Decision 13-

1 09-045's restriction against airport operations: "This permit does not authorize the Carrier to
2 conduct operations on the property of or into any airport unless such operation is authorized by the
3 airport authority involved."

4 142. Uber has operated and continues to operate at airports throughout California in
5 violation of Decision 13-09-045, the Uber CPUC Permit, and state law every day. In the first
6 seven months of 2014, Los Angeles International Airport issued more than 260 citations to Uber
7 drivers and impounded vehicles. In a six-month period in 2014 before Uber signed a permit to
8 operate at San Francisco International Airport, authorities there issued more than 540 warnings and
9 citations to Uber drivers. These represent a tiny fraction of the unauthorized trips by Uber drivers
10 to these California airports during any given six month period. Each unauthorized trip to a
11 California airport by an Uber driver constitutes a violation of the terms of Decision 13-09-045, a
12 violation of the terms of the Uber CPUC permit, a violation of state law pursuant to California
13 Public Utilities Code section 5411, and a trespass aided and abetted by Uber.

14 143. In April, 2013, San Francisco International Airport's Deputy Airport Director for
15 Operations and Security sent a cease-and-desist letter to Uber CEO Kalanick in which he informed
16 Kalanick that Uber's drivers who did not have permission to operate at San Francisco International
17 Airport ("SFO") were committing trespass.

18 144. Uber did not comply with the cease-and-desist letter. Instead, on August 19, 2013,
19 Uber posted a misleading "SFO Update" on its blog in which it told its customers that, "you can
20 request whatever type of car you'd like when your flight lands at SFO – UberX, Uber Black, or
21 Uber SUV." It also told its customers that, even though SFO had begun issuing citations to Uber
22 drivers who lacked permission to drop off passengers at the airport, "We believe that all rides to
23 and from SFO are legal and that airport officials are acting without proper authority in issuing
24 these citations." Uber posted the misleading "SFO Update" despite the fact that, eight months
25 before, CEO Kalanick had signed the term sheet with the CPUC in which he agreed that Uber
26 drivers would not conduct unauthorized trips to airports.

27 ///

SFO UPDATE

AUGUST 19, 2013
POSTED BY TESS

Some of our San Francisco riders have asked about recent issues they've had or heard about when taking Uber to the airport so we've compiled a few tips to help make sure your trip starts off on the right foot.

Pickups at the airport:

You can request whatever type of car you'd like when your flight lands at SFO — uberX, UberBLACK, or UberSUV. Any driver that accepts your ride request can take you home from SFO. For a quick and seamless pickup, call the driver and provide information about the terminal and door number where you're waiting.

Drop-offs at the airport:

SFO has taken an aggressive stance against uberX and has begun citing some drivers. We believe that all Uber rides to and from SFO are legal and that airport officials are acting without the proper authority in issuing these citations, but we want to make sure you're aware of the current situation.

145. Uber's willful violations continued throughout 2014, and Uber's August 19, 2013 "SFO Update" remained on Uber's blog throughout 2013 and 2014. Uber's "SFO Update" remained on Uber's blog even after the CPUC issued Decision 13-09-045 mandating that "TNCs shall not conduct any operations on the property of or into any airport unless such operations are authorized by the airport authority involved." And Uber's "SFO Update" remained on Uber's blog even after Uber obtained the Uber CPUC Permit on April, 7, 2014, which explicitly states that the company continues to be subject to Decision 13-09-045's restriction against airport operations: "This permit does not authorize the Carrier to conduct operations on the property of or into any airport unless such operation is authorized by the airport authority involved."

146. Moreover, when confronted with demands by airport authorities and the CPUC to cease the unlawful activities at airports, Uber's response was an intransigent refusal. On or about April 2, 2013, San Francisco International Airport's Deputy Director for Operations and Security sent Uber a cease-and-desist letter. Uber did not comply. A year later, on or about June 10, 2014, the CPUC's President sent Uber CEO Kalanick a letter demanding that Uber stop its unauthorized operations at airports in California. The letter informed Kalanick that seven members of the PUC's staff had met with law enforcement personnel from Los Angeles International, Oakland International, San Diego International, San Jose International, and San Francisco International airports who described numerous contacts with Uber drivers who did not have permission to

1 operate at the airports.

