

Source: Google to pay \$7M to settle Wi-Fi case (Update)

March 9 2013, by Michael Liedtke

Google will pay a \$7 million penalty to settle an investigation into the Internet search leader's collection of emails, passwords and other sensitive information sent over wireless networks several years ago in neighborhoods scattered around America.

The resolution will close a joint investigation by attorneys general in about 30 U.S. states, according to a person familiar with the matter. The person asked not to be identified because the settlement isn't expected to be announced until early next week.

The \$7 million will be shared among all the states, the person said. Google's revenue this year is expected to surpass \$61 billion. At that pace, Google brings in an average of \$7 million in revenue per hour.

The case dates back to 2010 when [Google Inc.](#) revealed that company cars taking street-level [photos](#) for its online [mapping service](#) also had been vacuuming up [personal data](#) transmitted over [wireless networks](#) that weren't protected by [passwords](#). Google blamed the snooping, which started in 2007, on an overzealous engineer who installed an intrusive piece of software on equipment that the company said was only supposed to detect the location of wireless networks.

That explanation didn't placate outraged privacy watchdogs or government regulators in the U.S. and other countries who opened investigations into the company's surveillance of Wi-Fi networks that were operating mostly in homes and small businesses.

The multistate inquiry in the U.S. initially was being led by Connecticut, which is now part of an executive committee overseeing the matter.

A spokeswoman for Connecticut Attorney General George Jepsen declined to say whether Google had agreed to a settlement. The investigation is still "active and ongoing," Jepsen spokeswoman Susan Kinsman said Friday.

Google has maintained it didn't break any U.S. laws by grabbing information sent over open networks, but has repeatedly apologized for a breach of online etiquette. The company, which is based in Mountain View, California, issued another note of contrition when contacted Friday.

"We work hard to get privacy right at Google," the company said. "But in this case we didn't, which is why we quickly tightened up our systems to address the issue."

The \$7 million will represent the largest sum that the Google has paid so far in the various U.S. investigations into the so-called "Wi-Spy" matter. Last year, the Federal Communications Commission fined Google \$25,000 for impeding its investigation. The Justice Department and Federal Trade Commission both decided not to penalize Google after looking into the Wi-Fi data-gathering.

Google has committed other privacy gaffes that have gotten it into trouble with the FTC. In the most expensive episode so far, Google last year faced allegations that it had been secretly tracking the online activities of Web surfers using Apple Inc.'s Safari browser. Without acknowledging any wrongdoing, [Google](#) paid a \$22.5 million fine to the FTC in that case.

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