2 147. The CPUC President’s letter reminded Kalanick that, “none of your firms have
3 obtained a permit from the airports to transport passengers to and from airport facilities. Decision
4 13-09-045 specifically requires TNCs to obtain such permits.” It concluded with an order to
5 comply: “Within two weeks of this letter I expect full compliance with each of the measures
6 adopted in D.13-09-045.” Nevertheless, Uber continued, in violation of Decision 13-09-045, the
7 terms of the Uber CPUC Permit, and state law, to encourage its drivers who lacked permission to
8 operate at SFO to do so during the entire period it was negotiating the license agreement that SFO
9 announced in a press release on October 20, 2014.

10 148. Moreover, at SFO, Uber gave its drivers a financial incentive to break the law. Until
11 approximately October 20, 2014, Uber charged UberX customers who traveled to SFO an
12 additional \$4.00 on top of the fare and passed the \$4.00 on to the driver. Uber labeled the charge
13 on the customers’ receipts an “SFO Airport Fee Toll \$4.00.” Uber’s website support page
14 described and continues to describe the “Airport Fee Toll” as “a nominal fee to compensate drivers
15 for any airport fees they are charged as part of your trip.” However, Uber’s drivers who were not
16 authorized to operate commercially at SFO did not pay anything to the airport. Uber encouraged
17 these unauthorized drivers to trespass at SFO by paying them \$4.00 in addition to their portion of
18 the fare. The incentive to uberPOOL drivers who were not authorized to operate at SFO was twice
19 as much, given that Uber charged each customer a separate “Airport Fee Toll” for a total of \$8.00.

20 149. Uber fails to comply with Decision 13-09-045 each time one of its drivers picks up or
21 drops off a passenger at a California airport where Uber does not have authorization to operate.
22 Each failure to comply with the terms of Decision 13-09-045 and with the Uber CPUC Permit is a
23 violation of state law pursuant to California Public Utilities Code section 5411. Each unauthorized
24 trip to a California airport by an Uber driver also constitutes a trespass and a violation of Business
25 and Professions Code section 17200.

26 150. Uber’s violations are numerous. Within the past four years, Uber’s drivers made
27 hundreds of thousands of unauthorized trips to California airports.

1 UNTRUE, MISLEADING AND FRAUDULENT AIRPORT FEE TOLL

2 151. As described in Paragraph 103, Uber had a practice that lasted at least until October
3 20, 2014, of charging its passengers travelling to SFO a \$4.00 “Airport Fee Toll” and telling its
4 customers that the charge was to compensate drivers for airport fees.

5 **What Is This Charge For A Toll?**

6
7 If your driver pays a toll during your trip—or if your drop-off location is outside
8 the city limits and a toll is required to return to the city—then the price of the toll
9 will be added to your fare.

10 In these situations, Uber returns 100% of the toll fee to drivers to ensure that
11 they're fully reimbursed for the additional cost.

12 You might also notice an **Airport Fee Toll** on your receipt. In select cities, there
13 may be a nominal fee to compensate drivers for any airport fees they are
14 charged as part of your trip. If you think you might have been charged this fee
15 incorrectly, please let us know. You can contact your local community manager
16 at: t.uber.com/support

17 152. When two unrelated customers travel in the same car to SFO using the uberPOOL
18 service, Uber charges the \$4.00 “Airport Fee Toll” twice, once to each customer.

19 153. However, as described in Paragraph 148, above, Uber charged this “Airport Fee Toll”
20 even though it knew its drivers who were not authorized to operate commercially at SFO paid
21 nothing to the airport. Uber’s representation to its customers that the \$4.00 is an “Airport Fee
22 Toll,” and explanation that “[i]n select cities, there may be a nominal fee to compensate drivers for
23 any airport fees they are charged as part of your trip” was likely to mislead its customers who were
24 riding with these unauthorized drivers to believe that the driver had to pay \$4.00 to the airport for
25 the trip, and that the \$4.00 would serve to reimburse the driver.

26 154. Moreover, Uber’s representation to its customers that “[i]n select cities, there may be
27 a nominal fee to compensate drivers for any airport fees they are charged as part of your trip” was
28 also likely to mislead its customers who travel to SFO in a car driven by a driver who had
29 permission to operate commercially at SFO. These drivers paid the airport a trip fee that in 2013
30 and 2014 varied over time but was \$3.85 at its maximum. Uber’s representation was likely to

1 mislead customers of these authorized drivers into believing that the entire \$4.00 would actually be
2 paid to SFO.

3 155. Uber's Airport Fee Toll fraud was not unique to San Francisco. It occurred
4 throughout airports in California.

5 UBER'S CORPORATE POLICY OF "REGULATORY DISRUPTION"

6 156. California Business and Professions Code section 17206 requires the Court to
7 consider the persistence, length of time, and willfulness of Uber's misconduct in assessing the
8 amount of civil penalties.

9 157. Uber launched its business in California without obtaining approval of the Uber App
10 technology as required by Business and Professions Code section 12500.5, and then over a period
11 of at least four years has repeatedly ignored and continues to ignore demands to come into
12 compliance. Uber also began operating at California airports without first obtaining the requisite
13 permits, and has encouraged its drivers to swarm the airports even after receiving multiple cease-
14 and-desist orders from the applicable airport authorities and from the California Public Utilities
15 Commission.

16 158. Uber has been acting pursuant to its well-known corporate policy of setting up shop
17 first and dealing with the regulators later. This policy, which was begun under former Uber CEO
18 Ryan Graves, and which CEO Kalanick proudly dubs "Regulatory Disruption," consists of
19 ignoring laws and regulations that get in the way of the company's rapid expansion into the
20 market, and then aggressively fighting any regulatory enforcement efforts which may follow. One
21 reporter who interviewed Kalanick for a lengthy profile story remarked, "All told, it's not just that
22 Uber has adopted the business school maxim 'Don't ask for permission; ask for forgiveness'—it
23 has instituted a policy of asking for neither."

24 159. Uber's unabashed refusal to comply with California regulators and California law is
25 consistent with its "Regulatory Disruption" policy, is willful and persistent within the meaning of
26 Business and Professions Code section 17206, and has been ongoing for five years. It has also
27 enabled the company to become – within those five years – the world's most valuable pre-IPO

1 startup. Uber's \$50 billion valuation is greater than 70% of the companies in the Fortune 500
2 including Kraft Foods Group, Delta Air Lines, General Mills, CBS, Kellogg, Aetna, Campbell
3 Soup Company, ConAgra Foods, and Northrop Grumman Corporation.

4 **FIRST CAUSE OF ACTION**

5 Business & Professions Code § 17500, *et seq.*
6 (Untrue or Misleading Statements Concerning Safety – General Public)

7 160. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
8 through 159 as though fully set forth herein.

9 161. Beginning at an exact date unknown to Plaintiff, but in any event within three years
10 of the commencement of the People's civil enforcement action, and continuing to the present,
11 defendants, with the intent to perform services, or to induce members of the public to enter into
12 obligations relating thereto, made or disseminated or caused to be made or disseminated before the
13 public in the State of California statements concerning such services, or matters of fact connected
14 with the performance thereof, which were untrue or misleading, and which defendants knew or
15 reasonably should have known were untrue or misleading, in violation of Business and Professions
16 Code section 17500 *et seq.* Such statements include but are not limited to all of the representations
17 set forth and discussed in paragraphs 13 through 19, 24 through 73, and 101 through 116, above.

18 **SECOND CAUSE OF ACTION**

19 Business & Professions Code § 17200, *et seq.*
20 (Unfair Competition and Unlawful Business Practices:
21 Untrue or Misleading Statements Concerning Safety – General Public)

22 162. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
23 through 161 as though fully set forth herein.

24 163. Beginning at an exact date unknown to Plaintiff, but in any event within four
25 years of the commencement of the People's civil enforcement action, and continuing to the
26 present, defendants engaged and continue to engage in acts of unfair competition and in unfair,
27 deceptive or unlawful business practices within the meaning of Business and Professions Code
section 17200, *et seq.*, including but not limited to the following:

1 A. Defendants engaged in fraudulent business acts or practices by making
2 representations likely to deceive members of the public, as set forth and discussed in
3 paragraphs 13 through 19, 24 through 73, 101 through 116, above, and in the First Cause of
4 Action;

5 B. Defendants made untrue or misleading statements in violation of Business and
6 Professions Code section 17500, as set forth and discussed in paragraphs 13 through 19, 24
7 through 73, 101 through 116, above, and in the First Cause of Action; and

8 C. Defendants undertook the following unfair methods of competition or unfair
9 or deceptive acts or practices in transactions intended to result or which did result in the sale of
10 services to consumers, in violation of Civil Code section 1770(a):

11 1) Defendants by use of the untrue or misleading statements set forth and
12 discussed in paragraphs 13 through 19, 24 through 73, and 101 through 116, above, represented
13 that services have characteristics or benefits which they do not have, in violation of Civil Code
14 section 1770(a)(5);

15 2) Defendants, by use of the untrue or misleading statements set forth and
16 discussed in paragraphs 13 through 19, 24 through 73, and 101 through 116, above, represented
17 that services are of a particular standard or quality when they are of another, in violation of
18 Civil Code section 1770(a)(7); and

19 3) Defendants, by use of the untrue or misleading statements set forth and
20 discussed in paragraphs 13 through 19, 24 through 73, and 101 through 116, above, disparaged
21 the services or business of another by false or misleading representation of fact, in violation of
22 Civil Code section 1770(a)(8).

23 **THIRD CAUSE OF ACTION**

24 Business & Professions Code § 17500, *et seq.*
25 (Untrue or Misleading Statements Concerning Safety – Receipts)

26 164. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
27 through 163 as though fully set forth herein.

1 165. Beginning at an exact date unknown to Plaintiff, but in any event within three years
2 of the commencement of the People’s civil enforcement action, and continuing to the present,
3 defendants, with the intent to perform services, or to induce members of the public to enter into
4 obligations relating thereto, made or disseminated or caused to be made or disseminated to
5 defendants’ customers in the State of California statements concerning such services, or matters of
6 fact connected with the performance thereof, which were untrue or misleading, and which
7 defendants knew or reasonably should have known were untrue or misleading, in violation of
8 Business and Professions Code section 17500 *et seq.* Such statements include but are not limited
9 to all of the representations set forth and discussed in paragraphs 20 through 21, above.

10 **FOURTH CAUSE OF ACTION**

11 Business & Professions Code § 17200, *et seq.*
12 (Unfair Competition and Unlawful Business Practices:
13 Untrue or Misleading Statements Concerning Safety – Receipts)

14 166. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
15 through 165 as though fully set forth herein.

16 167. Beginning at an exact date unknown to Plaintiff, but in any event within four
17 years of the commencement of the People’s civil enforcement action, and continuing to the
18 present, defendants engaged and continue to engage in acts of unfair competition and in unfair,
19 deceptive or unlawful business practices within the meaning of Business and Professions Code
20 section 17200, *et seq.*, including but not limited to the following:

21 A. Defendants engaged in fraudulent business acts or practices by making
22 representations likely to deceive members of the public, as set forth and discussed in
23 paragraphs 20 through 21, above, and in the Third Cause of Action;

24 B. Defendants made untrue or misleading statements in violation of Business and
25 Professions Code section 17500, as set forth and discussed in paragraphs 20 through 21, above,
26 and in the Third Cause of Action;

27 C. Defendants committed fraud within the meaning of Civil Code section 1572
by charging customers who used the UberX service a \$1.00 “Safe Rides Fee” purportedly to

1 cover the cost of background checks that Uber falsely advertised as “industry-leading”; and

2 D. Defendants undertook the following unfair methods of competition or unfair
3 or deceptive acts or practices in transactions intended to result or which did result in the sale of
4 services to consumers, in violation of Civil Code section 1770(a):

5 1) Defendants by use of the untrue or misleading statements set forth and
6 discussed in paragraphs 20 through 21, above, represented that services have characteristics or
7 benefits which they do not have, in violation of Civil Code section 1770(a)(5);

8 2) Defendants, by use of the untrue or misleading statements set forth and
9 discussed in paragraphs 20 through 21, above, represented that services are of a particular
10 standard or quality when they are of another, in violation of Civil Code section 1770(a)(7); and

11 3) Defendants, by use of the untrue or misleading statements set forth and
12 discussed in paragraphs 20 through 21, above, disparaged the services or business of another by
13 false or misleading representation of fact, in violation of Civil Code section 1770(a)(8).

14 **FIFTH CAUSE OF ACTION**

15 Business & Professions Code § 17500, *et seq.*
16 (Untrue or Misleading Statements Concerning Safety – Emails)

17 168. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
18 through 167 as though fully set forth herein.

19 169. Beginning at an exact date unknown to Plaintiff, but in any event within three years
20 of the commencement of the People’s civil enforcement action, and continuing to the present,
21 defendants, with the intent to perform services, or to induce members of the public to enter into
22 obligations relating thereto, made or disseminated or caused to be made or disseminated to
23 defendants’ customers in the State of California statements concerning such services, or matters of
24 fact connected with the performance thereof, which were untrue or misleading, and which
25 defendants knew or reasonably should have known were untrue or misleading, in violation of
26 Business and Professions Code section 17500 *et seq.* Such statements include but are not limited
27 to all of the representations set forth and discussed in paragraphs 22 through 23, above.

1 **SIXTH CAUSE OF ACTION**

2 Business & Professions Code § 17200, *et seq.*
3 (Unfair Competition and Unlawful Business Practices:
4 Untrue or Misleading Statements Concerning Safety – Emails)

5 170. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
6 through 169 as though fully set forth herein.

7 171. Beginning at an exact date unknown to Plaintiff, but in any event within four
8 years of the commencement of the People’s civil enforcement action, and continuing to the
9 present, defendants engaged and continue to engage in acts of unfair competition and in unfair,
10 deceptive or unlawful business practices within the meaning of Business and Professions Code
11 section 17200, *et seq.*, including but not limited to the following:

12 A. Defendants engaged in fraudulent business acts or practices by making
13 representations likely to deceive members of the public, as set forth and discussed in
14 paragraphs 22 through 23, above, and in the Fifth Cause of Action

15 B. Defendants made untrue or misleading statements in violation of Business and
16 Professions Code section 17500, as set forth and discussed in paragraphs 22 through 23, above,
17 and in the Fifth Cause of Action; and

18 C. Defendants undertook the following unfair methods of competition or unfair
19 or deceptive acts or practices in transactions intended to result or which did result in the sale of
20 services to consumers, in violation of Civil Code section 1770(a):

21 a. Defendants by use of the untrue or misleading statements set forth and
22 discussed in paragraphs 22 through 23, above, represented that services have characteristics or
23 benefits which they do not have, in violation of Civil Code section 1770(a)(5);

24 b. Defendants, by use of the untrue or misleading statements set forth and
25 discussed in paragraphs 22 through 23, above, represented that services are of a particular
26 standard or quality when they are of another, in violation of Civil Code section 1770(a)(7); and

27 c. Defendants, by use of the untrue or misleading statements set forth and
discussed in paragraphs 22 through 23, above, disparaged the services or business of another by

1 false or misleading representation of fact, in violation of Civil Code section 1770(a)(8).

2 **SEVENTH CAUSE OF ACTION**

3 Business & Professions Code § 17200, *et seq.*
4 (Unfair Competition and Unlawful Business Practices – Failure to Submit App to DMS)

5 172. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
6 through 171 as though fully set forth herein.

7 173. Beginning at an exact date unknown to Plaintiff, but in any event within four
8 years of the commencement of the People’s civil enforcement action, and continuing to May 19,
9 2015, defendants engaged in acts of unfair competition and in unfair, deceptive or unlawful
10 business practices within the meaning of Business and Professions Code section 17200, *et seq.*,
11 including but not limited to the following: Defendants used the Uber App technology for
12 commercial purposes to measure time and distance in calculating fares for its customers
13 without first having obtained approval from the California Department of Food and
14 Agriculture, in violation of Business and Professions Code section 12500.5.

15 **EIGHTH CAUSE OF ACTION**

16 Business & Professions Code § 17500, *et seq.*
17 (Untrue or Misleading Statements Concerning Airport Access)

18 174. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
19 through 173 as though fully set forth herein.

20 175. Beginning at an exact date unknown to Plaintiff, but in any event within three years
21 of the commencement of the People’s civil enforcement action, and continuing to the present,
22 defendants, with the intent to perform services, or to induce members of the public to enter into
23 obligations relating thereto, made or disseminated or caused to be made or disseminated before the
24 public in the State of California statements concerning such services, or matters of fact connected
25 with the performance thereof, which were untrue or misleading, and which defendants knew or
26 reasonably should have known were untrue or misleading, in violation of Business and Professions
27 Code section 17500 *et seq.* Such statements include but are not limited to all of the representations

1 set forth and discussed in paragraphs 144, 145, and 148, above.

2 **NINTH CAUSE OF ACTION**

3 Business & Professions Code § 17200, *et seq.*
4 (Unfair Competition and Unlawful Business Practices –
5 Untrue or Misleading Statements Concerning Airport Access)

6 176. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
7 through 175 as though fully set forth herein.

8 177. Beginning at an exact date unknown to Plaintiff, but in any event within four
9 years of the commencement of the People’s civil enforcement action, and continuing to the
10 present, defendants engaged and continue to engage in acts of unfair competition and in unfair,
11 deceptive or unlawful business practices within the meaning of Business and Professions Code
12 section 17200, *et seq.*, including but not limited to the following:

13 A. Defendants engaged in fraudulent business acts or practices by making
14 representations likely to deceive members of the public, as set forth and discussed in
15 paragraphs 144, 145, and 148, above, and in the Eighth Cause of Action;

16 B. Defendants made untrue or misleading statements in violation of Business and
17 Professions Code section 17500, as set forth and discussed in paragraphs 144, 145, and 148, above,
18 and in the Eighth Cause of Action; and

19 C. Defendants undertook the following unfair methods of competition or unfair
20 or deceptive acts or practices in transactions intended to result or which did result in the sale of
21 services to consumers, in violation of Civil Code section 1770(a):

22 a. Defendants by use of the untrue or misleading statements set forth and
23 discussed in paragraphs 144, 145, and 148, above, represented that services have characteristics
24 or benefits which they do not have, in violation of Civil Code section 1770(a)(5); and

25 b. Defendants, by use of the untrue or misleading statements set forth and
26 discussed in paragraphs 144, 145, and 148, above, above, represented that services are of a
27 particular standard or quality when they are of another, in violation of Civil Code section
1770(a)(7).

1 **TENTH CAUSE OF ACTION**

2 Business & Professions Code § 17200, *et seq.*
3 (Unfair Competition and Unlawful Business Practices – Unlawful Operations at Airports)

4 178. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
5 through 177 as though fully set forth herein.

6 179. Beginning at an exact date unknown to Plaintiff, but in any event within four
7 years of the commencement of the People’s civil enforcement action, and continuing to the
8 present, defendants engaged and continue to engage in acts of unfair competition and in unfair,
9 deceptive or unlawful business practices within the meaning of Business and Professions Code
10 section 17200, *et seq.*, including but not limited to the following:

11 A. Defendants violated California Public Utilities Code section 5411 by
12 disobeying CPUC Decision 13-09-045, the terms of the Uber CPUC Permit, and CPUC
13 demands; and

14 B. Defendants committed trespass in violation of Penal Code section 602 by
15 encouraging, aiding and abetting Uber drivers to operate at California airports without
16 permission of the airport authorities.

17 **ELEVENTH CAUSE OF ACTION**

18 Business & Professions Code § 17500, *et seq.*
19 (Untrue or Misleading Statements Concerning Airport Fee Tolls)

20 180. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
21 through 179 as though fully set forth herein.

22 181. Beginning at an exact date unknown to Plaintiff, but in any event within three years
23 of the commencement of the People’s civil enforcement action, and continuing to the present,
24 defendants, with the intent to perform services, or to induce members of the public to enter into
25 obligations relating thereto, made or disseminated or caused to be made or disseminated to
26 customers in the State of California statements concerning such services, or matters of fact
27 connected with the performance thereof, which were untrue or misleading, and which defendants
knew or reasonably should have known were untrue or misleading, in violation of Business and

1 Professions Code section 17500 *et seq.* Such statements include but are not limited to all of the
2 representations set forth and discussed in paragraphs 148 and 151 through 155, above.

3 **TWELFTH CAUSE OF ACTION**

4 Business & Professions Code § 17200, *et seq.*
5 (Unfair Competition and Unlawful Business Practices –
6 Untrue or Misleading Statements Concerning Airport Fee Tolls)

7 182. Plaintiff, the People of the State of California, restates and incorporates paragraphs 1
8 through 181 as though fully set forth herein.

9 183. Beginning at an exact date unknown to Plaintiff, but in any event within four
10 years of the commencement of the People’s civil enforcement action, and continuing to the
11 present, defendants engaged and continue to engage in acts of unfair competition and in unfair,
12 deceptive or unlawful business practices within the meaning of Business and Professions Code
13 section 17200, *et seq.*, including but not limited to the following:

14 A. Defendants engaged in fraudulent business acts or practices by making
15 representations likely to deceive members of the public, as set forth and discussed in
16 paragraphs 148 and 151 through 155, above, and in the Eleventh Cause of Action;

17 B. Defendants made untrue or misleading statements in violation of Business and
18 Professions Code section 17500, as set forth and discussed in paragraphs 148 and 151 through 155,
19 above, and in the Eleventh Cause of Action; and

20 C. Defendants undertook the following unfair methods of competition or unfair
21 or deceptive acts or practices in transactions intended to result or which did result in the sale of
22 services to consumers, in violation of Civil Code section 1770(a):

23 a. Defendants by use of the untrue or misleading statements set forth and
24 discussed in paragraphs 148 and 151 through 155, above, represented that services have
25 characteristics or benefits which they do not have, in violation of Civil Code section
26 1770(a)(5); and

27 b. Defendants, by use of the untrue or misleading statements set forth and
discussed in paragraphs 148 and 151 through 155, above, represented that services are of a

1 particular standard or quality when they are of another, in violation of Civil Code section
2 1770(a)(7).

3 D. Defendants committed fraud within the meaning of Civil Code section
4 1572 by adding an “Airport Fee Toll” charge on customer receipts for trips to and from
5 California airports to compensate drivers for airport fees the drivers never pay and/or when the
6 amount actually paid to the airport was less than \$4.00; and

7 E. Defendants committed theft within the meaning of Penal Code section
8 484 adding an “Airport Fee Toll” charge on customer receipts for trips to and from California
9 airports to compensate drivers for airport fees the drivers never pay and/or when the amount
10 actually paid to the airport was less than \$4.00.

11
12 **PRAYER FOR RELIEF**

13 **WHEREFORE**, Plaintiff prays for judgment as follows:

14 1. That pursuant to Business and Professions Code sections 17203 and 17535, and
15 the Court’s inherent equity powers, defendants their subsidiaries; their successors and the
16 assigns of all or substantially all the assets of their businesses; their directors, officers,
17 employees, agents, independent contractors, partners, associates and representatives of each of
18 them; and all persons, corporations and other entities acting in concert or in participation with
19 defendants, be permanently restrained and enjoined from:

20 A. Making, disseminating, or causing to be made or disseminated, any
21 misleading, untrue or deceptive statements in violation of section 17500 of the Business and
22 Professions Code, including, but not limited to, the untrue or misleading statements alleged in
23 the First, Third, Fifth, Eighth, and Eleventh Causes of Action of this complaint; and

24 B. Engaging in any acts of unfair competition, in violation of section 17200 of
25 the Business and Professions Code, including but not limited to the unlawful business acts and
26 practices alleged in the Second, Fourth, Sixth, Seventh, Ninth, Tenth, and Twelfth Causes of
27 Action of this complaint.

1 2. That pursuant to Business and Professions Code section 17536, defendants and
2 each of them be ordered to pay a civil penalty of Two Thousand Five Hundred Dollars
3 (\$2,500.00) for each violation of Business and Professions Code section 17500, according to
4 proof.

5 3. That pursuant to Business and Professions Code section 17206, defendants and
6 each of them be ordered to pay a civil penalty of Two Thousand Five Hundred Dollars
7 (\$2,500.00) for each violation of Business and Professions Code section 17200, according to
8 proof.

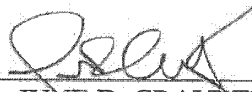
9 4. That pursuant to Business and Professions Code sections 17535 and 17203, and
10 pursuant to the Court's inherent equitable power, defendants be ordered to restore to every
11 person in interest all money and property which was acquired by defendants through their
12 unlawful conduct, according to proof.

13 5. That Plaintiff be awarded its costs of suit.

14 6. That Plaintiff be given such other and further relief as the nature of this case may
15 require and this Court deems proper to fully and successfully dissipate the effect of the
16 unlawful business practices and untrue or misleading representations contained herein.

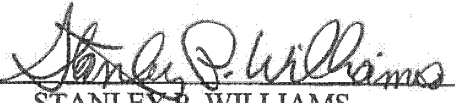
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18 DATED: August 18, 2015

 GEORGE GASCÓN
 District Attorney, City and County of San Francisco

19
20 BY: 
 JUNE D. CRAVETT
 Assistant Chief District Attorney

21
22
23 DATED: August 18, 2015

 JACKIE LACEY
 District Attorney, County of Los Angeles

24
25 BY: 
 STANLEY P. WILLIAMS
 Head Deputy District Attorney